



Nifty Outlook

Nifty Fut.	Reco.	CMP	SL	TGT
7830	BUY	7820	7780	7920

'Breakout from the wedge formation concluded the termination of the corrective move. The pattern confirmed the support at 7700 & the rebound reassured the uptrend to remain firm. A breach only below 7700 would distort the ongoing bullish trend & hence serves as a trail stop for longs.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
66.94	66.90	66.75	67.20	67.30

The pair is likely to trade positively as long as above support at 66.90. Buying is advised targeting 67.20-67.30 levels.

Sectoral Outlook

Sector	Outlook
CONSUMPTION	Positive
BANKS	Positive

Outlook

- ✓ Domestic markets saw a sharp cut on Friday largely on back of global cues. US markets lost ground on Friday while Europe was largely positive. Asia is trading mixed. Indian markets having seen the correction has moved again closer to immediate support levels. Among results, Bank of Baroda operating performance was in line but clean up activity continued. Further additional employee benefit provision added to the quarterly loss. Cadila numbers were in line. Resolution to Moraiya facility remains key. Monsoon has been delayed by a few days as per MET predictions. Crude prices have held ground with Brent above \$48 levels. Flows have remained reasonably supportive and markets have held out well the amendments to Mauritius treaty. Overall corporate performance has been slightly better for the quarter. These factors should support the street.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
EMAMI	BUY	1116	1020	1360

Trading Idea - Derivatives

STRATEGY - SKSMICRO Call Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
May 620 CE	Buy	1	11.2	11.2
May 640 CE	Sell	1	6.1	6.1
May 660 CE	Sell	1	2.85	2.85

Target Profit : 18000 Stop Loss : 2000

Monsoon : IMD expects 6 day delay in onset of S/W monsoon; IMD sticking to 'Above Normal' forecast in 2016
PSU Bank consolidation plan in a few days - FM INTERVIEW

India Strategy: 4QFY16 corporate sector performance; So far so good

- ✓ 26 NIFTY cos posted 4% PAT growth v/s Est of 7%; 8 exceeded ests.; 7 missed ests.
- ✓ For MOSL Universe of 78 cos, 27 cos beat ests & 29 cos missed ests; Cut MOSL universe PAT by 2% for FY17
- ✓ PAT Gr at 5 Qtr high & EBITDA Gr at 7 Qtr high
- ✓ Growth sectors - Cap Goods +75%, Healthcare +66%; Cos that beat est - Ultratech (37%), Bharti (31%)
- ✓ De-Growth sectors - Real Estate -37%, Financials -10%; Cos that missed est - ICICI Bk (-76%), Axis Bk (-9%), HDFC (-6%), Maruti (-6%)
- ✓ Top FY17 Upgrades: MMFS +17%, ACC +8%, Kotak +6%; Downgrades: JSPL -33%, ICICI Bk -19%, Axis -10%

Coal India: cutting estimates (TP: INR 371)

- ✓ Coal consumption growth at +1.4% in FY16 (lowest in many years); Improvement in efficiencies in power sector (70% of demand) & poor demand in non-power segments (metals production)
- ✓ Accordingly we reduce Coal India's FY20 Vols by 50 Mn Tons to 1,009 Mn Tons
- ✓ Coal India achieved Production growth of 8.5% in FY16; Over-Supply putting pressure on E-auction prices
- ✓ We cut EPS estimates for FY18 by 23%; EPS CAGR of 20% over FY16-18; trades at 12x FY18

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Cadila	24.2	5	5.8	10	3.8	0	Buy/380/l	1. Key- Resolution of Moraiya facility; to approach FDA in 2 mths 2. Site transfer for some products to restrict damage 3. EPS Gr of 2%/38% in FY17/18; Trades at 16x FY18E
Glenmark	21.7	24			1.7	NA	Neutral/900/l	1. EBITDA/PAT uncomparable /one offs; Guidance of 25% sales Gr 2. Trades at 18x FY18; poor return ratios & FCF conversion
BOB	33.3	5	25.7	-5	-32.3	NA	Buy/194/l	1. Slippages at 5.5% of loans; gross stressed loan at 17.4% 2. Stress addition / credit costs to come down in FY17/18 3. GNPA at 10% vs 9.7% QoQ; Trades at 0.9x FY18 P/B
UBI	20.8	-2	14.1	-15	1.0	-78	Buy/140/B	1. Loan Gr at 6% YoY; 57% PAT miss; credit costs at 3% vs 2% QoQ 2. Slippages rise to 10% of loans; GNPA at 8.7% vs 7.1% QoQ 3. Trades at 0.3x FY18 P/B

Currency Ideas

USDINR



- ✓ USDINR (May contract) traded sideways-to-higher last week, closing near 66.93 level, up by about 0.2% for the period
- ✓ The pair inched higher after initially holding on to support near 66.50
- ✓ Looking ahead, 66.70-66.80 area is likely to provide immediate support and the pair is likely to head higher towards resistance zone at 67.25-67.30 level
- ✓ Buying on dips near support is thus advised

EURINR



- ✓ EURINR (May contract) expectedly declined last week to close at 76 level, lower by about 0.47%, as it held below resistance near 76.60 level
- ✓ Looking ahead, the pair is expected to trade sideways-to-lower as long as 76.40-76.60 level is capping the upside
- ✓ Selling on rallies towards the same is now advised targeting trendline support 'S' near 75.50 level
- ✓ Higher resistance is at 77.40

MOST Market Outlook

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