

MOST Market Outlook

17th January 2017

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
EXIDE INDS.	SELL	185	188	172

Corporate Action:

NA

Security in Ban period:

CENTURYTEX, HDIL, IBREALEST, JINDALSTEL, JPASSOCIAT, JUSTDIAL, RCOM

Nifty Outlook

Nifty	R1	R2	S1	S2
8431	8450	8465	8380	8330

'Nifty commenced the week on a positive note but remained within its previous day's range. The occurrence of a long bear candle in the previous session coupled with the RSI's proximity towards the overbought zone warrants caution. The index could witness termination near this resistance zone of 8400-8450 & a corrective wave could follow in the coming week. Hence we recommend reducing leveraged longs & deploying adequate hedge for a while.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.20	68.20	68.00	68.50	68.85

Sideways consolidation in the range of 68.00 - 68.50 will be seen in short-term.

Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
AUTO	NEGATIVE

Trading Idea - Derivatives

STRATEGY UPDATE : Nifty Modifies Put Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
25 JAN 8350 PE	Buy	1	40	32
25 JAN 8200PE	Sell	2	15	11
25 JAN 8100PE	Buy	1	8.5	6

Maximum Profit: Rs. 9800 at 8200 Maximum Loss: Rs.1400
Limited profit: Rs. 2000 below 8000

Market Drivers

- ✓ Indian markets ended with marginal gains. Sector wise metals and banking continued to do well. On results front, Reliance core performance came in lower than expectation on account of lower than expected refining margins. Housing finance companies did well. LIC Housing results were below expectation while DHFL net profit was higher than consensus estimates. Sanctions and disbursements clearly saw slow-down in the Dec quarter. Nifty faces resistance around the 8450 levels and some consolidation around the 8400 levels is likely. Global cues are also slightly soft.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8400	4998675	-69525
Bank Nifty 25-Jan	19000	1122440	-2880
Bank Nifty 19-Jan	19500	425880	86400

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8000	6581250	-93825
Bank Nifty 25-Jan	18500	754240	148600
Bank Nifty 19-Jan	18500	518720	75800

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Trading Calls

Exide CMP INR 185
Sell Target INR 172



- ✓ 'Bearish sector outlook for the weak & a 'Double Top' formation on the daily scale augurs well for fresh shorts
- ✓ Exide could be short sold with a stop above 188 for a target upto 172

Derivatives Idea

Nifty Buy 1 Lot 8350 PE
Sell 2 Lots 8200 PE
Modifies Put Butterfly Spread Buy 1 Lot 8100 PE



- ✓ Nifty is in Long- Long unwinding cycle
- ✓ It is trading near the vicinity of its highest call congestion at 8400
- ✓ Nifty PCR OI too is quoting at 1.22 near the upper band of 1.20. Considering profit booking could be expected at current level. Low risk Modified Put Butterfly Spread is recommended

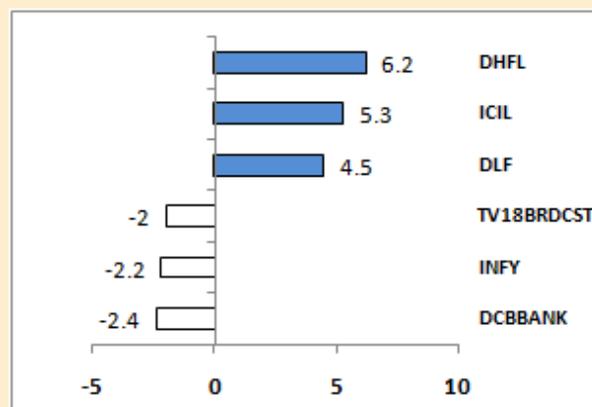
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-347	-3238	-13820
DII	203	3184	38547

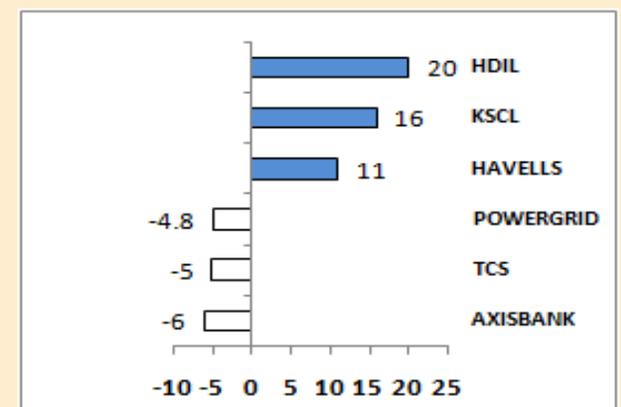
FII F&O

Institution	Net B/S	OI
Index Future	-119	Short
Index Options	-341	Writing
Stock Futures	-200	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

GST Rollout :

- ✓ July 1 GST roll out agreed, turnover below 1.5cr : state assessment, above 1.5cr assessed in equal ratio by federal and state govts; States to collect tax of economic activity in 12 nautical miles of territorial waters; Next meeting of GST council on Feb. 18

OMCs : NO GOING BACK TO SUBSIDIES IN PETROL AND DIESEL, positive for OMC's

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Reliance	618.1	9.3	106.0	3.9	80.2	-3.1	Neutral/1057/I	1. EBITDA lower than est, lower GRM, higher opex, Jio: 7.24cr subscribers, further delay expected in ROGC, petcoke projection 2. core projects commissioning and subscriber ramp-up and ARPU in telecom key drivers
LIC Housing	9.2	22.6	8.1	19.2	5.0	19.2	BUY/693/I	1. Loan book 15% YoY, driven by non retail portfolio, 85% retail homeloan 2. Spreads at 2.5%, owing to skewed mix to builder loans (12% disbursements), spreads to stabilise at 1.9-2% post rate cuts 3. Floating rate loans to stabilise at 62%, Cut est for FY17/18 by 4%/3% to account for lower yields
DCB Bank	2.1	30.5	1.1	29.7	0.5	24.5	Neutral/134/A	1. 30% PPOP YoY, loan growth 24% YoY, slippages at 2.7% vs 1.8% 2Q17 2. CASA deposits 27% QoQ, expect 24% loan growth CAGR, CIR to be elevated at 60% on branch exp 3. Valuations at 1.5x/13.5x December 2018, return ratios to remain muted, limited upside

Currency Ideas

USDINR



- ✓ USDINR (Jan. contract) traded in a sideways range with negative bias in the previous session closing at 68.20.
- ✓ Sideways consolidation looks to continue for the pair and price sustained break on either side of 68.00 - 68.50 ranges will give further trend direction.
- ✓ Trading on extremes i.e. buying near support OR selling near resistance is advised

JPYINR



- ✓ JPYINR (Jan. contract) traded with positive bias in the previous session closing at 59.76.
- ✓ Overall the pair is in a pullback mode and will be trading sideways with positive bias for short-term.
- ✓ Immediate support is at 59.35 whereas critical support is at 58.90.
- ✓ Initial dip towards 59.35 will be a good buying opportunity targeting 60.30 - 60.70 levels

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