

MOST Market Outlook

17th, August 2016

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8283	8680	8720	8625	8605

'The sequential up-trend for Nifty remains intact so far as 8420 remains firm. A breach above 8750 from hereon could reinstate the bullish momentum. Until then expect consolidation to continue within the range of 8750-8450. With the trend strength indicator (ADX) still quoting above 20 the odds remain in the favor of the bulls.

Sectoral Outlook

Sector	Outlook
MIDCAP	POSITIVE
METALS	POSITIVE

Market Drivers

- ✓ Markets traded in a narrow band for large part of session where upticks were sold into. Nifty lost 0.34% from prior day's close. Market breadth was skewed in favor of losers. Banks, Metal and Pharmaceutical stocks saw buying traction whereas, IT, Automobiles and Realty stocks witnessed profit taking. Power Grid came out good set of 1QFY17 numbers. Its standalone PAT grew 32% YoY. Overseas, in U.S. stocks closed at session lows Tuesday, a day after notching record highs, as investors weighed hawkish comments by Federal Reserve officials against sharp gains for oil futures, a weakening dollar and fresh consumer-price data that showed U.S. inflation remains tepid. The minutes of the Fed's July 27 meeting are due this Wednesday.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Aug	9000	6409350	89175
Bank Nifty 25-Aug	19500	545400	30480
Bank Nifty 18-Aug	19400	275600	196600

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
EMAMI	BUY	1150	1115	1310

Trading Idea - Derivatives

STRATEGY - Reliance Call Ratio Spread

Instrument	B/S	Lot	Reco	CMP
25 Aug 1040 CE	Buy	1	13	8.65
25 Aug 1070 CE	Sell	2	5	2.75

Target Profit : INR11000 (At 1070) Stop Loss:1500 , Hedge : Abv 1095

Highest Put OI

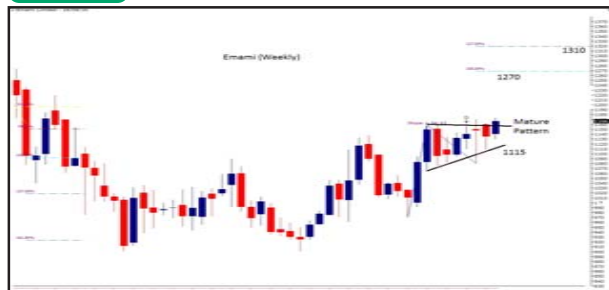
Instrument	Strike	OI	Chg in OI
Nifty 25-Aug	8500	5638425	21300
Bank Nifty 25-Aug	18500	541400	-4280
Bank Nifty 18-Aug	18500	312920	82800

Trading Calls

EMAMI MBP INR 1150

Buy

Target INR 1310



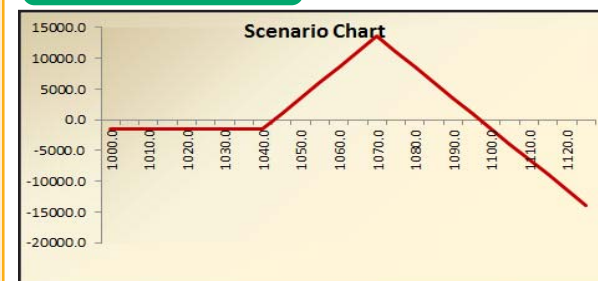
- ✓ 'Continuation pattern about to mature on the weekly scale
- ✓ A breakout above 1180 could accelerate the bullish momentum
- ✓ Emami could be accumulated with a trading stop below 1115 for an initial target upto 1270 followed by 1310

Derivatives Idea

Reliance

Buy 1 Lot 1040 CE
Sell 2 Lots 1070 CE

Call Ratio Spread



TP : INR11000 (At 1070) SL:1500 , Hedge : Abv 1095

- ✓ Positive sector outlook along with long built in Reliance
- ✓ Unwinding in OTM Cal option would augur well for upside momentum
- ✓ Considering stable volatility and to benefit from theta decay, Call Ratio Spread is recommended

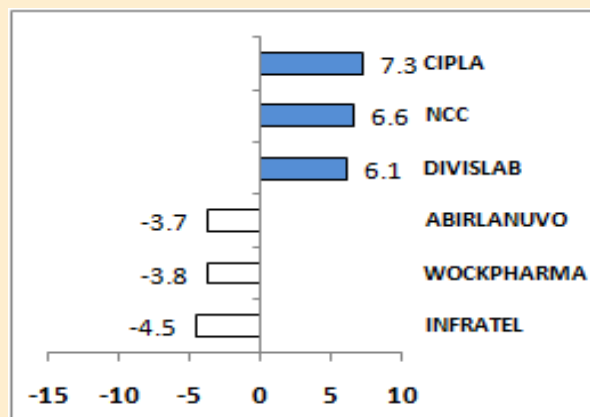
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	685	7045	-18708
DII	-109	-4865	38018

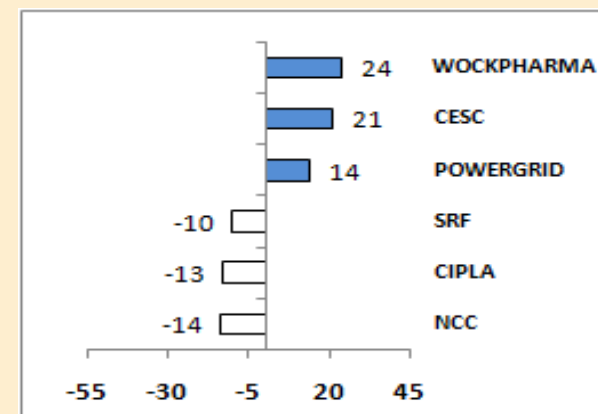
FII F&O

Institution	Net B/S	OI
Index Future	-107	Short
Index Options	412	Long
Stock Futures	431	Long

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

- ✓ WPI doubles to 3.55% in July mainly led by food inflation (potato inflation: ~60%, pulses: ~35%, vegetables: 28%)

Results

	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Power Grid	60.7	28.7	53.7	29.8	18.0	31.9	BUY/209/l	1. Telecom bus +25%YoY, consultancy +35% YoY, capitalisation low at INR 25bn (9% of full yr est) due to delays in project, capex at INR 55bn 2. Bullish on investment cycle in transmission, cap outpacing capex, EPS CAGR at 14-15% next 5 yrs, trades at 1.6x FY18E Book
Jain Irrigation	16.6	3.8	2.3	15.1	0.6	305.5	BUY/90/l	1. Margins up 160bp, PAT improved due to other income and lower interest outgo, MIS -7% YoY, retail bus remains under pressure, growth in project business to come in 3Q n 4Q; 16-18% growth in FY17 2. WC for MIS business to improve going forward, expect 20% EBITDA CAGR over FY16-18, value at 11x FY18E EPS
Just Dial	176.3	6.2	29.3	-35.0	38.9	8.0	TBU	1. EBITDA margin declined from 27.2% to 16.6% (on account of higher emp and other exp), PAT growth on other income and low tax outgo 2. Paid campaigns up 12% at 389400, company listing +8% YoY at 16.6m

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