



Nifty Outlook

Nifty Fut.	Reco.	MBP	SL	TGT
7907	BUY	7880	7830	7950

'Breakout from the wedge formation concluded the termination of the corrective move & reassured the support at 7700. A breach below 7700 would distort the ongoing bullish trend & hence serves as a trail stop for longs. Until then Nifty could remain gyrating within the immediate band of 7950-7750

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
66.98	66.75	66.50	67.20	67.30

Short term bias remains positive and dip buying is still advised as long as price holds above 66.50 levels.

Sectoral Outlook

Sector	Outlook
NBFC	Positive
CONSUMPTION	Positive

Outlook

- ✓ US markets corrected yesterday on back of some fears over rate hikes. Treasury yields moved higher. Crude continued to remain strong. Indian markets saw smart gains led by ONGC, Ultratech and banks. On the results front, Bharat Forge numbers were lower than expectation. Voltas bottom line was higher than expectation but consumer business margins were lower than expected. Numbers were driven by projects business. SBI is seeking approval for merger of associate banks and Mahila Bank. The merger will be positive for associate banks as they are quoting at lower price to book value and thus merger ratios could be favorable. SGX Nifty is down on back of global cues but the underlying trend for India remains positive. Sectors like cement, auto, private banking, and software continue to look positive. Nifty resistance remains around the 8000 levels while supports are placed at 7800 levels.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
HDFC	BUY	1208	1170	1280
BATA INDIA	BUY	588	570	625

Trading Idea - Derivatives

STRATEGY - IGL Long Call				
Instrument	B/S	Lot	Reco	CMP
May 600 CE	Buy	1	7.3	7.3

Target Profit : 20 Stop Loss : 3

Most Market Outlook

18th, May 2016

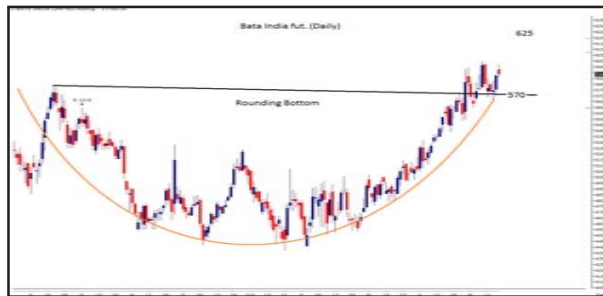
Trading Calls

HDFC MBP INR 1208
Buy Target INR 1280



- ✓ 'Positive sector outlook & mature consolidation
- ✓ Breakout above 1220 could attract momentum & push the stock towards 1260
- ✓ We expect relative outperformance from the stock & hence it could be accumulated with a stop below 1170

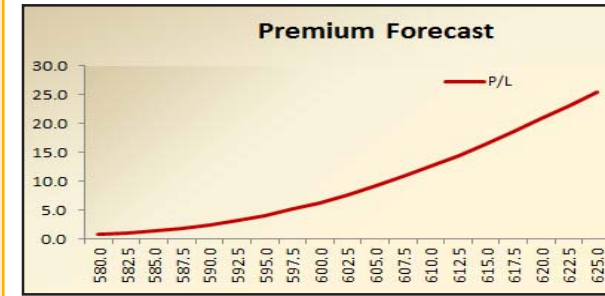
BATA INDIA MBP INR 588
Buy Target INR 625



- ✓ 'Breakout from the Rounding formation
- ✓ Pullback provides a good opportunity for fresh longs
- ✓ Momentum to accelerate once above 600. Bata could be traded with a stop below 570 for an initial target upto 625

Derivatives Idea

IGL Buy 1 Lot 600 CE
Long Call



- Target Profit : 20 Stop Loss : 3**
- ✓ IGL is in long- long unwinding cycle
 - ✓ Further unwinding in 580 CE will augur momentum on higher side
 - ✓ Considering we are playing momentum , Long Call is recommended

FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-225	656	-49181
DII	385	3058	67679

FII F&O

Institution	Net B/S	OI
Index Future	296	Long
Index Options	647	Call long
Stock Futures	403	Long

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SBIN: SEEKS IN PRINCIPAL APPROVAL FOR MERGER WITH ASSOCIATES BANKS

- ✓ Integration cost and dilution for merger not meaningful; wont impact TP
- ✓ Dilution of 2.4%; Synergies from branch additions
- ✓ Addition of 25% to business, 40% to branches and 34% to workforce

Indian Pharma Market grew 3.5% in April (due to ban on Fixed Dosage Combinations & National List of Essential Medicines)

- ✓ Positive Growth: Sun +4.5%, Alembic +5.7%; Negative Growth: Torrent -3%, Lupin -4.4%

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Bharat Forge	10.1	-17	3.0	-17	1.6	-19	Buy/903/B	1. EBITDA miss of 9%; FY17 guidance of flat sales (earlier +10%) 2. 3rd consecutive qtr of sales decline 3. US class 8 truck market to decline 30% in CY16 4. Cut est. by 15%; Trades at 17x FY18E
Symphony	1.8	20	0.6	37	0.5	27	Sell/1752/B	1. EBITDA +710bp due to fall in RM; Sales lower than est. 2. New products: wall mounted cooler & in-built air purifier 3. Guidance for strong FY17; Trades at 35x FY18 (single product co)
Voltas	18.8	27	1.9	30	1.5	27	Buy/ /A	1. AC +10%, Projects +37%, Engineering +14%; Beat led by Projects 2. Projects EBIT 28cr vs 4cr YoY; AC margins at 16.2% down 160bp

Currency Ideas

USDINR



- ✓ USDINR traded in a sideways to positive range in the previous session closing at 66.90
- ✓ Immediate support for the pair is at 66.75 whereas strong support remains at 66.45 - 66.50 zone
- ✓ Short term bias remains positive and dip buying is still advised as long as price holds above 66.50 levels
- ✓ The pair looks to target 67.20 - 67.30 levels for short term.

GBPINR



- ✓ As recommended, GBPINR traded with positive bias and price sustained close above our suggested resistance of 96.80 is signifying further positive move
- ✓ Immediate support for the pair is at 96.55 whereas short term support remains at 96.20
- ✓ Dip buying near immediate support is advised targeting 97.20 - 97.40 levels
- ✓ Downside for the pair will resume only if price break below 96.20.

MOST Market Outlook

18th, May 2016

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