



Nifty Outlook

Nifty Fut.	Reco.	MBP	SL	TGT
7882	BUY	7860	7830	7930

'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
67.1	66.9	66.75	67.3	67.5

Initial dip towards 67-67.05 levels will be a good buying area targeting 67.30.

Sectoral Outlook

Sector	Outlook
NBFC	Positive
CONSUMPTION	Positive

Outlook

- ✓ Fed minutes suggests that the Fed could be looking for hike in rates earlier and is not ruling out hike in the June meeting. Dollar saw some strength. Yen has weakened. Japanese market is seeing gains. Crude saw marginal declines. Rupee has seen weakness to 67 levels. State election results could also play some role in markets today. Exit polls suggested gains for BJP with BJP govt expected in Assam. Stocks like Sun TV could see volatility depending on election results. Overall Nifty has continued to find supports around 7800 levels and resistance remains around 8000 levels. Real estate stocks were strong performers. Among results, PNB disappointed the street. It posted significant losses. While the bank indicated of balance sheet clean up, NPA levels could continue to remain elevated. Bharat Forge lost ground post results. Yen weakness should help Maruti clock some gains. Mid cap cement companies continued to announce strong numbers. This space should continue to do well. Among results, Lupin will be the one to watch out for

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
M&M FIN	BUY	300	294	315
DABUR	BUY	287	281	300

Trading Idea - Derivatives

STRATEGY - IDEA Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
May 112.5 CE	Buy	1	1.4	1.4
May 117.5 CE	Sell	1	0.5	0.5

Target Profit : 8500 Stop Loss : 2700

✓ MOST Market Outlook

19th, May 2016

Trading Calls

M&M FIN MBP INR 300

Buy

Target INR 315



- ✓ 'Positive sector outlook & mature continuation on the daily scale.
- ✓ A breach above 305 could accelerate the momentum.
- ✓ Hence the stock could be traded with a stop below 294 for an initial upmove till 315.

DABUR MBP INR 287

Buy

Target INR 300



- ✓ 'Breakout from the Rounding formation.
- ✓ Pullback provides a good opportunity for fresh longs.
- ✓ Longs could be added with a trading stop at 281 for an initial throwback towards 300.

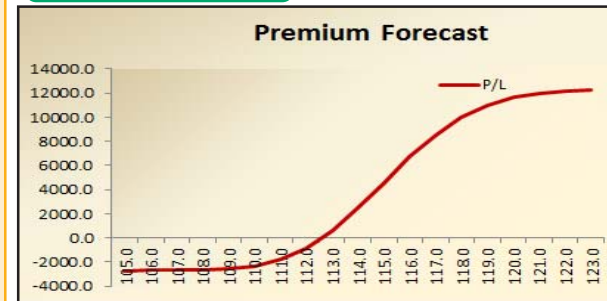
Derivatives Idea

IDEA

Buy 1 Lot 112.50 CE

Sell 1 Lot 117.50 CE

Bull Call Spread



Target Profit : 8500 Stop Loss : 2700

- ✓ IDEA has witnessed price correction in May series. Proximity to highest Put strike raises odds for pull-back in expiry week.
- ✓ Considering stable volatility, Bull Call Spread is recommended

FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-251	405	-49432
DII	240	3298	67919

FII F&O

Institution	Net B/S	OI
Index Future	-1281.51	Long
Index Options	-111.87	Call long
Stock Futures	285.18	Long

Outlook

- ✓ Fed minutes suggests that the Fed could be looking for hike in rates earlier and is not ruling out hike in the June meeting. Dollar saw some strength. Yen has weakened. Japanese market is seeing gains. Crude saw marginal declines. Rupee has seen weakness to 67 levels. State election results could also play some role in markets today. Exit polls suggested gains for BJP with BJP govt expected in Assam. Stocks like Sun TV could see volatility depending on election results. Overall Nifty has continued to find supports around 7800 levels and resistance remains around 8000 levels. Real estate stocks were strong performers. Among results, PNB disappointed the street. It posted significant losses. While the bank indicated of balance sheet clean up, NPA levels could continue to remain elevated. Bharat Forge lost ground post results. Yen weakness should help Maruti clock some gains. Mid cap cement companies continued to announce strong numbers. This space should continue to do well. Among results, Lupin will be the one to watch out for

PSU Banks: Fin. Ministry in talks to merge UCO Bank, BOI and IOB with stronger entities.. BoB could clearly be one of the bigger stronger peers here!

Maruti: Suzuki used wrong methods to test the fuel economy. Won't impact sales outside Japan. India has no regulations to check claims made by auto cos. Eg: VW case

LCV segment starts recovery a year post HCV recovery

Recovery started since Jan 2016 after 2 years of a decline

Recovery driven by - last mile connectivity, lower diesel prices and low base effect

Pre-buying before implementation of BS-IV by April 2017 will add to demand

Recovery in consumption demand in rural areas + Govt focus on building rural infra - to aid LCVs

Chola - Top pick in NBFC universe. Expect PAT CAGR of 32% over FY16-18

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
PNB	27.7	-27	32.2	1	-53.7	NA	Neutral/84/B	1. Loss est. of 4.7b; credit costs at 11.3% vs 3.9% QoQ 2. Large bad debts dealt with; slippages to continue in FY17 4. Cut ABV est. by 40%; Trades at 0.4x FY18 P/B
Crompt. Cons	10.0	11	1.3	21	0.8	NA	/ /A	1. PAT beat of 19% led by higher EBITDA of 12.7% (+250bp QoQ) 2. Await concall and formal update

MOST Market Outlook

19th, May 2016

Sacchitanand Uttekar (Technical Analyst)
Sacchitanand.Uttekar@motilaloswal.com

Ravi Shenoy (Midcap Analyst)
Ravi.Shenoy@motilaloswal.com

Tina Gadodia (Derivatives Analyst)
Tina.Gadodia@motilaloswal.com

Disclaimer: This document has been prepared by Motilal Oswal Securities Limited (hereinafter referred to as Most) to provide information about the company(ies) and/sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred as MOST) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

MOST and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We and our affiliates have investment banking and other business relationships with a some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that MOST and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on twin parameters of performance & profitability of MOST

MOST generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, MOST generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. MOST and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of MOST even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition MOST has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOST or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOST or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOST or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent MOST's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, MOST and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOST and/or its affiliates from doing so. MOST or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

Most and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Most and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of Most or its associates during twelve months preceding the date of distribution of the research report

MOST and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Motilal Oswal Securities Limited is under the process of seeking registration under SEBI (Research Analyst) Regulations, 2014.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

Motilal Oswal Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

A graph of daily closing g prices of securities is available at www.nseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of MOST research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement

1. Analyst ownership of the stocks mentioned above
2. Served as an officer, director or employee

No
No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOST & its group companies to registration or licensing requirements within such jurisdictions.



Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 6, Sayani Road, Prabhadevi, Mumbai 400 025
Phone: (91-22) 30894200 Fax: (91-22) 22885038. E-mail: info@motilaloswal.com