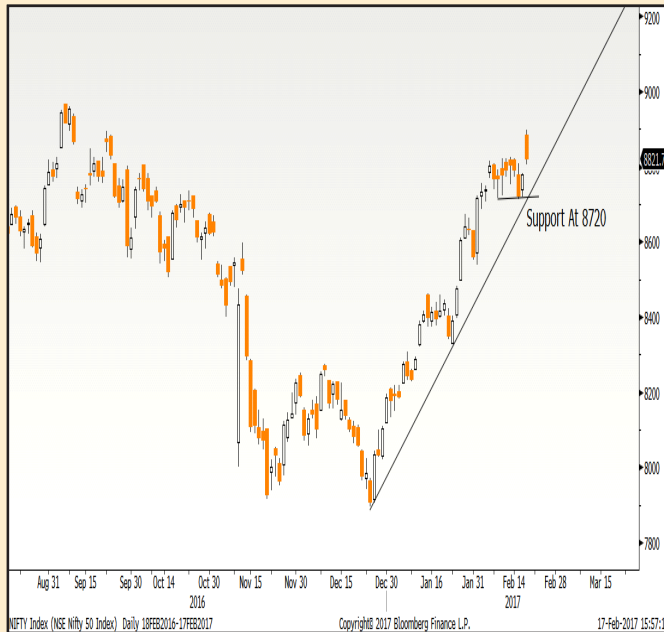


MOST Market Outlook

20th February 2017

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8821	8888	8970	8720	8650

Nifty remained consolidative for first four sessions of the week while a range breakout was seen on Friday. However, it failed to hold higher zones and got stuck near to 8820. Occurrence of consecutive long Wicks and Doji on weekly chart reiterated the strength in the 8720 support. Hence, the level remains critical on intraday scale. While a decisive hold above 8820 could extend its upmove towards 8888 and 8970.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.10	66.90	66.75	67.20	67.40

The pair is likely to trade in a lower range between resistance at 67.20 and intraday support at 66.90 level.

Market Drivers

- ✓ HUL will be in focus on back of Unilever Heinz Kraft deal. However companies have issued a statement withdrawing the merger. Any excitement in HUL should be short-lived. Axis Bank has denied Kotak -Axis merger reports. Havells announced acquisition of Lloyds consumer business. Vodafone Idea merger is likely to be announced by Feb end as per reports. Global cues remain positive with most developed markets at record highs. TCS board meets today to mull buyback. On the govt front, progress is happening on the GST front. Defense space will continue to see traction on expectation of order flows. Overall Nifty has immediate resistance around the 8820-8850 levels.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
CASTROL	BUY	427	418	450

Corporate Action:

AIAENG	Interim Dividend - INR - 4.00
DHAMPURSUG	Interim Dividend - INR - 2.50
FCL	Interim Dividend - INR - 0.10
SOLARINDS	Interim Dividend - INR - 2.00

Security in Ban period:

CEATLTD, HDIL, IBREALEST, IFCI, JETAIRWAYS, JINDALSTEL, JPASSOCIAT, TV18BRDCST, UNIONBANK

Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
NBFC	POSITIVE

Trading Idea - Derivatives

STRATEGY : Petronet Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
23 FEB 400 CE	Buy	1	8.9	8.9
23 FEB 410 CE	Sell	1	5.15	5.15

Target Profit: Rs.9375 SL Rs5625

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 23-Feb	9000	6892125	-259800
Bank Nifty 23-Feb	21000	967000	113920

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 23-Feb	8500	5069025	-717000
Bank Nifty 23-Feb	20000	874360	109040

Trading Calls

CASTROL

Buy

MBP INR 427

Target INR 450



- ✓ It has given a price - volume breakout on daily scale after taking support at previous supply zones
- ✓ Positive sector outlook & the pattern breakout could lead the momentum
- ✓ Decline towards 427 should be used to add longs with a stop loss below 418 & an immediate target up to 450

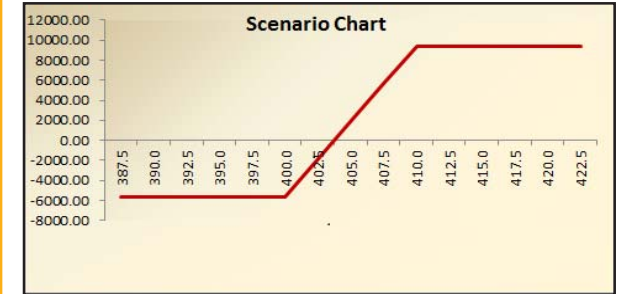
Derivatives Idea

Petronet

Buy 1 Lot 400 CE

Sell 1 Lot 410 CE

Bull Call Spread



- ✓ Petronet is in long- long unwinding cycle
- ✓ Positive sector outlook along with unwinding in 390 & 400 CE could lead option trigger for move towards 410. Put accumulation at 380 and 390 could act as strong support.
- ✓ Considering positive breakout and extend move towards 410, Bull Call Spread is recommended

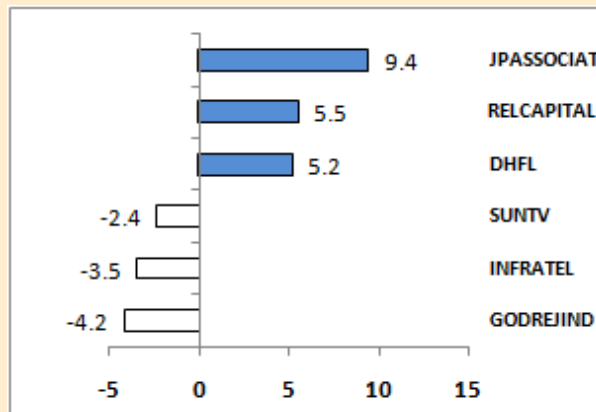
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	8043	9440	11312
DII	-5632	-2433	24558

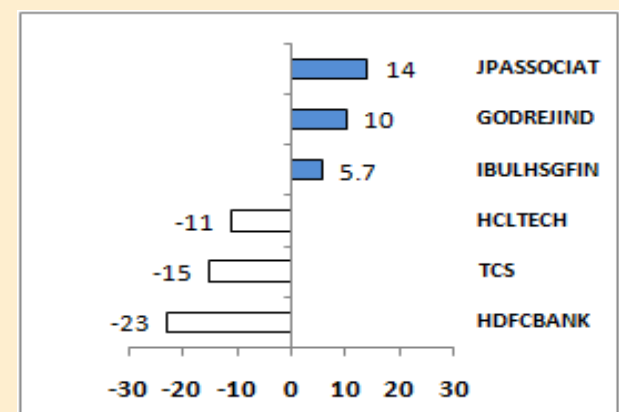
FII F&O

Institution	Net B/S	OI
Index Future	-719	Short
Index Options	1541	Long
Stock Futures	-5337	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

Piramal Enterprises (PIEL) (TP of INR2,200, 19% upside)

- ✓ The financial services business contributes ~75% of our total SOTP value.
- ✓ Wholesale lending business on strong growth path, with new product addition. Apart from financing for real estate, PIEL has started financing for other sectors as well.
- ✓ Wholesale financing book to double in FY17 (INR261b) and end FY19 with INR548b.
- ✓ Applied to the NHB for an HFC license to supplement real estate financing business.
- ✓ Turnaround of healthcare business (we expect EBITDA margin to expand from 11% in FY16 to 20% by FY19, partially helped by recent acquisition)
- ✓ Strong traction in private equity/assets under advisory business are other positives.
- ✓ Merger with Shriram Group, demerger of financial services business and value unlocking in information management business will provide upside to our SOTP

Havells acquires Lloyds consumer durables business for INR 1600cr

- ✓ Has 1700cr cash on books, deal to be EPS neutral as Lloyds business is low margin would earn same as money put in FD; lloyds' consumer business OPM 6 percent, less than half of Havells' around 14 percent
Havels gets access to distribution network, intellectual property of the Lloyd brand, logo, trademark, goodwill and attendant rights;
- ✓ FY 17 revenue for Lloyds for consumer durables could be INR 1850cr with EBITDA 110cr

Currency Ideas

USDINR



- ✓ NSE USDINR (Feb. contract) inched higher from support near 66.75 to close the last week near 67.10, up by about 0.2% for the period.
- ✓ The pair now faces immediate resistance near 67.20 followed by stiff resistance near 67.40.
- ✓ The short-term bias remains negative below 67.40 and selling on rallies is still advised.
- ✓ Re-test of support near 66.75 followed by a dip towards strong support at 66.50 looks possible in the short-term

GBPINR



- ✓ NSE GBPINR closed the last week lower by about half a percent near 83.30, falling sharply from 50% retracement resistance area near 84.25 level.
- ✓ The pair had earlier failed to breach higher resistance near 85.85 levels.
- ✓ Immediate resistance is now seen at 83.55 levels.
- ✓ The short-term bias remains negative below this resistance and test of the 76.4% retracement support at 82.65 levels looks possible.
- ✓ Selling on rallies is thus advised for the short-term.

MOST Market Outlook

20th February 2017

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