

Nifty Chart



Nifty Outlook

Nifty Fut.	Reco.	MBP	SL	TGT
8124	BUY	8140	8070	8300

'Occurrence of the 'Inside Bar' on the weekly scale indicates the index to continue its gyration within the confined range of 8100-8300. Proximity towards the lower bound of the range along with the intraday momentum oscillators approaching the oversold zone raises the expectation of a rebound within the range. Also on the 30 min scale a harmonic pattern (Bullish Gartley) would be confirmed above 8140. Trading longs could only be initiated once above 8140 with a stop below 8070.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.90	67.70	67.40	68.10	68.20

As long as above 67.70, expect sideways to bullish move to continue.

Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
PHARMA	POSITIVE

Market Drivers

- ✓ Global markets continued to remain subdued. Asia is also trading mixed. There are no major cues to guide Indian markets which continues to struggle as investors continue to grapple over the potential impact of demonetisation. The markets thus continued to drift down. Given the circumstances sectors like pharma, utility, defense, Software, OMCs have relatively done better and could continue to do so. Technically we are moving towards the lower end of range and probability of pullback looks higher.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
PowerGrid	BUY	186	180	195

Trading Idea - Derivatives

STRATEGY UPDATE : VEDL Short Strangle

Instrument	B/S	Lot	Reco	CMP
29 DEC 260 CE	Sell	1	0.95	0.25
29 DEC 210 PE	Sell	1	0.80	0.80

Target : Rs10000 SL : Rs3000; Hedge : Buy future above INR 261.50 or Sell future below INR 208.5

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8300	6125475	296175
Bank Nifty 29-Dec	18500	516200	21280
Bank Nifty 22-Dec	18500	424120	135040

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8000	7396775	-161025
Bank Nifty 29-Dec	18000	1009720	93640
Bank Nifty 22-Dec	18000	352360	101920

Trading Calls

PowerGrid

MBP INR 186
Target INR 195

Buy



- ✓ 'Ongoing consolidation now seems mature as daily RSI is about to converge the trigger line above 50
- ✓ A breach above 186 could trigger bullish momentum & hence longs could be initiated with a stop below 180 for a trading target upto 195

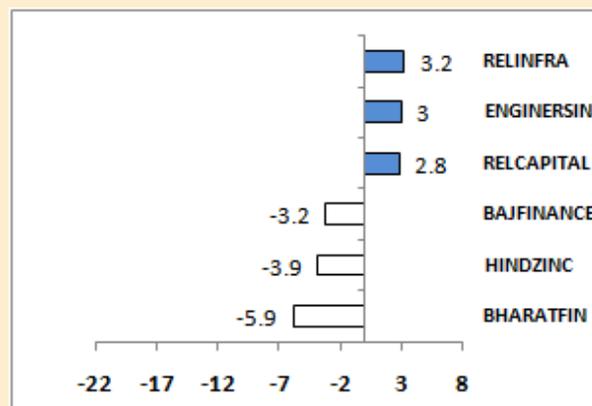
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-536	-3802	-5419
DII	556	650	33204

FII F&O

Institution	Net B/S	OI
Index Future	327	Short Unwinding
Index Options	115	Put long
Stock Futures	-663	Short

Major Price % Change

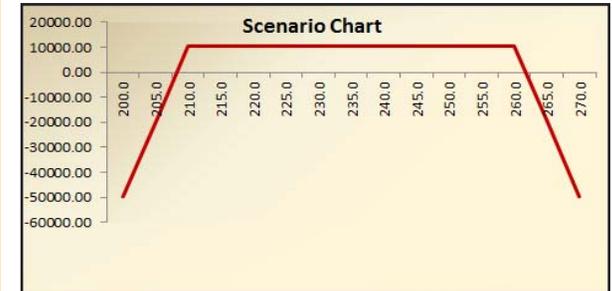


Derivatives Idea

VEDL

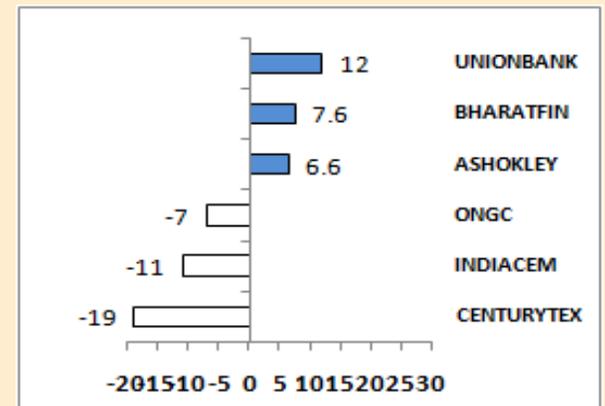
Sell 1 Lot 260 CE
Sell 1 Lot 210 PE

Short Strangle



- ✓ VEDL is consolidating in past few trading session
- ✓ Option indicative band suggest 220 as highest Put concentration and 250 as highest call concentration
- ✓ In order to benefit from faster theta decay and volatility cool-off, Short Strangle strategy is recommended

Major OI % Change



Morning Meet Notes

Research Notes

ADITYA PURI Interview

- ✓ **DEMONITISATION** - No stress seen in SMEs. Cheap money, access to rural and semi-urban markets are important positives. Temp blip in demand
- ✓ **DIGITAL BENEFIT** - Adoption of digital will lead to substantial growth in rural and semi-urban business. Govt business being digital now is also an area where we will look to increase market share
- ✓ **P&L** - Cost to Income to come down by 200-300 bps over 2-3 years
- ✓ **CUSTOMER** - Focus is on customer needs rather than specific product targets
- ✓ **FUNDAMENTAL CHANGE IN BANKING** - More people getting connected will lead to more product adoption. Convenience, price and trust will be the three factors to be delivered with a click

MFI: FIRST POLITICAL INTERFERENCE - MAHARASHTRA GOVT TO PROBE INTO MFIs

- ✓ Vidarbha, parts of UP collections weak on political interference & weakness in economy
- ✓ RBI has not allowed for any loan waiver in MFIs and that all such news are rumours. Maharashtra is 12% of BHAFIN's portfolio while UP is 9%
- ✓ To form a Special team to probe into charges of violations and exploitations by MFI
- ✓ Issues in vidarbha existent

AVIATION: Oct-16 PASSENGER GROWTH +23.2% YoY | INDIGO +43% YoY

- ✓ Domestic air passengers in India grew 23% YoY in Oct 16 (+24.4% in Q2 FY17; +23% in Sep)
- ✓ IndiGo's passenger growth stood at 42.6% YoY in Oct-16 (+38.6% in Q2 FY17).
- ✓ IndiGo's passenger market share touched a new high of 42.6% (v/s 40% in Q2). Market share loss by Air India and Jet Airways
- ✓ SpiceJet Q2 passenger growth at 24%
- ✓ Indigo's PLF jumped 280 bps MoM to 84.9% while every other airline saw a dip in PLF MoM

Currency Ideas

USDINR



- ✓ Consolidation above key support at 67.70 continues in USDINR (Dec. contract).
- ✓ The pair has potential to continue pullback rally towards 68.00-68.10 zone.
- ✓ Immediate support is at 67.70 whereas lower support is placed at 67.40.

GBPINR



- ✓ GBPINR could not sustain higher and has breached trend channel (C-C1) support near 85.40 indicating weakness.
- ✓ Strong short term resistances are placed at 84.80-85.00 zones whereas 84.00 - 83.70 may act as strong supports.
- ✓ Selling on rise is advised as long as price stays below 85.00 marks.

MOST Market Outlook

20th December 2016

Dharmesh Kant (Head - Retail Research)
Dharmesh.Kant@motilaloswal.com

Sacchitanand Uttekar (Technical Analyst)
Sacchitanand.Uttekar@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/or 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 to 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