

MOST Market Outlook

21st April 2017

Nifty Chart



Nifty Outlook

Nifty Cash	R1	R2	S1	S2
9136	9218	9250	9090	9050

'Nifty index negated its formation of making lower lows of last nine trading sessions and formed a Bullish candle on the daily chart. Candlestick pattern for last two days resembles a bullish engulfing pattern. Recently it made a short term bottom of 9075 with the occurrence of Bullish Hammer and now a hold above 9135 could continue to attract support based buying interest towards 9218 and 9250 zone while on the downside supports are seen at 9090 then 9050 zone.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
64.61	64.55	64.30	64.85	65.10

Consolidation within 64.55 - 64.85 is expected and either side breach could be decisive.

Market Drivers

- ✓ Mid cap space continued to see traction while major indices remained range bound. Yes Bank corrected post numbers and so did ICICI Bank on fears of likely increase in provisions. PSU banks continued to see buying interest on expectations of some solution to address the NPA issue. Among other results Hindustan Zinc posted strong set of numbers. Mid cap software companies like Cyient, Mindtree reported numbers ahead of expectation. In mid cap space, airlines, tyres as a space did well. Lower rubber, crude prices helped. US markets closed higher. Mid cap space could continue to see gains. Nbfsc space could see momentum. Overall Index is likely to remain range bound.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
HIND UNILEVER	BUY	915	902	945

Corporate Action:

NA

Security in Ban period:

BHARATFIN, HDIL, IBREALEST, INDIACEM, INFIBEAM, IRB, JINDALSTEL, JISLJALEQS, JPASSOCIAT, JSWENERGY, RELCAPITAL, TV18BRDCST, UJJIVAN

Today Event

US - Manufacturing PMI, Composite PMI, Existing Home sales

Sectoral Outlook

Sector	Outlook
NBFC	POSITIVE
FMCG	POSITIVE

Trading Idea - Derivatives

STRATEGY UPDATE : MARUTI Bull Call spread

Instrument	B/S	Lot	Reco	CMP
MARUTI 27 Apr 6200 CE	Buy	1	71	108.10
MARUTI 27 Apr 6350 CE	Sell	1	25	42.50

Target: Rs 15000; SL: Rs.5000; Margin: approx Rs. 112000

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9200	5161050	137325
Bank Nifty 27-Apr	22000	764880	163240

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9100	5905500	506100
Bank Nifty 27-Apr	21500	741960	61080

Trading Calls

HIND UNILEVER

CMP : INR 915

Buy

Target : INR 945



- ✓ Price forms a Bullish Harami cross pattern at the support of Rising trendline. The trendline is sloping upwards meaning that the trend is bullish
- ✓ Price has seen a meaningful correction. The decline from the high is on low volumes suggesting that there is minimal selling pressure in the stock
- ✓ At current levels the price is offering a good reward to risk ratio and hence a trade on the long side is recommended

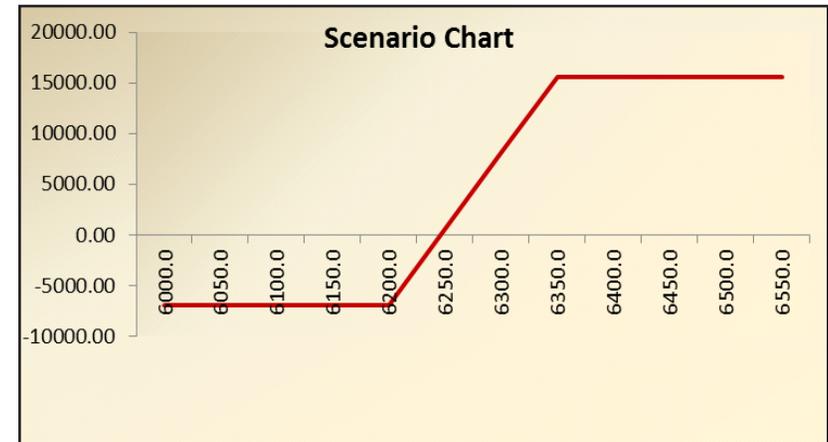
Derivatives Idea

MARUTI

Bull Call spread

Buy 1 Lot 6200 CE

Sell 1 Lot 6350 CE



- ✓ Maruti has taken support near to 6050 and adding fresh built up of long position
- ✓ Highest Put concentration at 6200 could act as vital support while unwinding in 6300-6350 CE could see momentum towards 6300 (highest call concentration)
- ✓ Indicating positive to range bound move thus bull call spread is recommended

FII & DII Activity (INR in Cr)

Cat.	Amt	MTD	YTD
FII	-169	-3724	21638
DII	9	3203	33135

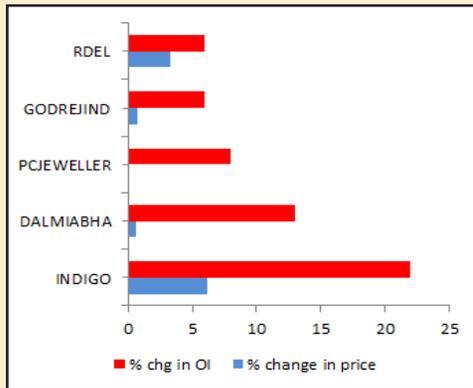
FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-239	Short
INDEX OPTIONS	323	Synthetic Short
STOCK FUTURES	-478	Short

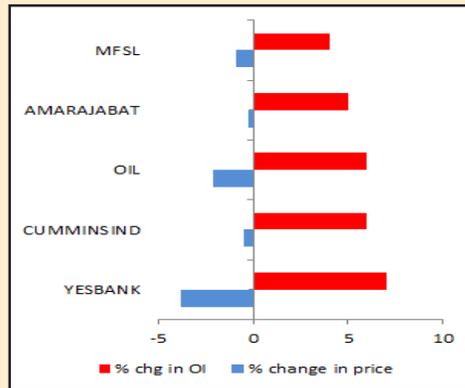
MOST Market Outlook

21st April 2017

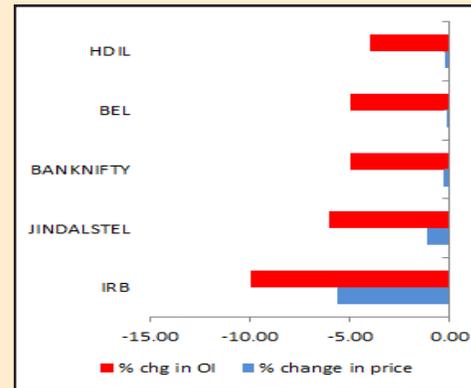
Long Built-up



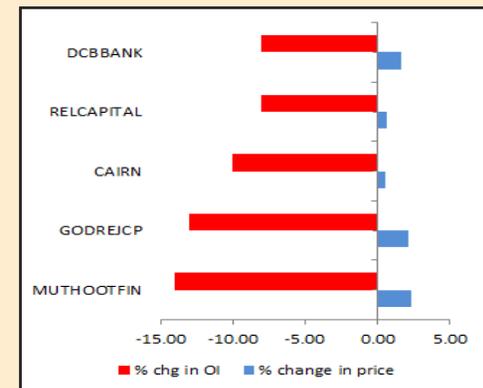
Short Built-up



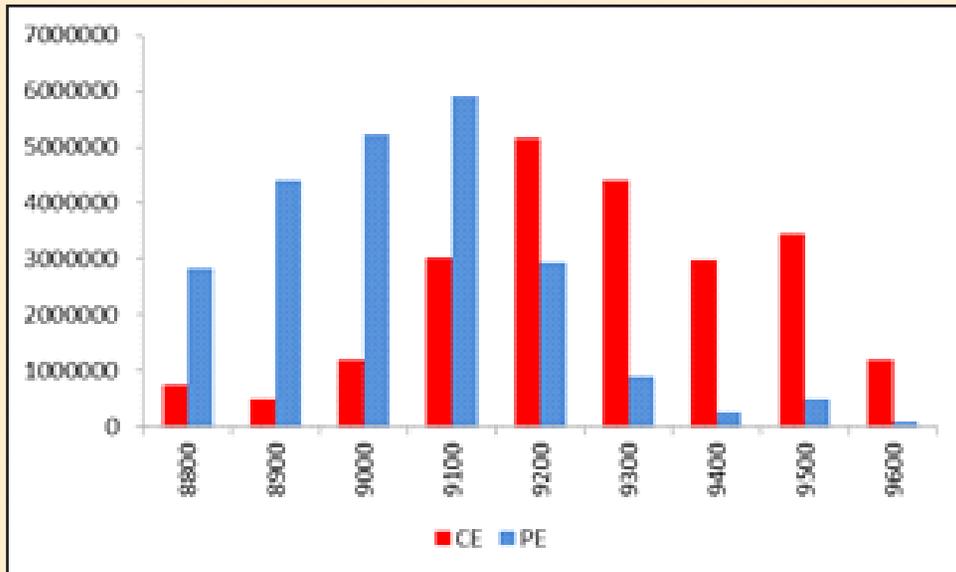
Long Unwinding



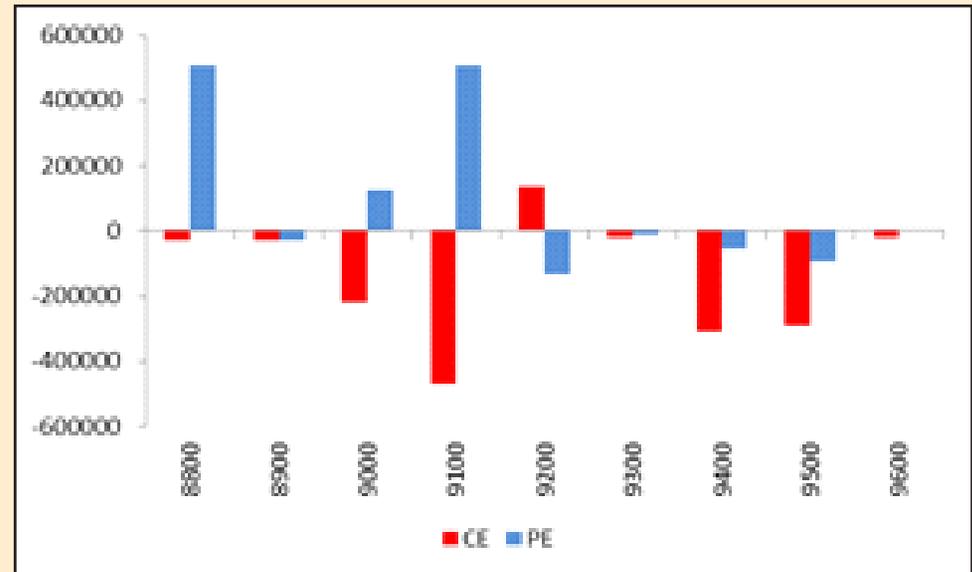
Short Covering



Nifty Option OI



1- Day change in Nifty OI



Morning Meet Notes

Research Notes

- ✓ Domestic air passengers in India grew 15% YoY to 9m in Mar-17. Passenger growth slipped below ~20% for the first time in the last 17 consecutive months.
- ✓ Passenger growth: Indigo (19.5%YoY); Spicejet (18.6% YoY); GoAir(22.4% YoY).
- ✓ Passenger Share for Indigo highest at 40%

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Hind. Zinc	6260	100	3748.0	180	3057.0	50	SELL/283/IN	Led by best ever production (Not sustainable) Guidance of 5% increase in metal price (Below expectations) Reduced estimates to align with guidance; EBITDA cut 11-13% for FY18/19 Downgrade to sell; based on EV/EBITDA of 6.5x FY18
Cyient	941.0	15.3	124.9	14.5	78.5	-7	BUY/620/IN	3.6% QoQ CC growth; organic growth at 2.7% Margins lower because of recent acquisitions of Rangsons; double digit growth guidance of FY18 Industry leading growth; Well placed in Engineering and Defense; Value it 14x FY19E

Upcoming Economic Events Calendar

					21-Apr-17
India					
UK					
US					Manufacturing PMI, Composite PMI, Existing Home sales
	24-Apr-17	25-Apr-17	26-Apr-17	27-Apr-17	28-Apr-17
India		Eight Infrastructure Industries			
UK					GDP (QoQ)
US		New Home sales		Wholesale Inventories, Retail Inventories, Intital Jobless claims, Pending Home sales	GDP (QoQ)
	1-May-17	2-May-17	3-May-17	4-May-17	5-May-17
India		Nikkei Manf. PMI		Nikkei Service and Composite PMI	
UK		Manufacturing PMI			
US	Manufacturing PMI		Service and Composite PMI, FOMC Rate decision	Initial Jobless Claims	Change in Non-farm pay roll, Unemployment Rate
	8-May-17	9-May-17	10-May-17	11-May-17	12-May-17
India					CPI, IIP
UK				IIP, BoE Rate decision, BoE Asset Purchase Traget	
US				Initial Jobless Claims	CPI, Retail sales Advance

Note- CPI-Consumer Price Index,WPI-Wholesale Price Index, IIP- Index of Industrial Production, PMI-Purchasing Managers Index

Currency Ideas

USDINR



- ✓ The pair is likely to consolidate within 64.55 - 64.85 and either side breach should provide intraday direction.
- ✓ Strong resistances remain at 64.85 - 65.10 levels whereas 64.55 - 64.30 are expected to provide support

EURINR



- ✓ Bias remains positive for the pair as long as 68.90 is held as key support in short-term.
- ✓ Momentums Indicators RSI & MACD are still signifying positive move in short-term.
- ✓ Dip buying is advised targeting 69.70 - 69.85 levels

MOST Market Outlook

21st April 2017

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

Chandan Taparia (Derivatives & Technical Analyst)
Chandan.Taparia@motilaloswal.com

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

Disclosures

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 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.

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 registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

Pending Regulatory inspections against Motilal Oswal Securities Limited:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations; MOSL replied to the Show Cause Notice whereby SEBI granted us an opportunity of Inspection of Documents. Since all the documents requested by us were not covered we have requested to SEBI vide our letter dated June 23, 2015 to provide pending list of documents for inspection.

List of associate companies of Motilal Oswal Securities Limited -Click here to access detailed report

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 stock | No |
| 2. Served as an officer, director or employee | 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, Sayani Road, Prabhadevi, Mumbai 400 025
Phone: (91-22) 30894200 Fax: (91-22) 22885038. E-mail: info@motilaloswal.com