

## Nifty Chart



## Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9155	9218	9250	9075	9050

'Nifty index formed a Hammer candle on daily chart as it recovered most of its intraday losses and closed with marginal loss of only 5 points. A Hammer candle after the profit booking of last two sessions indicate that decline is being bought in the market. Now it has to surpass its immediate hurdle of 9150-9160 zone to witness a fresh up move towards its life time high of 9218 then 9250 levels while on the downside supports are seen at 9075 zone.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
65.35	65.25	65.10	65.85	66.15

Sideways consolidation within 65.25 - 65.85 is likely with a negative bias.

## Market Drivers

- ✓ Indian markets were volatile yesterday but traded in a range, closing marginally lower. Pharma stocks saw correction on back of regulatory issues for Divis and Dr Reddys. Given the concerns raised, these stocks could see further weakness. Dmart got listed at a significant premium making it one of the best listings. Dmart at current price has a market cap of over Rs 40000 cr. Global markets corrected overnight and that will have an impact on Indian markets as well. Metals and financials in particular took a knock. Asian markets are also trading weak. Expect a weak opening on back of global cues but underlying sentiment in India expected to remain positive. Private banking and metals space could see weakness in line with global trends.

## Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
DABUR	BUY	280	274	295

## Corporate Action:

BEARSELL	Interim Dividend - INR 1.50
PHL	Interim Dividend - INR 7.50
SUNTV	Interim Dividend - INR 5.00

## Security in Ban period:

BHARATFIN, CEATLTD, CENTURYTEX, JETAIRWAYS, JPASSOCIAT, JSWENERGY, KSCL, ORIENTBANK, RELCAPITAL, SINTEX, WOCKPHARMA

## Sectoral Outlook

Sector	Outlook
FMCG	POSITIVE
MID CAP	POSITIVE

## Trading Idea - Derivatives

### STRATEGY UPDATE : NIFTY- Call Ladder Spread

Instrument	B/S	Lot	Reco	CMP
NIFTY CE 9200	B	1	50.80	39.25
NIFTY CE 9300	S	1	20.00	11.80
NIFTY CE 9350	S	1	11.05	5.40

TGT : INR6000; Hedge above: Buy Future above 9420; Margin Requirement: approx INR81850

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9200	6353550	316500
Bank Nifty 30-Mar	21500	875000	22800
Bank Nifty 23-Mar	21500	788040	133880

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8800	5559450	-63900
Bank Nifty 30-Mar	20500	660880	63040
Bank Nifty 23-Mar	21000	463440	68040

# MOST Market Outlook

22nd March 2017

## Trading Calls

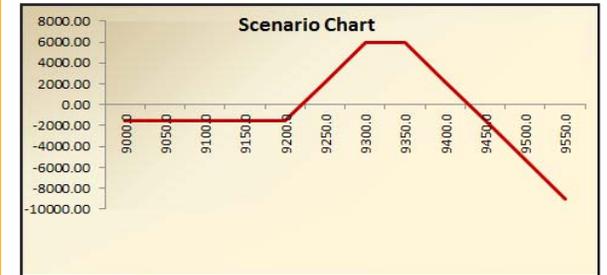
**DABUR** MBP INR 280  
Buy Target INR 295



- ✓ 'Dabur has given a consolidation breakout on weekly chart and holding the gains from last two weeks
- ✓ It has also formed a Head & Shoulder pattern on daily scale which has a bullish implication
- ✓ Thus, recommending to buy with the trading SL of 274 for a potential upside target of 295

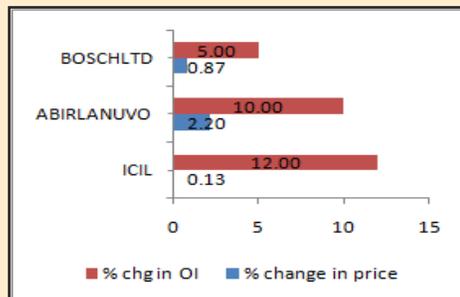
## Derivatives Idea

**NIFTY** Buy 1 Lot 9200 CE  
Call Ladder Spread Sell 1 Lot 9300 CE  
 Sell 1 Lot 9350 CE

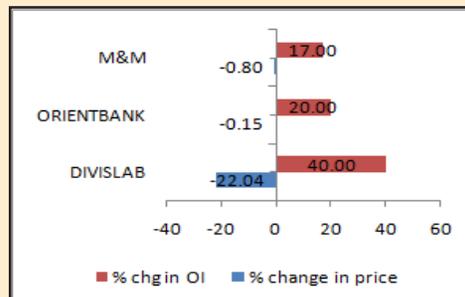


- ✓ Nifty is in long-long unwinding cycle
- ✓ Proximity to highest call at 9200 and any unwinding in same could see momentum accelerating
- ✓ Incremental addition in 9000 & 9100 PE could provide immediate support to the market
- ✓ As we are participating bullish momentum and to benefit from theta decay, Bull Call Ladder is recommended

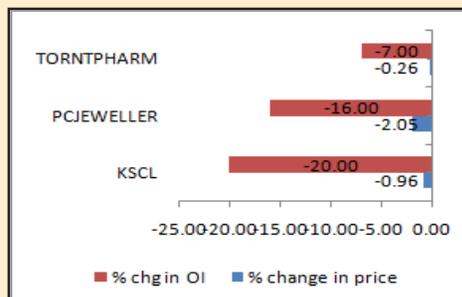
## Long Built-up



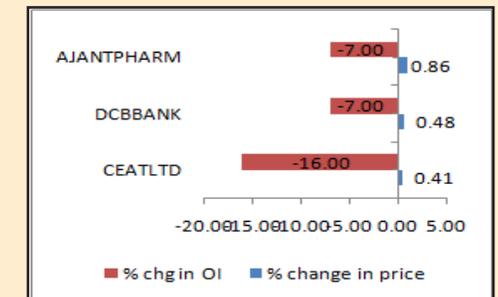
## Short Built-up



## Long Unwinding



## Short Covering



## FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	1663	17251	40341
DII	-799	-7388	10049

## FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-26	Short
INDEX OPTIONS	-576	Writing
STOCK FUTURES	-2391	Short

## Morning Meet Notes

### Research Notes

#### **Divi's Laboratories - Unit-2 receives import alert; key products exempted (CMP 634, TP 600, Recom. Neutral)**

- ✓ US FDA has issued an import alert on DIVI's Visakhapatnam-based plant, Unit-2.
- ✓ Negative news flow could continue.
- ✓ Buyback / special dividend could be a near-term trigger.
- ✓ Regulatory concerns a big overhang in the near term, cut our EPS estimates for FY18/19 by 22-23%.

#### **Dr Reddy's Labs - Duvvada 483 observations out; data integrity issues persist (CMP 2623, TP 2875, Recom. Neutral)**

- ✓ 483 observations (4-5 are repeated) by the US FDA for its Duvvada plant
- ✓ Key oncology facility; risk of delay in Gleevec launch
- ✓ Need to avoid high third-party consultant costs
- ✓ FDA remediation is key, cut our FY18/19E EPS by ~5%

#### **Delta Corp - Initiating Coverage (CMP 169, TP 229, Recom. BUY)**

- ✓ Leading player in India's underpenetrated gaming market
- ✓ Approval of its casino in Daman is a key growth trigger for DELTA
- ✓ Forayed into online gaming, with the acquisition of Adda52.com
- ✓ Expect 35% revenue CAGR, 45% EBITDA CAGR and 62% PAT CAGR over FY17-19E
- ✓ The stock trades at 24.7x/22.1x FY18E/19E EPS

## Currency Ideas

### USDINR



- ✓ USDINR is now consolidating in a range of 65.30 - 65.75 with a negative bias.
- ✓ Strong short-term support is placed at 65.10 whereas strong intraday resistance is at 65.80 level.
- ✓ Selling on rise is advised targeting 65.10.

### GBPINR



- ✓ GBPINR could not sustain below 79.55 and has reversed sharply.
- ✓ Strong short-term resistance is placed at 81.90 marks whereas 81.20 / 80.80 may act as strong supports.
- ✓ Pullback rally is likely to continue towards resistance at 81.90. Dip buying is advised.

# MOST Market Outlook

22nd March 2017

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