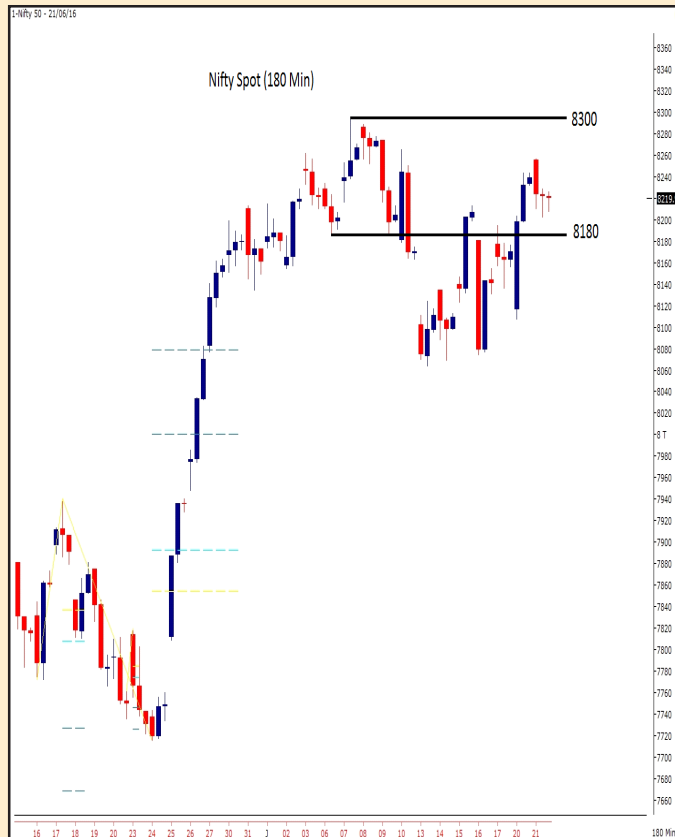


Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8225	8270	8320	8180	8140

'8330 remains a significant level to track as 'Spinning Top' formation near the resistance re-confirms the significance of the level. A breach above 8330 would eject nifty into a new orbit. Until then it could continue to gyrate within the range of 8320-8180 during the week.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.60	67.40	67.20	67.75	67.90

The pair is likely to trade in a range between support at 67.40 and resistance at 67.75 level.

Sectoral Outlook

Sector	Outlook
TELECOM	Positive
CEMENT	Positive

Market Drivers

- ✓ Markets seems have to discounted Mr. Rajan's decision of not available for second term as RBI Governor and is now focused on 'Brexit' referendum for tomorrow. Ditto seems to be case for Global markets. US indices ended with marginal gains yesterday while some selling was seen in U.S. government bonds. This morning Asian markets are trading as mixed bag with marginal gains and losses. Monsoon seems to be gaining momentum now; however July and August are critical months which receive around 60% of rainfall and largely sowing happens in this period. Market participants will be closely tracking monsoon progress. We expect our markets to trade in narrow range till 'Brexit' outcome.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Jun	8300	6097425	-203400
Bank Nifty 23-Jun	18000	492270	169230
Bank Nifty 30-Jun	18000	280890	-15660

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
IDEA	BUY	102	99	107.5

Trading Idea - Derivatives

STRATEGY - TCS Ratio Call Spread

Instrument	B/S	Lot	Reco	CMP
Jun 2650 CE	Buy	1	19	36
Jun 2700 CE	Sell	2	8.3	18

Target Profit : 9500 Stop Loss : 500 (Hedge above 2740)

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Jun	8000	8071750	386100
Bank Nifty 23-Jun	17000	280890	-15660
Bank Nifty 30-Jun	17000	673500	21690

Trading Calls

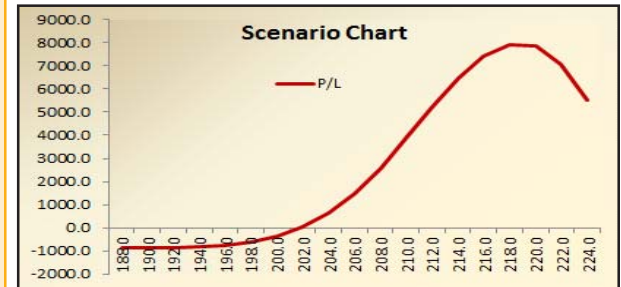
IDEA MBP INR 102
Buy Target INR 107.5



- ✓ 'Multiple reversal patterns confirming the support at 99. Spinning Top formation re-confirmed this support & the reversion from the same augurs well for the bounce back
- ✓ We expect the stock to witness outperformance in the coming week & hence short term longs could be initiated with a stop below 99 for a trading target upto 107.50

Derivatives Idea

TCS Buy 1 Lot 2650 CE
 Sell 2 Lots 2700 CE
Ratio Call Spread



- Target Profit : 9500 Stop Loss : 500**
- ✓ TCS is in long- long unwinding cycle. Put built up at 2550 could act as immediate support
 - ✓ Unwinding in 2600 CE could provide further momentum on higher side
 - ✓ Considering stable volatility and to benefit from theta decay, Call Ratio spread is recommended

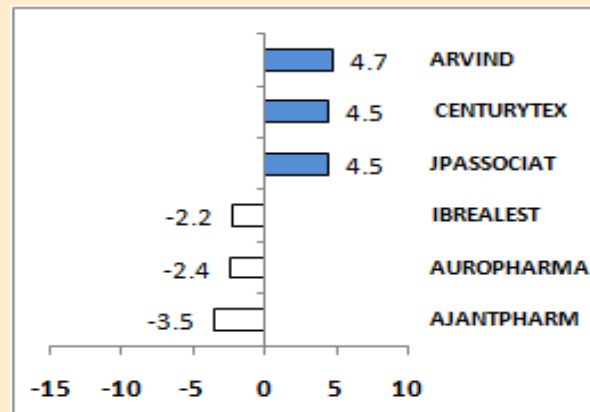
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	485	3672	-41330
DII	-336	-2253	60544

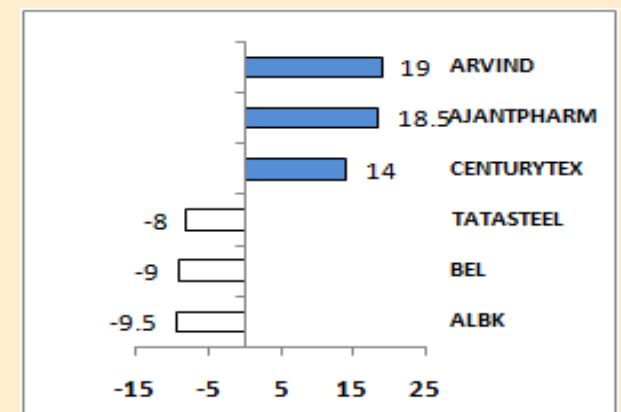
FII F&O

Institution	Net B/S	OI
Index Future	-570	Unwinding
Index Options	-911	Writing
Stock Futures	294	Long

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

LUPIN: PROMOTER BUYING INTENSIFIES

- ✓ Promoters started buying in March and this has intensified in the month of June. 1.24mn shares bought till date.
- ✓ This accounts for 30 bps of the company at an approx. average price of 1500

ONGOING BUY BACK OF DR REDDYS - Completed 83% at the end of last week already!

- ✓ Dr. Reddys were to buy back 4.5 Mn shares in 6 months starting Mid April. This constitutes 2.6% of the O/S equity
- ✓ **Sun Pharma** to announce the details of its buy back on the 23rd

Escorts: Initiating coverage (CMP: INR 182, TP: INR 283)

- ✓ Tractor business (80% revenue share) ;Losing market share from 14% in FY09 to 10% in FY16; North (58% of total sales), lost market share from 19% to 15%
- ✓ Apart from expectation of normal monsoon in FY17 (after 2 consecutive weak monsoons), Escorts will benefit from following initiatives:
- ✓ launch of 10 new models, including the innovative Anti-Lift tractor, to bridge gaps in its portfolio;
- ✓ separate dealership for Powertrac and Farmtrac in northern markets to increase service area of dealers;
- ✓ focused support to selected dealers in the south and west regions to increase market share.
- ✓ EBITDA margins to expand from 4.1% in FY16 to 7.6% in FY18
- ✓ initiatives to further lower RM costs by 80bp through vendor rationalization and value engineering,
- ✓ Employee cost reduction by 260bp through VRS over FY16-18E, and
- ✓ operating leverage benefit (~12% CAGR in volumes).
- ✓ Increase in tractor volumes and revival in the construction segment due to a rise in road sector tenders (up 41% in 2HFY16 YoY) should also aid margin expansion, while railways could be a major opportunity in the making.
- ✓ With initiatives to revamp sales growth, cost cutting and low level of utilization (at 52% in FY16) in tractor business (80% of revenue), we believe Escorts is on course to deliver 15%/60% Sales/PAT CAGR.
- ✓ **We initiate coverage with a 'Buy', value the stock at 10x FY18 EPS (30% discount to M&M) and arrive at a TP of INR283 (upside of 56%)**

INDO COUNT: Management meet (CMP: INR 959)

- ✓ Scaling up on value added through brands business
- ✓ Clear focus on branded business through owned and in-licensed brands
- ✓ Increase the share of high value fashion, institutional, utility bedding from 10% to 30% in next few years [market is 3x that of normal bed linen; China has 85% market share]
- ✓ Recently launched 3 brands , also plans to in-license three UK brands; opened up 9k sq-ft retail shop in US; pricing owned brands USD 99-199, in-licensed USD 149-299
- ✓ Retail store in US : 75% own products; 25% other brands [huge opportunity, better margins]
- ✓ Processing capacity to go to 90m meter from 68m meters in Q4 FY17; FY17: 62m meters, FY19: peak
- ✓ Expect Rev/PAT CAGR of 19%/31% FY16-18E, Value at 12x FY18E EPS with a TP of INR 1380 (44% upside)

Currency Ideas

USDINR



- ✓ USDINR (June contract) traded in a small range between 67.45-67.65 yesterday lacking clear direction
- ✓ The pair is expected to continue moving range bound with immediate support at 67.40 and immediate resistance at 67.75 level
- ✓ Trading on the extremes of this range i.e. buying near support and selling near resistance is advised
- ✓ Higher resistance is at 67.90 while lower support is at 67.20 level

GBPINR



- ✓ GBPINR (June contract) continued its steep short-covering rally for the third consecutive session to test stiff resistance at 99.60-99.70 range
- ✓ The pair however gave up some of the gains to close near 99.53 level
- ✓ Failure to breach stiff resistance zone is likely to result in a corrective move lower towards 98.80 level
- ✓ Further buying is advised only on sustained breach of resistance area

MOST Market Outlook

22nd, June 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

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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