

## Nifty Chart



## Trading Idea - Cash & Future

Scrip	Reco	MSP	SL	Target
<b>MCDOWELL-N</b>	<b>SELL</b>	<b>1892</b>	<b>1920</b>	<b>1850</b>

## Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
<b>8080</b>	<b>8100</b>	<b>8140</b>	<b>8050</b>	<b>8000</b>

'Nifty continued to drift for the 6th consecutive session as it slips below 8100. With no signs of recovery yet it could continue to drift lower. The upper bound of the range continues to remain capped around 8250-8300. Traders should resort to adequate hedge until a firm directional course is not set for the index.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.94	67.70	67.40	68.10	68.20

As long as above 67.70, expect sideways consolidation to continue.

## Sectoral Outlook

Sector	Outlook
<b>FMCG</b>	<b>NEUTRAL</b>
<b>BANKS</b>	<b>NEUTRAL</b>

## Trading Idea - Derivatives

### STRATEGY UPDATE : VEDL Short Strangle

Instrument	B/S	Lot	Reco	CMP
29 DEC 260 CE	Sell	1	0.95	0.15
29 DEC 210 PE	Sell	1	0.80	0.60

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

## Market Drivers

- ✓ Indian markets drifted lower amid volatility. Overall range trend persisted with mild downward bias. Volumes continued to remain low. Cement sector saw some value buying emerge though the ground level demand trend remains discouraging. Pharma continued to drift lower with stocks like Aurobindo, Sun moving lower. Overall Nifty is at the lower end of the support zone. Also we have seen drift down for last few days. Overall uncertainty is likely to continue. From supports of 8050-8100 a pullback rally cannot be ruled out. Govt action will be key to see a sustainable recovery.

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8300	5706750	-359775
Bank Nifty 29-Dec	18500	681240	24200
Bank Nifty 22-Dec	18300	841480	308320

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8000	6708350	-162300
Bank Nifty 29-Dec	18000	1066440	-61640
Bank Nifty 22-Dec	17900	670400	478520

## Trading Calls

### MCDOWELL-N

MSP INR 1892

**Sell**

Target INR 1850



- ✓ 'Falling Three' formation on the weekly scale indicates the ongoing weakness to continue
- ✓ Trading shorts could be initiated with a stop above 1920 for an initial target upto 1850

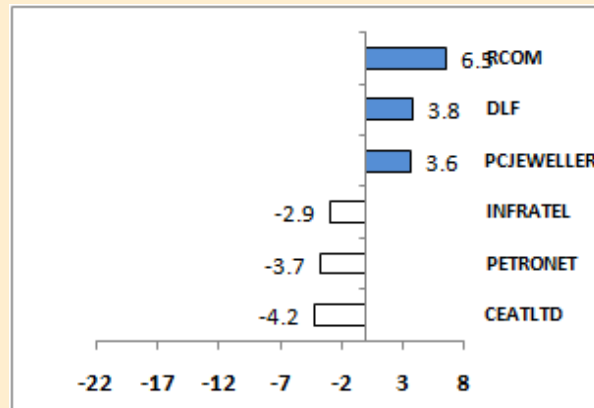
## FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-1178	-5666	-7283
DII	1058	2127	34681

## FII F&O

Institution	Net B/S	OI
Index Future	51	Unwinding
Index Options	-181	Writing
Stock Futures	-300	Short

## Major Price % Change



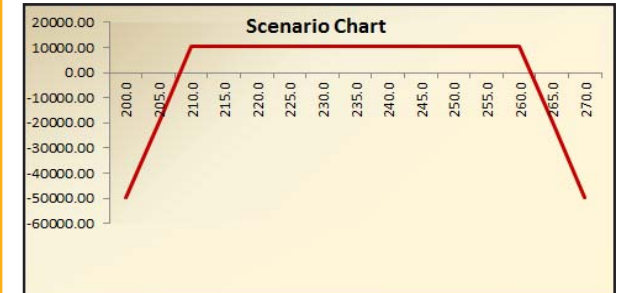
## Derivatives Idea

### VEDL

Sell 1 Lot 260 CE

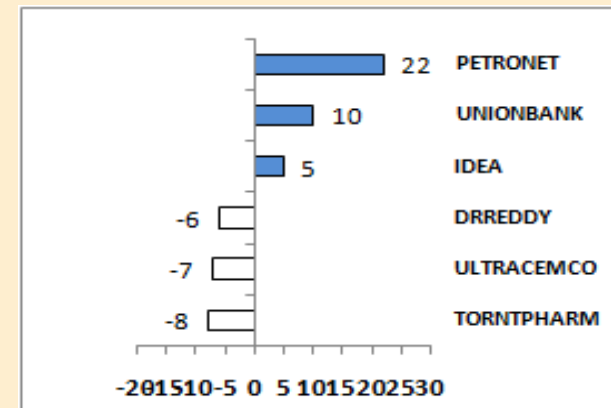
Sell 1 Lot 210 PE

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

#### Consumer Channel Check (Asian Paints)

- ✓ While concerns remain over (a) the lingering impact of demonetization on Pidilite's business, and (b) the possible dent on its margins if crude prices rise sharply, the threat on account of Asian Paints' distribution of Loctite appears to have receded, at least for the time being.
- ✓ In our ground reality check across 40 retail stores (hardware + paints) in Western India, we found Loctite products only in 8 stores. Many of the stores had not even heard of the brand and majority of the stores where the brand was available were Asian Paints dealers.
- ✓ The initial enthusiasm that the dealers selling the Loctite brand had in the beginning, with Asian Paints providing the first shipments on a complimentary basis, has waned. With little advertisement and promotional support for Loctite, product awareness is low and sales are slow.

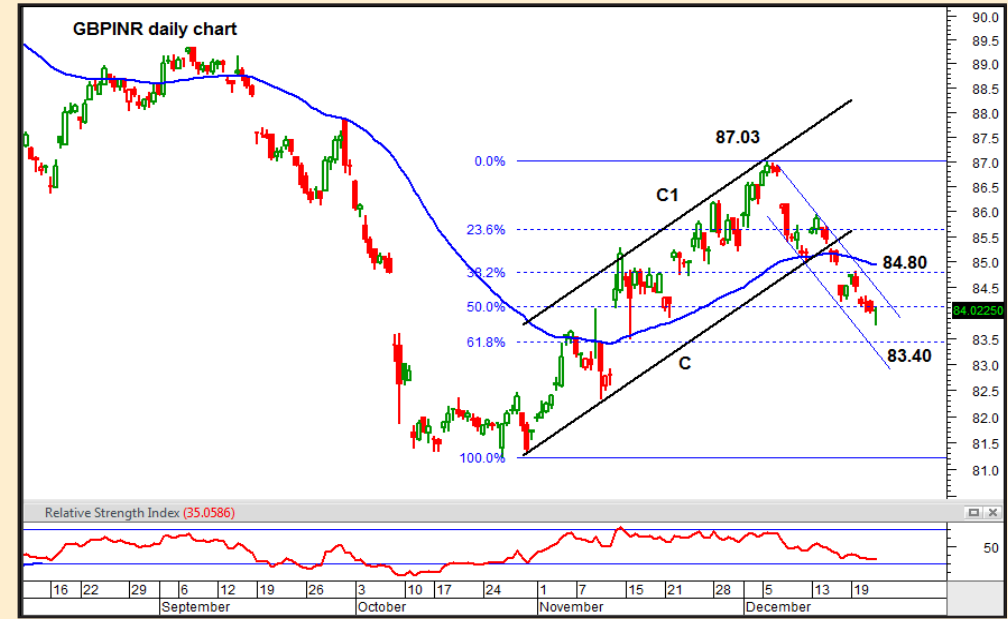
## Currency Ideas

### USDINR



- ✓ USDINR could not breach key resistance zone at 68.10-68.20 indicating possibility of a reversal.
- ✓ Higher resistance is placed at 68.40 whereas key supports are at 67.70 / 67.40.
- ✓ Move below immediate support at 67.70 would be negative sign targeting 67.40 or lower. However, as long as above 67.70, sideways consolidation could continue.

### 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 83.80 / 83.40 may act as strong supports.
- ✓ Selling on rise is advised as long as price stays below 84.80 marks.

# MOST Market Outlook

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