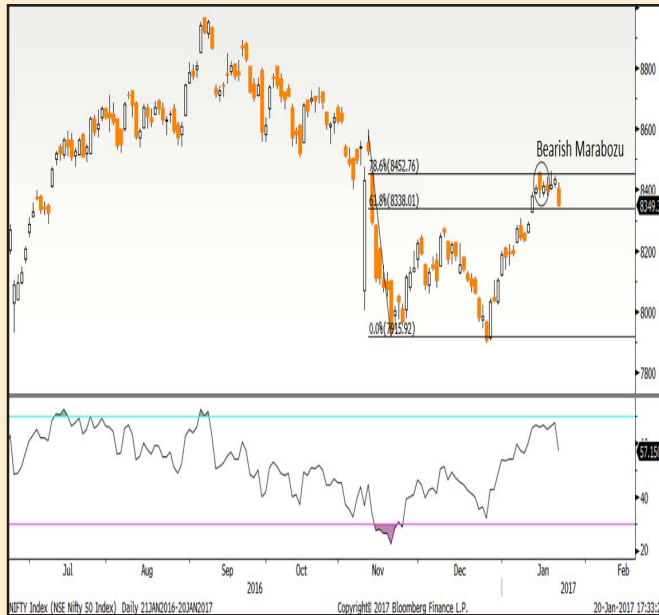


MOST Market Outlook

23rd January 2017

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
MARUTI	SELL	5686	5795	5460

Corporate Action:

BAJAJCORP Interim Dividend - INR. - 11.50
TCS Interim Dividend - INR. - 6.50

Security in Ban period:

CENTURYTEX, JINDALSTEL, JISLJLEQS, JPASSOCIAT, JUSTDIAL, RCOM

Nifty Outlook

Nifty	R1	R2	S1	S2
8443	8455	8475	8395	8330

'The 'Bearish Marubozu' formation remains intact as the week ended on a bearish note. Daily RSI saw a swift reversion from its high near 67.40 indicating a shift in momentum. Hence we expect the index to witness a further drag towards the swing support placed at 8230. The setup would be void in case the index surpasses the 'Bearish Marubozu' high of 8470 during the week & hence serves as a stop for fresh shorts.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.15	68.00	67.85	68.40	68.55

The pair is likely to trade in a range between intraday resistance at 68.40 and support at 68 level with a negative bias.

Sectoral Outlook

Sector	Outlook
BANKS	NEUTRAL
AUTO	NEGATIVE

Trading Idea - Derivatives

STRATEGY : SBIN Bear Put Spread

Instrument	B/S	Lot	Reco	CMP
23 FEB 240 PE	Buy	1	5.5	5.5
23 FEB 230 PE	Sell	1	3	3

Target Profit: Rs.8000 SL: Rs.4000

Market Drivers

- ✓ Indian markets closed marginally lower on Friday ahead of Trump taking charge of office. The initial statements from Trump were clearly protectionist and this could have repercussions on international trade. Buy American, Hire American would be difficult to implement but clearly has potential to impact sentiment negatively for export driven sectors like software and pharma. Uncertainty could keep investors away from these sectors in near term. Results season continues to be reasonably good. Overall Nifty could continue to see range bound trade with 8300-8450 seen as near term range.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8400	5483175	1096425
Bank Nifty 25-Jan	19000	1093960	-23920

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan (imm.)	8200	5717250	-67725
Bank Nifty 25-Jan	18500	828920	41840

Trading Calls

MARUTI

Sell

CMP INR 5686
Target INR 5460



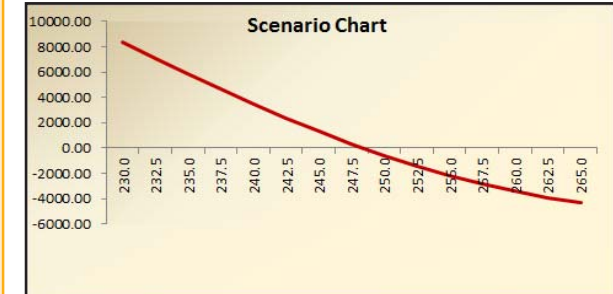
- ✓ 'Long Bear' candlestick followed by multiple Doji formations augurs well for the termination of ongoing up move
- ✓ RSI reversion from the overbought zone complements the setup & a move towards the short term average could be witnessed soon
- ✓ Short positions could be considered with a stop above 5795 & Target upto 5560 / 5460

Derivatives Idea

SBIN

Buy 1 Lot 240 PE
Sell 1 Lot 230 PE

Bear Put Spread



- ✓ SBIN is consolidating in past few trading sessions with not much incremental participation. Highest Call concentration for Feb series is at 260 while move below 250 could see selling pressure accelerating
- ✓ Expecting rise in volatility in coming sessions, low risk hedge strategy Bear Put Spread is recommended

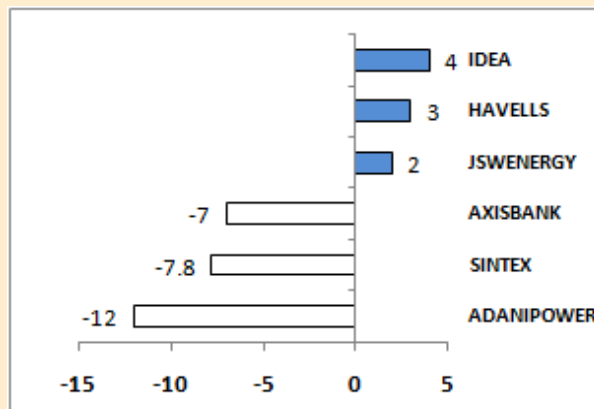
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-26	-2935	-13517
DII	-175	3026	38389

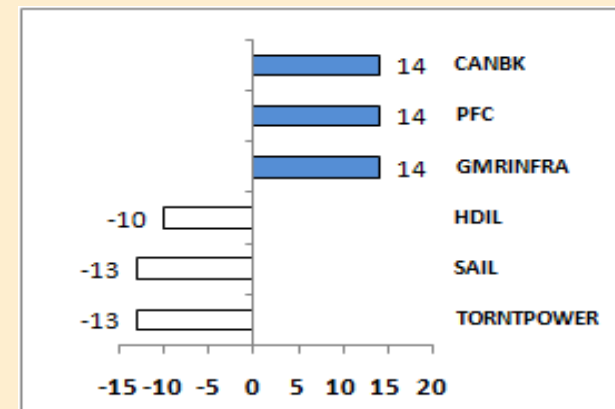
FII F&O

Institution	Net B/S	OI
Index Future	437	Unwinding
Index Options	758	Long Put
Stock Futures	-656	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

RBL BANK: Strong performance in a tough environment (CMP 368, TP 450, Rec. BUY)

- ✓ Stellar loan growth 26%, NII of 45% and Earnings 59%. NIMs flat at 3.4%, Gross NPA stable at 1.1%.
- ✓ Expect robust EPS CAGR of 45%. Reiterate Buy with a TP of Rs 450

Indiabulls Housing: Negligible impact of demonetization (CMP 750, TP 1015, Rec. BUY)

- ✓ Robust AUM Growth of 31% (HL up 43% and non HL 20% yoy), GNPA/NNPA stable at 0.85%/0.36%.
- ✓ NI grew 27% (Rs 13.7 bn), Earnings at Rs 7.5 bn (up 25%). Expect 27% CAGR for FY16-19E. Average ROEs to remain high at 27%. Maintain buy

Canara Bank: (CMP 273, TP 300, Rec. Neutral)

- ✓ Loan book flat, CASA Deposits up 30% yoy. Gross NPA increased 20 bps qoq to 10%.
- ✓ NII was inline Rs 24.1 bn, flat on yoy. Earnings miss (Rs 3.2 bn) on back of lower other income. SOTP TP is INR300. Neutral.

JYOTHY LABORATORIES: (CMP 345, TP 365, Rec. Neutral)

- ✓ Volumes grew 3.6% YoY, net sales rose 3.3% YoY (Rs 3.8 bn). gross margin down 290bp YoY to 45.6% EBITDA margin was down by 60bp YoY to 13.2%.
- ✓ Valuations are fair at 38.4x FY18 EPS. Maintain Neutral

Sector update on Capital goods: Room Air conditioners

- ✓ Channel check suggests big shift from fixed speed ACs to inverter ACs.
- ✓ LG to stop production of Fixed speed ACs. Prices of Inverter ACs will be in line with Fixed speed ACs.
- ✓ Voltas only has 5-6% of sales from Inverter ACs. Revise rating to Neutral with PT of INR385 on back of strong run up in stock price

Currency Ideas

USDINR



- ✓ USDINR (Jan. contract) expectedly continued to trade in a range between resistance at 68.50 and immediate support at 68, closing slightly lower for the week near 68.15.
- ✓ Looking ahead, the pair is expected to continue consolidating in a similar range and further direction would be clear only on either side breach of the same.
- ✓ Lower supports are at 67.70-67.40 levels while higher resistance is at 68.70-68.85 zone

EURINR



- ✓ EURINR (Jan. contract) failed to breach channel resistance near 72.80-72.90 but stuck very close to it, eventually closing slightly lower for the week near 72.55 levels.
- ✓ The pair is however sustaining above immediate support at 72.20-72.10 range and the short-term outlook seems positive above the same.
- ✓ Sustained breach of resistance could now lead the pair higher towards next major resistance near 73.40 levels.
- ✓ The 14-period RSI has broken out of trend line resistance which could lend support to the pair. Buying the pair on dips or on breakout is thus advised.

MOST Market Outlook

23rd January 2017

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