

MOST Market Outlook

23rd February 2017

Nifty Chart



Trading Calls

IDEA

Buy

MBP INR 111
Target INR 119



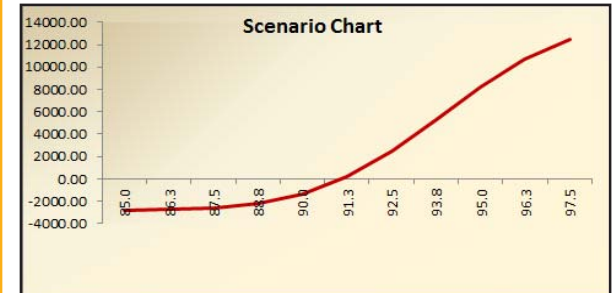
- ✓ 'On the daily scale it has given a breakout from a Flag formation and could witness an upside momentum
- ✓ Thus recommending to buy on decline for the target of 119 with the stop loss of 108 levels

Derivatives Idea

Dishtv

Bull Call Spread

Buy 1 Lot 92.5 CE
Sell 1 Lot 95 CE



- ✓ DISHTV had witnessed accumulation in open interest in past few trading session
- ✓ Put built-up at 90 could act as a vital support, while unwinding in 90 CE could propel momentum towards 94-95 on immediate basis
- ✓ As we are participating bullish momentum, Bull Call Spread is recommended

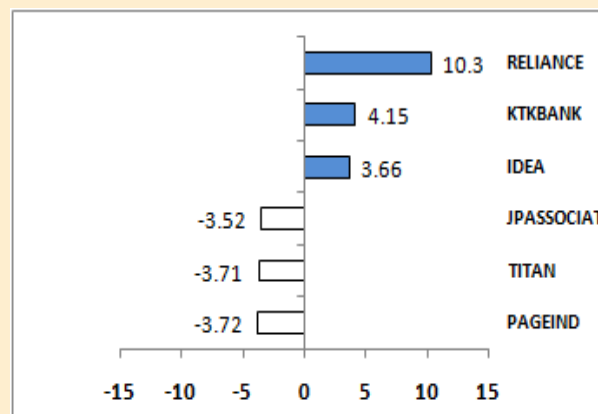
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-259	7311	9184
DII	918	848	27840

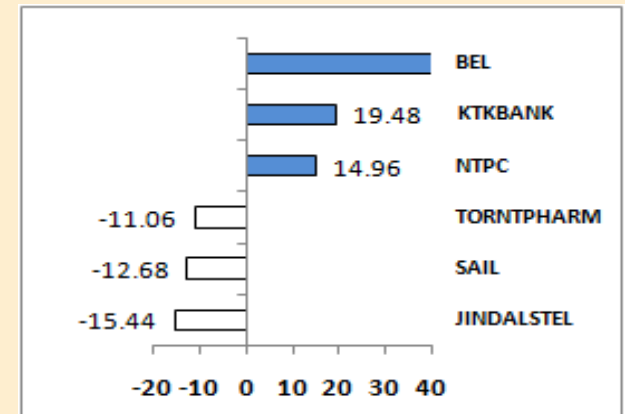
FII F&O

Institution	Net B/S	OI
Index Future	-272	Writing
Index Options	-2948	Writing
Stock Futures	306	Buy

Major Price % Change



Major OI % Combine Change



Morning Meet Notes

Research Notes

Castrol (TP INR 510, 20% upside)

- ✓ Revenue -1% YoY led by (a) volume growth and (b) marginally lower realizations. volumes +2% YoY, implied realizations were lower due to price cuts
- ✓ >80% payout policy, RoE/RoCE of ~100% & FCF to PAT conversion at >80% reflect superior balance sheet & high-quality cash flows,
- ✓ Value at 35x FY18E EPS, 20% upside

Cement

- ✓ Price hikes of INR10-15/bag initiated in most parts of North India, on the back of better volume trajectory.
- ✓ Price improvement in East India driven by supply disruption-led price rise in Bihar. All India average realization for February 2017 up 1% MoM; price improvement in North and East offset by lower prices in West and South.
- ✓ Profitability for most cement players could be under pressure in 4QFY17 due to rising costs and no meaningful QoQ increase in average realization

Currency Ideas

USDINR



- ✓ NSE USDINR (March contract) has been consolidating in a range between trend line support near 67 and resistance near 67.45.
- ✓ The pair is lacking clear bias for the short-term and either side breach would decide the trend.
- ✓ Higher resistance is at 67.75 while strong lower support is near 66.70-66.65 range.
- ✓ Trading within the current small band is likely to continue for the short-term.

EURINR



- ✓ NSE EURINR (March contract) closed yesterday's session near 70.80, lower by almost a percent, after it had earlier reversed sharply from resistance near 71.80 levels.
- ✓ The pair is currently very close to important support at 70.60-70.50 zone.
- ✓ Sustained breach of this range could extend the current decline towards December 2015 low near 69.90 levels.
- ✓ Selling on rallies is advised as long as the pair holds below 71.20-71.30 area.

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