

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
7996	8050	8140	7950	7900

'Nifty continued to drift for the 7th consecutive session, momentum amplified as 8050 was breached with a gap. The momentum indicator RSI is quoting at 35 & is yet to witness an oversold situation. Hence a follow through move below 7950 could see an immediate movement towards 7840. On the flipside 8140 remains a critical resistance for the coming week of expiry & could be maintained as a stop for trading positions.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.99	67.70	67.40	68.10	68.20

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

Sectoral Outlook

Sector	Outlook
MIDCAP	NEUTRAL
IT	POSITIVE

Market Drivers

- ✓ Indian markets continued to drift lower moving lower near to the recent lows. Sectors like financials remained under pressure. Barring a few consumer stocks which held ground most of the Nifty stocks ended in red. Continued negative FII flows, concerns over demonetisation impact are impacting sentiment. While valuations have become reasonable in sectors like financials, consumer, cement, the technical picture as well as negative news flow will keep trading sentiment nervous in the near term.

Trading Idea - Cash & Future

Scrip	Reco	MSP	SL	Target
LICHSGFIN	SELL	545	555	520

Trading Idea - Derivatives

STRATEGY : Banknifty Bear Put Spread

Instrument	B/S	Lot	Reco	CMP
29 DEC 17800 PE	Buy	1	75	96
29 DEC 17400 PE	Sell	1	23	23

Target : Rs10000 SL : Rs2500

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8300	5655825	-50925
Bank Nifty 29-Dec	18500	685840	4600

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8000	6253150	-455200
Bank Nifty 29-Dec	18000	908560	-157880

Trading Calls

LICHSGFIN

MSP INR 545

Sell

Target INR 520



- ✓ 'Bearish Engulfing' on the weekly scale indicates the upside to remain capped & weakness to persist in the coming week
- ✓ Pullback if any towards 545 should be utilized to create shorts with a stop at 555 & a trading target upto 520

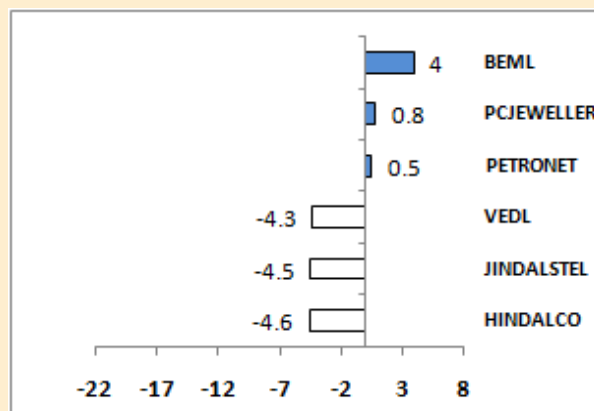
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-614	-5102	-6719
DII	320	1389	33943

FII F&O

Institution	Net B/S	OI
Index Future	-787	Short
Index Options	-378	Writing
Stock Futures	-266	Short

Major Price % Change



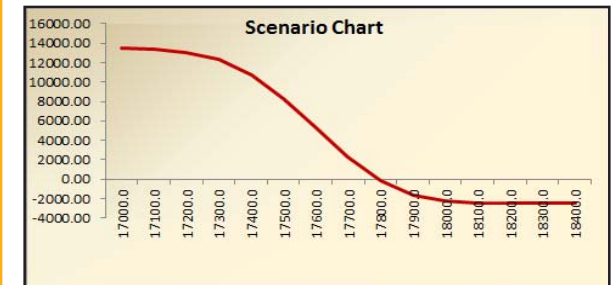
Derivatives Idea

Banknifty

Buy 1 Lot 17800 PE

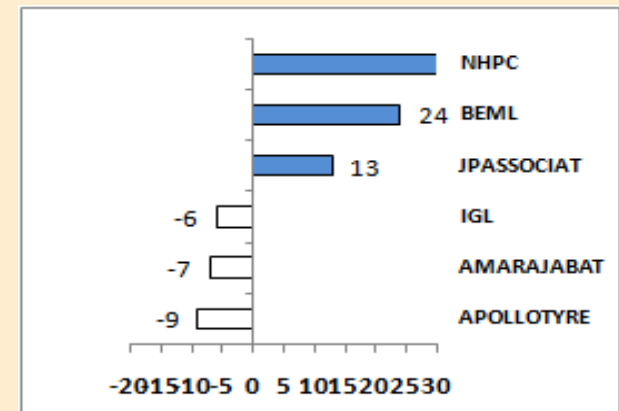
Bear Put Spread

Sell 1 Lot 17400 PE



- ✓ Bank Nifty is in Short- Short Unwinding cycle
- ✓ Option indicative band suggest 18500 as highest call congestion while 18000 as an immediate put congestion
- ✓ Unwinding in 18000 PE could accelerate selling pressure further towards 17500
- ✓ Considering we are participating falling momentum, low risk Bear Put Spread is recommended

Major OI COMBINE % Change



Morning Meet Notes

Research Notes

DEN Networks meet :

- ✓ Draft Tariff Order is expected to be beneficial for digital cable operators.
- ✓ Den will launch broadband services in 20 towns over next six months. It targets 2.5-3m broadband subscribers over next five years.
- ✓ According to Den management, Reliance Jio is not expected to enter the video (cable) business. Wireless and wired-line broadband are likely to remain Jio's key focus areas
- ✓ We remain wary of the implementation of the proposed content pricing order as well as competition from Reliance Jio in the broadband business.

HCL TECH :

- ✓ BFSI continues to see growth for HCL Tech, No big effect of H1 Visa issues (55% is local recruits)
- ✓ Holiday season activities are relatively weaker, No change in outlook for FY17,

Infoedge :

- ✓ No real effect seen from demonetization
- ✓ Recruitment may slow down a bit
- ✓ Zomato funding around the corner, however no increase in valuations

HUL :

- ✓ Too early to take a call for demonetization
- ✓ Could see some spillover effect over the next quarter
- ✓ Reduction in ticket-size is evident
- ✓ Commodity costs rising, advertising spends corrected

Ultratech Cement :

- ✓ Demand to be weaker till Jan
- ✓ Volume to be lower by 5%, North and Central max demand effect
- ✓ East seen little impact, cement prices 2-5% down, EBITDA per tonne to be effected by 100-130 Rs per tonne
- ✓ RM prices increasing to effect margins going forward

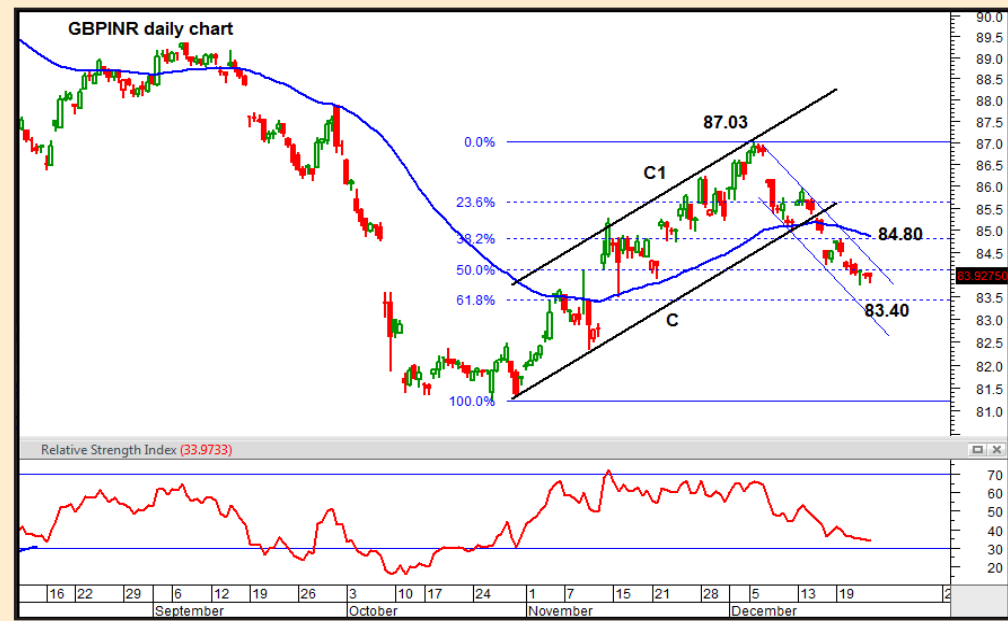
Currency Ideas

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 84.00 / 84.30 whereas 83.40 / 82.80 may act as strong supports.
- ✓ Selling on rise is advised as long as price stays below 84.30 marks.

MOST Market Outlook

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