

## Nifty Chart



## Trading Idea - Cash & Future

Script	Reco	MBP	SL	Target
<b>OIL</b>	<b>BUY</b>	<b>336</b>	<b>331</b>	<b>350</b>

## Corporate Action:

GOACARBON Interim Dividend - INR. - 1.50

## Security in Ban period:

IBREALEST, JINDALSTEL, JISLJALEQS, JPASSOCIAT, RCOM

## Nifty Outlook

Nifty	R1	R2	S1	S2
<b>8402.4</b>	<b>8426</b>	<b>8445</b>	<b>8395</b>	<b>8330</b>

Nifty commenced the truncated week on a positive but the upside is expected to remain capped around 8400-8450 range as indicated by the 'Bearish Marubozu' formation. The pattern is also supported with the reversion in the daily RSI. Hence we expect the index to remain in a range of 8450-8300 throughout the week.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.24	68.00	67.75	68.50	68.75

Sideways-to-positive move will be seen for the session, but upside will be capped towards critical resistance at 68.50.

## Sectoral Outlook

Sector	Outlook
<b>ENERGY</b>	<b>NEUTRAL</b>
<b>AUTO</b>	<b>NEGATIVE</b>

## Trading Idea - Derivatives

### STRATEGY UPDATE : SBIN Bear Put Spread

Instrument	B/S	Lot	Reco	CMP
23 FEB 240 PE	Buy	1	5.5	4.70
23 FEB 230 PE	Sell	1	3	2.25

Target Profit: Rs.8000 SL: Rs.4000

## Market Drivers

- ✓ Indian markets opened on a uncertain note post protectionist statements from Trump but rallied smartly to end over 8400 levels for Nifty. Nifty continues to find supports around the 8300 levels. On the results front, they continue to be mixed. Asian Paints, HUL numbers were resilient in the quarter while HCL tech was in line with expectations. Budget will be held on Feb 1st. Results and budget expectation will continue to drive markets in near term. Large part of expectation from the budget is steps to boost consumption, manufacturing, infra spending and cut in taxes.

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8400	4900950	-582225
Bank Nifty 25-Jan	19000	1236880	20720

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan (imm.)	8300	5826375	138000
Bank Nifty 25-Jan	18500	1297600	481960

## Trading Calls

### OIL

**Buy**

MBP INR 336  
Target INR 350



- ✓ 'Positive sector outlook & the occurrence of 'Bullish Engulfing' formation on the daily scale near the retracement support
- ✓ Trading longs could be initiated with a stop below 331 for a target upto 350

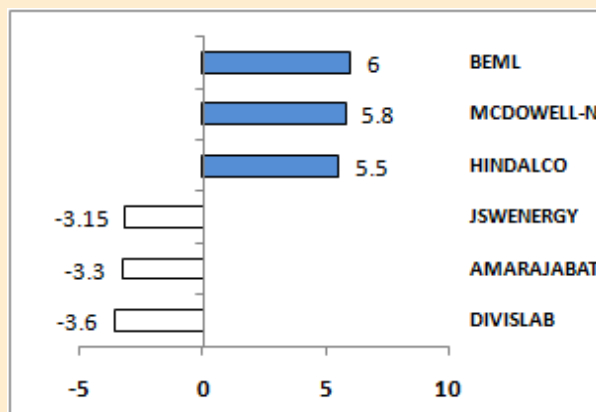
## FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-289	-3224	-13806
DII	520	3546	38909

## FII F&O

Institution	Net B/S	OI
Index Future	353	Long Put
Index Options	-574	Unwinding
Stock Futures	-26	Short

## Major Price % Change

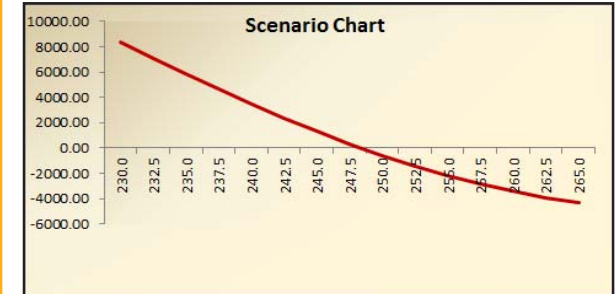


## Derivatives Idea

### SBIN

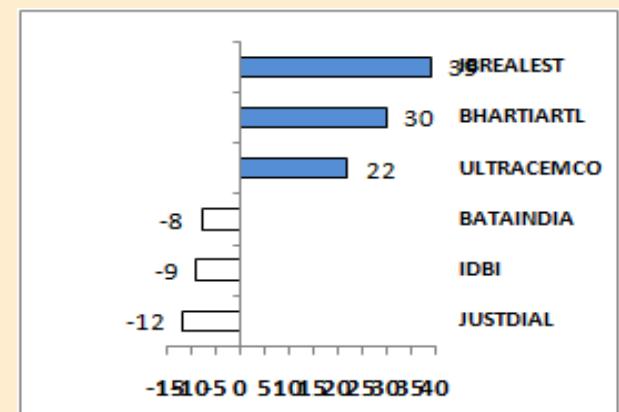
Buy 1 Lot 240 PE  
Sell 1 Lot 230 PE

**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

## Major OI % Change



## Morning Meet Notes

### Research Notes

#### **Hindustan Unilever: Volumes below expectations; cautious outlook (CMP 863, TP 865, Rec. Neu.)**

- ✓ Net sales down 0.7% YoY (est. of +1.5%) to INR 77.1b led by underlying volume fall of 4%. adj. PAT fell 10.2% YoY to INR9.2b (7.1% below estimates)
- ✓ Gross margin contracted 40bp YoY to 51.4% and EBITDA margin by 80bp (17.6%)
- ✓ Valuations of 36x Dec'2018 EPS remain fair. Maintain Neutral

#### **Ultratech Cement: Volumes surprise led by market share gains (CMP 3518, TP 4058, Rec. BUY)**

- ✓ UTCEM's revenue declined 2% YoY to INR55.4b (est: INR 53.43b). Domestic cement volume declined 2.2%YoY to 11.0mt (est. -5% YoY) led by market share gain
- ✓ EBITDA rose 1% YoY to INR10.4b (our est: INR9.6b), translating to EBITDA/ton of INR903 (-INR89 QoQ; +INR25 YoY) and margin of 18.9%
- ✓ PAT at Rs 5.6 bn, up 7% yoy (est INR Rs 5.6 bn)
- ✓ We factor in 5-6% volume CAGR and 21% EBITDA CAGR over FY17-19. We value UTCEM at INR 4,058 (EV of 15x FY19E EBITDA and USD225/ton)

#### **Amara Raja Batteries: Operating performance in-line (CMP 902, TP 1087, Rec. BUY)**

- ✓ Net sales grew 10% YoY (down 1% QoQ) to INR13.3b (v/s our est of ~INR12.6b). Automotive segment was up 16-17% YoY and industrial segment grew by a modest 2-3% YoY
- ✓ EBITDA margin declined 170bp QoQ (and 360bp YoY). Adjusted PAT declined 18% YoY/QoQ to INR1.12b
- ✓ Cut EPS estimates by 2-3% to factor in higher costs. Stock trades at 23.9x/19.9x FY18/19E EPS. Maintain buy

## Currency Ideas

### USDINR



- ✓ USDINR (Jan. contract) continues to trade in a broad consolidative range for the six straight weeks, closing the previous session at 68.19
- ✓ A sharp recovery from its low of 68.01 is signifying further positive move, however upside will be capped towards critical resistance at 68.50
- ✓ Overall, consolidation in the range of 68.00 - 68.50 looks to continue in medium-term and break of the given range will only give further trend direction
- ✓ For the session, buying is advised

### EURINR



- ✓ EURINR (Jan. contract) traded sideways with positive bias in the previous session closing at 73.21
- ✓ Short-term remains positive for the pair as long as 72.50 is held as strong support
- ✓ Initial dip towards 73.00 - 72.80 area will again be a good buying opportunity
- ✓ Price sustained break above immediate resistance zone of 73.45 - 73.55 will lead the rally towards 73.90 - 74.10 levels

# MOST Market Outlook

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