

## Nifty Chart



## Nifty Outlook

Nifty Cash	R1	R2	S1	S2
9306	9350	9380	9218	9191

'Nifty index continued its up move for second consecutive session and registered a fresh record life time high of 9309. It formed a Bullish candle on the daily chart as the range of the day was entirely above the range of the previous day. Nifty has made consolidation breakout of last three weeks and now a hold above 9250 could extend its up move towards 9350-9380 zone while on the downside supports are seen at 9218 and 9191.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
64.56	64.20	63.85	64.70	64.85

Bias looks weak as long as below 64.85 and could test 64.20 - 63.85 in short-term.

## Market Drivers

- ✓ Domestic markets continued to see strong buoyancy helped by global cues. Nifty scaled past 9300 level. Bank Nifty and broad indices closed at all-time highs. Banking stocks did well. Among psu banks Indian Bank reported strong numbers helped by lower base. PSU banks are expected to post better numbers given low base effect. Axis Bank moved up ahead of results. Wipro results were better than expectation but guidance was disappointing. Bonus issue of 1:1 may not help the stock much. Ultratech results were above estimates led by focus on cost control. Overall results announced till date have been in line or better than expectation. Global cues remain positive which could help momentum to continue in near term. Metals, financials, infra, auto space could continue to see momentum.

## Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
PIDILITE	BUY	727	715	760

## Corporate Action:

BLS	Stock Split From Rs.10/- to Rs.1/-
CAIRN	Interim Dividend - INR 17.70
ORIENTPPR	Interim Dividend - INR 0.50

## Security in Ban period:

ADANIANT, BANKINDIA, HDIL, IBREALEST, ICIL, INFIBEAM, JINDALSTEL, JPASSOCIAT, JSWENERGY, RCOM, TV18BRCST, UJJIVAN, WOCKPHARMA

## Today Event

NA

## Sectoral Outlook

Sector	Outlook
Consumer	POSITIVE
Banking	POSITIVE

## Trading Idea - Derivatives

STRATEGY : Banknifty Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
Banknifty 27 Apr 22100	Buy	1	46	46
Banknifty 27 Apr 22300	Sell	1	9.5	9.5

Target: Rs 6500; SL: Rs.1500; Margin: approx Rs.52000

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9300	3881100	-140025
Bank Nifty 27-Apr	22000	676000	-19240

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9000	5224575	-222225
Bank Nifty 27-Apr	21500	942920	66000

## Trading Calls

**PIDILITE**

CMP : INR 727

**Buy**

Target : INR 760



- ✓ Pidilite has given a breakout from a small ascending triangle pattern on the daily chart and given the highest daily close in last six months
- ✓ This is a breakout from bullish continuation pattern thus a positive development for an up move towards 760. Overall the price is in a very steady up trend on the daily time frame
- ✓ It has seen accumulation of long position and positive sector outlook also suggests its upside momentum

## FII & DII Activity (INR in Cr)

Cat.	Amt	MTD	YTD
FII	179	-4803	20559
DII	998	6318	36250

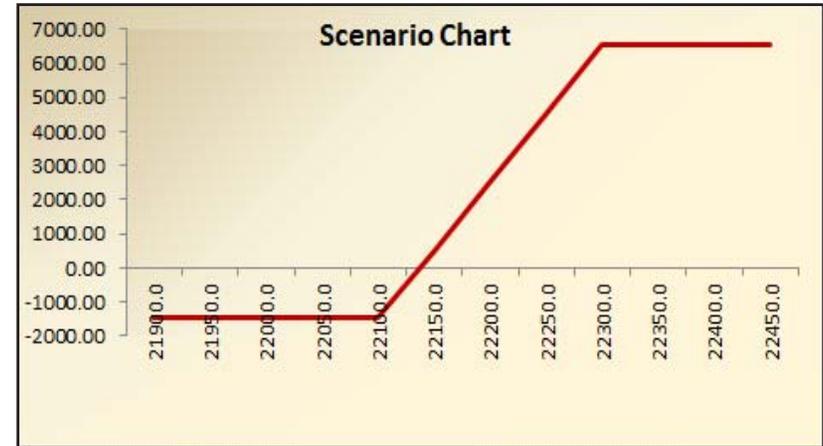
## Derivatives Idea

**Banknifty**

**Bull Call spread**

Buy 1 Lot 22100 CE

Sell 1 Lot 22300 CE



- ✓ Bank Nifty is in long-long unwinding cycle
- ✓ Option data indicates put writing at 21900-22000 strike while highest call congestion is placed at 22000
- ✓ Unwinding in 22000 strike CE could propel momentum on higher side to 22300
- ✓ As we are playing momentum, Bull call spread is recommended

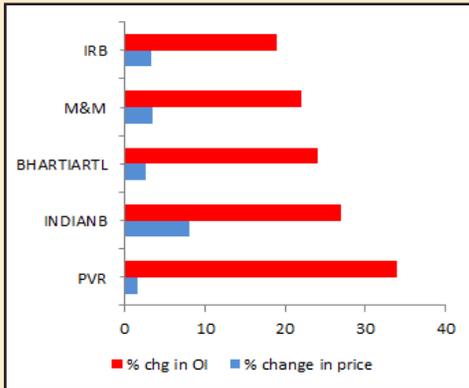
## FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-805	Short
INDEX OPTIONS	441	Call Long
STOCK FUTURES	1,806	Long

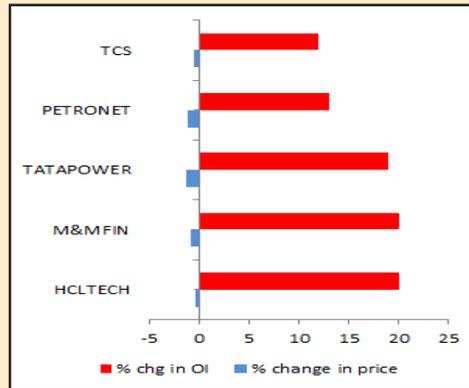
# MOST Market Outlook

26th April 2017

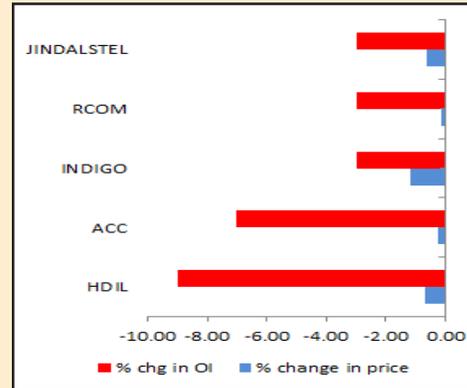
## Long Built-up (Combine)



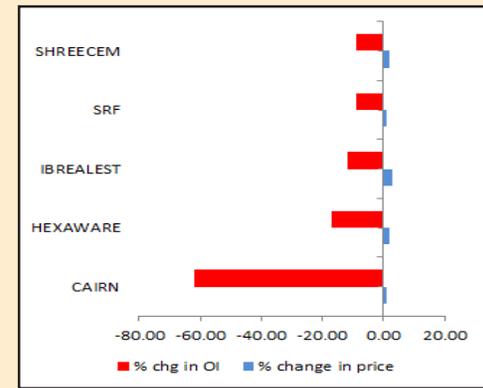
## Short Built-up (Combine)



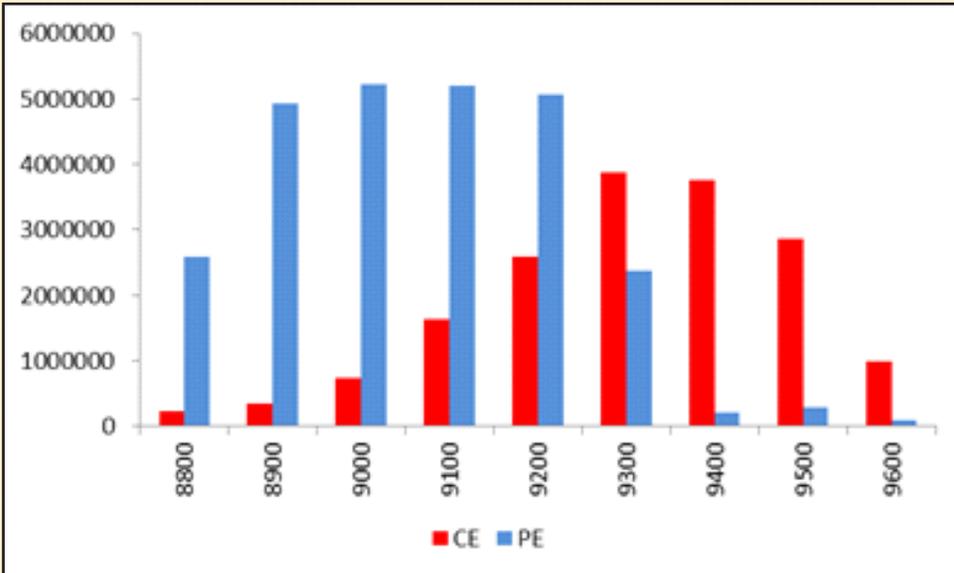
## Long Unwinding (Combine)



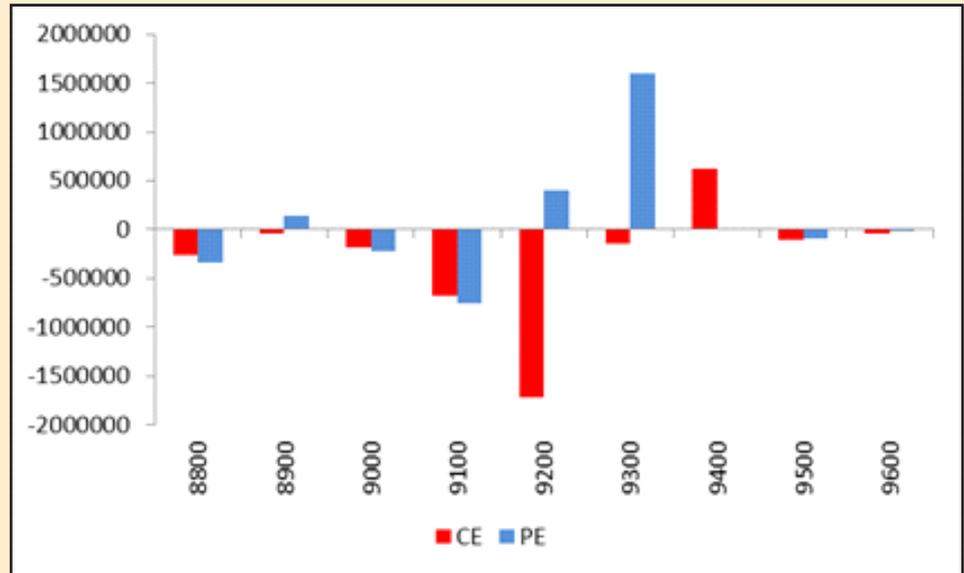
## Short Covering (Combine)



## Nifty Option OI



## 1- Day change in Nifty OI



## Morning Meet Notes

### Research Notes

#### **Ultratech Cement (CMP 4234, TP 4928, Recom BUY)**

- ✓ Volume growth muted at 3% in 4QFY17. Capacity utilisation at 81%.
- ✓ Beat on margins due to strong control over costs such as power and fuel and freight.
- ✓ Strong bet on the cycle upturn
- ✓ Factor a 6% volume CAGR and 20% EBITDA CAGR over FY17-19.
- ✓ EV/t of USD240, including JPA's capacity

#### **Mahindra Financial Services- (CMP 340, TP 400, Recom BUY)**

- ✓ PPop increased 7% YoY to INR7.25b (23% beat).
- ✓ Reported AUM increased 14% YoY (+2% QoQ)
- ✓ Third consecutive quarter of 14% AUM growth
- ✓ Cost of funds declined sharply by 70bp QoQ to 8.39%. Overall, margins expanded 325bp QoQ
- ✓ GNPLs declined 17% QoQ to INR42b
- ✓ The company's long-term prospects remain strong. MMFS remains highly levered to growth and asset quality. We increase FY18/19 estimates by 18%/17% to factor in better margins and AUMs

#### **Persistent Systems: - Upgrade to BUY (CMP: INR568; TP: 700)**

- ✓ 4QFY17 EBITDA margin expanded 200bp QoQ to 17.9% led by a combination of factors such as SGA optimization, bad debts recovery and some pruning in costs related to the IBM IoT deal.
- ✓ For FY17, dollar revenue grew 22% YoY; EBITDA rose 11.6% YoY PAT grew 5.2% YoY.
- ✓ **Valuation view - Upgrade to Buy** : Margins have bottomed out and should start showing improvement YoY, (from 26% in FY14 to 16% in FY17); coupled 10% revenue growth over FY17-19 (led by digital). Value it 14x FY19E

## Upcoming Economic Events Calendar

			26-Apr-17	27-Apr-17	28-Apr-17
India					
UK					GDP (QoQ)
US				Wholesale Inventories, Retail Inventories, Intital Jobless claims, Pending Home sales	GDP (QoQ)
	1-May-17	2-May-17	3-May-17	4-May-17	5-May-17
India		Nikkei Manf. PMI		Nikkei Service and Composite PMI	
UK		Manufacturing PMI			
US	Manufacturing PMI		Service and Composite PMI, FOMC Rate decision	Initial Jobless Claims	Change in Non-farm pay roll, Unemployment Rate
	8-May-17	9-May-17	10-May-17	11-May-17	12-May-17
India					CPI, IIP
UK				IIP, BoE Rate decision, BoE Asset Purchase Traget	
US				Initial Jobless Claims	CPI, Retail sales Advance
	15-May-17	16-May-17	17-May-17	18-May-17	19-May-17
India	WPI				
UK		CPI, Housing Price Index	Jobless Claims		
US		Industrial Production		Initial Jobless Claims	
	22-May-17	23-May-17	24-May-17	25-May-17	26-May-17
India				Eight Infrastructure	CPI, IIP
UK				GDP (QoQ)	
US		New Home sales	Manufacturing, Services and Composite PMI, Existing Home sales, FOMC Meeting Minutes	Initial Jobless Claims	Quarterly GDP

Note- CPI-Consumer Price Index, WPI-Wholesale Price Index, IIP- Index of Industrial Production, PMI-Purchasing Managers Index

## Currency Ideas

### USDINR



- ✓ The pair traded with negative bias and closed near its key support zone at 64.50 - 64.60.
- ✓ The momentum indicator RSI & MACD are not indicating weakness any reversal sign yet.
- ✓ Price sustained trade below support could continue the fall towards 64.20 - 63.85

### GBPINR



- ✓ Bias remains positive for the pair as long as 82.10 is held as strong support followed by immediate support at 82.35.
- ✓ Buying on dips is thus advised with short-term targets around 83.60 - 83.75.
- ✓ Immediate resistance is pegged at 83.10 level.

# MOST Market Outlook

26th April 2017

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