



Nifty Outlook

Nifty Fut.	Reco.	MBP	SL	TGT
7943(Jun)	BUY	7940	7900	8020

"Bullish Harami" confirmed the support around 7700 & the strong rebound was in line with our expectation. A breach now above 8000 will confirm the directional momentum. In view with the F&O expiry sessions trading longs should be held with a stop below 7900 for the day.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.43	67.30	67.20	67.65	67.95

Range-bound move could be seen for the session and price break on either side of 67.20 - 67.65 will give further direction.

Sectoral Outlook

Sector	Outlook
NBFC	Positive
AUTO	Positive

Outlook

- ✓ Nifty moved above 200 DMA influenced by strong performance from international markets and reports of likely better monsoon. Software, banking, auto stocks did well. The rally will get broader as investor confidence improves. Global cues remain positive. On the results front, Bajaj Auto reported in line numbers. L&T numbers were a pleasant surprise with a strong beat on the EBIDTA and profitability levels. After having disappointed for the last few quarters, the sharp improvement in margins comes as a positive surprise. Expect stock to do well post numbers. The company has guided for 15 percent growth and having met the guidance, one would tend to have more faith in the guidance. Tata Steel was better than expectations on EBIDTA front. Kerala relooking at liquor ban will be positive for liquor companies. Overall bias for the market remains positive.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
HDFC	BUY	1209	1180	1260
M&M FIN	BUY	310	299	330

Trading Idea - Derivatives

STRATEGY - Reliance Long Call					
Instrument	B/S	Lot	Reco	CMP	
May 940 CE	Buy	1	7.8	10.5	

Target Profit : 20 Stop Loss : 2

UNSP: Positive: New Kerala Govt. reviewing liquor ban of outgoing Govt. implemented last year

- ✓ Kerala derives ~15% of its budgeted revenues from Liquor industry. ~82% of MRP of liquor bottle goes in government kitty
- ✓ Additionally liquor ban could impact tourism industry which is a major revenue earner

	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Bosch	27.1	13.6	5.8	156	3.8	30.8	BUY/24659/A	1. Auto + ~14.7% non-auto+ ~9.6% ; Domestic +~15.5% exports -~9.1% 2. EBITDA % to decade high of 21.5% vs est 17.8% 3. Demerger of SMG business expected by Aug-16 4. Trades at 41.9x/31.3x FY17E/18E EPS
L&T	331.6	18.3	48.6	34.6	24.1	22	Neutral\1480\A	1. Beat led by strong execution in Domestic Infra +20% 2. Order intake +11%, in line with ests; Guidance of 15% in FY17 3. EPS CAGR of 24%; Trades at 16x FY18
Tata Steel	295.1	-12.4	22.1	43	-33		Neutral/307/I	1. Vol +5% YoY; India: EBITDA/t +INR1509/t QoQ to INR7681 despite flat NSR. FAMD's profitability 2. Europe: EBITDA loss at USD15/t vs USD35/t Est due to redundancies 3. Capex: ~INR100b; reducing SOTP based TP by 5%
Amararaja	11.7	10	1.9	8	1.1	7	BUY\975\B	1. Raw material costs increased by 110bp QoQ (-200bp YoY) to 62.7% 2. overheads for new capacities and higher marketing spend 3. lowered our EPS estimate for by 7-8%, trades at 19.6x FY18 EPS
PI Inds	5.8	9	1.1	13	0.9	64	Buy/690/I	1. CSM +6%, Agri +17%, Higher PAT due to lower Tax 2. CSM order book 4.4x sales, +47% YoY; Good monsoon to aid Agri 3. EPS CAGR of 27%; Trades at 18x FY18
GAIL	116	-18	11.2	84	7.7	51	Neutral/384/I	1. Higher O.I & lower Tax leads to higher PAT growth 2. EBIT: Gas transmission +40%, Trading +400%, Petchem: Loss, 3. EPS CAGR of 31%; ROCE of 12%; Trades at 12x FY18
Hindustan Media	2.3	12.6	0.5	15	0.5	20.7	BUY/365/A	1. Ad rev +15%; UP& Uttarakhand +20%, circulation rev +5%; 2. EBITDA beat due to ab est. ad revenue & op lvg 3. News print costs 3-4% in FY 17; 4. Raise est 3-4% for FY17/18; trades at 10.1x FY17E EPS/8.8x FY18E EPS

Currency Ideas

USDINR



- ✓ USDINR failed to break above the key resistance of 67.95 and turned lower closing the previous session with a negative note at 67.43
- ✓ Initial weakness could be seen for the session, but downside will be limited around 67.20 which act as immediate support area
- ✓ Immediate resistance is at 67.65 whereas critical resistance remains at 67.95
- ✓ Overall consolidative range could be seen for the session and price break on either side of 67.20 - 67.65 will give further direction

GBPINR



- ✓ GBPINR continues to hold its strength above its key support, closing the previous session at 98.95
- ✓ Strong support for the pair remains 98.35 - 98.50 and short term bias will remain positive as long as price holds above the same
- ✓ Dip buying near 98.80 - 98.70 levels will be advised for the session targeting 99.30 - 99.50 levels

MOST Market Outlook

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