

MOST Market Outlook

27th February 2017

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
CEAT	BUY	1142	1120	1188

Corporate Action:

NUTRA	Stock Split From Rs.10/- to Rs.5/-
RECLTD	Interim Dividend - INR 7.00

Security in Ban period:

NIL

Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8940	9000	9119	8850	8820

'Nifty formed a narrow range body post the Doji formation keeping the positive trend intact. It continued its bullish move for sixth consecutive session and registered a fresh 52 weeks high of 8982. Overall the immediate trend may remain positive until it doesn't break its trend line support of 8820. Now it has to continue to hold above 8888 to extend its up move towards 9000 and its life time high of 9119 while on the downside supports are seen at 8850 and 8820.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.08	66.90	66.75	67.20	67.50

The pair is likely to trade in a lower range between resistance at 67.20 and intraday support at 66.75 level.

Sectoral Outlook

Sector	Outlook
BANKS	POSITIVE
AUTO	POSITIVE

Trading Idea - Derivatives

STRATEGY : LICHSGFIN Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
30 Mar 580 CE	Buy	1	15	15
30 Mar 600 CE	Sell	1	9	9

Target Profit: Rs.8000 SL Rs 3500

Market Drivers

- ✓ Slightly lower opening for Indian markets is seen in early trades. Feb series ended with smart gains. Rollovers have been better. Also positions are higher than usual. March series is a longer one and could be volatile as the market has to grapple with few events in this month. Trump testimony tomorrow, Fed meeting, State election results are some of the events to watch out for. Sectors like psu banks is looking positive. Among large caps, Reliance Industries should continue to see investment interest. Auto stocks could be in focus ahead of monthly numbers.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 23-Feb	9000	5412375	-1227900
Bank Nifty 30-Mar	20500	476960	198560
Bank Nifty 02-Mar	21000	321080	194760

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 23-Feb	8800	5159850	-486000
Bank Nifty 30-Mar	20000	427760	95320
Bank Nifty 02-Mar	20500	240680	116800

Trading Calls

CEAT

Buy

MBP INR 1142

Target INR 1188



- ✓ It formed double bottom near to 1070 and has been holding the gains above its previous hurdle of 1140
- ✓ Thus recommending to buy on decline for the target of 1188 with the stop loss of 1120 levels

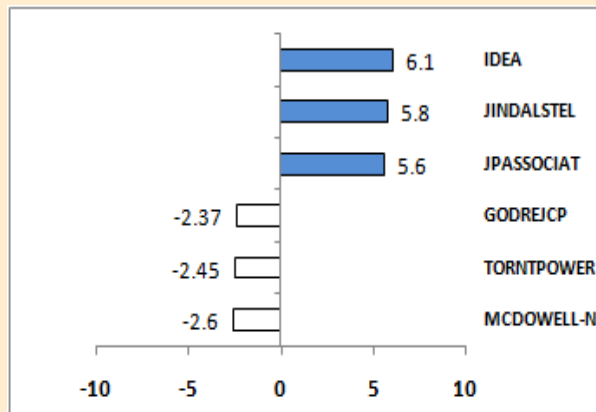
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	392	7704	9576
DII	-445	403	27395

FII F&O

Institution	Net B/S	OI
Index Future	2431	Short unwinding
Index Options	1761	Unwinding
Stock Futures	37	Unwinding

Major Price % Change



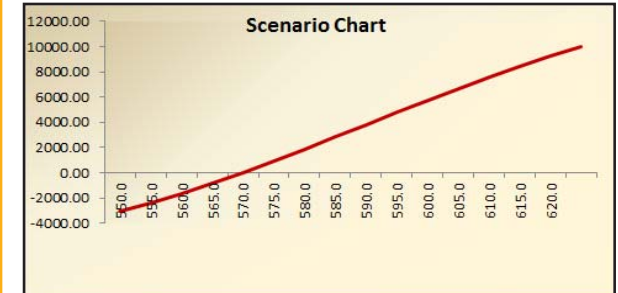
Derivatives Idea

LICHSGFIN

Bull Call Spread

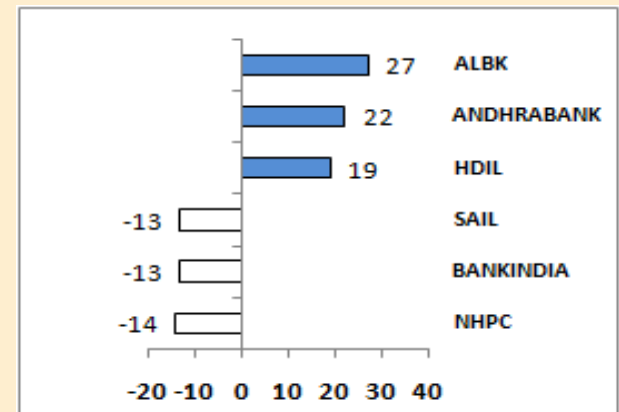
Buy 1 Lot 580 CE

Sell 1 Lot 600 CE



- ✓ Lichsgfin had witnessed accumulation in OI in past few trading session
- ✓ Option activity shows highest concentration in 580 CE and 560 PE
- ✓ Unwinding in 560 CE could lead to option trigger boosting the momentum
- ✓ Thus Bull Call Spread is recommended

Major OI % Change



Morning Meet Notes

Research Notes

News Update - SBI will merge 5 associate banks: (CMP - 271, TP 350, Recom. BUY)

- ✓ SBI will merge with SBI from 1st April 2017.
- ✓ Asset base of Rs 37 tn, 22,500 branches and 58,000 ATMs.
- ✓ Stock trades at 1.1x FY18 consol. BV of IINR247

News Update - Canara Bank to sell Stake in Canfin homes (CMP - 1993, TP 2260, Recom. BUY)

- ✓ Canara Bank has invited bids to sell 13.5% stake in Can Fin Homes
- ✓ Expect Can Fin to deliver PAT CAGR of 37% over FY16-19E with an improvement in ROE from 19% in FY16 to 26% in FY19E

Bharti Airtel - Telenor deal holds strategic value (CMP - 366, TP 410, Recom. BUY)

- ✓ Telenor holds spectrum in the 1800MHz band in seven key circles
- ✓ Only acquire outstanding spectrum payments and other operational contracts including tower lease
- ✓ To give incremental revenue of INR 2500-3000cr, EBITDA of INR 700-800cr
- ✓ Reiterate BUY on Bharti.

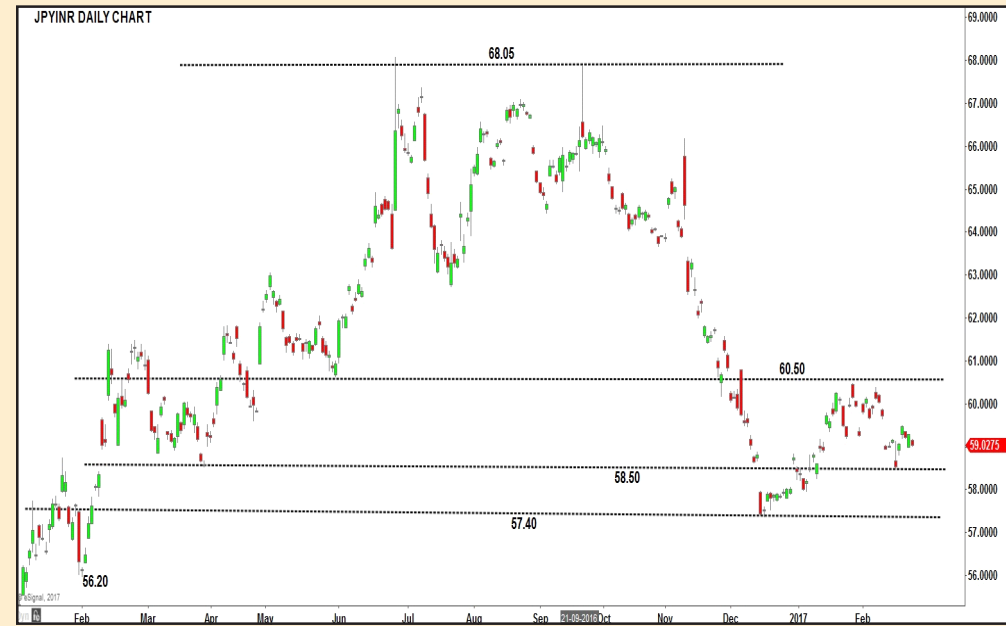
Currency Ideas

USDINR



- ✓ NSE USDINR fell and closed near 66.83, lower by about 0.4% for the last week, after it failed to breach immediate resistance near 67.20 levels earlier.
- ✓ The short-term bias remains bearish as long as the pair holds below this resistance and selling on rallies is still advised.
- ✓ Immediate support is seen at 66.75 while 66.50 is a major support.
- ✓ Higher resistance is at 67.40-67.50 zone.

JPYINR



- ✓ NSE JPYINR consolidated in a range last week, closing above 59 levels after recovering sharply from support near 58.50 level earlier.
- ✓ The short-term bias looks positive above this support zone and buying on dips is advised.
- ✓ The pair is now expected to test immediate resistance near 59.90 while a move higher towards 60.50-60.60 range looks possible from a medium-term perspective.

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