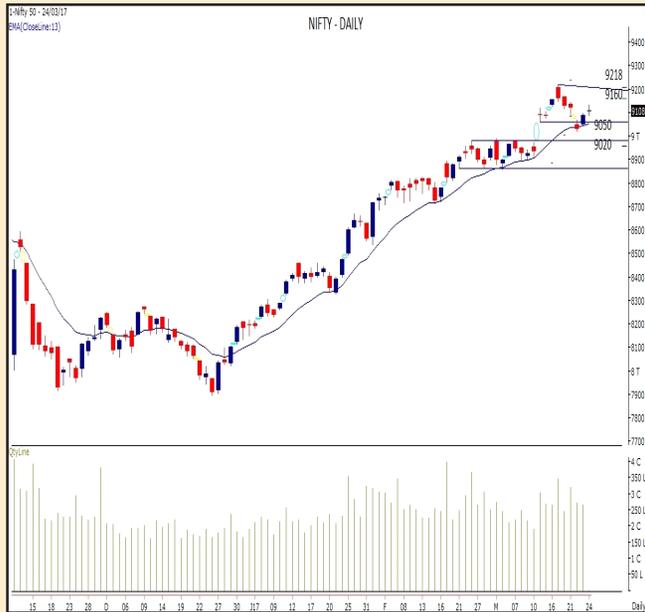


Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9112	9160	9218	9050	9020

'Nifty index opened positive but failed to continue its momentum and formed a Doji candle on the daily chart. Recently it took support at its 13 DEMA and formed a bottom near to 9020 zone. Now it has to continue to hold above 9075 to witness a buying interest towards 9160 and 9218 while on the downside 9020 is likely to act as a major support.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
65.41	65.30	65.10	65.70	65.90

The pair is likely to trade in a lower range between resistance at 65.70 and support at 65.30/65.10 level with a negative bias.

Market Drivers

- ✓ US markets closed flattish on Friday. The healthcare bill did not go through. This should augur well for Indian pharma companies supplying to US markets. Asian markets are mixed with Nikkei down about a percent. Reliance is likely to see weakness on back of the SEBI order whereby the company will have to pay over Rs 1000 cr including penalty. Also it has been barred from trading in derivatives for a year. While Reliance is likely to contest it, expect marginal weakness on account of the same. SBI is planning to dilute stake in its insurance business. Divi's is expected to be in limelight post the regulatory issues. Govt is expected to take some steps to resolve the NPA issue. Banking stocks did well on Friday on back of the same. GST is also progressing and likely implementation date is seen in July. Govt action in various sectors is it banks, infra, defense, policies and fund flows will be important in near term for market to continue its momentum.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
ICICIBANK	BUY	273	269	285

Sectoral Outlook

Sector	Outlook
BANKS	POSITIVE
IT	NEGATIVE

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9200	6640050	563400
Bank Nifty 30-Mar	21500	849200	141080

Corporate Action:

IBVENTURES Interim Dividend - INR 1.00

Security in Ban period:

BHARATFIN, HDIL, IBREALEST, IFCI, JINDALSTEL, JPASSOCIAT, JSWENERGY, ORIENTBANK, RELCAPITAL, SINTEX, WOCKPHARMA

Trading Idea - Derivatives

STRATEGY : Bank Nifty Modified Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
BANKNIFTY CE 21200	Buy	1	100	105.05
BANKNIFTY CE 21500	Sell	1	24	24.20
BANKNIFTY PE 20700	Sell	1	23	19.15

Target: Rs. 8000; SL: Rs.2500; Hedge: Sell Future below 20700; Approx margin: Rs. 102000

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8800	5400150	-144375
Bank Nifty 30-Mar	20500	914280	-209360

Trading Calls

ICICIBANK

MBP INR 273

Buy

Target INR 285



- ✓ 'ICICI Bank has bottomed out near to 265 and formed an island reversal pattern on the daily chart which has a bullish implication
- ✓ It also made a Bullish Belt Hold Candle and negated the immediate negative trend
- ✓ Thus, recommending to buy with the trading SL of 269 for a potential upside target of 285

Derivatives Idea

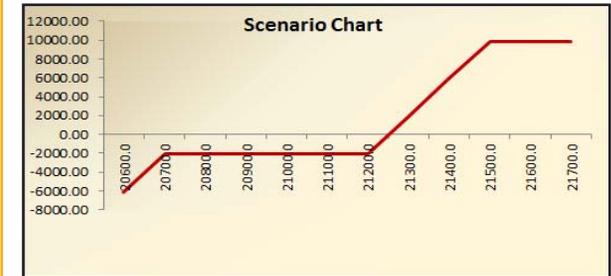
Bank Nifty

Buy 1 Lot 21200 CE

Modified Bull Call Spread

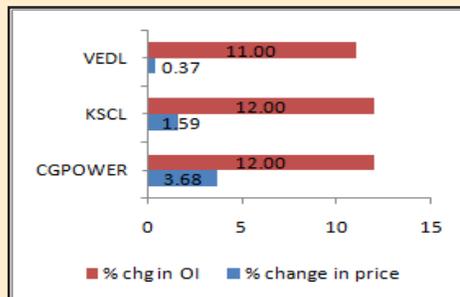
Sell 1 Lot 21500 CE

Sell 1 Lot 20700 PE

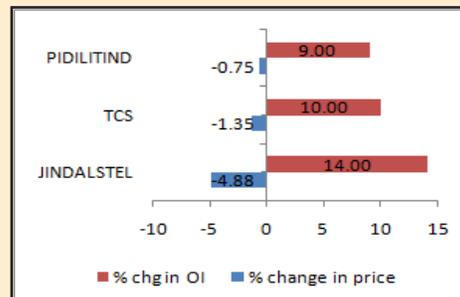


- ✓ BankNifty is in long-long unwinding cycle
- ✓ Option data signifies fresh put writing at 21000 strike while call unwinding at 21200 could propel upward momentum towards 21500. Considering positive bias and to benefit from faster theta decay, Modified Bull Call Spread is recommended

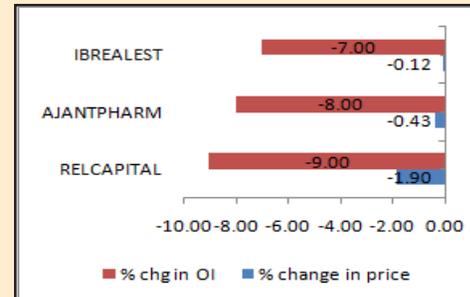
Long Built-up (Combined)



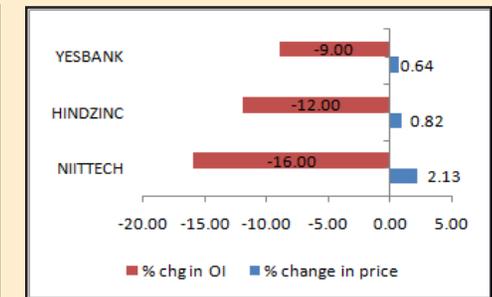
Short Built-up (Combined)



Long Unwinding (Combined)



Short Covering (Combined)



FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	543	19246	42336
DII	117	-8642	8795

FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-316	Long Unwinding
INDEX OPTIONS	714	Put Long
STOCK FUTURES	-81	Short

Morning Meet Notes

Research Notes

Mahindra & Mahindra - Management meet update (CMP 1276, TP 1546, Recom. BUY)

- ✓ Passenger UVs - incorporating feedback and new product launches should help recover market share
- ✓ BS-VI would be disruptive, throwing up opportunity for the prepared
- ✓ Product development - leveraging on global R&D network
- ✓ Electric vehicles - idea whose time has come
- ✓ Worst is over for MM in both Tractors (driven by normal monsoon) and UVs (driven by recent launches)
- ✓ MM is one of the cheapest large-cap auto stocks, with valuations of 17x/14.2x FY18/19E consolidated EPS and 15.2x/12.8x on core P/E basis

Dilip Buildcon - Management meet update (CMP 349, TP NR, Recom. NR)

- ✓ Differentiated business model with strong execution capabilities (100% inhouse execution, 90% proj completed before time)
- ✓ Strong pre-bidding survey done to ensure selection of right projects
- ✓ Focus shifts to large-ticket orders to improve manpower/equipment utilization (INR 500-700cr from INR 250cr)
- ✓ Diversification of business to reduce business risk (bidding for mining, metro projects)
- ✓ Robust order book provides strong revenue visibility (order book: INR15k, 2.5x rev visibility)

Currency Ideas

USDINR



- ✓ NSE USDINR continued to consolidate near 1.5-year lows, closing the last week at 65.41, down by 0.25% for the period.
- ✓ The short-term bias remains bearish as long as the pair holds below 65.85-65.90 with stiff higher resistance at 66.20-66.40 zone.
- ✓ The 12-26 period MACD is at a 3-year low at -0.45 and continues to head lower indicating weakness.
- ✓ Selling on rallies is thus advised.
- ✓ Breach below recent low at 65.30 could extend the decline towards lower supports at 65.10-64.85 levels

JPYINR



- ✓ NSE JPYINR traded positively last week as it closed at a 3-week high near 58.94, up by about 1.65% for the period.
- ✓ The pair had earlier reversed sharply from December 2016 low near 57.20 levels and is now likely to find immediate support near 58.50.
- ✓ Short-term bias continues to look positive above the same.
- ✓ Buying on dips is thus advised and test of next major resistance at 59.50 looks likely.

MOST Market Outlook

27th March 2017

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