

## Nifty Chart



## Nifty Outlook

Nifty Cash	R1	R2	S1	S2
9352	9400	9420	9280	9218

'Nifty index continued its up move for third consecutive session and registered a record life time high of 9367. For the day the index saw a sharp bounce from the lows making a long lower shadow. It is a Bullish candle on the daily chart registering highest high of last five trading sessions. Index is trading at uncharted territory and a hold above 9300 zone could extend its rally towards 9400-9420 zone while on the downside supports are seen at 9280 and 9218.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
64.38	64.20	63.85	64.55	64.70

Selling on rise is advised as long as 64.45 - 64.65 curtains the higher side.

## Market Drivers

- ✓ Domestic markets continued to be buoyant. Nifty sustained above the 9300 levels. Mid cap stocks however saw correction amid some volatility in the index. Flows remained mixed with FIIs continuing to be net sellers while DIIs were net buyers. Among results, Axis was marginally better than expected but high credit costs is likely to continue in FY18 too. LIC Housing Finance reported in line numbers but growth moderation will limit upsides. Currency continued to hit new highs along with the markets. Sustaining these levels could create concern for exporters. US markets ended positive post announcement of tax policy. Overall bias remains positive and technical factors like expiry could help markets sustain upsides.

## Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
TATAMOTORS	BUY	452	440	475

## Corporate Action:

ELANTAS Dividend - INR 4.50  
MOLDTEK Interim Dividend - INR 0.30

## Security in Ban period:

ADANIPOWER, BANKINDIA, IBREALEST, ICIL, INDIACEM, JINDALSTEL, JPASSOCIAT, ORIENTBANK, RCOM, TV18BRDCST, UJJIVAN, WOCKPHARMA

## Today Event

US - Wholesale Inventories, Retail Inventories, Intital Jobless claims, Pending Home sales

## Sectoral Outlook

Sector	Outlook
AUTO	POSITIVE
BANKING	POSITIVE

## Trading Idea - Derivatives

**STRATEGY UPDATE : Banknifty Bull Call Spread**

Instrument	B/S	Lot	Reco	CMP
Banknifty 27Apr 22100CE	Buy	1	46	149
Banknifty 27Apr 22300CE	Sell	1	9.5	41

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

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9400	4107825	347325
Bank Nifty 27-Apr	22300	540280	121240

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9100	4743975	-466875
Bank Nifty 27-Apr	21500	819440	-123480

## Trading Calls

### TATAMOTORS

CMP : INR 452

**Buy**

Target : INR 475



- ✓ Tata Motors has just bounced off its major long term support at 440 area. Price has broken above the highest high of last several days with an increase in volumes
- ✓ The oscillator has also crossed above its moving average line. Auto sector is a strong outperformer and Tata motors could emerge as a winner in next couple of days
- ✓ This stock is a recommended buy for a target of 475 with a stop below 440

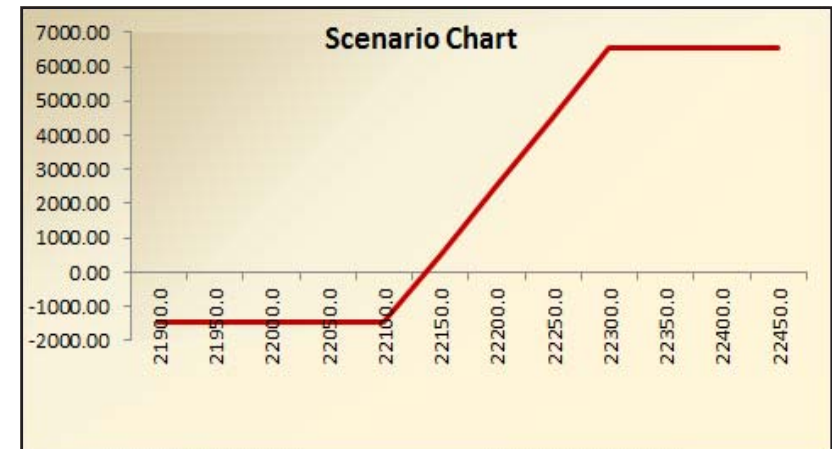
## Derivatives Idea

### 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 & DII Activity (INR in Cr)

Cat.	Amt	MTD	YTD
FII	-493	-5295	20066
DII	1011	7330	37261

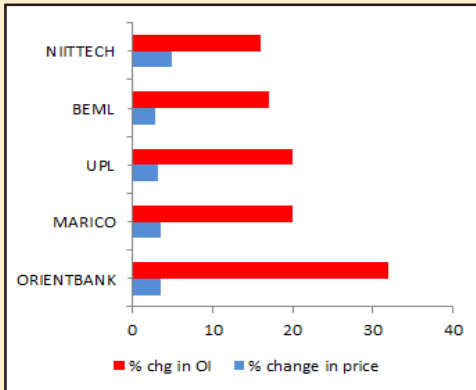
## FII F&O

Institution	Net B/S	OI
INDEX FUTURES	241	Long
INDEX OPTIONS	849	Long
STOCK FUTURES	1,382	Long

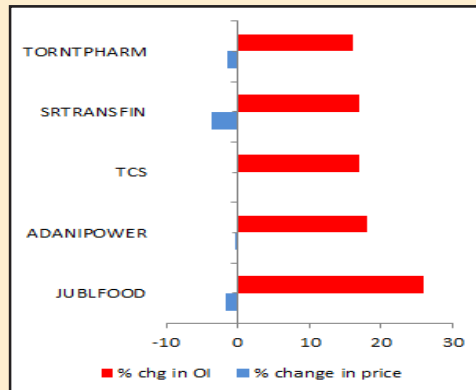
# MOST Market Outlook

27th April 2017

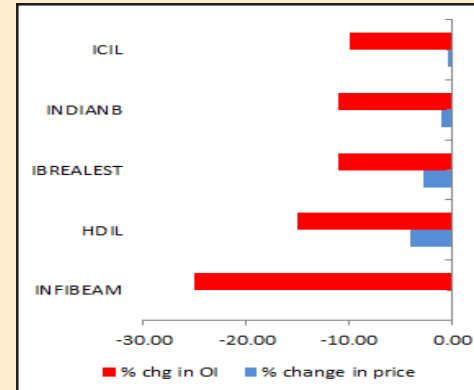
## Long Built-up (Combine)



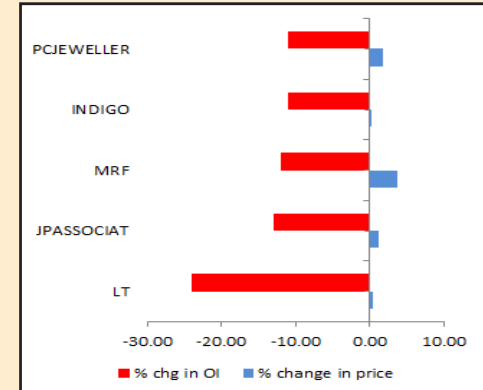
## Short Built-up (Combine)



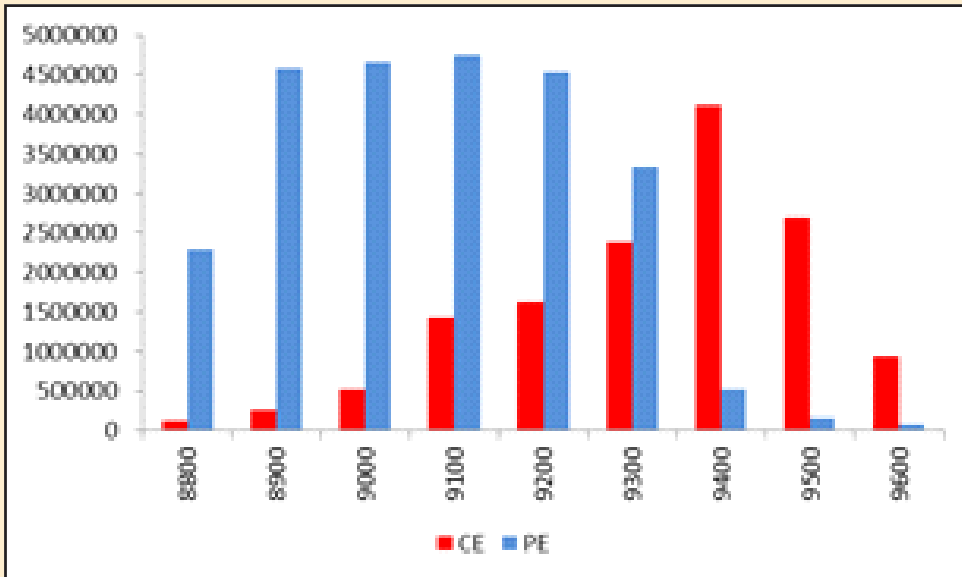
## Long Unwinding (Combine)



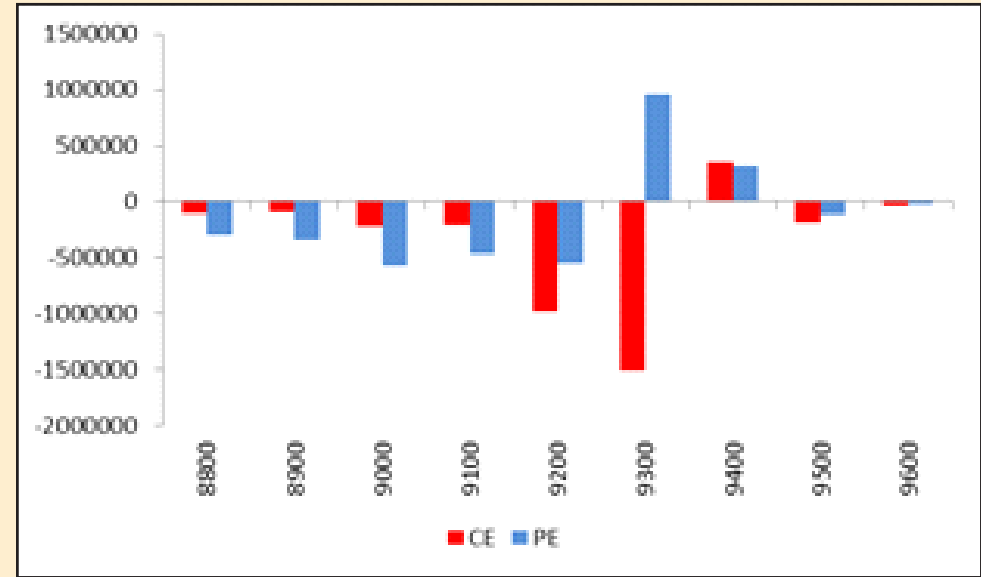
## Short Covering (Combine)



## Nifty Option OI



## 1- Day change in Nifty OI



## Morning Meet Notes

### Research Notes

#### **Axis Bank- (CMP 517, TP 525, Recom NEUTRAL)**

- ✓ PAT declined 43% YoY to INR12.3b (vs estimate of INR8.3b)
- ✓ NII up 4% YoY to INR47.3b
- ✓ GNPA stood at 5.04% vs 5.22% in the previous quarter
- ✓ In absolute terms GNPA increased 4% QoQ
- ✓ Bank's Watch List reduced 15% over the previous quarter
- ✓ RoE have declined from 17% in FY16 to 7% in FY17
- ✓ Expect earnings to normalise in FY19; Maintain Neutral with TP of INR525(1.9x FY19 BV)

#### **LIC Housing Finance: - Downgrade to NEUTRAL (CMP: INR676; TP: 723)**

- ✓ PAT of INR5.3b (+18% YoY); in-line with estimates
- ✓ A continued increase in share of LAP/builder loans and stable asset quality.
- ✓ Loan book growth was 15.5% YoY
- ✓ Growth continues to be driven by the non-retail portfolio
- ✓ For full year FY17, PAT grew 16.3% YoY to INR19.3b. RoE was 19.4%.
- ✓ We marginally cut earnings estimates for FY18/19 to factor in pressure on retail business.
- ✓ We thus downgrade to Neutral with a TP of INR723 (2.5x FY19E BVPS)

## Upcoming Economic Events Calendar

				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 achieved our recommended immediate target of 64.20 and reversed from the same in the previous session closing at 64.38.
- ✓ Bias remains weak as long as 64.55 - 64.65 curtains the higher side.
- ✓ Selling on rise is advised targeting 64.20 / 63.85

### GBPINR



- ✓ Bias remains positive for the pair as long as 82.45 - 82.10 is held as strong support.
- ✓ Intraday resistances are at 83.15 / 83.60.
- ✓ Dip buying is advised

# MOST Market Outlook

27th April 2017

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