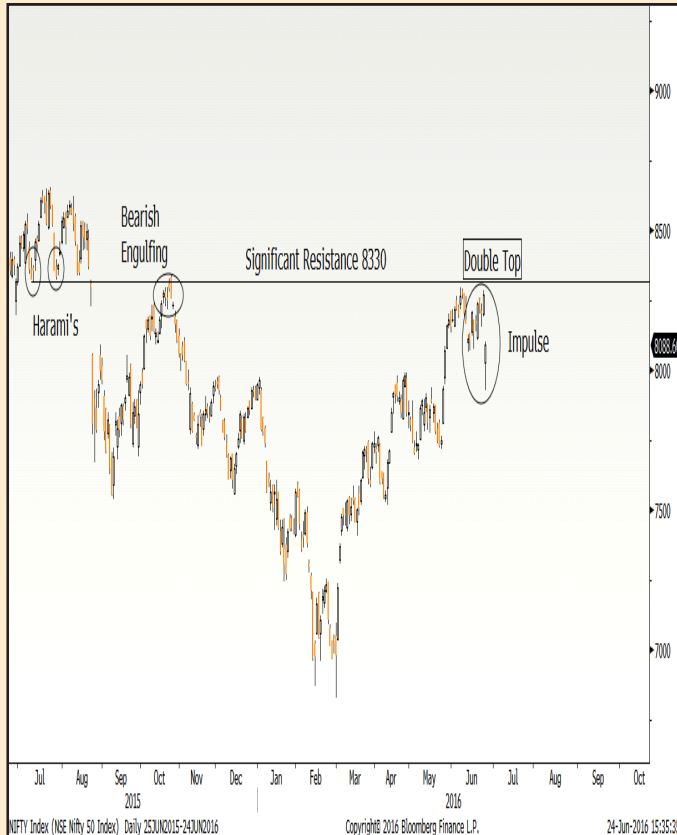


Nifty Chart



Nifty Outlook

Nifty Fut.(Close)	R1	R2	S1	S2
8087	8080	8150	7930	7900

'Double Top' formation re-confirms the resistance zone at 8330. The latest rebound wave contains impulse wave characteristics re-affirming the impending bearishness in the future. Pullbacks if any should ideally be utilized to exit longs as the extension of the wave could stretch towards 7700.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.97	67.75	67.50	68.25	68.40

The pair is likely to trade positively above support at 67.75 and test of resistance at 68.25 level looks possible.

Sectoral Outlook

Sector	Outlook
METAL	Negative
PHARMA	Negative

Market Drivers

- ✓ 'Brexit' being confirmed will be a temporary event. We expect Global markets are to discount for it in couple of days. Global equities saw sharp correction on 'Brexit' news be it US, European or Emerging basket. Currencies had its share of re-balancing with GBP, EURO, YEN and most other currencies depreciating relative to US Dollar. Flight to safety saw bullions gaining as money managers bought more of Gold and Silver. This morning Asian markets are trading as a mixed bag, we expect sanity to return sooner with market focusing on GST passage in Monsoon session and Q1FY17 earnings in next two weeks.

Trading Idea - Cash & Future

Scrip	Reco	MSP	SL	Target
HINDALCO	SELL	120	124	105

Trading Idea - Derivatives

STRATEGY - LT Long Put

Instrument	B/S	Lot	Reco	CMP
Jun 1400 PE	Buy	1	14	14

Target Profit : 40 Stop Loss : 0

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Jun	8400	5517600	-1035900
Bank Nifty 30-Jun	18000	578370	28830

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Jun	8000	6585775	-1466250
Bank Nifty 30-Jun	17000	828720	80100

Trading Calls

HINDALCO MSP INR 120
Sell Target INR 105



- ✓ 'Double Top' formation with the convergence of the RSI from the overbought zone augurs well for the termination of the existing bullish trend
- ✓ Pullback towards 119-120 zone would make the setup more lucrative to create fresh shorts with a stop at 124 & an immediate down move towards 105

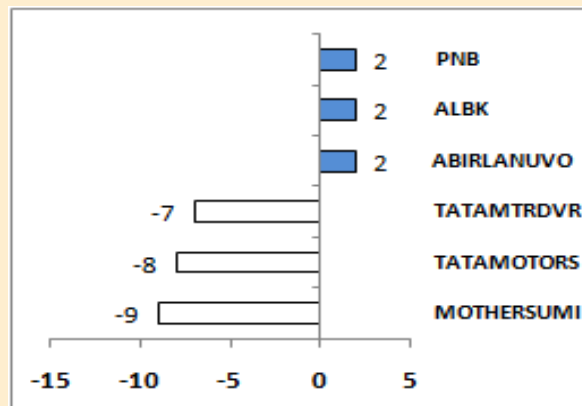
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-629	3084	-41918
DII	115	-1573	61224

FII F&O

Institution	Net B/S	OI
Index Future	-1768	Long Unwinding
Index Options	2692	Long
Stock Futures	14	Unwinding

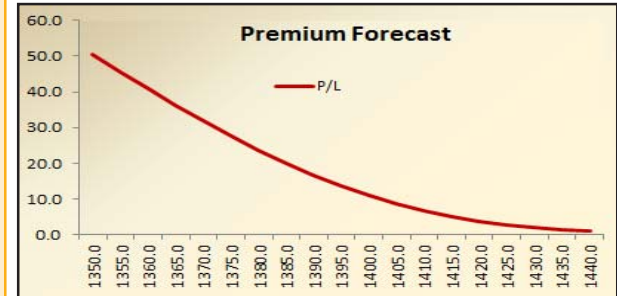
Major Price % Change



Derivatives Idea

LT Buy 1 Lot 1400 PE

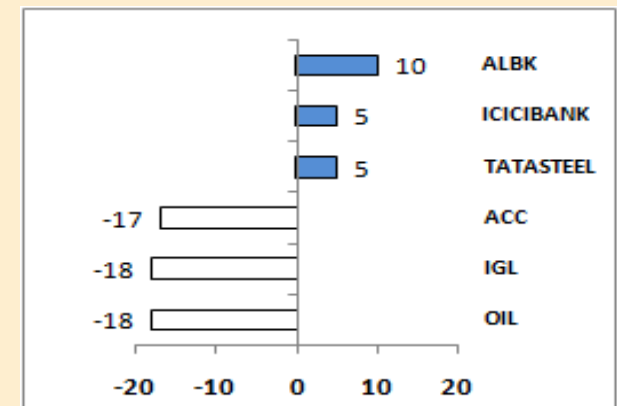
Long Put



Target Profit : 40 Stop Loss : 0

- ✓ LT is in long unwinding cycle. Unwinding in 1450 PE could lead to further correction
- ✓ Call concentration at 1450 & 1500 strike could act as immediate resistance
- ✓ Considering momentum play, Long Put is recommended

Major OI % Change



Morning Meet Notes

Fundamental News Flow

- ✓ **INDIA MONSOONS** : Deficit at 16% with most of the deficit in Central (30%) and East India (24%).
- ✓ **INDIA GAAR RULE** set to kick in from April 1, 2017. Not to apply to FIIs in respect of their income from transfer of investment made before April 1, 2017

Research Notes

- ✓ **SBI - ET REPORTS** : Ms. Arundhati may get an extension of one year as SBI Chair!
- ✓ **RIL** : Amitabh Jaipuria, head R JIO's mobility business, leaves just ahead of the launch
- ✓ **BAJAJ FINSERV** : Allianz likely to sell out stake in the Insurance companies to Bajaj

Initiating coverage: Manpasand Beverages (TP: 750; Upside: 44%)

- ✓ Improve market share from 5% in 2016 to 7.5% in FY18
- ✓ Mango Sip has gained significant share due to focus on rural India (55% share)
- ✓ It has 200,000 retailers, 2,000 distributors, 200+ super stockists, and plans to add 1000 distributors in the medium term with a special focus on south India
- ✓ Expanding its capacities by 80% over FY16-18 (INR3.2b) into north and south India
- ✓ 49% revenue CAGR and 63% PAT CAGR over FY16-18E
- ✓ We value the stock at PE of 28x FY18 EPS (~0.3x PEG v/s ~ 1.6x of consumer peers)

Annual Report update: Havells

- ✓ To focus on domestic operations; sold stake in Sylvania Business
- ✓ Cash conversion cycle supported by receivables factoring (102 days Vs Reported 47 days)
- ✓ FCF falling on account of working capital changes and capex
- ✓ We ascribe a 30x PE multiple on its FY18E EPS of INR12.6. We believe that the premium valuations are justified, given (i) demonstrated track record of accelerating growth through new launches, (ii) robust dividend payout, and (iii) robust consolidated return ratios.

Currency Ideas

USDINR



- ✓ USDINR (June contract) rallied and closed higher near 67.97 last week, up by about 1.2% for the period after breaching through resistance at 67.80 level on very high volume
- ✓ Looking ahead, 67.75-67.80 is likely to provide immediate support to the pair with lower support at 67.50 level
- ✓ The short-term bias remains positive above these supports and buying on dips is advised
- ✓ Test of higher resistance at 68.30-68.40 area looks possible

EURINR



- ✓ EURINR (June contract) closed lower by about 0.5% near 75.30 level last week after breaching trend line support 'S' near 76 level
- ✓ The pair had earlier rallied towards a 1.5-month high near 77.08 level on short-covering
- ✓ Looking ahead, although a brief relief rally could be seen, the short-term bias remains negative below 76.60-76.70 range
- ✓ Selling on rallies is thus advised with test of lower support area at 74.30-73.80 range looking possible

MOST Market Outlook

27th, June 2016

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