27th, July 2016



## **Nifty Chart**



### **Nifty Outlook**

Nifty Fut.	Reco.	СМР	SL	TGT
8592	BUY	8590	8530	8700

'Nifty retraced back towards the 8600 level as it shed some gains from its previous session. The ongoing up move could see a movement beyond 8700 in case momentum picks up in the coming days. Only a decisive close below 8510 could distort the ongoing bullish sequence & hence could be considered as a trail stop for longs.

Currency (USDINR) Outlook					
USDINR	<b>S1</b>	<b>S2</b>	R1	R2	
67.64	67.45	67.30	67.90	68.10	

The pair is likely to trade sideways-to-positive above 67.45 and the current rally could extend higher towards 67.85/67.90

Sectoral Outlook	
Sector	Outlook
AUTO	Positive
MIDCAPS	Positive

#### **Market Drivers**

✓ Market took a breather in last session; Nifty lost (-0.52%) closing marginally below 8600. Slew of companies reported good set of 1QFY17 earnings vesterday. Ambuja Cements net profit was up 77%, ACC net profit grew by 81%, TVS Motor profit was up 45% while IDFC's net profit registered a growth of 60%. Continuity of encouraging 1QFY17 earnings update by corporates so far along with expectation of GST bill clearance in parliament this monsoon session has kept the momentum and sentiments positive. On the global front U.S. stocks marginally advanced as investors await the Federal Reserve monetary policy announcement today. The central bank is widely expected to hold interest rates steady and stop short of signaling a possible rate increase in September because of continued uncertainty about the economic outlook.

# **Highest Call OI**

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8700	5642025	-493800
Bank Nifty 28-July	19000	771240	115320

# **Trading Idea - Cash & Future**

Scrip	Reco	СМР	SL	Target
HAVELLS	BUY	370	358	400

### **Trading Idea - Derivatives**

# STRATEGY - TATASTEEL Long Call

Instrument	B/S	Lot	Reco	CMP
28 July 370 CE	Buy	1	1.9	1.9

Target Profit: 8 Stop Loss: 0

# **Highest Put OI**

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Instrument	Strike	OI	Chg in OI
Nifty 28-July	8400	5027550	-389100
Bank Nifty 28-July	18500	693880	68280

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# **Trading Calls**



- ✓ 'Havells saw a breakout from the Triangle formation. Pullback towards the pattern provides a good reward to risk opportunity for fresh longs.
- ✓ Havells could be participated with a stop below 358 for a pattern target upto 400.

# FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	671	7965	-24886
DII	-418	-4976	43621

#### FII F&O

Institution	Net B/S	OI
Index Future	394.48	Long
Index Options	-427.28	Writing
Stock Futures	-493.94	Short

## **Derivatives Idea**

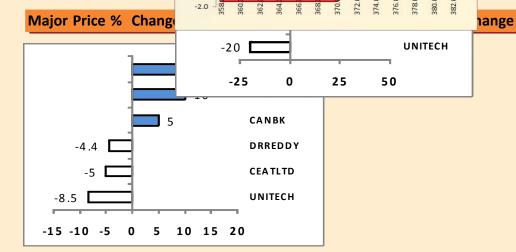


#### Target Profit: 18 Stop Loss: 00

- ✓ Tatasteel is in long- long Unwinding cycle
- ✓ Positive sector outlook along with unwinding

ugur well for upside momentum

aying momentum Long Call is rec-



Scenario Chart

14.0

12.0

10.0

8.0

6.0 4.0 2.0 0.0

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# **Morning Meet Notes**

**Research Notes** 

Aviation update: Domestic air passengers in India grew 20.8% YoY; Load factor stood at 81% in Jun-16 (v/s 86.5% in May-16

	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
MSIL	14927.0	11.0	2215.0	2.0	1486.0	23.0	BUY\5510/	<ol> <li>Volume up 2%; Realization up 9% (YoY)</li> <li>EBITDA margins declined on adverse forex; PAT beat on higher other income and lower depreciation</li> <li>Raise estimate by 15/12 % for 17/18; raise target price; value MSIL at 20x FY18EPS</li> </ol>
Ambuja	2541.0	2.0	581.0	58.0	408.8	76.0	NEUTRAL\	<ol> <li>Vol. growth -3%; Realiztion up 5.3% (YoY)</li> <li>Profitability at 15-Q high; northern region pricing was best</li> <li>Energy costs fell 9% YoY on increased pet coke usage. 4.</li> <li>trades at 15xCY17 EV/EBITDA</li> </ol>
ACC	2869.8	-3.1	409.2	46	237.8	81	Buy/1833/B	<ol> <li>Vol. growth -1.2%; Realiztion down 3% (YoY)</li> <li>Energy costs fell on increased pet coke usage resulting strong growth in EBITDA</li> <li>Expect strong performance in 2H on improved costs and higher than average prices; We have a neutral rating with 10% upside</li> </ol>
Bajaj Finance	1403.1	45.0	831.2	58.0	424.0	54.0	/A	<ol> <li>AUM growth 40% at 496B driven by growth in commercial (74%), consumer finance (47%)</li> <li>Asset quality healthy; provision coverage at 73%</li> <li>Raise estimate by 2/7 % for FY17/18; value at 5.3xFY18BV</li> </ol>

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