

MOST Market Outlook

28th February 2017

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8919	8950	8982	8888	8820

'Nifty formed a Bearish candle on daily chart and witnessed a profit booking after the positive streak of last six consecutive session. Recently it made fresh 52 weeks' high of 8982 but failed to surpass psychological 9000 and started to turn lower which is giving an early sign of caution in the market. Now if it sustains below 8888 then a selling pressure may be seen towards next support of 8820-8800 zone while on the upside 8950 and 8982 are likely to act as an immediate barrier in the short term.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
66.94	66.75	66.50	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.

Market Drivers

- ✓ The domestic market closed marginally lower with banking stocks seeing some correction. Reliance continued the upward move post expectations that Jio investments will break even faster than earlier expected. All the frontline banking stocks corrected marginally. Reports indicate that ONGC will take over HPCL. Nothing much changes in immediate terms for HPCL apart from the fact that parent would undergo change. This is broadly in line with the plans of govt to create a integrated entity. Global cues are mixed. Also given the events be it Trump speech, Fed meet and domestic state election results the market could be tentative. Nifty immediate supports is seen around 8850/8820 levels.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
CEAT	BUY	1155	1120	1225

Sectoral Outlook

Sector	Outlook
TYRE	POSITIVE
CEMENT	NEGATIVE

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9000	3933000	571950
Bank Nifty 30-Mar	21000	506680	38560
Bank Nifty 02-Mar	21000	797800	476720

Corporate Action:

BPCL Interim Dividend - INR - 19.50

Security in Ban period:

WOCKPHARMA

Trading Idea - Derivatives

STRATEGY UPDATE: LICHSFIN Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
30 Mar 580 CE	Buy	1	15	13.6
30 Mar 600 CE	Sell	1	9	7.8

Target Profit: Rs.8000 SL Rs 3500

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8500	3616575	523875
Bank Nifty 30-Mar	20000	505960	78200
Bank Nifty 02-Mar	20500	339040	98360

Trading Calls

CEAT MBP INR 1155
Buy Target INR 1225



- ✓ '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 near to 1155 for the target of 1225 with the stop loss of 1120 levels

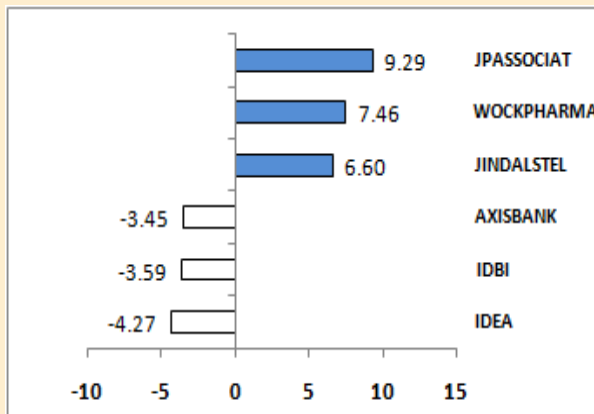
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-146	7558	9431
DII	264	667	27659

FII F&O

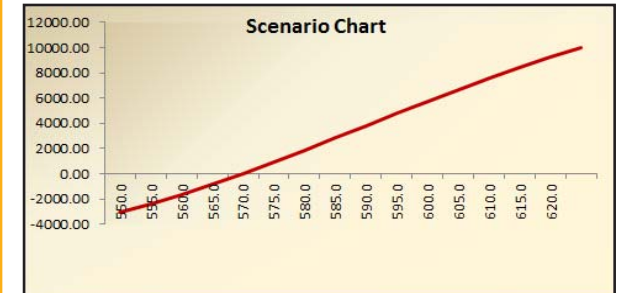
Institution	Net B/S	OI
INDEX FUTURES	-156.79	Long Unwinding
INDEX OPTIONS	584.15	Buying
STOCK FUTURES	-258.06	Selling

Major Price % Change



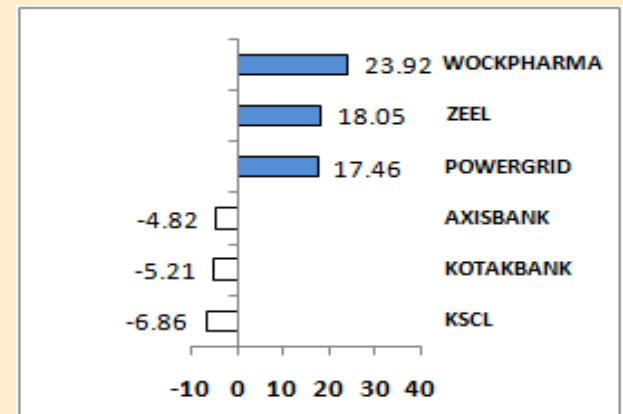
Derivatives Idea

LICHSGFIN Buy 1 Lot 580 CE
Bull Call Spread 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
- ✓ Further unwinding in 560 CE could lead to option trigger boosting the momentum
- ✓ Thus trading strategy, Bull Call Spread is recommended

Major OI % Change



Morning Meet Notes

Research Notes

Jindal Steel & Power (CMP - 125, TP 180, Recom. BUY)

- ✓ Commissioning a new 3mtpa furnace, likely to drive turnaround of its Angul plant
- ✓ 3,400MW power capacity is now fully commissioned and capex is behind
- ✓ SOTP value is now revised to INR180/share

Automobiles - Feb-17 Sales Estimates

- ✓ Maruti Suzuki 19.6% YoY (-2.7% MoM)
- ✓ M&M -6% YoY (-2% MoM)
- ✓ Tata Motors 11.9% YoY (12.9% MoM)
- ✓ HeroMoto -5.6% YoY (6.8% MoM)
- ✓ Ashok Leyland 19% YoY (7.2% MoM)
- ✓ TVS Motors -2.3% YoY (3.6% MoM)

Top Picks - Maruti Suzuki, Ashok Leyland, Amara Raja

News update - Bharti Airtel

- ✓ Do away with roaming charges, Free incoming calls / SMS and no premium on outgoing calls
- ✓ Maintain BUY with TP of INR410

Currency Ideas

USDINR



- ✓ NSE USDINR closed yesterday's session negatively near 66.94 after it had failed to hold above immediate resistance near 67.20 last week.
- ✓ The pair is currently very close to support line near 66.75-66.80 area.
- ✓ Sustained breach of this zone could extend the decline towards strong lower support at 66.50-66.45 area.
- ✓ Selling on rallies is advised as long as 67.20 are capping the upside.

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.
- ✓ Immediate support is seen at 59.30-59.40 area.
- ✓ 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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