

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9067	9119	9160	9020	8950

'Nifty index formed a Bearish candle followed by a Doji on last Friday on daily scale which indicates that bulls are losing their grip. However it witnessed a small bounce from lower levels but finally closed with the loss of around 60 points. It has immediate support near to 9020 and below that it may see decline towards 8950 while on upside needs to hold above 9075 to witness an up move towards 9119 and 9160.

Market Drivers

- ✓ Indian markets saw some correction yesterday led by Reliance which was down more than 3 percent post the SEBI order. Metal stocks also saw some weakness on back of global cues. Idea, Tata Steel, Hindalco, Reliance, HCLtech were among the big losers. Banking, power stocks continued to see investment interest. Psu banks continued to rally on expectations of some improvement in NPA. Tyres as a space continued to see interest. FIIs continued to remain buyers while DIIs were net sellers. International markets are stable. Asia is trading positive. Private Banks could remain in limelight on expectations of M&A activity. Overall Nifty is seen range bound with supports around the 9000 levels and resistance seen around 9200 levels.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
BHARAT FORGE	BUY	1024	993	1090

Sectoral Outlook

Sector	Outlook
AUTO	POSITIVE
IT	NEGATIVE

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar (imm)	9200	6981525	341475
BankNifty 30-Mar (imm)	21500	1023120	173920

Corporate Action:

NA

Security in Ban period:

BHARATFIN, CEATLTD, IBREALEST, IFCI, JINDALSTEL, JPASSOCIAT, JSWENERGY, ORIENTBANK, TV18BRDCST, WOCKPHARMA

Trading Idea - Derivatives

STRATEGY UPDATE : Bank Nifty Modified Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
BANKNIFTY CE 21200	Buy	1	100	69.00
BANKNIFTY CE 21500	Sell	1	24	11.30
BANKNIFTY PE 20700	Sell	1	23	16.30

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 (imm)	9000	5136975	351975
BankNifty 30-Mar (imm)	21000	802880	57240

Trading Calls

BHARAT FORGE

MBP INR 1024
Target INR 1090

Buy



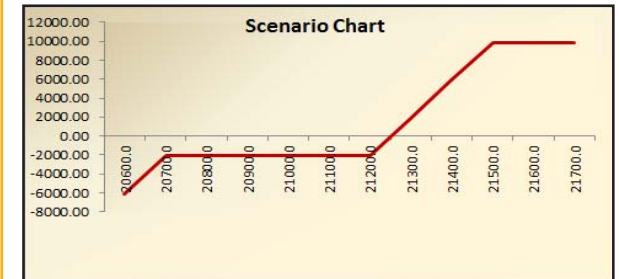
- ✓ It has taken support near to 1000 and forming higher highs – higher lows from last three sessions. It is turning from major support after the decline of last three weeks so looks attractive in terms of risk – reward ratio
- ✓ Thus, recommending to buy with the trading SL of 993 for a potential upside target of 1090

Derivatives Idea

Bank Nifty

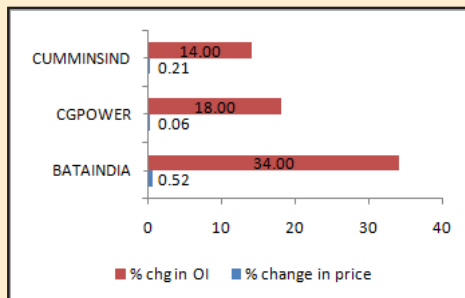
Buy 1 Lot 21200 CE
Sell 1 Lot 21500 CE
Sell 1 Lot 20700 PE

Modified Bull Call Spread

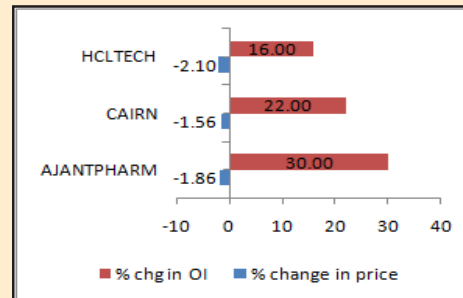


- ✓ BankNifty is in long-long unwinding cycle
- ✓ Option data signifies fresh put writing at 21000 strike while call unwinding at 21200 could propel upward momentum towards 21500. Considering positive bias and to benefit from faster theta decay, Modified Bull Call Spread is recommended

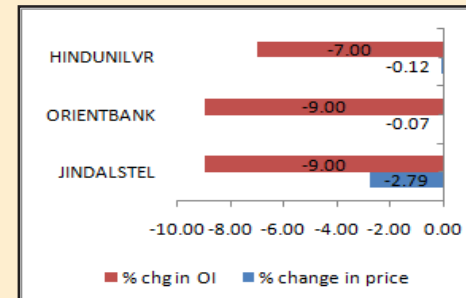
Long Built-up (Combined)



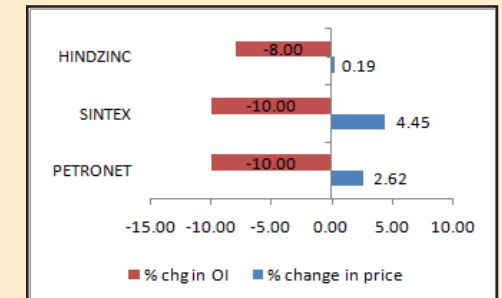
Short Built-up (Combined)



Long Unwinding (Combined)



Short Covering (Combined)



FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	578	19824	42914
DII	-594	-9236	8201

FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-488	Short
INDEX OPTIONS	140	Long Unwinding
STOCK FUTURES	-1029	Short

Morning Meet Notes

Research Notes

Divi's Laboratories - Risks remain, but management expects losses to be restricted (CMP 623, TP 600, Recom. Neutral)

- ✓ Management expects revenue impact to be much lower
- ✓ Unit-1 US FDA inspection is due
- ✓ Negative news flow can continue in future
- ✓ Third-party consultant hired; batch-by-batch testing required
- ✓ Buyback/special dividend could be a near-term trigger
- ✓ Regulatory concerns a big overhang in near term; Maintain Neutral

Tech Mahindra - Management Meet Update (CMP 468, TP 550, Recom. BUY)

- ✓ Gradual recovery in Telecom takes a pause
- ✓ Issues in LCC not behind yet
- ✓ We have reduced our revenue growth estimates by 0.9% for FY18/19 and reduced our margin estimates by ~50bp for FY18 and FY19 each

MOST Market Outlook

28th March 2017

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