

Nifty Chart



Nifty Outlook

Nifty Fut.	Reco.	CMP	SL	TGT
8701	BUY	8640	8550	8780

'Nifty ejected from the recent consolidation & could see an immediate movement till 8700; the ongoing up move could witness an extension beyond 8700 in case the momentum remains intact . Only if a decisive close below 8520 is witnessed trading longs shall be reduced. Until then bullish bias remains intact.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.38	67.20	66.95	67.55	67.90

The pair is likely to trade in a range between support at 67.20 and resistance at 67.55. Break on either side would decide the trend.

Sectoral Outlook

Sector	Outlook
CEMENT	Positive
AUTO	Positive

Market Drivers

- ✓ Market inched higher ending July series on a fresh 52 week high; Nifty gained 0.59% closing at 8666.30. Better 1QFY17 earnings update and likely passage of GST bill in parliament is maintaining the positive market momentum. In a positive push for the Goods and Services Tax (GST) Bill, the Cabinet has given a green signal to GST Constitutional Act Amendments. The Cabinet has removed one percent manufacturing tax from the Constitutional Bill, which was one of the demands of the opposition, led by Congress. Today's market will largely depend on ICICI Bank and L&T earnings update. Both have high weightage on headline indices.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Aug	9000	4363500	692700
Bank Nifty 25-Aug	19500	190680	35440
Bank Nifty 4-Aug	19500	195200	126360

Trading Idea - Cash & Future

Scrip	Reco	CMP	REV	SL	Target
ACC	BUY	1680	1640	1760	

Trading Idea - Derivatives

STRATEGY - Nifty Call Ladder Spread

Instrument	B/S	Lot	Reco	CMP
28 Aug 8750 CE	B	1	107	107
28 Aug 8900 CE	S	1	51	51
28 Aug 9000 CE	S	1	30	30

Target Profit :9200 Stop Loss:2000 , Hedge : Above 9100

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Aug	8500	3656550	866475
Bank Nifty 25-Aug	18500	211000	88280
Bank Nifty 4-Aug	19000	221960	97800

Morning Meet Notes

Research Notes

Equitas Holdings (initiating coverage): CMP INR201, TP INR220, 10% Upside

- ✓ Loan book mix: MFI 54%, Used CVs 25%, MSME 18%, Housing 4%
- ✓ Over last five years, EQUITAS recorded a CAGR of 50% in AUM; Expect 36% CAGR until FY21
- ✓ RoA is expected to decline from ~3% in FY16 to ~1.5% in FY19 due to impact of transition to bank
- ✓ However, strong growth outlook should enable the stock to command premium valuations
- ✓ While we like the business, at the current valuation (2.8x FY18E BV) margin of safety is low

	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Bharti Airtel	255.0	7.9	95.0	16.0	14.0	-33.0	BUY\430/A	1. Steady growth in India biz; mobile revenues up 2.7% QoQ 2. Voice business stable, uncertainty persists on data 3. Strong balance sheet, 11% FCF yield; stock trades at 5.5x FY17E
Escorts	10.5	9.4	0.9	52.0	0.5	52.0	BUY\312\A	1. Revenues in-line; construction up 34%, tractors up 6% 2. Volumes of tractors up 10%; retail level growth at 19% 3. Expect 60% PAT growth over FY16-18; raise target to 11x from 10x FY18E
PI Inds	6.8	15	1.7	23	1.3	48	Buy/865/A	1. Sales: CRAMs +20%, Agri +10% (due to delayed monsoon) 2. Margins +150bp to 24.2%; lower tax rates led to higher PAT 3. One of the best plays offering opportunity in Agri + CRAMs 4. EPS CAGR of 28% over FY16-18; Trades at 21x FY18 P/B

MOST Market Outlook

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