

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8032	8080	8100	7970	7900

'Nifty saw wild intraday swing towards 8100 & witnessed an 'Engulfing Bearish' formation near the resistance zone as it pulled itself back towards 8000. Due to lack of any firm reversal formation on the daily scale the ongoing bounce back looks temporary as the intraday oscillator swings from its overbought zone. As the broader trend remains weak a breach below 7970 could reinstate the bearish momentum.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.40	68.20	68.10	68.50	68.70

As long as above 68.20, expect sideways to positive consolidation to continue.

Sectoral Outlook

Sector	Outlook
IT	POSITIVE
BANKS	NEGATIVE

Trading Idea - Derivatives

STRATEGY UPDATE : Banknifty Bear Put Spread

Instrument	B/S	Lot	Reco	CMP
29 DEC 17800 PE	Buy	1	75	39
29 DEC 17400 PE	Sell	1	23	4

Target : Rs10000 SL : Rs2500

Market Drivers

- ✓ The Indian markets continued to see pull back move but Nifty could not sustain and higher levels and closed flat. US markets saw some correction. Asia is also seeing some weakness. Emerging markets like Brazil traded higher. FIIs were net buyers in futures segment. Reserve bank gave borrowers another 30 days to give further relief to people hit by demonetisation. The demonetisation impact could continue to hurt consumption and thus results in the near term. Auto volumes are expected to get hurt. Hero is likely to be the most impacted. Overall global cues remain mixed. Broad range for Nifty is seen between 7950 to 8100 in the immediate short term.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8200	5335800	437400
Bank Nifty 29-Dec	18000	683840	36400

Highest Put OI

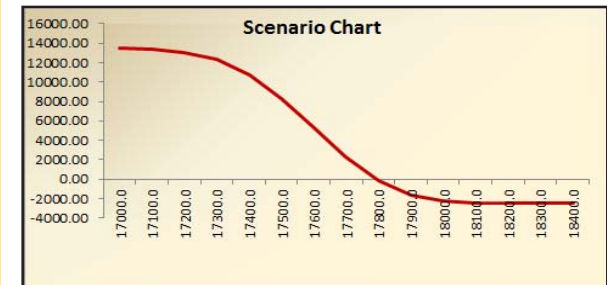
Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8000	6443525	1011375
Bank Nifty 29-Dec	17500	1355200	186360

Derivatives Idea

Banknifty

Buy 1 Lot 17800 PE
Sell 1 Lot 17400 PE

Bear Put Spread



- ✓ Bank Nifty is in Short-Short Unwinding cycle
- ✓ Option indicative band suggest 18500 as highest call congestion while 18000 as an immediate put congestion
- ✓ Unwinding in 18000 PE could accelerate selling pressure further towards 17500
- ✓ Considering we are participating falling momentum, low risk Bear Put Spread is recommended

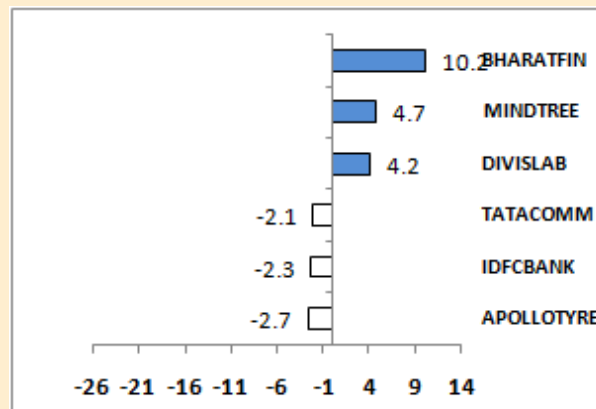
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-527	-8899	-10516
DII	825	6396	38950

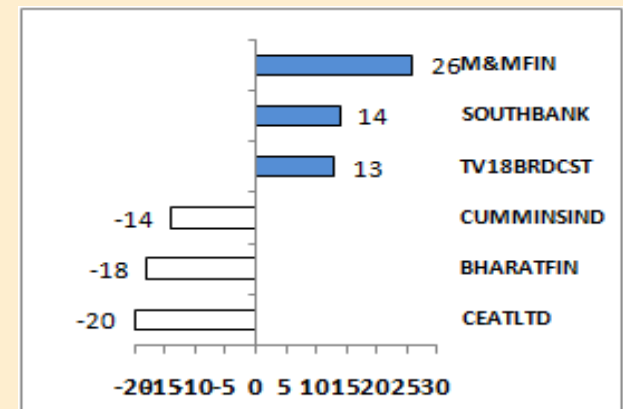
FII F&O

Institution	Net B/S	OI
Index Future	1628	Short Unwinding
Index Options	285	Put Long
Stock Futures	819	Long

Major Price % Change



Major OI COMBINE % Change



Morning Meet Notes

Research Notes

December 2016 Auto Estimates:

- ✓ **M&M** in the PV space, Hero in 2Ws and Ashok Leyland in CVs to be hit the most.
- ✓ **MSIL** is relatively well placed on account of waiting period for Baleno and Brezza. (25% of volumes insulated)
- ✓ **HMCL** decline 31% YoY in December-16 as its rural exposure is relatively high compared to peers
- ✓ **Bajaj Auto** decline 18% YoY as both domestic sales and exports are likely to decline
- ✓ **TVS** is relatively well placed as a decline in other segments is likely to be partially offset by moped growth
- ✓ Volumes of RE too are expected to be insulated on account of three-month waiting period. However, bookings at the retail level have slowed down.

Indusind Bank: Reiterate Buy (32% upside)

- ✓ Moderation in retail products - vehicle finance, LAP, MFI, is compensated by strong traction in corporate loans (59% of total loans).
- ✓ Overall, we expect growth to be in line with guidance at 25%+.
- ✓ Positive levers - (1) 25%+ loan growth, (2) strong fee income, (3) robust CASA growth, and (4) maintains its credit cost guidance on pristine asset quality.
- ✓ With increasing leverage, RoE should improve by 240bp to ~18%. Reiterate Buy.

Currency Ideas

USDINR



- ✓ As shown on the continues chart, USDINR continues to remain in a pullback mode and is moving higher towards key resistance at 68.50.
- ✓ Sustained move above 68.50 should continue the short-term bullish advance whereas failure to sustain above the same could lead to profit booking targeting 68.20 - 68.10 again.
- ✓ In a nutshell, sideways to bullish consolidation continues as long as 68.20 are held.

JPYINR



- ✓ JPYINR continues to remain weak and there is no significant trend reversal sign yet.
- ✓ Strong short term resistances are placed at 58.75 - 58.85 zone whereas 57.75 / 57.35 may act as strong supports.
- ✓ Selling on rise is advised as long as price stays below 58.75 marks.

MOST Market Outlook

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