

MOST Market Outlook

30th March 2017

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9151	9218	9280	9119	9075

'Nifty index opened positive and continued its buying interest for second consecutive session. It has been holding above its support trend line by connecting the lows of 8713, 8903 and 9024 levels. It closed above immediate hurdle of 9133 and registered a highest daily close in last eight trading sessions. Now till it holds above 9075 zone, it has potential to extend its up move towards its life time high of 9218 while on the downside supports are seen at 9119 and 9075.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
65.12	65.00	64.85	65.35	65.50

Sideways-to-negative move looks likely as long as 65.50 - 65.60 is capped as resistance.

Market Drivers

- ✓ Indian markets saw gains led by financials. Hopes of M&A activity did not play out as the Kotak press conference was more about customer acquisition. The targeted customer acquisition does suggest inorganic growth plans but the management did not indicate anything. SC bans sale, registration of vehicles from April 1st. This led to correction in auto stocks. Rupee continued to see strength which could have implications for export plays. Flows remained positive. Global cues remain mixed. Govt action continues to be positive. GST is seen progressing and is likely to meet the July 1st deadline. Overall bias remains positive for domestic market.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
SIEMENS	BUY	1250	1230	1300

Corporate Action:

MAHLIFE	Right Issue of Equity Shares
MUTHOOTFIN	Interim Dividend - INR 6.00
PFC	Interim Dividend - INR 5.00
SHARDACROP	Interim Dividend - INR 2.00

Security in Ban period:

IFCI, JINDALSTEL, JPASSOCIAT, ORIENTBANK, TV18BRDCST

Today Event

US Event - Quarterly GDP and Initial Jobless claims

Sectoral Outlook

Sector	Outlook
BANKS	POSITIVE
CAPITAL GOODS	POSITIVE

Trading Idea - Derivatives

STRATEGY : Reliance Call Ladder Spread

Instrument	B/S	Lot	Reco	CMP
Reliance 27APR 1300 CE	Buy	1	22.0	22.0
Reliance 27APR 1340 CE	Sell	1	12.4	12.4
Reliance 27APR 1400 CE	Sell	1	5.3	5.3

Target: Rs. 17000 between 1340-1400; SL: Rs.2100 below 1300;
Hedge: Buy Future above 1420; Approx margin: Rs. 162000

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar (imm)	9200	6546750	-169725
BankNifty 30-Mar (imm)	21500	1168520	-30040

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar (imm)	9100	5213325	915300
BankNifty 30-Mar (imm)	21200	833760	196720

Trading Calls

SIEMENS

Buy

MBP INR 1250

Target INR 1300



- ✓ It has been making higher top - higher bottom formation on daily chart and surpassed its falling supply trend line
- ✓ It took support near to 1220-1225 and closed above its multiple hurdle of 1257
- ✓ Thus, recommending to buy with the trading SL of 1230 for a potential upside target of 1300

Derivatives Idea

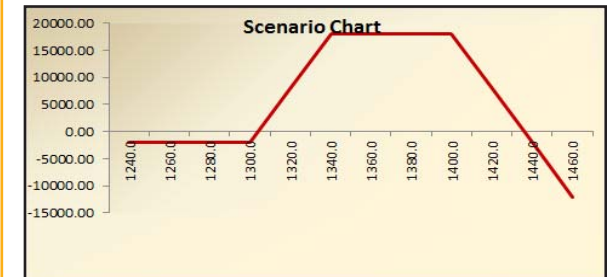
Reliance

Call Ladder Spread

Buy 1 Lot 1300 CE

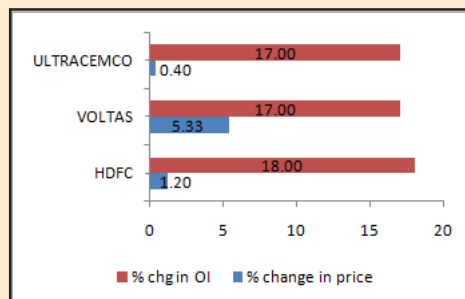
Sell 1 Lot 1340 CE

Sell 1 Lot 1400 CE

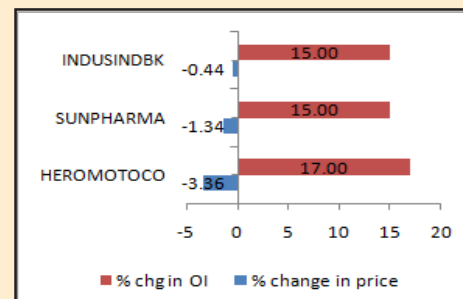


- ✓ Reliance has been consolidating in last few trading session
- ✓ Put built-up at 1240-1260 could provide immediate support while unwinding in 1260 CE could propel momentum above 1300
- ✓ Considering positive bias and bullish momentum, Call Ladder Spread is recommended

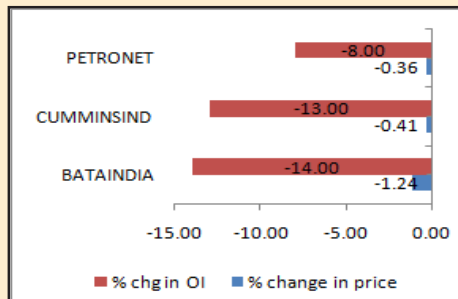
Long Built-up (Combined)



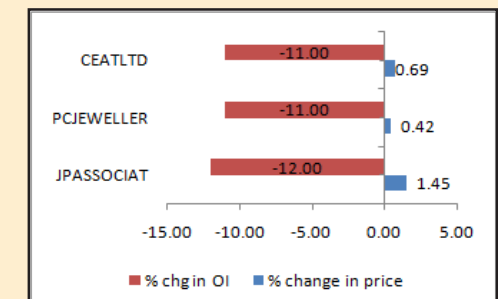
Short Built-up (Combined)



Long Unwinding (Combined)



Short Covering (Combined)



FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	461	26700	49790
DII	1283	-7597	9840

FII F&O

Institution	Net B/S	OI
INDEX FUTURES	755	Long
INDEX OPTIONS	122	Short Unwinding
STOCK FUTURES	211	Long

Morning Meet Notes

Research Notes

Navneet Education - Initiating Coverage (CMP 153, TP 210, Recom. BUY)

- ✓ Co is in the business of (a) publishing - educational, supplementary, children's and general books, (b) stationery products, and (c) digital education
- ✓ Change of Syllabus in standard X in FY18 and FY19, key triggers for growth
- ✓ Common curriculum - huge opportunity in CBSE space
- ✓ High-margin exports to drive growth in stationery business
- ✓ Expect 22% revenue CAGR and 26% PAT CAGR over FY17-19
- ✓ We value the company at 20x FY19E EPS

Automobile - SC restricts sale of BS-III vehicles beyond March

- ✓ Industry has unsold BS-III vehicles inventory of ~0.82-0.90m units as of last week
- ✓ Highest impact of the ban would be felt by the CV segment as significant inventory was built up in anticipation of pre-buying
- ✓ Our top picks are Tata Motors, Maruti Suzuki and Amara Raja. We also believe that MM is the best play on rural market recovery

MOST Market Outlook

30th March 2017

Economic Events Calendar, April 2017

	Monday	Tuesday	Wednesday	Thursday	Friday
	3-Apr-17	4-Apr-17	5-Apr-17	6-Apr-17	7-Apr-17
India	Nikkei PMI Manufacturing Index			Nikkei PMI Services, PMI Composite, RBI Credit Policy	
UK	Manufacturing PMI				Industrial Production, Manufacturing Production, Trade Balance
US	Manufacturing PMI, Composite PMI	Trade Balance, Factory Orders, Durable Goods orders	ADP Employment Change, Service PMI, FOMC Minutes of meeting	Initial Jobless Claims	Change in Nonfarm payroll, Unemployment rate,
	10-Apr-17	11-Apr-17	12-Apr-17	13-Apr-17	14-Apr-17
India	Trade Balance, Exports, Imports		CPI, IIP		
UK		CPI Index, Retail Price Index, Housing Price Index	Jobless Claims, Employment Change	BoE Credit conditions	
US	Labour Market condition		Monthly Budget Statement	Initial Jobless Claims	CPI, Retail sales Advance (MoM)
	17-Apr-17	18-Apr-17	19-Apr-17	20-Apr-17	21-Apr-17
India	WPI				
UK					
US		Housing starts, Industrial Production	US Fed Release Beige book	Initial Jobless Claims	Manufacturing PMI, Composite PMI, Existing Home sales
	24-Apr-17	25-Apr-17	26-Apr-17	27-Apr-17	28-Apr-17
India		Eight Infrastructure Industries			
UK					GDP (QoQ)
US		New Home sales		Wholesale Inventories, Retail Inventories, Initial Jobless claims, Pending Home sales	GDP (QoQ)

Note- CPI-Consumer Price Index, WPI-Wholesale Price Index, IIP- Index of Industrial Production, PMI-Purchasing Managers Index

Currency Ideas

USDINR



- ✓ NSE USDINR traded with negative bias in the previous session closing near its critical supports at 65.10 - 65.00.
- ✓ Short-term resistances for the pair remains at 65.50 - 65.60 area.
- ✓ Initial pullback looks possible as the 14-period RSI is in over sold zone around 20
- ✓ Downside for the pair will extend only if price break and sustains below support and it could test 64.85 - 64.60 levels
- ✓ Selling only below supports is advised

EURINR



- ✓ EURINR slashed down sharply in the preceding session closing lower by more than 0.50% at 70.39
- ✓ Negative opening will be seen as per parity and bias looks sideways-to-negative in short-term.
- ✓ Immediate resistance is around 70.55 whereas critical resistance is at 70.80 - 70.90 levels.
- ✓ Selling on rise is advised targeting 69.70 - 69.45 levels

MOST Market Outlook

30th March 2017

Dharmesh Kant (Head - Retail Research)
Dharmesh.Kant@motilaloswal.com

Chandan Taparia (Derivatives & Technical Analyst)
Chandan.Taparia@motilaloswal.com

Tina Gadodia (Derivatives Analyst)
Tina.Gadodia@motilaloswal.com

Disclaimer: This document has been prepared by Motilal Oswal Securities Limited (hereinafter referred to as Most) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred as MOST) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

MOST and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We and our affiliates have investment banking and other business relationships with a some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that MOST and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on twin parameters of performance & profitability of MOST

MOST generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, MOST generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. MOST and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of MOST even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition MOST has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOST or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOST or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOST or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent MOST's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, MOST and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOST and/or its affiliates from doing so. MOST or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

Most and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Most and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of Most or its associates during twelve months preceding the date of distribution of the research report

MOST and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Motilal Oswal Securities Limited is under the process of seeking registration under SEBI (Research Analyst) Regulations, 2014.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

Motilal Oswal Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

A graph of daily closing g prices of securities is available at www.nseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of MOST research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement

1. Analyst ownership of the stocks mentioned above
2. Served as an officer, director or employee

No
No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOST & its group companies to registration or licensing requirements within such jurisdictions.



Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 6, Sayani Road, Prabhadevi, Mumbai 400 025
Phone: (91-22) 30894200 Fax: (91-22) 22885038. E-mail: info@motilaloswal.com