

Nifty Chart



Nifty Outlook

Nifty July Fut.	Reco.	MSP	SL	TGT
8236	SELL	8245	8325	8000

'Nifty continued its bounce back within the Impulse Waves range of 8285-7927. The intraday oscillators are yet to register an overbought state & hence the bounce could continue for a while. A breach below 8180 will activate the impending bearish wave & hence the ongoing pullback provides a favorable reward to risk opportunity to short term traders for fresh shorts with a stop at 8325.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.99	67.75	67.60	68.15	68.25

Sideways consolidation could be seen for the session and price break on either side of 67.60 - 68.15 will give further short term direction.

Sectoral Outlook

Sector	Outlook
AUTO	Positive
FMCG	Neutral

Market Drivers

- ✓ Indian markets gathered further steam on supportive global and domestic cues; gaining around 0.94%. Key drivers were Cabinet approval for 7th pay commission roll out, draft paper on mineral exploration and exploitation auction policy and improving monsoons where deficiency has now being below 12% from around 25% during first 15 days of onset from normal levels. Global equity basket saw continuity of relief rally across the board with US and European indices notching handsome gains. FTSE100 surge past pre-Brexit levels, the main equity index of U.K. which voted in favor of 'Brexit'. Oil prices gained after U.S. government data revealed a sixth straight weekly decline in domestic crude supply. We will likely see a range bound market movement with bouts of volatility on account June series F&O expiry.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Jun	8300	7000275	965025
Bank Nifty 30-Jun	18000	575340	-157710

Trading Idea - Cash & Future

Scrip	Reco	MBP/MSP	SL	Target
BAJAJ AUTO	BUY	2640	2600	2720
DABUR JULY	SELL	313	323.3	293

Trading Idea - Derivatives

STRATEGY - Hindpetro Ratio Call Spread

Instrument	B/S	Lot	Reco	CMP
28 July 1020 CE	Buy	1	22.5	22.5
28 July 1060 CE	Sell	2	11.25	11.25

Target Profit : 3800 Stop Loss : 1000

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Jun	8000	7227325	60000
Bank Nifty 30-Jun	17000	941700	-870

MOST Market Outlook

30th, June 2016

Trading Calls

BAJAJ AUTO

MBP INR 2640
Target INR 2720

Buy



- ✓ 'Positive sector outlook & 'Rising Three' formation indicates the bullish trend to remain intact
- ✓ Bajaj Auto could be traded with a stop at 2600 & a trading target upto 2720

DABUR JULY

MSP INR 313
Target INR 293

Sell



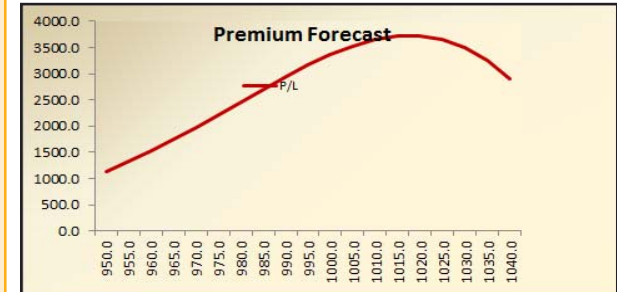
- ✓ 'Double Top' formation on the daily scale coupled with an Impulse wave indicates shift in momentum
- ✓ Pullbacks towards 313 would make the setup favourable for fresh shorts with a stop at 323.30 & a target upto 293

Derivatives Idea

Hindpetro

Buy 1 Lot 1020 CE
Sell 2 Lots 1060 CE

Ratio Call Spread



Target Profit : 3800 Stop Loss : 1000

- ✓ Hindpetro is in long- long unwinding cycle
- ✓ Option data for July series shows 980 as immediate support. Unwinding in 1000 Ce could boost the ongoing momentum on higher side
- ✓ Considering stable implied volatility, Ratio call spread strategy is recommended

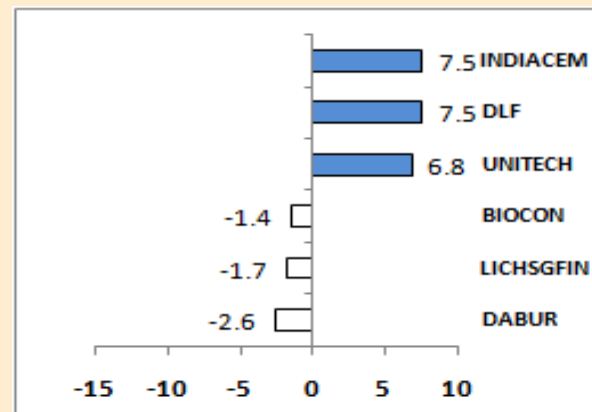
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	103	2894	-42108
DII	-20	-1887	60910

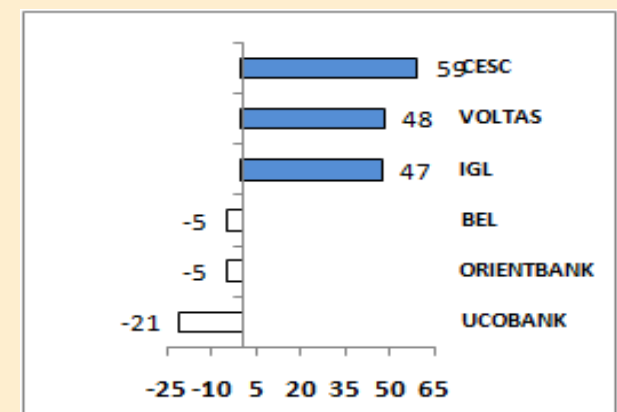
FII F&O

Institution	Net B/S	OI
Index Future	683	Long
Index Options	686	Long
Stock Futures	399	Unwinding

Major Price % Change



Major OI % Change



Morning Meet Notes

Fundamental News Flow

- ✓ **7th Pay commission:** Approved by cabinet; to be effective from Jan 1, 2016 and payout along with arrears; Hike of 23.5%; the outgo of INR 1 Tn estimated; Top sectors: Consumer durables

Research Notes

Indian Telecom: (Sunil Mittal comments on the sector)

- ✓ Jio coming in will lead to massive erosion in tariff and we all expect that
- ✓ Consolidation is finally happening - Expect only 4 Pvt operators to remain in 24 months
- ✓ Non Voice revenues share to go from 25% to 50% in 3 years

Technology: IT Digital Day

- ✓ Companies are emphasizing on design, consultative approach and co-innovation.
- ✓ Deal sizes continue to inch up in Digital, but majority of demand comes from existing clients.
- ✓ Premium pricing not enough to ensure profitability. Scalability is imperative for Digital to come more in tandem with company-average margins

TCS - Annual Report Analysis

- ✓ Growth & Margins at multi year lows
- ✓ Cash, investments & ICD at 33,500cr (51% of net worth), which yield 6.8% returns, have been a drag on RoCE (42%)
- ✓ Contingent liability surged 3x to 15,200cr due to a claim by EPIC Systems and a rise in income tax liability
- ✓ Expect EPS CAGR of 12%; Trades at 16x FY18E; Neutral rating; CMP: 2500, TP: 2650

Currency Ideas

USDINR



- ✓ USDINR (July contract) traded with negative bias and closed the previous session at 67.99
- ✓ The has immediate support at 67.70 - 67.60 area whereas resistance is pegged at 68.15 - 68.25 area
- ✓ Sideways consolidation move could be seen for the session and price break on either side of 67.60 - 68.15 will give further short term direction
- ✓ Trading on extremes is advised for the session

EURINR



- ✓ EURINR (July contract) traded sideways with negative bias in the preceding session and closed the session at 75.39
- ✓ The pair has key supports at 74.80 - 74.90 whereas immediate resistance is at 75.60
- ✓ Price break above immediate resistance will signify further positive move and could lead the rally towards 75.90 - 76.15 area
- ✓ Buying is advised for the session as long as price hold above supports.

MOST Market Outlook

30th, June 2016

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