

Nifty Chart



Nifty Outlook

Nifty	R1	R2	S1	S2
8103.6	8130	8156	8080	8060

'Nifty surged in the final hour of trade as it reclaimed 8100. On the 60 min scale the index is forming a 'Rising Wedge' pattern with the momentum oscillators placed in the overbought zone. The bearish implication of the pattern would unfold only on a breach below 8070. While the upper end of the pattern rests near 8140. As the broader trend remains weak the ongoing pullback provides a good opportunity for fresh shorts. The setup will be void on a close above 8156.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.27	68.00	67.70	68.40	68.50

Sideways to bearish movement is likely to continue as long as below 68.50 mark!

Sectoral Outlook

Sector	Outlook
IT	POSITIVE
BANKS	NEGATIVE

Market Drivers

- ✓ Indian markets continued to see pull back. Barring pharma, all sectors participated. Nifty closed above 8100 levels. Bank Nifty closed above 18000 levels as well. Banking as a sector has been under pressure. Demonetisation has led to correction in sectors like auto, cement, consumer and financials. Pull back moves could continue in these sectors. Software, utility, Infra are sectors which remain relatively unaffected by the demonetization. Overall activity could continue to remain muted on the last day of the year. Auto numbers, cement numbers, govt actions will key factors to watch from a near term perspective.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
TECHM	BUY	482	463	524

Trading Idea - Derivatives

STRATEGY : Hindalo Put butterfly Spread

Instrument	B/S	Lot	Reco	CMP
25 JAN 145 PE	Buy	1	3	3
25 JAN 140 PE	Sell	2	1.9	1.9
25 JAN 135 PE	Buy	1	1.2	1.2

Target : Rs8000 SL : Rs1800

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8200	3763425	520650
Bank Nifty 25-Jan	19000	377200	118480
Bank Nifty 5-Jan	18000	180680	40520

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8000	4424025	990750
Bank Nifty 25-Jan	17500	362160	20720
Bank Nifty 5-Jan	17500	201320	119400

Trading Calls

TECHM

Buy

CMP INR 482
Target INR 524



- ✓ 'Ongoing consolidation on the daily scale is about to mature
- ✓ The stock has managed to close on a decisive note above its 200 DEMA
- ✓ Long positions could be initiated for a target upto 524 with a stop below 463

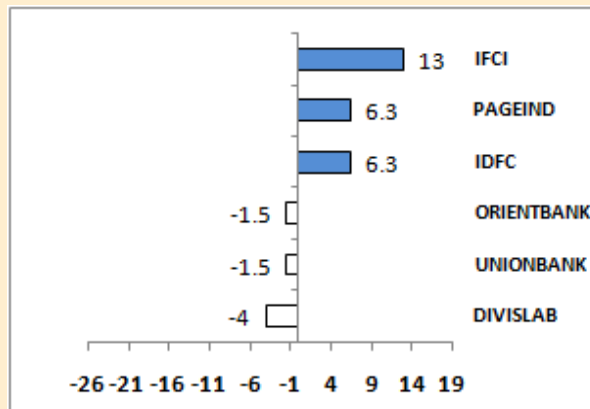
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-662	-9562	-11179
DII	958	7354	39908

FII F&O

Institution	Net B/S	OI
Index Future	703	Unwinding
Index Options	-480	Unwinding
Stock Futures	471	Unwinding

Major Price % Change

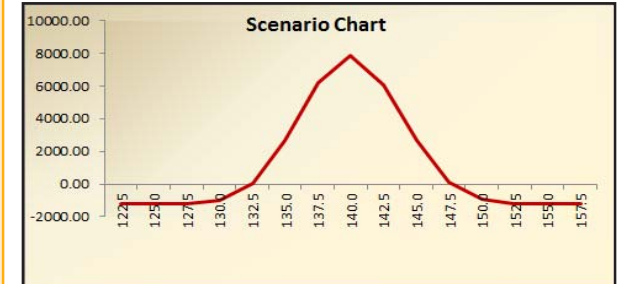


Derivatives Idea

Hindalo

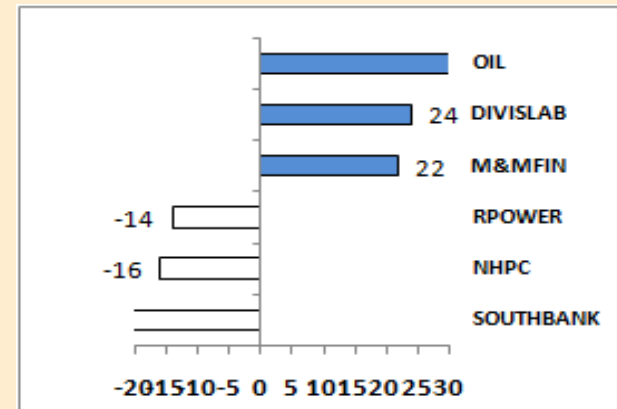
Put butterfly Spread

Buy 1 Lot 145 PE
Sell 2 Lots 140 PE
Buy 1 Lot 135 PE



- ✓ Hindalco has witnessed strong roll of 90% to January series. Stock has seen huge long unwinding in open interest in December series
- ✓ Proximity to highest Put concentration at 150 strike; any significant unwinding could accelerate downward momentum. Highest Call concentration lies at 160 strike. Considering negative outlook, OTM Put Butterfly Spread is recommended

Major OI % Change



Morning Meet Notes

Research Notes

RABI SOWING: SHARP IMPROVEMENT IN LAST 3 WEEKS

- ✓ Area sown up by 6% YoY and 1.6% above normal
- ✓ Two weeks of sowing left, rabi crop seems unaffected due to demonetization (+7.4% YoY)
- ✓ Planting of rice is lagging by 30% in TN and AP on account of a weak north-east monsoon

Ecoscope: No significant jump in retail electronic payments post demonetization; Confirms a considerable dent in consumer demand in 4Q2016

- ✓ The number of electronic transactions has increased from ~250m in October 2016 to ~400m in December
- ✓ However, there was no significant jump in the total value of these transactions
- ✓ Structural challenges to increase penetration of digital channels constrained the ability to move toward digitalization

Currency Ideas

USDINR



- ✓ As shown on the continues chart, USDINR opened higher towards 68.40 and fell sharply towards 68.10 forming a strong bearish candle
- ✓ Strong short-term supports are placed at 68.00 / 67.70 whereas 68.40 - 68.50 may continue to act as stiff resistances
- ✓ Sideways to bearish movement is likely to continue for the session

JPYINR



- ✓ JPYINR rallied sharply towards channel as well as gap resistance near 58.75 and only sustained trade above the same would be first bullish signal
- ✓ Strong short term resistances are placed at 58.75 - 58.85 zone whereas 58.25 / 57.75 may act as strong supports
- ✓ As long as price sustains below 58.85 marks, selling on rise should be the strategy

MOST Market Outlook

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

Sacchitanand Uttekar (Technical Analyst)
Sacchitanand.Uttekar@motilaloswal.com

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

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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