

KEY LEVELS

Support 1 : 8229
Support 2 : 8134

Resistance 2: 8510
Resistance 3: 8598

Nifty Intraday Chart



Market Outlook

After opening on a subdued note, Nifty traded in the positive territory throughout the day on Thursday. At the end of the Nifty closed inched above 8400. The midcap and small cap indices under-performed the benchmark index and closed the day near flat.

On the sectoral front, Information Technology stocks were on the buyers' radar while the other major indices remained subdued. The breadth of the market was negative and about three shares declined for two shares advanced at NSE.

The World Bank has lowered India's growth estimate for the current fiscal to 7% from its earlier estimate of 7.6% in its Global Economic Prospects report. The multilateral lender expects that the unexpected demonetization would hamper the country's economic expansion in the third quarter of FY 2017. However the World bank noted that the demonetisation may aid liquidity expansion in the banking system and it may help in lowering lending rates and boosting economic activity.

Post moving above initial resistance level of 8220 (this level should act as support now), Nifty has consistently scaled higher highs. But now it has come close to next resistance zone of 8400-8500. High open interest at 8400 call also will act as possible reversal trigger. We suggest reducing long position in this zone or else if maintaining long position, then keep small trailing stop loss.

Market

Market	Value	% Change
Morning Traded Market		
SGX NIFTY	8,433.50	0.08%
NIKKIE	19232.25	0.51%
HANG SENG	22,829.00	-0.47%
Yesterday Closing Market		
Sensex	27,247.16	0.39%
Nifty	8,407.20	0.32%
DOW	19,848.84	-0.53%
NASDAQ	5,547.49	-0.29%
CAC	4,863.97	-0.51%
DAX	11,521.04	-1.09%
FTSE	7,292.37	0.03%
EW ALL SHARE	15,230.08	0.24%

% Change in 1 day

Commodity Price (Yesterday Closing)

Commodity/Currencies	Value	% Change
GOLD	28393.00	0.33%
SILVER	40859.00	-0.36%
CRUDEOIL	53.00	1.47%
NATURALGAS	231.60	3.81%
DOLLAR/RS.	68.09	-0.34%
EURO/RS.	72.35	0.10%
POUND/RS.	82.88	0.04%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
12-Jan-17	3396	3409	(13)
Jan-17	91611	110444	(18833)
2017	975582	972017	3565
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
10-Jan-17	2224	2334	(110)
Jan-17	61214	44148	17066
2017	452855	425073	27782

Event Today

Board Meetings

RREALTY : General

Quarterly Results

GOACARBON , GRUH ,
IL&FSTRANS , INFY, MCX
NATNLSTEEL , OCTAVE ,
TRIUMPIN

Concall

Zee Learn : 10 AM

Infosys : 11:30

Bajaj Corp : 12 PM

MCX : 6 PM

Infosys : 7 PM

Quote of the Day : "The way to win is to work, work, work, work, and hope to have a few insights. And you're probably not going to be smart enough to find thousands in a lifetime. And when you get a few, you really load up. It's just that simple." **Charlie Munger**

TCS

"BUY"

13th Jan 2017

Strength in growing segments like Platforms, Cloud and Internet of Things is evident from the growth in Asset Leveraged Solutions (up 21% sequentially). The company's good operating strategy helped them to deliver a good 3QFY17 result, traditionally a quarter of weak demand. Seeing a good opportunities in Digital, the Co. continues to build new capabilities there, empower employees to enhance agility in the workplace & invest more to develop IP-based platforms and products. The company presently is trading at 5.7 times FY17 earnings. With this we remain positive on the stock and recommend 'BUY' with the target of 2780 at P/b of 5.8 times FY17 earnings.

AUTOMOBILES

12th Jan 2017

We expect that the most of the automobile companies may see fall in the 3QFY17 earnings. In the two wheeler segment, Eicher Motors may report ~40% growth in the revenue. In the passenger vehicle segment, Maruti has been the least impacted due to demonetization and may report double digit growth in the topline during the quarter. In the commercial vehicle segment, Ashok Leyland has seen strong recovery and may post ~12% growth in the 3QFY17.

*For details, refer to our daily report- *India Equity Analytics*

Top News

- **Wockhart Mgt Guideline** : Wockhardt says that Indian generic companies as a whole belong to a competitive industry in the US and therefore there is no scope for government intervention there. The important factor is the potential price bidding. If the target happens to be the inflation in overall healthcare spends, then Indian companies like Wockhardt should be a net beneficiary. There is a consistent move to bring down drug prices then it would mean faster approval processes by way of US FDA which again should help the Indian generic companies.

Trump's campaign platform also included allowing the Medicare healthcare programme to negotiate with pharmaceutical companies. Khorakiwala says as per the American law, the government cannot negotiate with the pharmaceutical industry for the drug which is under patent.

- **TCS Mgt Guideline** : There would be some visa regulatory changes and there could be regulations in the form of increase in visa fee or in the form of number of visa that IT companies will get but the company has been preparing well if the number of visas decline.

TCS has added 2 clients in USD 50 million revenue category and 5 clients in USD 10 million category.

Its attrition rate for the quarter fell to 11.3 percent (last twelve months) in IT services business, which has been lower for fifth consecutive quarter.

- **CYIENT Mgt Guideline** : Company Continued focus on inorganic strategy : acquired UK based geospatial services provider Blom Aerofilms Ltd. Company Continue to see strong pipeline and order intake. DLM continues to improve performance and delivered a Rs 100 Cr revenue for the quarter. Guidance remain same for FY17 between 40-50%. The Co. will deliver double digit earnings growth for the year.

- **US Food and Drug Administration (USFDA)** will re-audit three manufacturing facilities of Dr Reddy's Laboratories in the current quarter.

The USFDA had issued a warning letter to the drug major on November 5, 2015 on three of its plants at Srikakulam, Miryalaguda and Duvvada after finding several violations with regard to current good manufacturing practices (CGMP).

- **Force Motors** has issued Commercial Papers for an aggregate amount of Rs. 200 Crore dated January 12, 2017, with tenure up to 180 days.

- **NTPC Ltd.** has signed a non-binding MoU with Rajasthan Rajya Vidyut Utpadan Nigam Limited and Rajasthan Urja Vikas Nigam Limited for take-over of Chhabra Thermal Power Plant Stage-I (4x 250 MW) and Stage-II (2x660 MW) of Rajasthan Urja Vikas Nigam by NTPC Ltd.

- **IIP in November 2016** compared to (-)1.8 percent contraction in October a (-)3.4 percent fall in November 2015 . Consumer durables output growth moderated to 9.8 percent in November 2016 . Mining production growth grew 3.9 percent

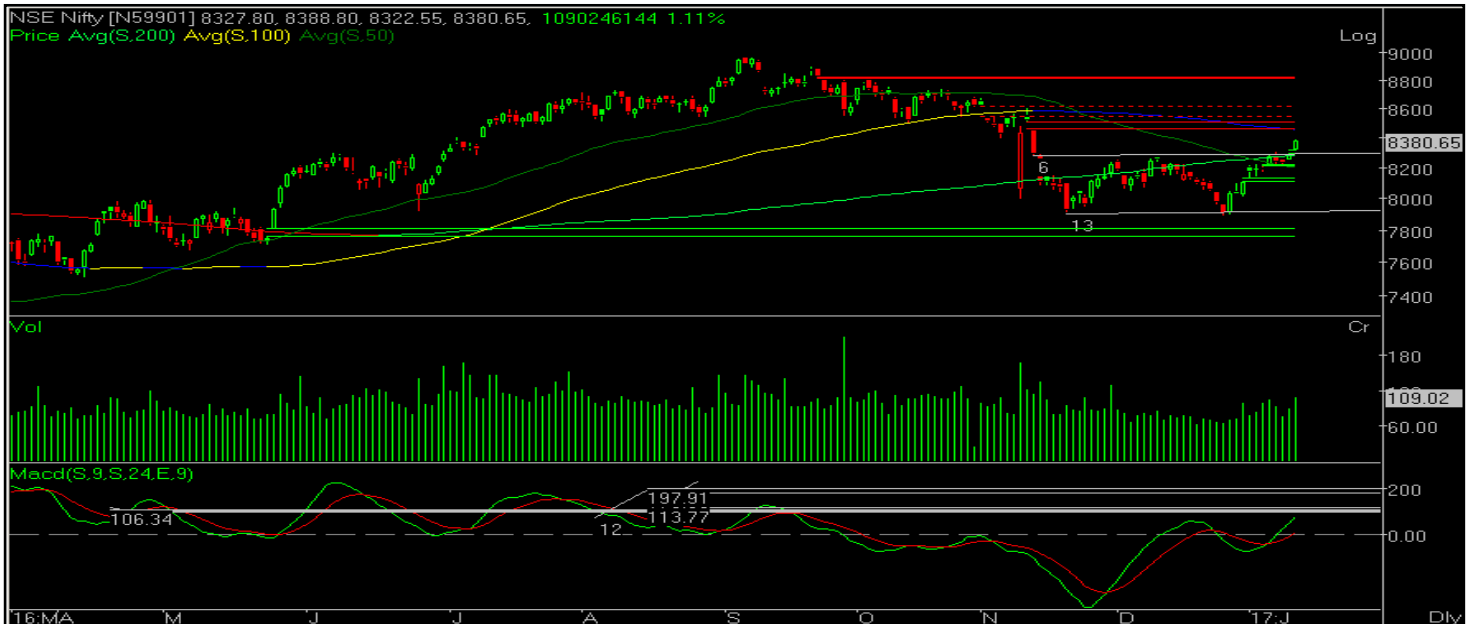
- **ONGC's** sudden decision to buy GSPC's stake in KG basin gas block for \$1.2 billion

- **U.S. import price index** rose to a seasonally adjusted 0.4%, from -0.2% in the preceding month whose figure was revised up from -0.3% . Analysts had expected U.S. import price index to rise 0.7% last month

- **U.S. Natural Gas Storage** fell to a seasonally adjusted annual rate of -151B, from -49B in the preceding month. Analysts had expected U.S. Natural Gas Storage to fall -144B last month.

TECH VIEW

NIFTY (8407.20)



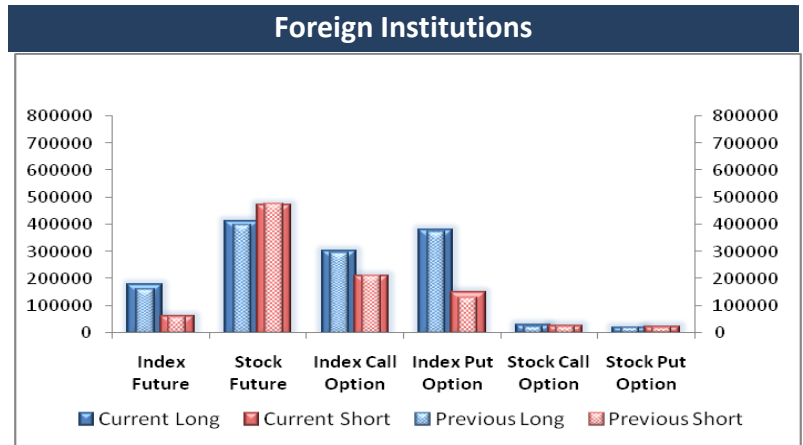
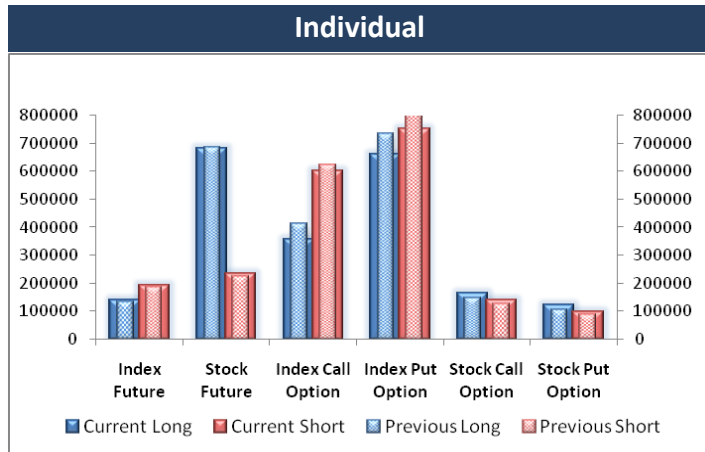
Nifty gave a rollercoaster move in the range of 7900 and 8300 since last couple of months. The index convincingly moved beyond 8300 yesterday and correspondingly Sensex moved beyond its short term crucial resistance of 26900.

The Nifty gained over 6% from its recent low of 7893.80 made on 26th December 2016. It was also gave a channel breakout above 8300 yesterday. So some fresh up side is expected from the current level. The immediate target for the index is 8500.

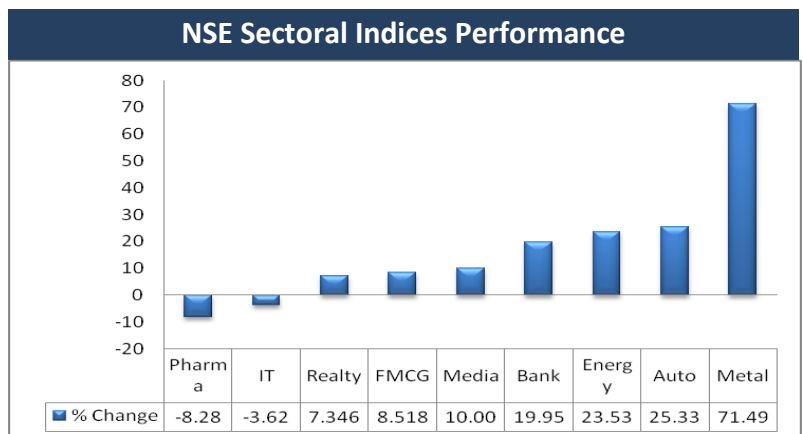
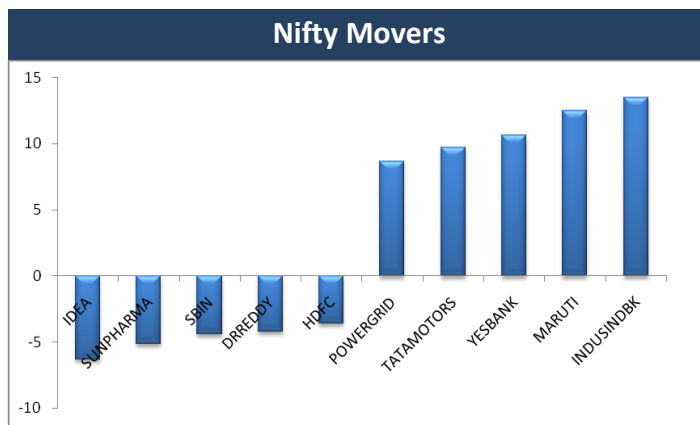
On the option front, the maximum call open interest was witnessed at strike price 8400 while the maximum put open interest was built at strike price 8000. Yesterday some fresh put writing was seen at strike prices 8100, 8200 and 8300. On the other hand some call unwinding was witnessed at strike prices 8300 and 8400 while huge amount of fresh call writing was seen at strike price 8500. The option data suggest that Nifty to find a stiff resistance near 8500 at least in the January future and option expiry.

Even through the benchmark index has given a channel breakout above 8300, we believe the upside remain capped at 8500 in the short term. The major trigger for the breakout or breakdown from there would be the outcome of the union budget for the FY 2017-18. In case of a favorable outcome, the upward rally to continue and the index is likely to test 9000 in the near future. However in case of unfavorable outcome, the index continue to move in the range 7900 and 8500.

F&O OPEN INTEREST (Number of Contracts)



MARKET MOVERS (1 MONTH CHANGE)



TRADING IDEAS

Scrip	Reco	Initiation Price	Target 1	Target 2	Stop Loss	Rational
EMAMILTD	Buy	1062.45	1104	1147	1020	The stock has given a bullish (flag pattern) breakout above Rs 1058. Some fresh buying is likely to emerge in the stock from the current level.
CIPLA Jan 580 CE	Long (1 lot = 1000)	15.5	24	38	7	The stock found a strong support near 100 DMA and thereafter gave a sharp pullback rally yesterday with decent volumes. Another 5-8% upside is expected in the stock in the short term

Result Calendar Q3FY17

BSE Code	Company Name	Date			
530885	AURUMSOFT	13-Jan-17	590120	PROVEST	13-Jan-17
509567	GOACARBON	13-Jan-17	507966	RASRESOR	13-Jan-17
511288	GRUH	13-Jan-17	532131	TRIUMPIN	13-Jan-17
539149	ICSL	13-Jan-17	532772	DCBBANK	14-Jan-17
533177	IL&FSTRANS	13-Jan-17	530079	FAZE3Q	14-Jan-17
500209	INFY	13-Jan-17	509069	INFOMEDIA	14-Jan-17
532303	INTEGHIT	13-Jan-17	507948	KEYCORP	14-Jan-17
534091	MCX	13-Jan-17	539016	NEIL	14-Jan-17
513179	NATNLSTEEL	13-Jan-17	532798	NETWORK18	14-Jan-17
521062	OCTAVE	13-Jan-17	532800	TV18BRDCST	14-Jan-17

Earning Estimate Q3FY17

BSE Code	Company Name	SALES	sales Growth (%)	PAT	PAT Growth (%)
500209	INFY	17088.7	7.5	3491.2	0.8

Result Q3FY17

BSE Code	Company Name	SALES	sales Growth (%)	PAT	PAT Growth (%)
533229	BAJAJCORP	186.96	(12.13)	57.79	16.54
532175	CYIENT	917	17.30	94.16	8.43
523445	RIIL	22.97	3.80	2.71	(31.57)
532540	TCS	29735	8.66	6845	12.52
533287	ZEELEARN	25.47	14.27	6.07	167.40

Economic Calendar

Country	Monday 9th Jan 17	Tuesday 10th Jan 17	Wednesday 11th Jan 17	Thursday 12th Jan 17	Friday 13th Jan 17
US	Labor Market Conditions Index m/m , Consumer Credit m/m .	NFIB Small Business Index , JOLTS Job Openings , Final Wholesale Inventories m/m.	Crude Oil Inventories , 10-y Bond Auction , Federal Budget Balance.	Unemployment Claims , Import Prices m/m , Natural Gas Storage, 30-y Bond Auction.	Core Retail Sales m/m, PPI m/m, Retail Sales m/m, Core PPI m/m, Prelim UoM Consumer Sentiment , Business Inventories m/m, Prelim UoM Inflation Expectations.
UK/EURO ZONE	German Industrial Production m/m , German Trade Balance, French Trade Balance , Halifax HPI m/m , Italian Monthly Unemployment Rate , Sentix Investor Confidence.	French Industrial Production m/m , Italian Industrial Production m/m , NIESR GDP Estimate.	Manufacturing Production m/m , Goods Trade Balance , Construction Output m/m , Industrial Production m/m , German 10-y Bond Auction.	French Final CPI m/m, French Gov Budget Balance, Industrial Production m/m.	Italian Trade Balance , BOE Credit Conditions Survey.
INDIA				IIP Data	

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