

MARKET OVERVIEW

Pre Open Thoughts: Time Changes Everything!!

Time changes everything except something within us which is always surprised by change. It is rightly said you can never plan the future by the past. May month has drawn to close and thankfully the last Friday of this month, the Famous adage "Sell in May and Go Away" doesn't work now as from last three years May has given positive returns.

From rollovers into June Series which were seen at 73% against 3 MAV of 68% and a tad lower than last month's 74% (in line with value of last month's 164.5 bn).

As mentioned in my last note Nifty has crossed 8000 convincingly to bolster investor confidence it can hit a highs of 8150/8200 levels in coming month Going forward June series is likely to see continued Buying momentum which can take the Nifty to 8336 with immediate effect.

Volatility may remain at elevated levels and a sharp selloff post this on back of rising IV, HV may lead to Nifty retesting 7700-7800 lows once.

In some stock Picks: given the long roll/short covering status in most of our near term Reco, we initiate Buy on Dips for L&T, Axisbank, Tatamotors, Ultracemco and Hero-motoco. High beta Cyclical like Adaniports, Hindalco and SBI are expected to run up close to 10% as well.

In non-index names, NBFCs appear amongst the best poised for high momentum long trades including Lichsg, Srtransfin. Exideind, Abirlanuvo, Relinfra and Indiacem are amongst high conviction Long ideas for 12% upside targets.

We however believe the Nifty is strongly poised for a mega bull run over the next 12-15 months, and Dips till 7700/7500 could be used to aggressively long Cyclical mentioned above.

INDIAN INDICES	CLOSE	PTS	% CHG
SENSEX	26366.68	485.51	1.88
NIFTY 50	8069.65	134.75	1.70
BANKNIFTY	17359.30	361.85	2.13
SMALL CAP	11048.11	94.28	0.86
MIDCAP	11191.27	111.3	1.00
BANKEX	19725.00	428.29	2.22
IT	11463.67	139.3	1.23
AUTO	18540.39	199.76	1.09
FMCG	8148.23	98.91	1.23
POWER	1868.11	27.84	1.51
REALTY	1402.14	25	1.82
OIL & GAS	9178.86	87.46	0.96
METAL	7594.28	66.79	0.89
CAPITAL GOODS	14449.51	1166.49	8.78
INDVIX	15.33	-0.2	-1.26
COMMODITY PRICE	CLOSE	PTS	% CHG
GOLD	28738.00	-217	-0.76
SILVER	39051.00	-178	-0.46
CRUDEOIL	3327.00	-1	-0.03
COPPER	313.10	-1.95	-0.62
ZINC	125.80	2.15	1.71
LEAD	112.20	2.2	1.96
GLOBAL INDICES*	CLOSE	PTS	% CHG
DOW JONES	17828.00	-23.22	-0.13
NASDAQ	4901.00	6.88	0.14
FTSE 100	6265.00	2.80	0.04
ASIAN INDICES*	CLOSE	PTS	% CHG
HANG SANG	20333.00	-60.92	-0.29
NIKKEI	16857.00	85.24	0.51
SHANGHAI	2814.00	-8.41	-0.3
CURRENCY FUTURE	25-May	26-May	NET%
USDINR	67.4250	67.1725	-0.37
EURINT	75.1725	75.1200	-0.06
GBPINR	98.9525	98.6425	-0.31
JPYINR	61.1750	61.0875	-0.14
FII/DII CAPITAL MKT*	BUY	SELL	NET
FII	6476.35	5895.06	581.29
DII	1900.64	1940.09	685.37
FII/DII DERIVATIVES	BUY	SELL	NET
INDEX FUTURES	7258.30	4910.21	2348.09
INDEX OPTIONS	56149.23	54003.15	2146.07
STOCK FUTURES	18659.79	17444.89	1214.90
STOCK OPTIONS	3655.96	3652.13	3.83

IMPORTANT MARKET HIGHLIGHTS

Prime Minister Narendra Modi's comments in an interview to a foreign newspaper that he had undertaken the maximum reforms during the past two years in office and that he expects the goods and services tax (GST) bill to pass this year triggered the latest rally on the domestic bourses. Modi said he had opened up more of the economy to foreign investment and made changes to curb corruption, fill gaps in rural infrastructure and make it easier to do business. He also said that he has an enormous task ahead.

The Sensex hit its highest level in almost 29 weeks when it jumped 517.77 points, or 2% at the day's high of 26,398.94 in late trade. The index rose 60.34 points, or 0.23% at the day's low of 25,941.51 in early trade. The Nifty hit its highest level in more than 29 weeks when it jumped 148.10 points, or 1.87% at the day's high of 8,083 in late trade. The index rose 13.60 points, or 0.17% at the day's low of 7,948.50 in early trade.

State-run ONGC rose 2.05% to Rs 214.50 after net profit rose 12.22% to Rs 4416.11 crore on 15.42% decline in total income to Rs 19776.70 crore in Q4 March 2016 over Q4 March 2015. The result was announced at the fog end of the trading session today, 26 May 2016.

Tata Steel rose 0.83% at Rs 327.05 after the company trimmed losses in Q4 March 2016. The company reported consolidated net loss of Rs 3213.76 crore in Q4 March 2016, lower than net loss of Rs 5674.29 crore in Q4 March 2015. Tata Steel's total income fell 12.33% to Rs 29636.69 crore in Q4 March 2016

MARKET TURNOVER	25-May	26-May	NET%
NSE CASH	16673.79	23317.57	28.49
BSE CASH	2323.39	2928.58	20.66
NSE FUTURES	108374.78	113084.13	4.16
NSE OPTIONS	494978.13	609825.58	18.83
ADVANCE / DECLINE	ADV	DEC	UNCH
NSE	916	627	86
BSE	1385	1176	186
NIFTY GAINER	25-May	26-May	% CHG
LT	1291.60	1474.15	14.13
SBIN	175.10	184.15	5.17
BHEL	122.55	128.60	4.94
IDEA	109.55	113.80	3.88
AXISBANK	502.15	519.00	3.36
NIFTY LOSER	25-May	26-May	% CHG
INFRATEL	390.15	394.85	-1.19
HCLTECH	740.90	749.35	-1.13
SUNPHARMA	779.35	785.45	-0.78
EICHERMOT	18394.35	18530.65	-0.74
NTPC	141.20	141.85	-0.46
CASH SEGMENT VOLUME TOPPERS	25-May	26-May	VALUE (In crore)
LT	1291.60	1474.15	1979.51
ICICIBANK	235.00	241.15	730.48
AXISBANK	502.15	519.00	572.50
SBIN	175.10	184.15	553.02
MARUTI	4060.95	4118.00	439.86
TOP TRADED STOCK FUTURE	EXP. DATE	TRADE VALUE (Rs.)	NO. OF CONTRACTS
LT	26/05/2016	23486143905	54834
LT	30/06/2016	16802391135	38816
RELIANCE	30/06/2016	13284922175	27811
RELIANCE	26/05/2016	12832948925	27069
SBIN	30/06/2016	9573681900	26819
TOP TRADED STOCK OPTION	STRIKE PRICE	OPTION TYPE	NO. OF CONTRACTS
SBIN	180	CE	16545
LT	1400	PE	10905
LT	1420	CE	8726
ICICIBANK	240	CE	8711
LT	1440	CE	8339

CORPORATE NEWS

- Concor drops after weak Q4 result
- Cummins India drops after posting dismal Q4 numbers
- Rattanindia Power jumps after turnaround Q4 outcome
- India Cements gains after reporting strong Q4 results
- Volumes jump at D B Corp counter
- Sharda Cropchem hits the roof after posting stellar Q4 results
- Strides Shasun gains after receiving tentative approval from USFDA for drug
- KNR Constructions gains after new order win
- Oil E&P stocks gain as crude oil prices extend gains
- Yes Bank scales record high as CCEA clears proposal to raise foreign investment limit
- GAIL (India) gains after announcing robust Q4 results
- L&T extends gains after giving healthy guidance for order inflow in FY 2017
- Tata Steel gains after trimming losses in Q4
- L&T spurts after announcing good Q4 results

MOST ACTIVE CALLS	EXP. DATE	STRIKE PRICE	LTP
NIFTY	26-May-16	8000	64.00
NIFTY	26-May-16	8050	18.70
NIFTY	26-May-16	8100	0.05
NIFTY	26-May-16	7950	118.80
NIFTY	26-May-16	7900	167.00
MOST ACTIVE PUTS	EXP. DATE	STRIKE PRICE	LTP
NIFTY	26-May-16	7900	0.05
NIFTY	26-May-16	8000	0.05
NIFTY	26-May-16	7950	0.05
NIFTY	26-May-16	7850	0.05
BANKNIFTY	26-May-16	17000	0.10
INDICES LEVEL	NIFTY 50	SENSEX	NIFTY IT
CLOSE	8069.65	26366.68	11337.15
R3	8302.72	27150.57	11669.42
R2	8168.22	26693.14	11481.62
R1	8118.93	26529.91	11409.38
PIVOT	8033.72	26235.71	11293.82
S1	7984.43	26072.48	11221.58
S2	7899.22	25778.28	11106.02
S3	7764.72	25320.85	10918.22
ADR PRICE	LTP	VOLUME	%CHG
Dr. Reddy's Lab	45.66	154335	0.07
H D F C Bank	64.48	910942	-0.08
I C I C I Bank	7.10	6437292	0.57
Infosys Technologies	19.18	3264659	1.97
MakeMy Trip Ltd.	14.78	208365	-2.89
REDIFF.COM	0.38	0	-13.64
SATYAM INFOWAY	1.16	31847	0.43
Tata Motors	29.73	933551	-0.30
Wipro	12.13	438709	0.08
BULK DEALS	BUY/SELL	QUANTITY	TRADE PRICE
CEREBRAINT	BUY	704077	13.52
GAL	BUY	29462	44.45
GOODLUCK	BUY	1410000	95.10
JUBLFOOD	BUY	263	1107.06

MARKET OUTLOOK

NIFTY 50 **1.70%** ▲

NET CHG 134.75
OPEN 7974.45
HIGH 8083.00
LOW 7948.50
CLOSE 8069.65

SENSEX **1.88%** ▲

NET CHG 485.11
OPEN 26008.25
HIGH 26398.94
LOW 25941.51
CLOSE 26366.68

NIFTY IT **1.08%** ▲

NET CHG 121.65
OPEN 11231.85
HIGH 11366.05
LOW 11178.25
CLOSE 11337.15



Nifty View 27th May 2016 (Previous Close 8069):

Yesterday, Index opened with a Gap Up, took support @ 7940 witnessed further short-covering up to 8070, finally closing 1.7% positive for the day.

Going Forward,

Post opening, Till Support zone of 8025-8035 holds, upside up to 8120-8137 will be witnessed.

Only on a cross-over above 8140, Further Short Covering up to 8210-8270 will be witnessed.

Break below 8020, will lead to test of support zone 7970-7945.

On the Derivatives Front(For Fresh Series), Highest OI is witnessed in 8000-8200 calls (30 Lakhs Each) with additions to the tune of 8, 5 & 10 Lakhs in 8100, 8200 & 8300 Calls implying 8150-8210 Resistance now for the Series.

On the Put side, Highest OI is witnessed in 7900-7800-7700 Strike (29 Lakhs Each) with additions of 10, 16 & 7 Lakhs in 8000-7900-7800 Puts implies that on a broader time-frame, 7900-7950 would be a stronger support for the new series.

Trading Range 8005 – 8140.

PIVOT TABLE

SCRIP	HIGH	LOW	CLOSE	S3	S2	S1	PIVOT	R1	R2	R3
ACC	1508.00	1474.75	1504.05	1429.10	1462.35	1483.20	1495.60	1516.45	1528.85	1562.10
ADANIPTS	187.50	181.40	184.80	172.37	178.47	181.63	184.57	187.73	190.67	196.77
AMBUJACEM	229.50	223.00	224.60	212.70	219.20	221.90	225.70	228.40	232.20	238.70
ASIANPAINT	999.50	973.45	991.85	936.17	962.22	977.03	988.27	1003.08	1014.32	1040.37
AXISBANK	523.00	500.25	519.00	468.58	491.33	505.17	514.08	527.92	536.83	559.58
BAJAJ-AUTO	2517.75	2475.00	2505.15	2413.80	2456.55	2480.85	2499.30	2523.60	2542.05	2584.80
BANKBARODA	136.35	132.50	134.85	126.87	130.72	132.78	134.57	136.63	138.42	142.27
BHARTIARTL	356.00	347.75	352.85	335.70	343.95	348.40	352.20	356.65	360.45	368.70
BHEL	129.25	123.70	128.60	116.08	121.63	125.12	127.18	130.67	132.73	138.28
BOSCHLTD	22207.00	21681.35	21817.35	20850.60	21376.25	21596.80	21901.90	22122.45	22427.55	22953.20
BPCL	931.00	907.10	926.80	873.83	897.73	912.27	921.63	936.17	945.53	969.43
CAIRN	142.00	139.30	141.20	135.43	138.13	139.67	140.83	142.37	143.53	146.23
CIPLA	473.90	466.00	467.95	453.48	461.38	464.67	469.28	472.57	477.18	485.08
COALINDIA	281.70	278.75	280.85	274.53	277.48	279.17	280.43	282.12	283.38	286.33
DRREDDY	3110.00	3060.05	3090.70	2987.02	3036.97	3063.83	3086.92	3113.78	3136.87	3186.82
GAIL	389.85	378.30	380.20	359.68	371.23	375.72	382.78	387.27	394.33	405.88
GRASIM	4360.00	4295.00	4331.00	4198.67	4263.67	4297.33	4328.67	4362.33	4393.67	4458.67
HCLTECH	752.00	736.65	740.90	712.48	727.83	734.37	743.18	749.72	758.53	773.88
HDFC	1235.00	1191.70	1228.25	1131.72	1175.02	1201.63	1218.32	1244.93	1261.62	1304.92
HDFCBANK	1188.90	1166.25	1183.25	1134.17	1156.82	1170.03	1179.47	1192.68	1202.12	1224.77
HEROMOTOCO	2989.00	2916.00	2962.20	2809.73	2882.73	2922.47	2955.73	2995.47	3028.73	3101.73
HINDALCO	90.70	87.65	90.30	83.45	86.50	88.40	89.55	91.45	92.60	95.65
HINDUNILVR	854.00	832.00	850.35	801.45	823.45	836.90	845.45	858.90	867.45	889.45
ICICIBANK	243.00	233.00	241.15	219.05	229.05	235.10	239.05	245.10	249.05	259.05
IDEA	114.80	110.00	113.80	103.27	108.07	110.93	112.87	115.73	117.67	122.47
INDUSINDBK	1109.00	1088.00	1103.90	1058.30	1079.30	1091.60	1100.30	1112.60	1121.30	1142.30
INFY	1239.80	1210.10	1234.15	1168.62	1198.32	1216.23	1228.02	1245.93	1257.72	1287.42
ITC	364.00	353.60	362.45	339.22	349.62	356.03	360.02	366.43	370.42	380.82
KOTAKBANK	739.00	714.35	730.20	678.55	703.20	716.70	727.85	741.35	752.50	777.15
LT	1484.90	1390.00	1474.15	1259.88	1354.78	1414.47	1449.68	1509.37	1544.58	1639.48
LUPIN	1487.80	1462.00	1469.95	1421.65	1447.45	1458.70	1473.25	1484.50	1499.05	1524.85
M&M	1349.95	1306.00	1339.10	1243.78	1287.73	1313.42	1331.68	1357.37	1375.63	1419.58
MARUTI	4125.00	4027.20	4118.00	3894.47	3992.27	4055.13	4090.07	4152.93	4187.87	4285.67
NTPC	142.50	139.35	141.20	134.72	137.87	139.53	141.02	142.68	144.17	147.32
ONGC	221.15	210.70	216.05	195.07	205.52	210.78	215.97	221.23	226.42	236.87
PNB	75.10	73.00	74.55	70.02	72.12	73.33	74.22	75.43	76.32	78.42
POWERGRID	151.40	148.60	150.60	144.60	147.40	149.00	150.20	151.80	153.00	155.80
RELIANCE	952.40	944.10	946.85	931.18	939.48	943.17	947.78	951.47	956.08	964.38
SBIN	185.50	173.50	184.15	157.05	169.05	176.60	181.05	188.60	193.05	205.05
SUNPHARMA	788.00	774.05	779.35	752.57	766.52	772.93	780.47	786.88	794.42	808.37
TATAMOTORS	402.00	396.75	399.25	388.83	394.08	396.67	399.33	401.92	404.58	409.83
TATAPOWER	74.00	72.30	73.65	69.92	71.62	72.63	73.32	74.33	75.02	76.72
TATASTEEL	329.35	320.00	325.20	306.15	315.50	320.35	324.85	329.70	334.20	343.55
TCS	2564.90	2505.10	2548.70	2419.97	2479.77	2514.23	2539.57	2574.03	2599.37	2659.17
TECHM	547.00	520.25	542.30	483.02	509.77	526.03	536.52	552.78	563.27	590.02
ULTRACEMCO	3229.00	3195.10	3213.65	3144.78	3178.68	3196.17	3212.58	3230.07	3246.48	3280.38
VEDL	105.00	98.70	104.05	89.98	96.28	100.17	102.58	106.47	108.88	115.18
WIPRO	548.80	543.00	544.95	533.98	539.78	542.37	545.58	548.17	551.38	557.18
YESBANK	1026.00	997.10	1021.05	956.92	985.82	1003.43	1014.72	1032.33	1043.62	1072.52
ZEEL	446.75	439.60	444.45	429.30	436.45	440.45	443.60	447.60	450.75	457.90
ZEEL	446.75	439.60	444.45	429.30	436.45	440.45	443.60	447.60	450.75	457.90

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