

| Index | CMP | Support | Resistance |
|--------|-------|---------------|---------------|
| Nifty | 8224 | 8200 / 8100 | 8500 / 8900 |
| Sensex | 27350 | 27300 / 26800 | 28300 / 29700 |

NIFTY WEEKLY



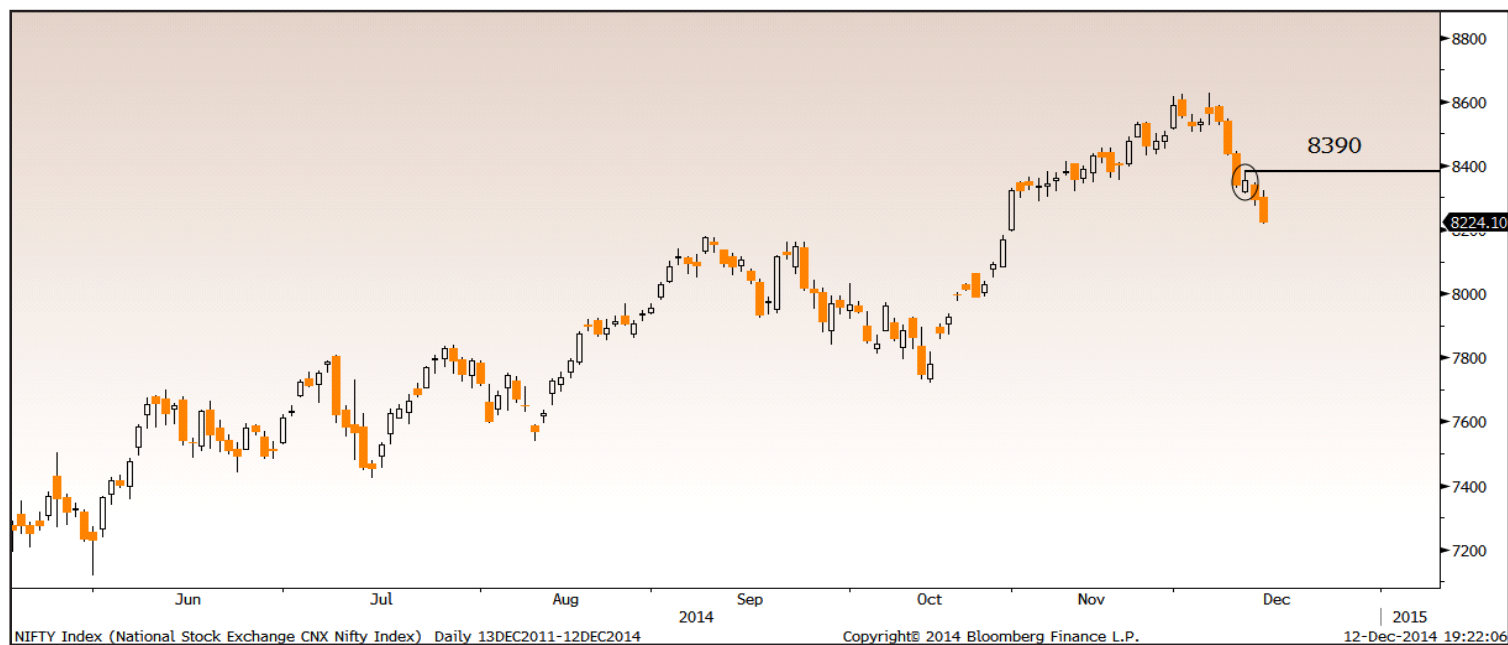
- Weekly scale lacks a firm reversal & hence the decline could be temporary in nature. Unless a strong counter-attack is visible on the immediate scale the bias remains neutral
- A reversal on the daily scale above 8390 would signal the bulls to regain control & aggressive longs could be reinstated
- Considering Nifty trading close to 8200 (Heaviest Put), any bargain hunting attempts shall be done through long Calls only. The current bounds of Nifty option OI is seen at 8200 and 8500.
- Bank Nifty continues to remain in the Long Long -Unwinding cycle and displays its existing outperformance to continue. The outperformance can be best participated with a Bull Call Spread strategy
- Amongst banking PSU banks have been attracting momentum so far & PNB is best placed amongst them
- United spirits breached from the temporary consolidation & seems ready for its next leg towards 3400

| SECTOR NAME | OUTLOOK FOR THE WEEK | POTENTIAL MOVERS & SHAKERS |
|-------------|----------------------|----------------------------|
| Bank | Positive | PNB , Axis Bank |
| Auto | Positive | TTML, Maruti |
| Midcap | Positive | J&K Bank,Britannia |
| IT | Neutral | HCL Tech |

MOST Quantitative Outlook Weekly

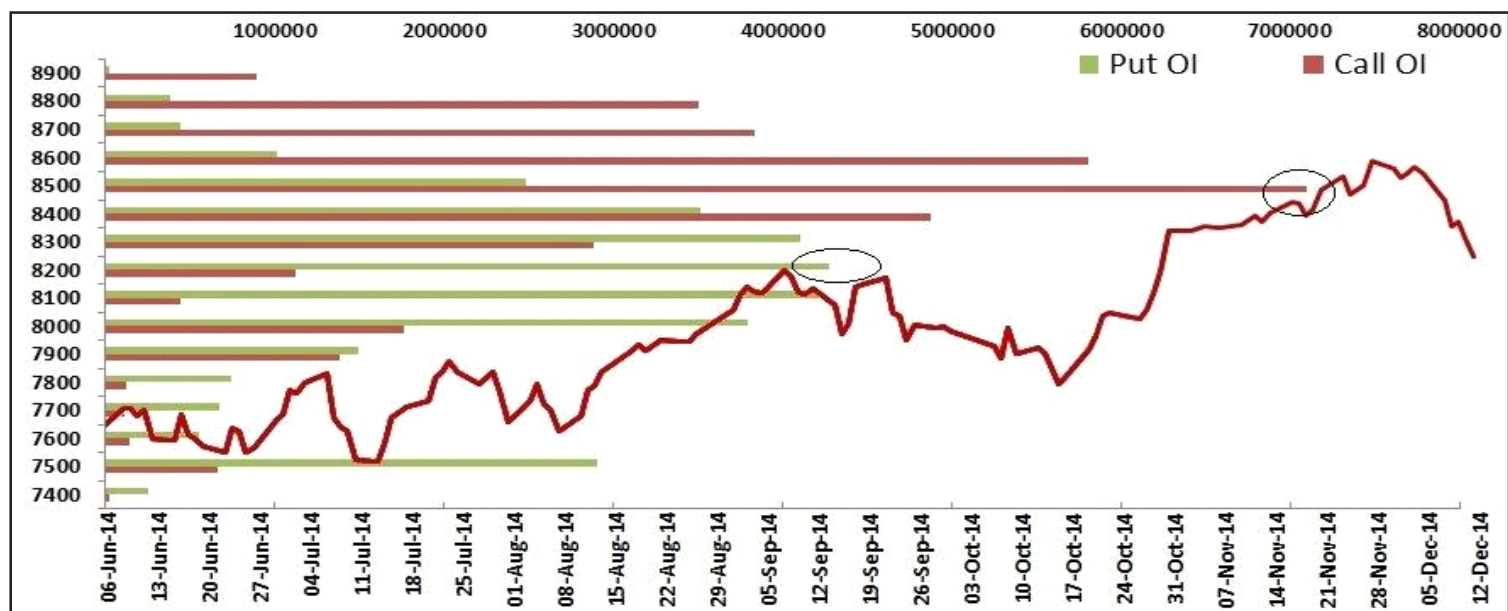
12th, Dec 2014

NIFTY DAILY



Nifty breached the immediate support (8410) during the early part of the week & slipped into a neutral territory. With no signs of firm reversal yet on the immediate scale, Nifty could continue in the neutral zone as far as the immediate trend is concerned. A firm reversal pattern with a closing above 8390 would signal the bulls to regain control & aggressive longs could be reinstated.

NIFTY OPTION OI VS PRICE

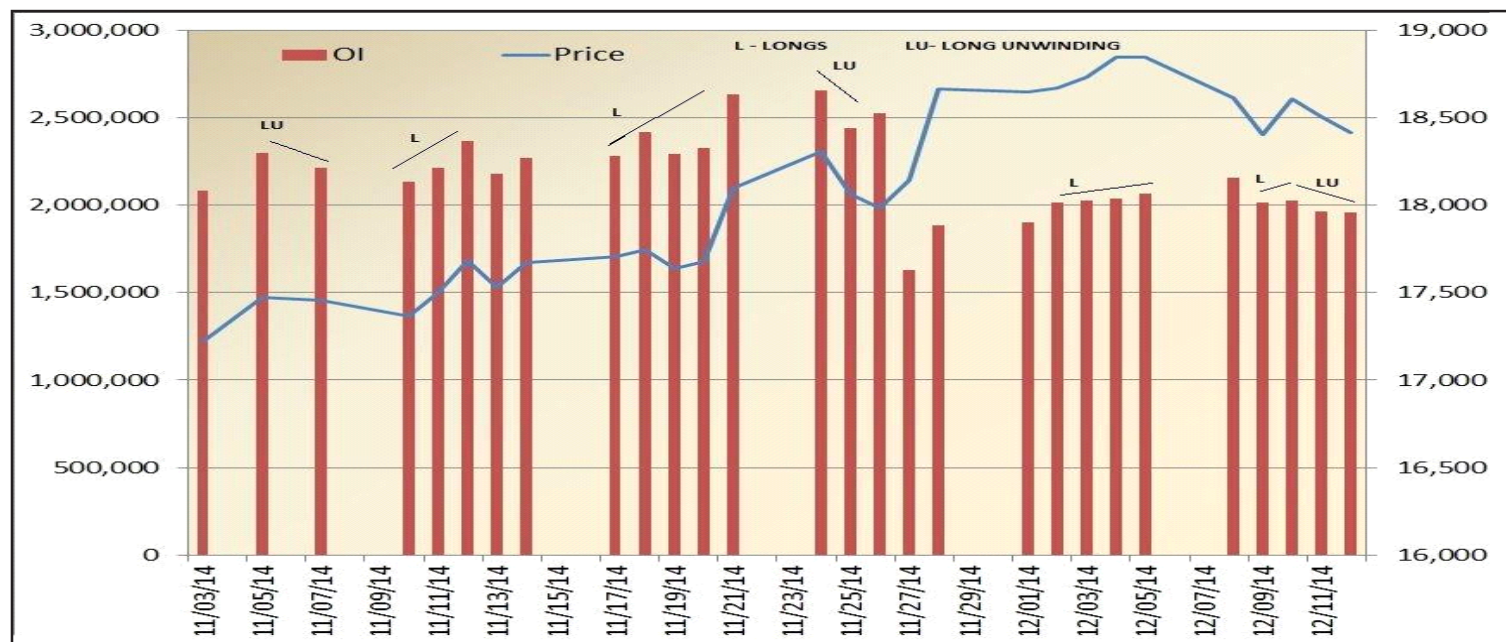


The recent fall in Nifty has pushed back the highest OI of Puts from 8400 levels to 8200 level during the week. The highest OI concentration of Nifty options now remains at 8200-8500. With Nifty quoting close to 8200 (Heaviest Put) one could attempt bargain hunting trades through long Call. Traders should reduce positions if Nifty Futures closes below 8200 level.

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BANKNIFTY PRICE VS OI



The Index continue to remain in the Long Long -Unwinding cycle. With increase in OI of 20% the Index has gained nearly 1.5% in the December expiry compared to a 3% fall in Nifty showing comparative strength and continuation of the outperformance.

BANKNIFTY - STRATEGY

Bull Call Spread

BUY 1 LOT 18700CE
SELL 1 LOT 19000CE

- ✓ The Index had added Fresh longs in December Expiry (Price up 1.5%; OI up 20%) and has outperformed all other Indices.
- ✓ The recent fall saw some profit booking as indicated by the 'Long Long-Unwinding' cycle in the graph above
- ✓ Since the price action may take time it makes sense to trade a Bull spread in order to benefit from any consolidation seen in the near term.

Target : 3500, Stop Loss: 1000



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PNB



Positive sector outlook & consolidation on the daily scale augurs well for the existing uptrend to continue. A breach above 1140 could propel it towards the pattern target upto 1300. The move can be participated with a stop at 980.

UNITED SPIRITS



United spirits breached from the temporary consolidation & a pullback provides a good opportunity to add longs. The pattern indicates an up move upto 3400 which can be participated with a stop below 2630.

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