

**Finally NIFTY Conquers 9,000 Levels!****Markets this week**

- After a long weekend, the market staged spectacular rally on Tuesday, with the Nifty closing above 9000 level for the first time on hopes of BJP strengthening reform agenda following emphatic victory in Uttar Pradesh. Better-than-expected January industrial output (growing 2.7 percent) also aided sentiment. Wednesday saw benchmarks close range bound before they regained strength on Thursday as the Nifty ended above psychological 9,100-mark for the first time ever, even as the US Federal Reserve delivered a 25 basis point rate hike. The final trading day of the week saw some profit booking, but the benchmark index still managed to make slight gains mostly due to the rally seen in index heavyweight – ITC. Most experts are upbeat on the positive movements and are not very concerned about high valuations.
- NIFTY and SENSEX made monumental gains this week as they both crossed significant psychological levels. They ended on 9,160 and 29,649, up by 225.60 points (+2.52%) and 702.76 points (+2.43%) respectively. The broader markets outperformed as the NIFTY MIDCAP and SMALLCAP index gained 4.55% and 3.51% respectively.
- The biggest sectoral gainers for the week were FMCG and REALTY as they gained 5.14% and 4.92% respectively. ITC and Emami were the big gainers in the FMCG Index as they added 6.76% and 5.81% respectively. ITC gained on the back of the GST Council announcement that the proposal to cap cess on Tobacco and Cigarettes has been cleared. Prestige Estates Projects and Godrej Properties led the gains in the REALTY Index as they added 11.06% and 8.52% during the week.
- IIP for January 2017 recorded an increase in output by 2.7% against de-growth of 1.6% recorded in the same period last year. CPI inflation rose to a four-month high of 3.65% in February as food and fuel prices firmed up as things normalised post demonetisation. Consumer food prices index (CFPI) rose 2.01% in February from 0.61% in January. WPI rose to a two and a half year high of 6.55% in February from 5.25% in January

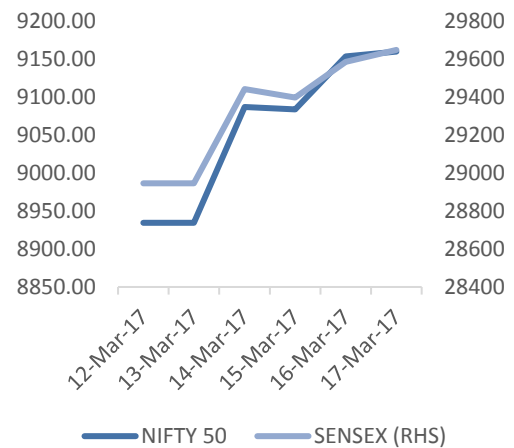
**Corporate updates**

- NBCC has signed an agreement with the Mauritius Government worth INR 250 crore for construction of a New Supreme Court Building on a PMC basis with completion period of two years.
- ACC has sold its entire stake (i.e. 12.13%) in Shiva Cement to JSW Cements at INR 16.35 per share for INR 38.6 crore.
- USFDA has lifted import alert imposed on the Mohali plant of Sun Pharma. FDA lifted import alert without a re-inspection the facility.
- Glenmark's Ankaleshwar plant (which manufactures API for its formulations) has received an Establishment Inspection Report (EIR) from the USFDA, which is issued only if the agency finds the facility to be acceptable to its standards.
- ONGC plans to invest INR 25,000 Cr to develop India's deepest gas discovery in its prime KG basin block (KG-D5).
- Sun Pharma's subsidiary Taro has received USFDA approval for gMetrogel.
- GST council has approved state GST and Union Territory GST laws. Tobacco cess will be capped at a mixture of INR 4,170/1000 sticks.

**13<sup>th</sup> March to 17<sup>th</sup> March, 2017****Indian equity benchmark indices' returns**

Broad Indices	WkCl	WkOp	% Chg
NIFTY 50	9160	8935	2.52%
SENSEX	29649	28946	2.43%
NIFTY MID 50	4320	4132	4.55%
NIFTY SMALL 50	3652	3528	3.51%

Sectoral Indices	WkCl	WkOp	% Chg
AUTO	10009	9779	2.35%
BANK	21175	20728	2.16%
ENERGY	11487	11351	1.20%
FINANCIAL	8592	8321	3.26%
FMCG	23491	22342	5.14%
IT	10901	10750	1.41%
METAL	3128	3035	3.06%
PHARMA	10675	10468	1.97%
REALTY	208	198	4.92%

**Benchmark Indices****FII and DII weekly investments (RS Cr)**

Action	FII Inv (Equity)	DII Inv (Equity)
Buy	33137	12523
Sell	25015	14715
<b>Net</b>	<b>8122</b>	<b>-2193</b>

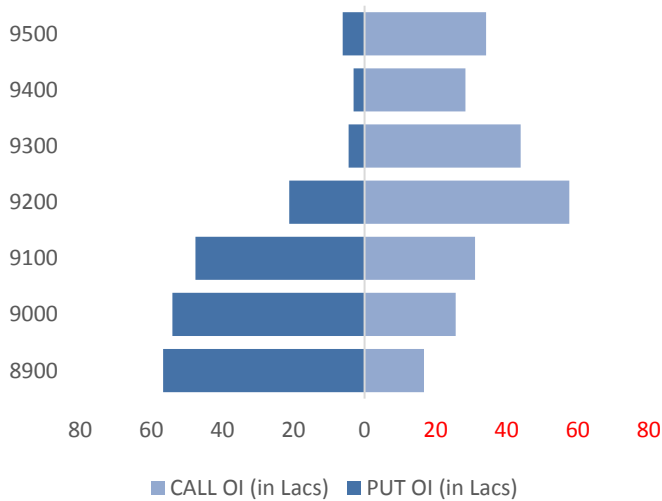
**Nifty top 5 gainers/losers**

Gainers	WkCl	WkOp	% Chg
Adani Ports & SEZ	325	299	8.90%
Tata Steel	502	468	7.37%
ITC	281	263	6.76%
BHEL	169	158	6.67%
Eicher Motors	24691	23357	5.72%
Losers	WkCl	WkOp	% Chg
Coal India	289	316	-8.55%
Bharti Airtel	347	365	-4.95%
ONGC	190	192	-0.84%
GAIL	375	378	-0.82%
TCS	2526	2542	-0.65%



## Weekly Newsletter Technical View

### NIFTY Index Option Open Interest



Maximum put open interest was seen at 8800 followed by 8900 with 60 lakh and 57 lakh contracts respectively. 9000 PE had accumulated 54 lakh contracts.

Fresh call writing was seen at 9300 with 44 lakh contracts. The maximum Call open interest stood at 9,200 strike with 58 lakh contracts, which will act as a key resistance for the index, while strike prices 9500 had 34 lakh contracts in open interest.

9000, 9100 Call strikes saw closure while 9100, 9000 Put strikes saw additions. This clearly brings out the fact that option activity is moving to higher strikes. Additionally, index futures added fresh long positions.

Over the week we saw calls get diluted and puts were added at lower levels indicating the index heading towards higher levels. The put-call-ratio (PCR) stands at 1.22.

<b>Resistance</b>	R1 – 9180	R2 – 9220	R3 – 9300
<b>Support</b>	S1 – 9145	S2 – 9100	S3 – 9050

## Market Outlook

The index got the much awaited range break out after a long weekend on the back of five state elections results. The index made fresh lifetime highs consecutively throughout the week. The volatility index ended the week at the lowest level since 2014 on a weekly basis, indicating broader positive sentiments in the market. With the decrease in volatility and high FII inflows, the overall trend looks positive. A ‘buy on dips’ strategy would be appropriate while the index remains above 9100. Traders with high risk appetite can short the index if it breaches the 9100 mark. On the upside, the near term major hurdle for the index is placed at 9200. 9300 CE which saw huge open interest accumulation can be taken as target for this expiry. On the downside, the gap up region of 9050-9070 (formed on Tuesday) will provide strong support.