Sensex (41873) / Nifty (12343)

We had a weak start for the day in the wake of not so favourable news from the global peers. The selling pressure intensified in the initial hour itself to test **12300** first and then a gradual decline led to sub-12300 levels. However, as expected, we saw massive buying interest at lower levels which accelerated in the final hour of the day to trim major portion of losses. Eventually, Nifty managed to reclaim **12300** with some authority.

The banking index continues its underperformance and yesterday was the main culprit to drag the benchmark index lower. Fortunately, the Nifty took a complete U-turn precisely from our mentioned support zone **12296 – 12260** and eventually closed tad below **12350**. What we are witnessing now is a typical characteristic of Bull Run. Generally, in a falling market, every minor positivity turns into a selling opportunity at higher levels and in a strong uptrend, every mild negative factor gets absorbed immediately and traders pounces on such dips to create fresh longs in the market. Thus, despite market entering an overbought territory, we continue with our 'Buy on dips' strategy. As far as levels are concerned, the index is likely to gradually head towards next milestones of **12400 – 12500** in coming days. On the flipside, **12296** followed by **12260** now becomes a sacrosanct support zone.

Key Levels	
Support 1 – 12296	Resistance 1 – 12400
Support 2 – 12260	Resistance 2 – 12500

Exhibit 1: Nifty Daily Chart

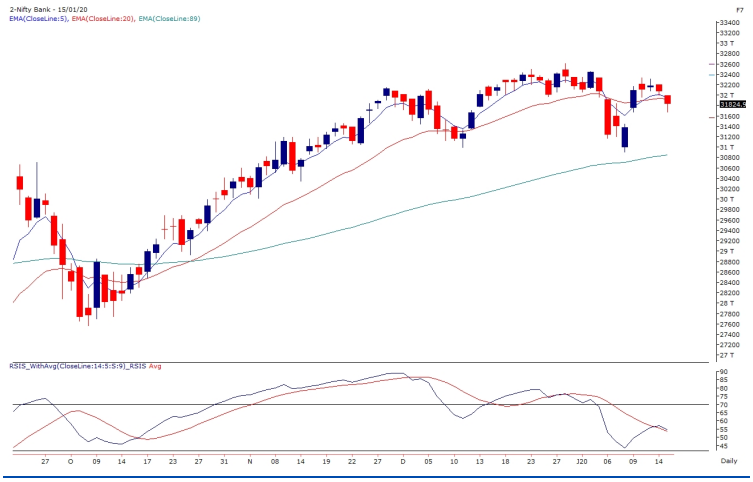
Yesterday, despite banking being the weakest link, some of the other heavyweights did extremely well and pushed the index at elevated levels in the final hour. However, once again the real show-stealer becomes the broader end of the spectrum. We have been quite vocal on the midcap index giving a strong rally since last few days. The anticipation clearly is turning into a reality as there is no stopping for recent dream run for the broader market. Mind you, this is still a beginning as we expect the midcap index to compensate further for its long two years' underperformance.

Nifty Bank Outlook - (31825)

The BankNifty index started trading for the session on a negative note and corrected during the day upto **31760**. A mild recovery in the last hour of the trade trimmed some of the losses and the index ended the session with a loss of over three-fourths of a percent. Since last three trading sessions, BankNifty was consolidating in a narrow range and it breached the lower end of the range in yesterday's session at opening. This led to some sell off in the index and hence the banking space witnessed underperformance in yesterday's session. The banking heavyweights seems to be undergoing a consolidation phase and hence, the BankNifty has been a relative underperformer in spite of the positive momentum seen in the broader markets. However, the broader trend continues to be up as there are no signs of a reversal of the trend. Hence traders are advised to focus on a stock specific approach at the moment.

Key Levels	
Support 1 – 31670	Resistance 1 – 32000
Support 2 – 31450	Resistance 2 – 32300

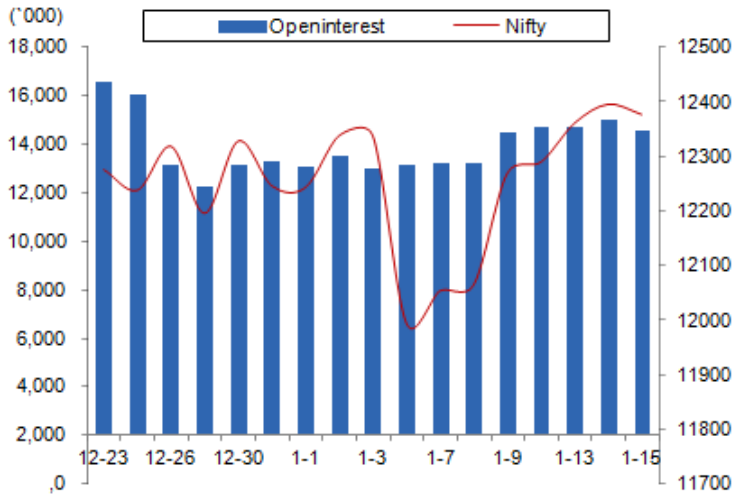
Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has decreased by 2.99% Bank Nifty futures open interest has decreased 0.31% as market closed at 12343.30 levels.
- The Nifty January future closed with a premium of 34.75 points against a premium of 34.70 points in last trading session. The February series closed at a premium of 74.85 points.
- The INDIA VIX has increased from 13.91 to 14.12. At the same time, the PCR-OI of Nifty has decreased from 1.68 to 1.57.
- Few of the liquid counters where we have seen high cost of carry are GMRINFRA, IDEA, DISHTV, NCC and ASHOKLEY.

Nifty Vs OI



Views

- We started-off yesterday's session with a downside gap and saw follow-up selling to drag index below 12300 mark. However, index consolidated near 12300 in the mid of the day and then smart buying interest in the final hour recovered a major portion of losses to eventually conclude marginally lower.
- FIIs were net buyers in the cash market segment to the tune of Rs. 280 crores. In index futures, they sold worth Rs. 910 crores with some rise in open interest, indicating a blend of short formation along with long unwinding.
- In F&O space, we witnessed a decent amount of long formation in Nifty futures in the recent upmove; however, some profit booking took place in yesterday's trade. For the banking index, the open interest activity remained muted. In options front, put writers continued adding positions in 12200 and 12300 strikes. At the same time, fresh longs were formed in 12400-12500 call options. Considering the final hour recovery and the above data points, we maintain our optimistic stance on market and would advise traders' adding longs on declines.

OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
NTPC	53472000	25.96	123.85	0.45
YESBANK	315330400	22.06	39.75	5.39
INDUSINDBK	15166400	19.98	1400.50	-5.47
CASTROLIND	8130300	16.92	133.40	4.07
IGL	9787250	10.84	447.75	5.16
RAMCOCEM	1496000	10.26	825.45	0.25
GAIL	47552610	8.40	131.65	1.46
ACC	3983200	7.93	1515.70	0.05

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
AMARAJABAT	1434400	-9.85	773.10	1.78
CONCOR	6114456	-5.32	557.10	-2.02
BEL	31728000	-5.28	103.85	3.89
JUSTDIAL	2164400	-5.21	581.50	0.85
TATACHEM	3516300	-4.99	730.00	0.36
NMDC	23652000	-4.87	131.10	4.21
HEROMOTOCO	4137600	-4.39	2476.30	2.48
IDEA	433748000	-4.05	6.00	-1.63

Historical Volatility

SCRIP	HV
MGL	43.74
IGL	32.30
WIPRO	24.16
PEL	45.64
CASTROLIND	33.07

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.57	0.99
BANKNIFTY	0.85	0.84
RELIANCE	0.55	0.48
ICICIBANK	0.58	0.66
INFY	0.71	0.75

FII Statistics for January 15, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	1954.24	2864.54	(910.30)	159145	13840.79	0.58
INDEX OPTIONS	249288.67	249186.16	102.51	761197	63923.90	0.06
STOCK FUTURES	11941.05	12821.69	(880.64)	1528627	104091.70	0.81
STOCK OPTIONS	4595.49	4640.21	(44.72)	82222	5685.58	10.37
Total	267779.45	269512.60	(1733.15)	2531191	187541.97	0.85

Turnover on January 15, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	242535	18063.66	6.50
INDEX OPTIONS	17355940	1258749.37	36.23
STOCK FUTURES	707911	48136.74	2.17
STOCK OPTIONS	784302	56079.47	-0.55
TOTAL	1,90,90,688	1381029.24	32.22

Nifty Spot = 12343.30

Bull-Call Spreads

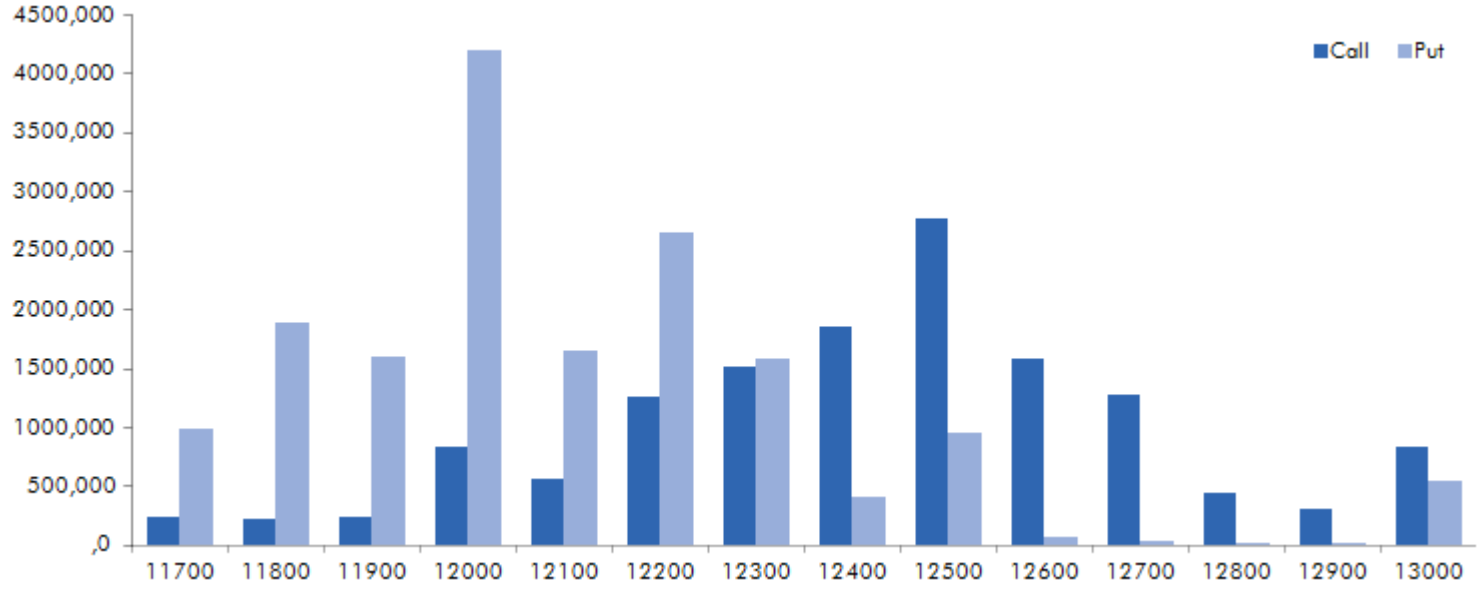
Action	Strike	Price	Risk	Reward	BEP
Buy	12400	94.10	42.60	57.40	12442.60
Sell	12500	51.50			
Buy	12400	94.10	69.30	130.70	12469.30
Sell	12600	24.80			
Buy	12500	51.50	26.70	73.30	12526.70
Sell	12600	24.80			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	12300	75.20	25.45	74.55	12274.55
Sell	12200	49.75			
Buy	12300	75.20	42.75	157.25	12257.25
Sell	12100	32.45			
Buy	12200	49.75	17.30	82.70	12182.70
Sell	12100	32.45			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (January Series) are given as an information and not as a recommendation.

Nifty Put-Call Analysis



Daily Pivot Levels for Nifty Constituents

Scrips	S2	S1	PIVOT	R1	R2
ADANIPORTS	384	387	389	393	395
ASIANPAINT	1,798	1,820	1,832	1,855	1,867
AXISBANK	733	740	744	751	755
BAJAJ-AUTO	3,072	3,098	3,118	3,144	3,164
BAJFINANCE	4,149	4,178	4,199	4,228	4,249
BAJAJFINSV	9,453	9,521	9,570	9,638	9,687
BPCL	458	463	468	473	478
BHARTIARTL	461	465	468	472	475
INFRATEL	242	244	248	251	255
BRITANNIA	3,073	3,093	3,114	3,134	3,155
CIPLA	476	480	483	487	491
COALINDIA	209	211	213	214	216
DRREDDY	2,875	2,897	2,922	2,943	2,968
EICHERMOT	20,175	20,400	20,525	20,750	20,875
GAIL	128	130	131	133	134
GRASIM	739	753	761	774	782
HCLTECH	589	592	595	599	602
HDFCBANK	1,268	1,276	1,282	1,290	1,296
HDFC	2,438	2,463	2,479	2,505	2,521
HEROMOTOCO	2,390	2,433	2,457	2,500	2,524
HINDALCO	208	211	213	216	218
HINDUNILVR	1,986	2,004	2,015	2,033	2,045
ICICIBANK	528	532	534	538	541
IOC	124	125	126	127	128
INDUSINDBK	1,346	1,373	1,418	1,445	1,490
INFY	756	762	768	774	780
ITC	240	241	242	243	244
JSW STEEL	274	278	281	285	288
KOTAKBANK	1,655	1,665	1,676	1,686	1,697
LT	1,310	1,317	1,327	1,333	1,343
M&M	552	561	566	575	580
MARUTI	7,295	7,389	7,447	7,541	7,599
NESTLEIND	14,612	14,736	14,843	14,967	15,074
NTPC	121	122	124	125	126
ONGC	124	124	125	125	126
POWERGRID	191	193	194	196	197
RELIANCE	1,506	1,515	1,527	1,536	1,549
SBIN	318	321	325	328	332
SUNPHARMA	441	445	448	452	455
TCS	2,181	2,204	2,217	2,241	2,254
TATAMOTORS	191	196	199	203	206
TATASTEEL	484	493	498	507	513
TECHM	781	788	796	803	811
TITAN	1,161	1,173	1,182	1,194	1,203
ULTRACEMCO	4,365	4,436	4,481	4,551	4,596
UPL	567	577	583	592	599
VEDANTA	160	162	164	166	168
WIPRO	241	245	250	254	260
YESBANK	35	37	39	42	44
ZEEL	262	267	271	276	280

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