

Sensex (37930) / Nifty (11162)

On the back of positive cues from the Asian markets, Nifty started trading with another gap up opening above **11100**. The index then consolidated with a positive bias and ended the session with gains of over 140 points.

The bulls had a head start for this week on Monday and it was followed by another gap up opening in yesterday's session. Both the Nifty as well as Bank Nifty traded with a positive bias and added decent gains to Monday's close. However, participation from the index heavyweights held the market positive but it was a muted session for the midcap space. The Nifty has now almost reached our expected target area of **11200** which is the 78.6 percent of the previous correction. Traders can look to book some profits on their existing longs around this area and take some money off the table; but by no means one should preempt any contra moves as there are no signs of reversal as of now. Identifying potential movers and trading with a stock specific approach would be a better strategy for short term. The immediate supports for Nifty are placed around **11085** and **11000** whereas resistances are seen around **11190** and **11220**.

Key Levels

Support 1 – 11085	Resistance 1 – 11190
Support 2 – 11000	Resistance 2 – 11220

Nifty Bank Outlook - (22782)

Yesterday, the banking index too opened higher in line with benchmark index. However, post the gap up opening, all major indices slipped into a consolidation mode and traded within a slender range. However, all of sudden we witnessed a sudden spike in the Bank Nifty towards the fag end to extend morning gains by nearly half a percent. Eventually banking index ended by adding more than 2 percent to the bulls' kitty.

Recent underperforming banking space has finally attempted to see some catch up to the benchmark. However, it is yet to surpass its recent highs around **23000-23100**, which we believe would be challenged in the forthcoming session. Whether it crosses this or not, we will have to see. But once it stays beyond it, there would be fresh leg of rally getting unfolded and hence, next couple of sessions would be quite crucial. If it fails in next two days, traders should ideally start taking money off the table and wait for further developments. On the downside, **22600** followed by **22400** would be seen as immediate supports.

Key Levels

Support 1 – 22600	Resistance 1 – 23000
Support 2 – 22400	Resistance 2 – 23100

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has increased by 2.48% Bank Nifty futures open interest has increased by 3.64% as market closed at **11162.25** levels.
- The Nifty July future closed with a premium of 8.3 point against a discount of 13.6 point in last trading session. The August series closed at a premium of 11.6 point.
- The INDIA VIX has decreased from 24.71 to 24.43 At the same time, the PCR-OI of Nifty increased from 1.75 to 1.87.
- Few of the liquid counters where we have seen high cost of carry are GLENMARK, CANBK, SUNTV, IDEA, AND SAIL.

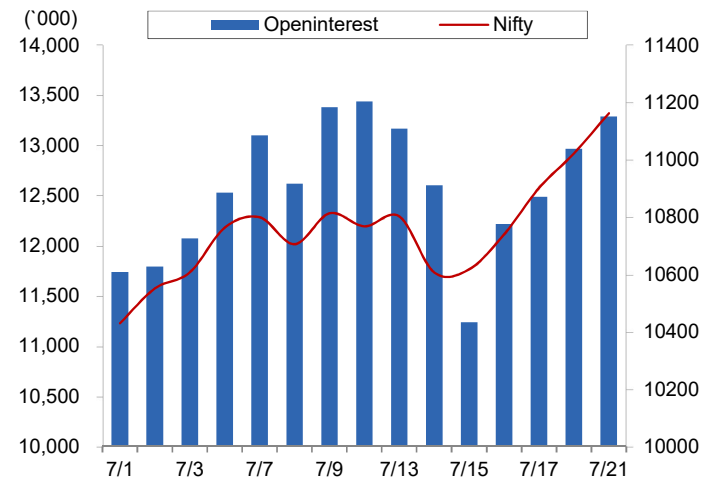
Views

- Following the positive momentum from the previous session, Index witnessed a gap up opening and with positive momentum throughout the session ended with gains of 1.27% at **11162.25**.
- FII were net buyers in the cash market segment to the tune of Rs. **2266** crores. In index futures, they bought worth **857** crores with increase in open interest indicating long formations in yesterday's session.
- Nifty started the day with a gap up and then consolidated with a positive bias. Both Nifty and Bank Nifty witnessed some open interest addition. FII bought equities worth more than **2200** crores while they formed long positions in the index futures segment too. In options segment, in-the-money call options witnessed unwinding of positions whereas fresh addition was seen in **11250-11500** calls. On the flipside, **11100** and **11000** put options witnessed decent amount of OI addition indicating near term supports for Nifty. The Nifty PCR (put call ratio) has reached 1.87 which is nearing the overbought level. Traders are advised to continue to trade with a positive bias, however, one should avoid aggressive trades and keep booking timely profits as PCR has reached near the overbought zone.

Historical Volatility

SCRIP	HV
POWERGRID	39.34
PEL	77.53
IOC	44.90
M&MFIN	82.21
BRITANNIA	50.92

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
BAJFINANCE	8459000	23.54	3292.45	-4.99
BPCL	23949000	18.87	464.20	6.39
RAMCOCEM	1404200	14.88	678.10	0.80
JINDALSTEL	21705000	14.84	178.60	0.65
ESCORTS	3388000	14.37	1171.75	4.16
ZEEL	27093000	8.79	153.75	-0.39
AMARAJABAT	1670000	8.44	704.25	0.18
TORNTPOWER	1860000	6.71	320.70	-0.39

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
M&MFIN	18194400	-16.78	227.90	-3.07
VOLTAS	3184000	-11.97	596.95	-0.09
CANBK	10110000	-11.86	104.00	1.30
MUTHOOTFIN	3425250	-10.71	1231.20	0.31
POWERGRID	30164000	-8.67	173.65	6.01
ADANIENT	20144000	-7.46	167.30	3.41
CONCOR	6350469	-6.81	456.95	2.45
WIPRO	28860800	-6.27	271.35	0.35

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.87	1.08
BANKNIFTY	1.06	0.81
RELIANCE	0.71	0.55
ICICIBANK	0.57	0.44
INFY	1.47	0.86

FII Statistics for July 21, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	4133.69	3276.66	857.03	129397	9663.05	9.69
INDEX OPTIONS	179913.06	179129.96	783.10	826187	62278.60	5.61
STOCK FUTURES	15363.72	16006.86	(643.14)	1316703	91716.71	0.61
STOCK OPTIONS	4815.87	4799.34	16.53	112973	7890.29	(0.42)
Total	204226.34	203212.82	1013.52	2385260	171548.65	2.70

Turnover on July 21, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	4,13,391	27879.04	-5.69
Index Options	1,78,20,101	11,03,368.56	9.92
Stock Futures	9,86,013	69530.38	17.84
Stock Options	15,38,259	1,16,245.29	22.31
Total	2,07,57,764	13,17,023.27	10.92

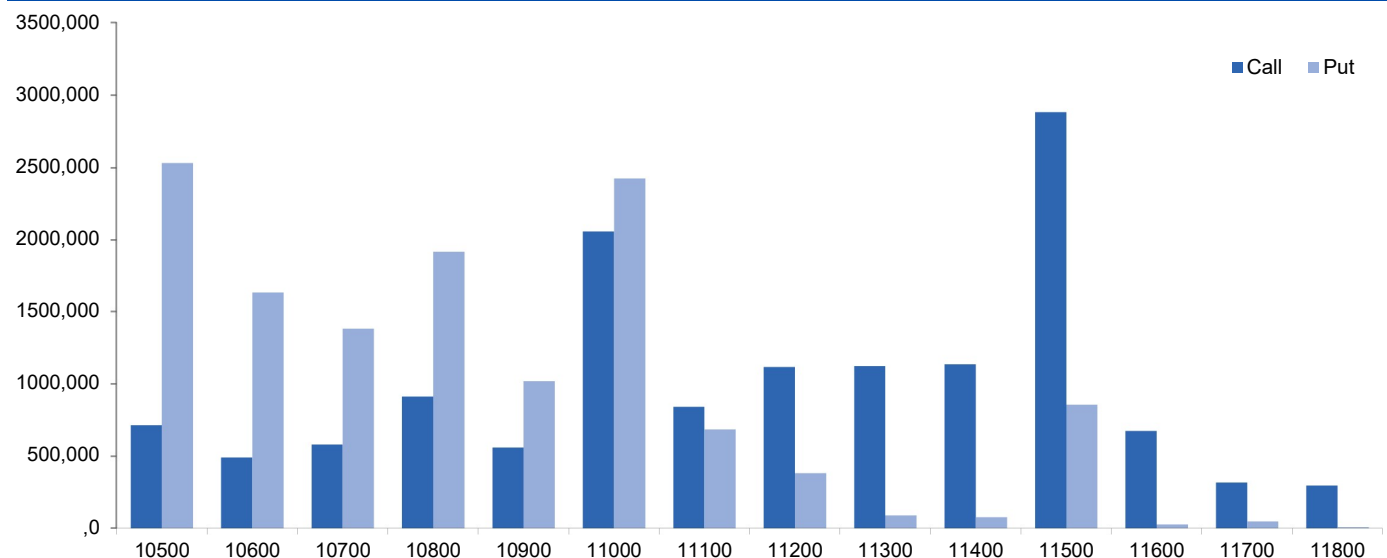
Nifty Spot = 11162.25
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11200	126.55	43.85	56.15	11243.85
Sell	11300	82.70			
Buy	11200	126.55	74.75	125.25	11274.75
Sell	11400	51.80			
Buy	11300	82.70	30.90	69.10	11330.90
Sell	11400	51.80			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11100	111.95	32.20	67.80	11067.80
Sell	11000	79.75			
Buy	11100	111.95	54.55	145.45	11045.45
Sell	10900	57.40			
Buy	11000	79.75	22.35	77.65	10977.65
Sell	10900	57.40			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (July 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
ADANI PORTS	306	310	318	322	330
ASIAN PAINT	1,686	1,705	1,738	1,758	1,791
AXIS BANK	433	439	445	452	458
BAJAJ-AUTO	2,950	2,977	3,017	3,044	3,084
BAJAJ FINANCE	3,043	3,168	3,344	3,468	3,644
BAJAJ FINSV	6,106	6,245	6,478	6,617	6,849
BPCL	415	439	460	485	506
BHARTIARTL	555	561	573	579	590
INFRA TEL	193	196	200	203	208
BRITANNIA	3,787	3,834	3,922	3,969	4,057
CIPLA	646	654	668	676	690
COAL INDIA	131	132	133	134	136
DR REDDY	3,932	3,983	4,057	4,107	4,181
EICHERMOT	18,904	19,510	19,899	20,505	20,894
GAIL	98	101	103	106	107
GRASIM	593	598	607	612	622
HCL TECH	634	643	653	662	672
HDFC BANK	1,120	1,129	1,144	1,153	1,167
HDFC	1,781	1,832	1,867	1,918	1,952
HEROMOTOCO	2,829	2,849	2,867	2,888	2,906
HINDALCO	155	157	160	163	166
HINDUNILVR	2,283	2,301	2,325	2,343	2,367
ICICI BANK	366	373	376	382	386
IOC	85	89	92	96	99
INDUSINDBK	509	516	528	535	547
INFY	918	927	939	948	959
ITC	190	191	193	194	195
JSW STEEL	202	206	208	212	215
KOTAK BANK	1,311	1,335	1,349	1,373	1,387
LT	912	925	934	947	955
M&M	578	583	590	595	602
MARUTI	5,810	5,971	6,060	6,221	6,310
NESTLE IND	17,039	17,157	17,326	17,444	17,613
NTPC	86	87	88	89	90
ONGC	79	81	82	83	84
POWERGRID	160	167	171	177	181
RELIANCE	1,921	1,946	1,962	1,987	2,002
SHREECEM	21,954	22,197	22,504	22,747	23,053
SBIN	189	192	194	197	199
SUN PHARMA	467	472	480	485	493
TCS	2,184	2,205	2,222	2,242	2,259
TATAMOTORS	104	106	108	110	112
TATA STEEL	345	352	356	363	368
TECHM	606	613	623	630	639
TITAN	992	1,004	1,011	1,022	1,029
ULTRACEMCO	3,784	3,824	3,889	3,929	3,994
UPL	445	452	457	464	470
VEDANTA	106	109	110	112	114
WIPRO	262	267	274	279	286
ZEEL	150	152	154	156	158

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