## Sensex (40707) / Nifty (11938)

Our markets started the session with a gap up opening, courtesy to the banking stocks which continued with its positive momentum. The midcaps too joined the upmove and thus, it looked that the index will take out the **12000** mark easily to kick start the next leg of upmove. However, in the later half, the index suddenly nosedived and within no time, Nifty sneaked below **11800** from **12000** mark. But it was not over yet, the index showed a V-shaped recovery in the last hour and ended this highly volatile session well above **11900**.

Till noon, it seemed that the index is finally geared to resume its uptrend above **12000** as banking pack as well as the broader markets were going up quite well. However, many times we have seen that when things look quite easy, market tends to give some reality check and that is what we witnessed during the day. The intraday volatility mostly sidelined the weaker hands and the bulls continued to dominate at the close. Due to the sharp recovery in the concluding hour, **11800- 11775** continues to be an important support, and till this is defended, one should continue to maintain a positive stance. On the higher side, **12000-12025** certainly has attracted some profit booking recently but once we see a breakout above the same, the broader markets would then provide good trading opportunities.

### Exhibit 1: Nifty Daily Chart

At this juncture, it is advisable to keep a track on the above mentioned levels. While the banking space continued its momentum, some other sectors such as Real Estate and Cement too witnessed good buying interest. Traders are advised to find look for opportunities in such sectors with good momentum for better returns.

**.Key Levels**

| | | | |
|---|---|---|---|
| Support 1 – | 11800 | Resistance 1 – | 12000 |
| Support 2 – | 11775 | Resistance2 – | 12025 |

## Nifty Bank Outlook - (24635)

Tuesday's lackluster session was followed by a gap up opening in our market on the back of favorable global cues. The banking index continued its strength and moved closer to the **25000** mark. However, all of a sudden the entire market just took a nosedive and within a blink of an eye, the BANKNIFTY not only pare down gains but also slipped inside the negative territory. The velocity at which markets fell, it was clearly a panic kind of situation for the bulls. Fortunately, a news flash with respect to yet another stimulus package from our government applied brakes on the mayhem and thereafter had a v-shaped recovery to conclude at the highest point in the last seven months on a closing basis.

Till the penultimate hour everything looked hunky dory but from nowhere the volatility spiked up abruptly which was visible in a massive sell off. But since the undercurrent is strong, any positive news flow is likely to lift markets higher and this is exactly what we witnessed in the last hour of the trade. In hindsight, one would not be able to figure out the mental pain a trader might have gone through in this short stint but this is how the market operates.

### Exhibit 2: Nifty Bank Daily Chart

Now technically, the banking index has managed to maintain its sturdy posture and looking at the daily 'RSI-Smoothened' placement above the 70 mark, **24850 – 25000** looks on cards. On the flipside, **24400 – 24200** remains to be a strong as well as crucial support zone.

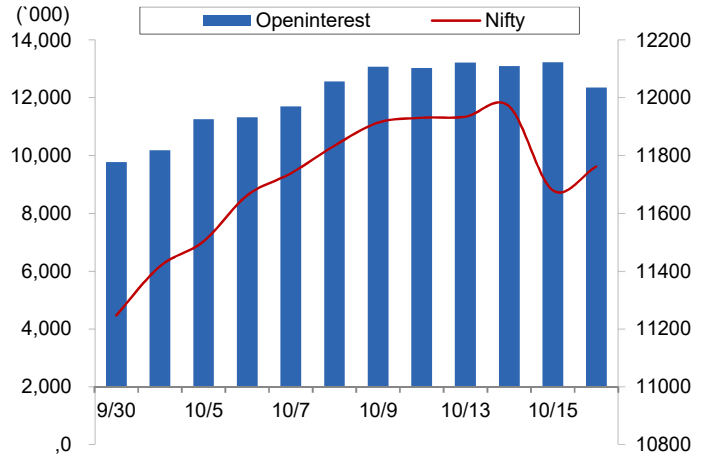
Key Levels

| | | | |
|---|---|---|---|
| Support 1 – | 24400 | Resistance 1 – | 24850 |
| Support 2 – | 24200 | Resistance 2 – | 25000 |

## Comments

- The Nifty futures open interest has increased by 1.80% Bank Nifty futures open interest has increased by 0.10% as market closed at **11937.65** levels.
- The Nifty October future closed with a discount of 10.20 point against a discount of 0.90 point in last trading session. The November series closed at a premium of 15.20 point.
- The INDIA VIX has increased from 22.69 to 22.92. At the same time, the PCR-OI of Nifty decreased from 1.46 to 1.42.
- Few of the liquid counters where we have seen high cost of carry are NATIONALUM, PNB, SAIL, IBULHSGFIN and IDFCFIRSTB.

## Nifty Vs OI




## Views

- Finally, after two days to consolidation we witnessed some roller coster move on Wednesday. We started-off the session with an upside gap and rallied beyond 12000 mark. However, sharp sell-off in the latter half dragged index tad below 11800. Once again, the support around 11800 became a savior for bulls and hence smart recovery from this zone led closing above 11900 mark.
- FIIs were net buyers in the cash segment to the tune of Rs. 2108 crores. In index future segment, they bought worth Rs. 151 crores with some fall in open interest, suggesting blend of long and short covering in yesterday's session.
- Despite decent volatity on Wednesday, we hardly saw any relevant open interest addition in both the indices. In index options front, build-up was scattered between 11950-12200 call options. On the other side, 11800 put strike added good amount of positions followed by unwinding in 11700 and 11900 strike. At present, 11800-12000 remains an immediated trading range and any move beyond this may bring back direction move. Hence, traders are advised trading in individual counters for the time being.

## OI Gainers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|---|---|---|---|---|
| GODREJPROP | 1124500 | 36.01 | 1041.80 | 10.51 |
| BRITANNIA | 1938200 | 21.03 | 3397.15 | -4.39 |
| ESCORTS | 3397900 | 20.81 | 1199.85 | 0.25 |
| HEROMOTOCO | 2535300 | 12.47 | 3178.40 | -2.21 |
| TCS | 8810400 | 9.48 | 2675.40 | -2.12 |
| BALKRISIND | 2136000 | 8.49 | 1389.15 | 0.50 |
| SRTRANSFIN | 4712355 | 7.78 | 665.95 | 1.06 |
| WIPRO | 37548800 | 7.55 | 343.45 | -0.98 |

## OI Losers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|---|---|---|---|---|
| BATAINDIA | 1524050 | -10.99 | 1361.60 | -0.52 |
| ACC | 2421500 | -10.74 | 1620.15 | 2.30 |
| POWERGRID | 17232000 | -9.06 | 163.75 | 3.77 |
| CUMMINSIND | 1828800 | -8.58 | 464.40 | 0.29 |
| COALINDIA | 46686600 | -6.44 | 115.10 | 1.32 |
| TATAMOTORS | 67573500 | -6.28 | 130.25 | 0.66 |
| IGL | 6051375 | -6.16 | 380.70 | 0.90 |
| MUTHOOTFIN | 3318750 | -6.13 | 1213.15 | -1.35 |

## Historical Volatility

| SCRIP | HV |
|---|---|
| GODREJPROP | 60.62 |
| APOLLOTYRE | 53.41 |
| POWERGRID | 37.61 |
| BRITANNIA | 46.00 |
| MINDTREE | 61.25 |

## Put-Call Ratio

| SCRIP | PCR-OI | PCR-VOL |
|---|---|---|
| NIFTY | 1.42 | 0.95 |
| BANKNIFTY | 1.29 | 0.95 |
| RELIANCE | 0.42 | 0.44 |
| ICICIBANK | 0.83 | 0.60 |
| INFY | 0.40 | 0.56 |

## FII Statistics for October 21, 2020

| Detail | Buy | Sell | Net | Contracts | Open Interest | |
|---|---|---|---|---|---|---|
| | | | | | Value (in Cr.) | Change |
| INDEX FUTURES | 5727.55 | 5576.87 | 150.68 | 148122 | 12148.84 | (0.21) |
| INDEX OPTIONS | 385541.32 | 384717.71 | 823.61 | 965496 | 79658.56 | 0.08 |
| STOCK FUTURES | 16854.99 | 16718.36 | 136.63 | 1121132 | 81059.24 | (0.14) |
| STOCK OPTIONS | 8920.16 | 8918.08 | 2.08 | 105052 | 8229.73 | (3.01) |
| Total | 417044.02 | 415931.02 | 1113.00 | 2339802 | 181096.37 | (0.19) |

## Turnover on October 21, 2020

| Instrument | No. of Contracts | Turnover ( in Cr. ) | Change (%) |
|---|---|---|---|
| Index Futures | 6,43,883 | 46141.28 | 67.74 |
| Index Options | 4,21,64,391 | 30,44,477.51 | 102.37 |
| Stock Futures | 9,56,546 | 70898.23 | 36.45 |
| Stock Options | 17,96,630 | 1,40,601.95 | 37.97 |
| Total | 4,55,61,450 | 33,02,118.97 | 95.88 |

## Nifty Spot = 11937.65

## Bull-Call Spreads

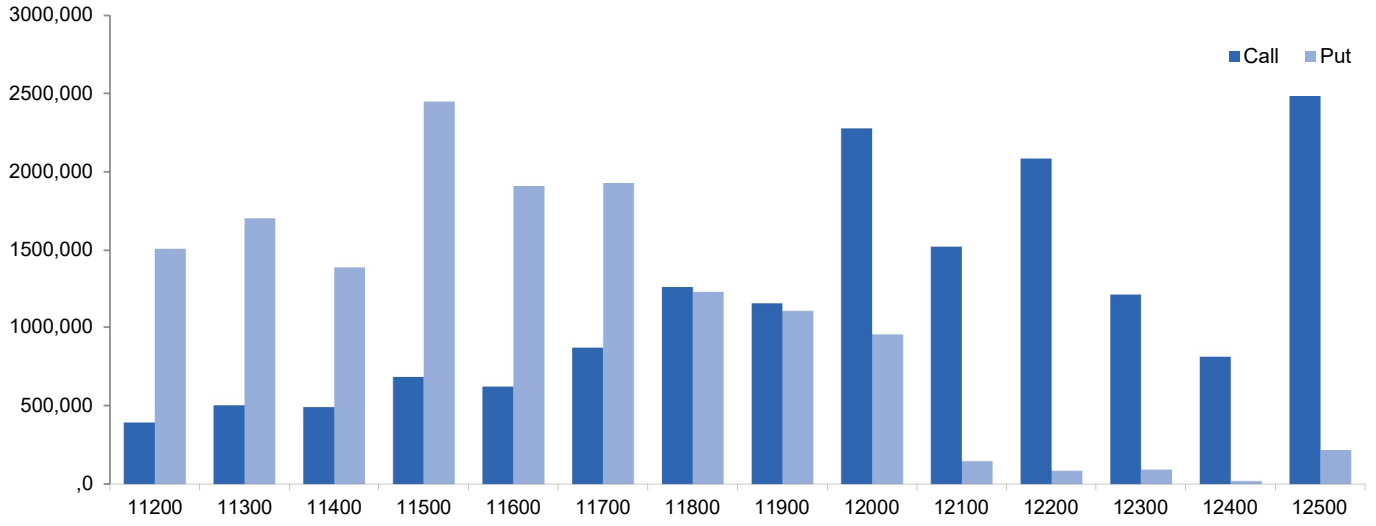
| Action | Strike | Price | Risk | Reward | BEP |
|---|---|---|---|---|---|
| Buy | 11900 | 143.95 | 51.55 | 48.45 | 11951.55 |
| Sell | 12000 | 92.40 | | | |
| Buy | 11900 | 143.95 | 89.80 | 110.20 | 11989.80 |
| Sell | 12100 | 54.15 | | | |
| Buy | 12000 | 92.40 | 38.25 | 61.75 | 12038.25 |
| Sell | 12100 | 54.15 | | | |

## Bear-Put Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|---|---|---|---|---|---|
| Buy | 11900 | 116.00 | 31.50 | 68.50 | 11868.50 |
| Sell | 11800 | 84.50 | | | |
| Buy | 11900 | 116.00 | 56.95 | 143.05 | 11843.05 |
| Sell | 11700 | 59.05 | | | |
| Buy | 11800 | 84.50 | 25.45 | 74.55 | 11774.55 |
| Sell | 11700 | 59.05 | | | |

Note: Above mentioned Bullish or Bearish Spreads in Nifty (October 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 | 344 | 350 | 355 | 360 | 366 |
| ASIANPAINT | 2,051 | 2,082 | 2,113 | 2,145 | 2,176 |
| AXISBANK | 478 | 490 | 499 | 510 | 519 |
| BAJAJ-AUTO | 2,969 | 2,994 | 3,016 | 3,041 | 3,064 |
| BAJFINANCE | 3,016 | 3,124 | 3,210 | 3,318 | 3,403 |
| BAJAJFINSV | 5,608 | 5,756 | 5,883 | 6,031 | 6,158 |
| BPCL | 335 | 342 | 353 | 360 | 371 |
| BHARTIARTL | 398 | 408 | 414 | 425 | 431 |
| BRITANNIA | 3,255 | 3,326 | 3,453 | 3,524 | 3,651 |
| CIPLA | 750 | 758 | 765 | 774 | 780 |
| COALINDIA | 112 | 113 | 115 | 117 | 119 |
| DIVISLAB | 2,963 | 3,021 | 3,073 | 3,131 | 3,183 |
| DRREDDY | 4,827 | 4,937 | 5,017 | 5,127 | 5,207 |
| EICHERMOT | 2,103 | 2,142 | 2,182 | 2,222 | 2,262 |
| GAIL | 85 | 86 | 87 | 89 | 90 |
| GRASIM | 763 | 777 | 786 | 800 | 809 |
| HCLTECH | 843 | 857 | 874 | 888 | 906 |
| HDFCBANK | 1,211 | 1,229 | 1,240 | 1,258 | 1,269 |
| HDFCLIFE | 544 | 553 | 565 | 575 | 587 |
| HDFC | 1,978 | 2,014 | 2,041 | 2,076 | 2,103 |
| HEROMOTOCO | 3,049 | 3,114 | 3,197 | 3,262 | 3,345 |
| HINDALCO | 178 | 182 | 185 | 189 | 191 |
| HINDUNILVR | 2,105 | 2,134 | 2,165 | 2,195 | 2,226 |
| ICICIBANK | 402 | 411 | 420 | 429 | 438 |
| IOC | 75 | 75 | 76 | 77 | 77 |
| INDUSINDBK | 577 | 603 | 625 | 651 | 673 |
| INFY | 1,127 | 1,137 | 1,146 | 1,157 | 1,165 |
| ITC | 165 | 167 | 168 | 169 | 170 |
| JSW STEEL | 311 | 317 | 321 | 327 | 330 |
| KOTAKBANK | 1,343 | 1,368 | 1,384 | 1,409 | 1,425 |
| LT | 899 | 912 | 921 | 934 | 944 |
| M&M | 583 | 592 | 601 | 610 | 620 |
| MARUTI | 6,675 | 6,768 | 6,858 | 6,951 | 7,041 |
| NESTLEIND | 15,723 | 15,877 | 16,096 | 16,250 | 16,468 |
| NTPC | 79 | 81 | 82 | 84 | 85 |
| ONGC | 66 | 67 | 68 | 69 | 69 |
| POWERGRID | 153 | 159 | 162 | 168 | 171 |
| RELIANCE | 2,044 | 2,084 | 2,138 | 2,178 | 2,232 |
| SBILIFE | 767 | 776 | 790 | 799 | 813 |
| SHREECEM | 20,338 | 20,743 | 21,085 | 21,490 | 21,832 |
| SBIN | 195 | 199 | 203 | 208 | 212 |
| SUNPHARMA | 477 | 484 | 488 | 494 | 499 |
| TCS | 2,610 | 2,643 | 2,696 | 2,729 | 2,782 |
| TATAMOTORS | 126 | 128 | 131 | 133 | 135 |
| TATASTEEL | 388 | 396 | 402 | 410 | 416 |
| TECHM | 822 | 834 | 846 | 857 | 869 |
| TITAN | 1,216 | 1,230 | 1,243 | 1,258 | 1,271 |
| ULTRACEMCO | 4,358 | 4,493 | 4,576 | 4,711 | 4,794 |
| UPL | 438 | 446 | 455 | 463 | 472 |
| WIPRO | 333 | 338 | 344 | 349 | 355 |

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