

Sensex (37872) / Nifty (11133)

Nifty started trading with another gap up above the **11200** mark, however, the index corrected from the opening ticks in the first half an hour of trade. It then faced resistance during intraday pullback towards **11200** and corrected in the later half to register a low of **11060**. Due to some recovery from the low at the end, Nifty registered a marginal loss and ended at **11132.60**.

As the Nifty approached the 78.6% retracement level, it seemed that traders preferred for some profit booking as the index showed signs of boredom and corrected from the higher levels. However, the banking and the financial space kept the market on toes as some of the stocks from this space outperformed the broader markets which led to a relative outperformance in Bank Nifty. As mentioned in our previous article, Nifty is trading near the crucial hurdle and hence it is wise for traders to book profits and take some money off the table. However, as of now, there are no signs of reversal and hence, we do not advise taking any contra trades.

Nifty Bank Outlook - (22883)

In last couple of days, the banking index has started outperforming our benchmark and yesterday too, the opening was strong above **23000**, courtesy to bumper start in AXIS BANK post it's stellar quarterly numbers. However, within blink of an eye, the early morning lead disappeared in both major indices. In fact, after regaining some momentum, our markets took a nosedive on the back of sell off seen in global peers. Fortunately the banking space once again saw decent recovery to conclude the volatile day on a positive note.

Unlike recent trend, the Bank Nifty is showing strength, which certainly is an encouraging sign for our markets. Practically our markets are extremely overbought but they are reluctant to fall. In a normal scenario, we would have expected some correction from current levels; but the way Banknifty is shaped up, we will not be surprised to see extended move from hereon. If Banknifty manages to stay beyond **23000-23100** we could see banking space leading the charge in next leg of the rally. On the flip side, **22600-22500** is likely to provide strong support. However having said that one shouldn't be too complacent and hence, should ideally keep booking profits in rallies.

Key Levels

Support 1 – 22600	Resistance 1 – 23000
Support 2 – 22500	Resistance 2 – 23100

Exhibit 1: Nifty Daily Chart



Next couple of sessions would be crucial to determine the near term trend and traders are advised to trade with a stock specific approach and keep booking timely profits. The near term supports for the index are placed around **11040** and **10960** whereas resistance is seen in the range of **11200-11250**.

Key Levels

Support 1 – 11040	Resistance 1 – 11200
Support 2 – 10960	Resistance 2 – 11250

Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has decreased by 0.59% Bank Nifty futures open interest has increased by 6.83% as market closed at **11132.60** levels.
- The Nifty July future closed with a discount of 22.05 point against a premium of 8.3 point in last trading session. The August series closed at a discount of 16.65 point.
- The INDIA VIX has increased from 24.43 to 24.88 At the same time, the PCR-OI of Nifty decreased from 1.87 to 1.68.
- Few of the liquid counters where we have seen high cost of carry are L&TFH, ZEEL, GMRINFRA, TORNTPHARMA, AND NATIONALUM.

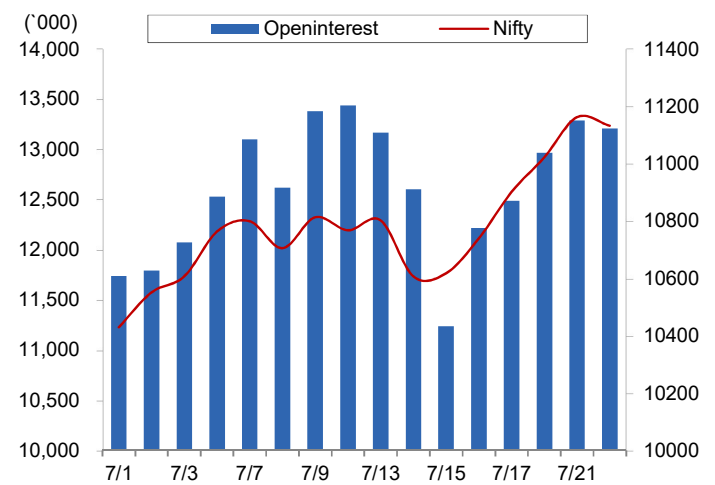
Views

- Once again our markets started with a gap up opening however from the word go Nifty witnessed some pressure from the higher levels. Subsequently, Index traded choppy within a range to end with loss of 0.27% at **11132.60**.
- FII's were net buyers in the cash market segment to the tune of Rs. **1666** crores. In index futures, they bought worth **337** crores with increase in open interest indicating long formations in yesterday's session.
- Post a positive opening, Nifty witnessed some correction but Bank Nifty showed strength and outperformed the benchmark. Some long formations were seen in the Bank Nifty index yesterday. FII's bought equities worth more than 1600 crores while they formed some longs in index futures as well. The put call ratio of Nifty which was in overbought zone at 1.87 has cooled-off a bit upto 1.68. In options segment, **11100-11300** calls options added open interest while **11000** and **11050** put option too added fresh open interest. Options data indicates support in the range of **11100-11050** and resistance around **11200**. Traders can look for buying opportunity in Bank Nifty on dips for today's expiry.

Historical Volatility

SCRIP	HV
M&MFIN	83.15
MUTHOOTFIN	65.54
PVR	64.06
AXISBANK	76.54
POWERGRID	39.51

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
M&MFIN	25227300	38.65	153.85	14.34
GMRINFRA	144000000	24.71	20.75	4.25
IDEA	370720000	23.68	8.55	2.40
BALKRISIND	2267200	20.60	1257.50	0.78
CANBK	12140000	20.08	102.10	-2.57
ZEEL	31263000	15.39	157.00	2.27
KOTAKBANK	10772400	11.07	1342.35	-1.99
CHOLAFIN	7395000	10.66	220.90	4.98

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
JINDALSTEL	17855000	-17.74	173.40	-3.01
ESCORTS	2900700	-14.38	1203.75	2.75
UJJIVAN	2937000	-10.40	253.45	1.30
POWERGRID	28164000	-6.63	179.65	3.45
CENTURYTEX	2602600	-6.58	308.15	0.42
HEROMOTOCO	2193600	-6.22	2768.00	-2.81
BHARATFORG	5731500	-6.03	387.20	0.56
APOLLOHOSP	905500	-5.63	1481.15	-0.71

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.68	1.12
BANKNIFTY	1.16	0.91
RELIANCE	0.82	0.49
ICICIBANK	0.58	0.50
INFY	1.28	0.97

FII Statistics for July 22, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	4570.03	4232.63	337.40	133040	9963.45	2.82
INDEX OPTIONS	308021.92	307318.52	703.40	866829	65450.74	4.92
STOCK FUTURES	17077.06	17438.95	(361.89)	1318313	91212.28	0.12
STOCK OPTIONS	6732.63	6507.86	224.77	103581	7203.80	(8.31)
Total	336401.64	335497.96	903.68	2421763	173830.27	1.53

Turnover on July 22, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	4,87,092	32671.07	17.19
Index Options	2,92,91,512	17,74,211.33	60.80
Stock Futures	10,35,659	72669.73	4.52
Stock Options	15,77,631	1,19,229.68	2.57
Total	3,23,91,894	19,98,781.81	51.77

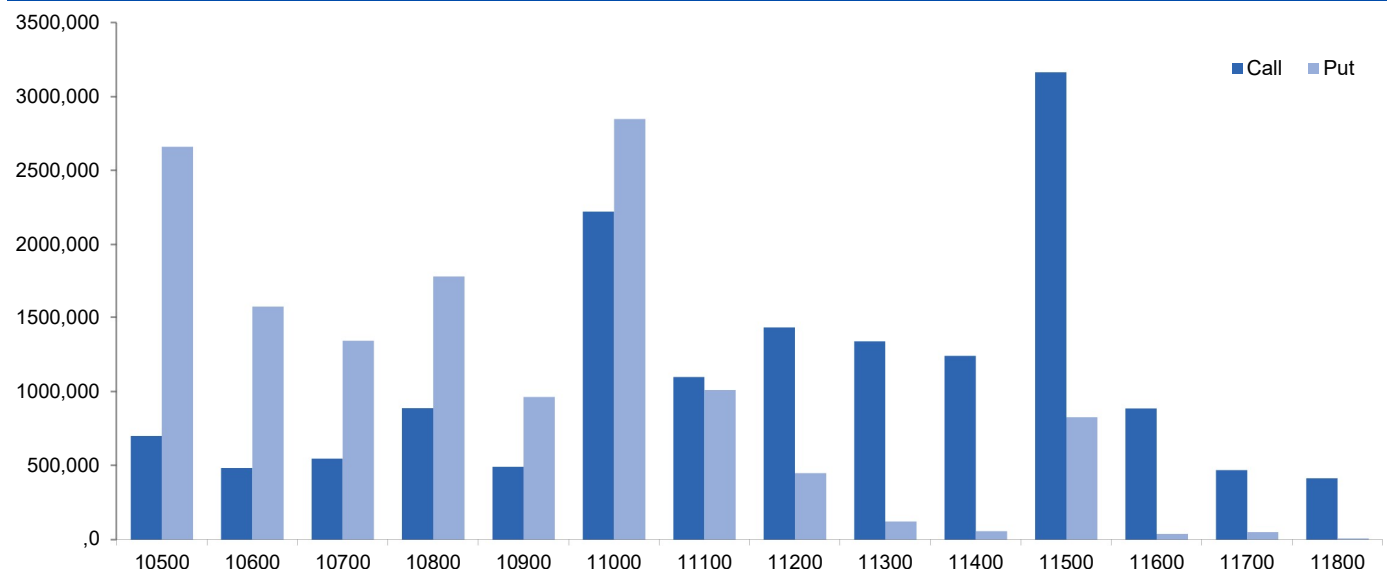
Nifty Spot = 11132.60
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11200	147.60			
Sell	11300	97.65	49.95	50.05	11249.95
Buy	11200	147.60			
Sell	11400	60.65	86.95	113.05	11286.95
Buy	11300	97.65			
Sell	11400	60.65	37.00	63.00	11337.00

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11100	138.00			
Sell	11000	98.85	39.15	60.85	11060.85
Buy	11100	138.00			
Sell	10900	71.00	67.00	133.00	11033.00
Buy	11000	98.85			
Sell	10900	71.00	27.85	72.15	10972.15

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	304	308	313	317	323
ASIAN PAINT	1,662	1,679	1,708	1,724	1,753
AXIS BANK	450	465	475	489	499
BAJAJ-AUTO	2,850	2,918	2,974	3,042	3,098
BAJAJ FINANCE	3,116	3,184	3,262	3,331	3,409
BAJAJ FINSV	6,078	6,213	6,406	6,541	6,734
BPCL	437	444	454	461	472
BHARTIARTL	556	563	569	576	582
INFRA TEL	195	198	201	204	207
BRITANNIA	3,707	3,756	3,840	3,889	3,974
CIPLA	645	654	666	674	686
COAL INDIA	131	132	135	136	138
DR REDDY	3,967	4,014	4,072	4,119	4,177
EICHERMOT	19,420	19,655	19,978	20,213	20,536
GAIL	98	100	103	104	107
GRASIM	585	593	603	611	621
HCL TECH	636	643	650	658	665
HDFC BANK	1,103	1,114	1,129	1,141	1,156
HDFC	1,830	1,855	1,877	1,903	1,925
HEROMOTOCO	2,687	2,727	2,794	2,834	2,901
HINDALCO	154	157	160	163	167
HINDUNILVR	2,185	2,217	2,273	2,305	2,362
ICICI BANK	368	374	382	389	396
IOC	90	91	93	94	95
INDUSINDBK	496	505	517	525	537
INFY	893	906	922	935	951
ITC	190	193	196	199	201
JSW STEEL	198	203	208	213	218
KOTAK BANK	1,311	1,327	1,347	1,362	1,382
LT	893	907	924	938	955
M&M	565	579	595	609	625
MARUTI	5,835	5,919	6,024	6,108	6,213
NESTLE IND	16,759	16,955	17,198	17,394	17,637
NTPC	87	89	91	92	94
ONGC	81	82	83	84	84
POWERGRID	171	175	178	183	186
RELIANCE	1,942	1,973	1,992	2,022	2,041
SHREECEM	21,529	21,754	22,145	22,370	22,760
SBIN	186	189	193	196	200
SUN PHARMA	462	468	478	484	494
TCS	2,155	2,173	2,202	2,220	2,249
TATAMOTORS	101	103	106	109	112
TATA STEEL	337	343	353	360	369
TECHM	604	611	619	626	634
TITAN	996	1,027	1,046	1,077	1,097
ULTRACEMCO	3,801	3,832	3,869	3,899	3,936
UPL	441	450	457	467	474
VEDANTA	105	109	113	117	121
WIPRO	258	262	268	271	277
ZEEL	145	151	155	161	165

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