

## Sensex (38101) / Nifty (11194)

The stage was set previous Friday when our markets had a late surge to surpass the recent hurdle of **10850** on a closing basis. Hence, with global markets showing some favorable cues, we had a cheerful start for the week gone by on Monday at **11000**, marking the highest level since March 06, 2020. This momentum extended on the following day as we witnessed yet another gap up opening to extend this lead. However, post this, markets had some reality checks in between to remain in a slender range throughout the remaining part to conclude the week tad below **11200** mark. The banking index was one of the major charioteers in this extended move, barring Friday, when banking space has undergone some selling pressure to pare down a decent portion of their weekly gains.

In continuation of our previous weekly commentary, our desired levels of **11200** has now been met. But since, there are multiple technical observations that coincide around it, markets will have a daunting task in front of them now. Since, we are extremely overbought, we are in two minds whether to go with the theoretical characteristic of this term 'overbought' or the practical one. Because, theoretically, the current placement (78% retracement of the post COVID fall which coincides with 100% 'price extension' of recent swings from March bottom) of market is just ideal to see some genuine correction; but practically as we all know, market has the tendency to surprise us all the time. Hence, rather anticipating things from here on, we would rather let the market give us further indication. As we step into the monthly expiry week, our eyes would be on a few crucial levels. On the upside, **11250** is the level to watch out for; whereas, **11050** has now become a key support.

## Nifty Bank Outlook - (22662)

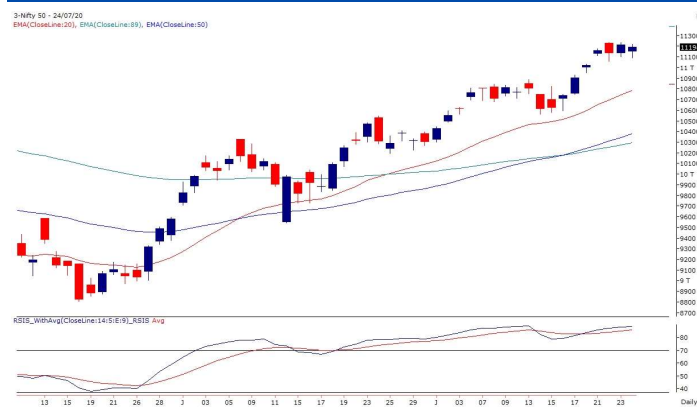
On Friday, Bank Nifty witnessed a gap down opening and slipped lower to mark intraday low of **22417**. Subsequently, a mild recovery from the lower levels resulted bank index to end with a loss of 1.83% at **22662**.

As mentioned above, the bank index is likely to play a vital role in the next leg of the broader market rally and **23000 - 23200** zone has been the levels we have been advocating throughout the week as a breakout level. For this week, **23000 - 23200** continues to be the level on watch as above the same we can expect a strong outperformance by banking stocks and a continuation of the broader market rally. On the flip side, immediate support is placed around **22200** and **22000** levels. Traders are advised to have a stock-specific approach on banking and NBFC stocks which are likely to give better trading opportunities.

### Key Levels

Support 1 – 22200	Resistance 1 – 23000
Support 2 – 22000	Resistance 2 – 23200

## Exhibit 1: Nifty Daily Chart



As an optimist, one should remain hopeful as long as we are trading above this swing low (**11050**) and expect the market to give breakout in upward direction to extend the move towards **11350 – 11400**. However, a breach of lower end should be treated as a short-term pause to see some decent profit booking. We continue to advise traders to remain light and keep booking profits wherever it's necessary. Also, if our markets have to see any upward move, the banking space plays a vital role in this. Hence, one needs to see whether BANKNIFTY manages to convincingly go beyond **23000-23200** or not in this week.

### Key Levels

Support 1 – 11100	Resistance 1 – 11250
Support 2 – 11050	Resistance 2 – 11350

## Exhibit 2: Nifty Bank Daily Chart



## Comments

- The Nifty futures open interest has decreased by 1.22%. Bank Nifty futures open interest has decreased by 2.96% as market closed at **11215.45** levels.
- The Nifty July future closed with a discount of 7.9 point against a discount of 22.05 point in last trading session. The August series closed at a discount of 1 point.
- The INDIA VIX has decreased from 24.64 to 24.53. At the same time, the PCR-OI of Nifty decreased from 1.86 to 1.74.
- Few of the liquid counters where we have seen high cost of carry are IDEA, NATIONALUM, SAIL, JINDALSTEL, AND ASHOKLEY.

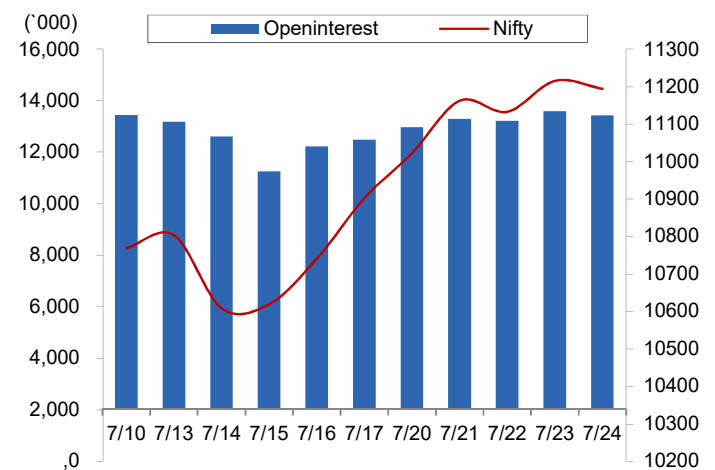
## Views

- Nifty started the week on a positive note to surpass the **11000** mark with formation of long positions. However, the index witnessed some consolidation in last couple of sessions to end tad below **11200**.
- FII's were net buyers in the cash market segment to the tune of Rs. **410** crores. In index futures, they sold worth **1196** crores with decrease in open interest indicating long unwinding and short positions on Friday.
- During the week, the Nifty PCR went upto 1.87 which is considered as overbought zone. The PCR has ended at 1.74 which is still overbought, hence traders are advised to be vigilant on this data. FII's were net buyers in cash segment throughout the week, but they formed mixed positions in index futures. The options data hints support at **11000** mark as the put option of this strike has good amount of open interest outstanding. For the coming week, **11000-11200** seems to be the immediate trading range. Considering the above data, traders are advised to trade with a stock specific approach at the start of the week and watch for further developments as we approach the monthly expiry.

## Historical Volatility

SCRIP	HV
<b>PETRONET</b>	47.40
<b>HCLTECH</b>	47.23
<b>RELIANCE</b>	53.33
<b>GMRINFRA</b>	52.74
<b>TECHM</b>	49.23

## Nifty Vs OI



## OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
<b>RBLBANK</b>	25919400	32.23	182.90	3.23
<b>IBULHSGFIN</b>	15847200	25.73	216.10	-1.43
<b>MUTHOOTFIN</b>	4101750	21.37	1303.00	-0.48
<b>UJJIVAN</b>	3603600	16.42	246.85	-4.51
<b>UPL</b>	16233100	11.44	454.15	-2.10
<b>CUMMINSIND</b>	2204400	10.86	395.20	0.40
<b>CANBK</b>	14425000	10.37	101.25	-1.46
<b>TORNTPOWER</b>	2055000	10.31	318.10	-0.62

## OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
<b>ITC</b>	70812800	-23.30	199.60	-0.95
<b>JUSTDIAL</b>	1369200	-13.14	369.85	-2.48
<b>NIITTECH</b>	431250	-11.27	1700.10	3.78
<b>ESCORTS</b>	2542100	-9.73	1128.20	-3.73
<b>SRTRANSFIN</b>	3257628	-9.47	706.85	0.35
<b>MGL</b>	945600	-8.43	1027.90	-0.39
<b>CHOLAFIN</b>	6620000	-7.38	212.35	-4.85
<b>SAIL</b>	46379000	-6.08	34.35	-1.99

## Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
<b>NIFTY</b>	1.74	0.96
<b>BANKNIFTY</b>	0.90	0.86
<b>RELIANCE</b>	1.03	0.43
<b>ICICIBANK</b>	0.48	0.37
<b>INFY</b>	1.07	0.50

**FII Statistics for July 24, 2020**

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	4650.16	5846.63	(1196.47)	136807	10205.85	(4.80)
INDEX OPTIONS	143793.68	144484.61	(690.93)	761361	59145.81	8.00
STOCK FUTURES	20747.36	21957.28	(1209.92)	1319429	91169.52	0.61
STOCK OPTIONS	9932.78	9787.09	145.69	89843	6227.93	(3.73)
Total	179123.98	182075.61	(2951.63)	2307440	166749.11	2.40

**Turnover on July 24, 2020**

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	5,05,377	34273.88	30.28
Index Options	1,26,67,332	8,88,084.49	-72.94
Stock Futures	12,04,453	85071.53	37.30
Stock Options	18,10,003	1,46,112.55	43.43
Total	1,61,87,165	11,53,542.45	-66.77

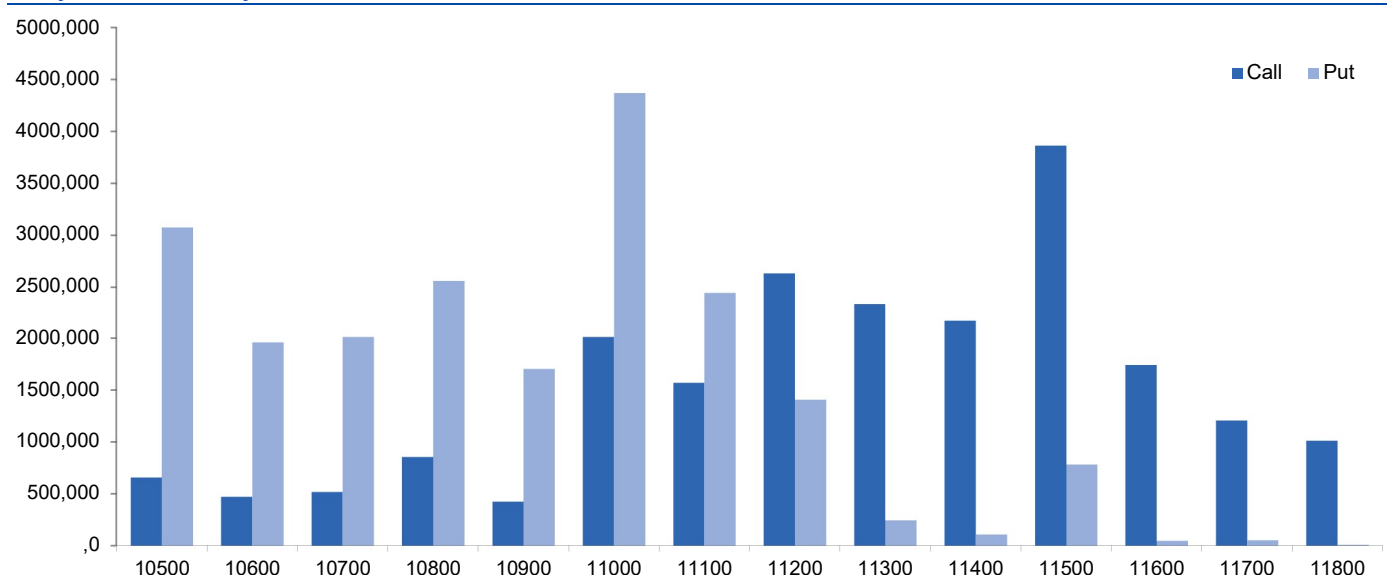
**Nifty Spot = 11194.15**
**Bull-Call Spreads**

Action	Strike	Price	Risk	Reward	BEP
Buy	11200	94.35	40.35	59.65	11240.35
Sell	11300	54.00			
Buy	11200	94.35	65.65	134.35	11265.65
Sell	11400	28.70			
Buy	11300	54.00	25.30	74.70	11325.30
Sell	11400	28.70			

**Bear-Put Spreads**

Action	Strike	Price	Risk	Reward	BEP
Buy	11200	123.35	44.05	55.95	11155.95
Sell	11100	79.30			
Buy	11200	123.35	73.40	126.60	11126.60
Sell	11000	49.95			
Buy	11100	79.30	29.35	70.65	11070.65
Sell	11000	49.95			

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**

Scripts	S2	S1	PIVOT	R1	R2
ADANI PORTS	301	305	310	314	318
ASIAN PAINT	1,662	1,687	1,707	1,732	1,752
AXIS BANK	433	439	448	454	463
BAJAJ-AUTO	2,946	2,966	2,998	3,018	3,050
BAJFINANCE	3,184	3,218	3,254	3,288	3,324
BAJAJFINSV	6,153	6,212	6,283	6,342	6,413
BPCL	434	441	452	460	471
BHARTIARTL	549	554	561	566	573
INFRA TEL	188	192	196	200	204
BRITANNIA	3,730	3,774	3,812	3,856	3,894
CIPLA	646	656	668	679	691
COALINDIA	129	130	132	133	134
DRREDDY	3,971	4,018	4,099	4,147	4,227
EICHERMOT	19,953	20,377	20,624	21,048	21,295
GAIL	97	98	100	102	104
GRASIM	572	577	587	592	602
HCLTECH	625	652	669	696	712
HDFCBANK	1,093	1,106	1,114	1,128	1,136
HDFC	1,798	1,820	1,839	1,860	1,880
HEROMOTOCO	2,688	2,714	2,755	2,781	2,822
HINDALCO	151	153	157	160	164
HINDUNILVR	2,147	2,178	2,199	2,230	2,251
ICICIBANK	364	373	381	390	397
IOC	90	92	93	94	96
INDUSINDBK	483	503	520	539	556
INFY	895	909	917	931	940
ITC	195	197	200	202	204
JSW STEEL	198	202	207	210	215
KOTAKBANK	1,329	1,339	1,352	1,363	1,376
LT	889	897	906	913	922
M&M	586	592	597	603	607
MARUTI	5,878	5,939	5,993	6,055	6,109
NESTLEIND	16,757	17,005	17,207	17,455	17,657
NTPC	88	88	89	90	91
ONGC	79	80	81	82	83
POWERGRID	177	179	181	184	186
RELIANCE	2,017	2,082	2,122	2,187	2,228
SHREECEM	20,924	21,129	21,364	21,569	21,804
SBIN	187	190	193	195	199
SUNPHARMA	472	479	488	495	505
TCS	2,111	2,134	2,149	2,172	2,186
TATAMOTORS	101	102	104	105	107
TATASTEEL	339	343	346	350	353
TECHM	614	633	644	664	675
TITAN	1,019	1,038	1,052	1,072	1,085
ULTRACEMCO	3,682	3,732	3,786	3,836	3,889
UPL	436	445	453	462	470
VEDANTA	108	110	112	114	116
WIPRO	263	267	269	273	276
ZEEL	145	148	154	157	162

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