

## Sensex (37935) / Nifty (11132)

Trading for the week started marginally higher owing to favorable global cues. However, within a few moments, the lead disappeared to decouple with global peers first. After this what we witnessed was one of the rarest actions in our market. The Nifty and Bank Nifty looked completely divergent. The direction was similar (downwards) but the proportion of the decline was extremely wide. Looking at Nifty, it appeared as if markets are consolidating with mildly negative bias; but looking at banking index, it appeared as if there is no tomorrow. Yes, many times we see Bank Nifty underperforming the benchmark but yesterday's divergence was something different. Fortunately, Reliance and heavyweight IT counters were the saviors in case of Nifty, otherwise, taking their contribution out, the Nifty also would have closed with severe cuts.

Now let's dig into a bit of technicals. As far as Nifty is concerned, we continue to see **11050** as a sacrosanct support and till the time it trades convincingly above it, there is no reason to worry. On the flip side, if this lead has to extend, the benchmark needs to stay beyond **11250**, which would unfold the next leg of the rally. Meanwhile, the range of **11250-11050** should be considered a consolidation band. Now, the breakout in either direction is solely dependent on how Bank Nifty performs over the next couple of days. If banking heavyweights extend their correction, the Nifty will see a breakdown; whereas a breakout above **11250** is out of question without the contribution of banking space.

## Nifty Bank Outlook - (21849)

The Banking index opened on a flat note in yesterday's session. However, right from the word go the index started correcting and within 15 minutes, the index was down significantly over previous weeks close. It crept lower till the close and ended the session with a loss of over 800 points.

Yesterday's move in the banking space was certainly unexpected given the consolidation phase in Nifty. However, the price corrected throughout the session with no pull back moves in between. On the daily chart, the index is seen trading in a channel with the lower end of the channel seen at **21500-21550** range. Traders are advised to stay light on positions as of now and be vigilant on how the index behaves around the mentioned support. The immediate resistance for the index are seen around **22250 and 22400**.

### Key Levels

Support 1 – 21550	Resistance 1 – 22250
Support 2 – 21500	Resistance 2 – 22400

## Exhibit 1: Nifty Daily Chart



At this juncture, traders are advised to stay light and should keep a close watch on above mentioned levels as well as scenarios. As of now, our inclination is still on the positive side and hence, we remain hopeful as long as key levels are successfully defended.

### Key Levels

Support 1 – 11085	Resistance 1 – 11200
Support 2 – 11050	Resistance 2 – 11250

## Exhibit 2: Nifty Bank Daily Chart



## Comments

- The Nifty futures open interest has decreased by 2.31% Bank Nifty futures open interest has increased by 0.49% as market closed at **11131.80** levels.
- The Nifty July future closed with a discount of 9.35 point against a discount of 7.9 point in last trading session. The August series closed at a discount of 11.95 point.
- The INDIA VIX has increased from 24.53 to 25.01 At the same time, the PCR-OI of Nifty decreased from 1.74 to 1.49.
- Few of the liquid counters where we have seen high cost of carry are IDEA, RBLBANK, SUNTV, IBULHSGFIN AND SAIL.

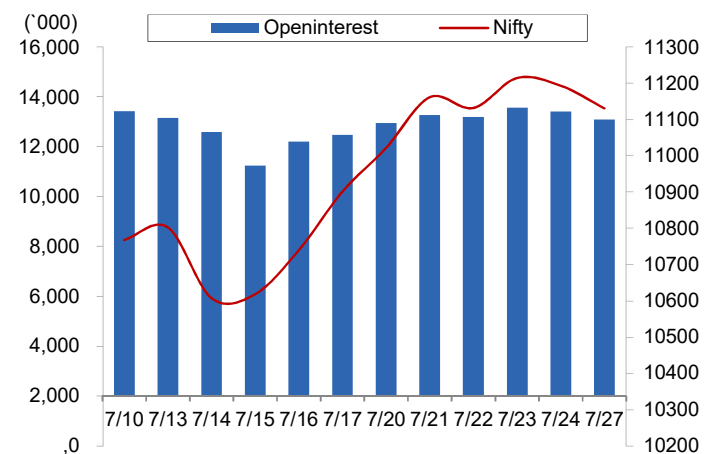
## Views

- The week started on a positive note however within few moments Index gave away the gains. Subsequently, Nifty traded in a range with mild negative bias to eventually end with loss of 0.56% at **11131.80**.
- FII's were net sellers in the cash market segment to the tune of Rs. **453** crores. In index futures, they bought worth **500** crores with decrease in open interest indicating short covering in yesterday's session.
- In yesterday's session, Nifty corrected by half a percent while Bank Nifty corrected by more than three and a half percent. While Nifty witnessed some unwinding of positions, Bank Nifty corrected due to a combination of long unwinding and short formation. FII's were net sellers in the cash segment while they unwinded some of their index futures positions too. In options front, we witnessed addition of open interest in **11200** call. The open interest position indicates a trading range of **11000-11200** till expiry. Hence, traders are advised to trade with a stock specific approach in this consolidation.

## Historical Volatility

SCRIP	HV
M&MFIN	83.89
UJJIVAN	76.47
ICICIBANK	64.52
RECLTD	54.90
INDIGO	54.91

## Nifty Vs OI



## OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
JINDALSTEL	19315000	18.93	176.95	5.07
ESCORTS	3012900	18.52	1106.00	-2.20
CANBK	16365000	13.45	99.70	-4.06
BAJAJ-AUTO	1816500	12.11	3020.40	1.07
AMARAJABAT	1816000	11.41	684.75	-3.16
RECLTD	20388000	10.36	100.85	-5.16
MUTHOOTFIN	4507500	9.89	1362.70	4.38
MINDTREE	1693600	9.69	1050.10	2.76

## OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
NCC	16359000	-15.78	29.85	-5.40
RBLBANK	22170200	-14.46	178.80	-1.91
CENTURYTEX	2517200	-13.85	298.20	-0.42
CUMMINSIND	1915200	-13.12	394.10	-0.09
HDFCBANK	38784350	-9.90	1079.50	-3.02
JUSTDIAL	1246000	-9.00	369.80	0.07
GLENMARK	5483200	-7.70	425.40	0.15
BHEL	49686000	-7.47	36.20	-1.49

## Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.49	0.93
BANKNIFTY	0.63	0.88
RELIANCE	0.94	0.54
ICICIBANK	0.37	0.33
INFY	1.29	0.55

**FII Statistics for July 27, 2020**

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	5608.61	5108.69	499.92	127771	9518.16	(6.60)
INDEX OPTIONS	158486.64	158279.84	206.80	776856	59552.31	2.04
STOCK FUTURES	32532.85	32680.65	(147.80)	1349456	92719.22	2.28
STOCK OPTIONS	7550.68	7434.81	115.87	82899	5688.46	(7.73)
Total	204178.78	203503.99	674.79	2336982	167478.15	1.28

**Turnover on July 27, 2020**

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	5,26,244	34821.78	1.60
Index Options	1,53,96,734	10,46,624.18	17.85
Stock Futures	14,96,870	1,03,492.11	21.65
Stock Options	17,33,296	1,34,054.15	-8.25
Total	1,91,53,144	13,18,992.22	14.34

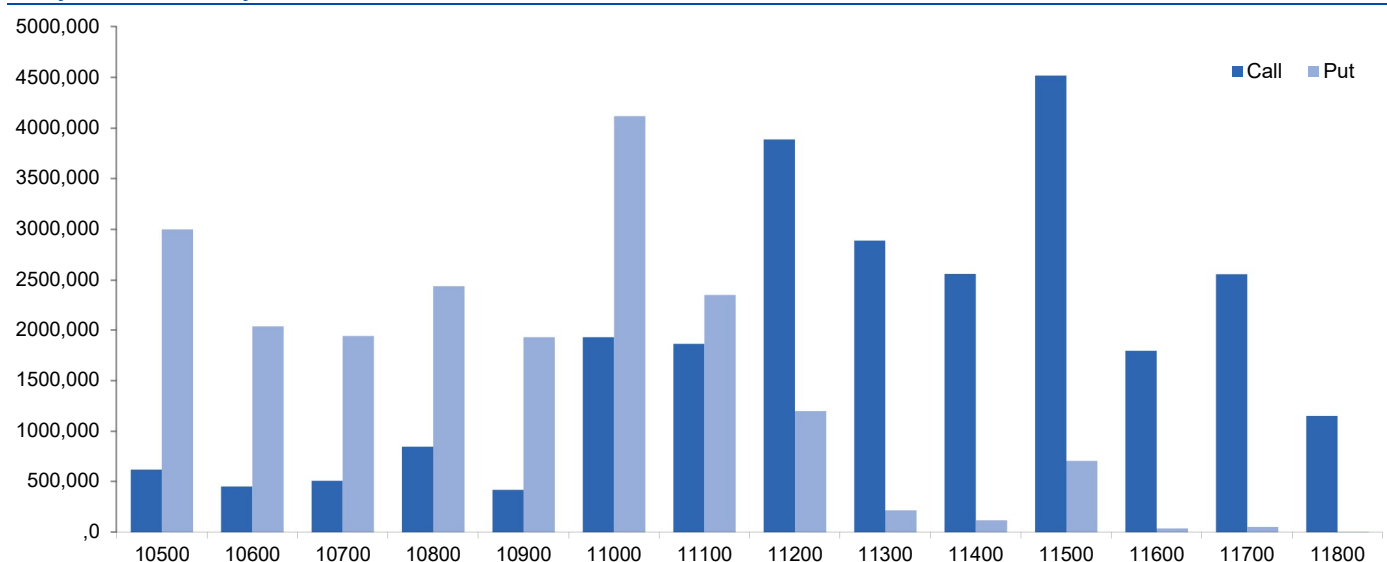
**Nifty Spot = 11131.80**
**Bull-Call Spreads**

Action	Strike	Price	Risk	Reward	BEP
Buy	11100	106.10			
Sell	11200	58.65	47.45	52.55	11147.45
Buy	11100	106.10			
Sell	11300	29.10	77.00	123.00	11177.00
Buy	11200	58.65			
Sell	11300	29.10	29.55	70.45	11229.55

**Bear-Put Spreads**

Action	Strike	Price	Risk	Reward	BEP
Buy	11100	82.90			
Sell	11000	47.05	35.85	64.15	11064.15
Buy	11100	82.90			
Sell	10900	26.70	56.20	143.80	11043.80
Buy	11000	47.05			
Sell	10900	26.70	20.35	79.65	10979.65

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	293	301	306	314	319
ASIAN PAINT	1,690	1,734	1,761	1,805	1,832
AXIS BANK	418	425	436	443	455
BAJAJ-AUTO	2,896	2,958	2,997	3,059	3,097
BAJFINANCE	3,073	3,122	3,201	3,250	3,329
BAJAJFINSV	6,029	6,101	6,208	6,280	6,387
BPCL	434	446	456	468	479
BHARTIARTL	536	548	556	567	575
INFRA TEL	188	191	194	197	200
BRITANNIA	3,711	3,744	3,795	3,829	3,880
CIPLA	636	644	659	668	683
COALINDIA	128	129	130	131	133
DRREDDY	3,899	3,957	4,021	4,080	4,144
EICHERMOT	20,146	20,342	20,596	20,792	21,046
GAIL	95	96	99	100	102
GRASIM	558	565	575	581	591
HCLTECH	666	684	694	712	722
HDFCBANK	1,058	1,069	1,086	1,097	1,114
HDFC	1,808	1,829	1,846	1,867	1,884
HEROMOTOCO	2,660	2,702	2,730	2,772	2,801
HINDALCO	152	155	158	160	163
HINDUNILVR	2,163	2,192	2,214	2,243	2,265
ICICIBANK	338	348	367	377	396
IOC	89	92	94	96	98
INDUSINDBK	493	500	512	519	531
INFY	906	927	940	961	974
ITC	192	194	197	200	203
JSW STEEL	197	202	205	210	214
KOTAKBANK	1,268	1,295	1,337	1,365	1,407
LT	886	895	905	914	924
M&M	582	588	594	600	606
MARUTI	5,877	5,960	6,011	6,095	6,146
NESTLEIND	17,123	17,236	17,326	17,440	17,529
NTPC	86	87	88	89	91
ONGC	79	80	81	82	83
POWERGRID	178	179	180	182	183
RELIANCE	2,090	2,123	2,161	2,194	2,232
SHREECEM	20,666	20,890	21,240	21,464	21,814
SBIN	182	185	189	191	196
SUNPHARMA	459	467	477	486	496
TCS	2,144	2,175	2,195	2,227	2,247
TATAMOTORS	99	101	103	104	106
TATASTEEL	341	347	350	356	360
TECHM	631	648	660	677	689
TITAN	1,018	1,030	1,051	1,063	1,084
ULTRACEMCO	3,727	3,794	3,847	3,914	3,967
UPL	431	438	448	455	464
VEDANTA	107	108	111	112	115
WIPRO	264	266	270	272	276
ZEEL	138	142	148	152	159

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