

Sensex (38493) / Nifty (11301)

Yesterday too our markets opened higher as indicated by the SGX Nifty; but unlike Monday, the lead was there to stay this time. After a positive start, markets extended gains in the initial hour; but all of a sudden, the banking index once again took a nosedive, resulted in erasing of some gains in benchmark. However, post the midsession, the entire market just took off and the smart recovery in banking space added fuel to the spectacular rally to eventually reclaim the **11300** mark for the first time in last four months.

Yesterday, we had mentioned about Nifty showing the sheer outperformance and banking being the weakest link. The similar trend was followed yesterday too, but this time, the Bank Nifty showed some encouraging signs. As far as Nifty is concerned, we finally witnessed a breakout beyond **11200-11250**, which confirmed a 'Bullish Flag' pattern on intraday time frame. The way charts are shaped up, we expect the extension towards **11350-11400** in coming trading session. If banks manage to participate in the similar way, a move beyond **11400** also cannot be ruled out.

Traders are advised to stay positive and a decline towards **11250-11200** should now be treated as a buying opportunity. Mostly we see Bank Nifty influencing the move in Nifty but yesterday it appeared as if the strength in Nifty pulled the Bank Nifty higher.

Exhibit 1: Nifty Daily Chart



Key Levels

Support 1 – 11250	Resistance 1 – 11350
Support 2 – 11200	Resistance 2 – 11400

Nifty Bank Outlook - (22105)

Post opening on a positive note, Bank Nifty corrected in the first hour of trade and traded with negative bias to register a low tad above **21600**. It then gradually recovered and rallied in the later part of the day to end with gains of over a percent on yesterday's close.

As mentioned in our previous report, the Bank nifty is seen trading within a 'Rising Channel' and it recovered from the support end of the pattern in yesterday's session, which is a positive sign. As far as this support at **21500-21600** is intact, we expect the index to again head towards the recent swing high. Thus, traders are advised to look for buying opportunities within this space from a near term perspective and trade with a positive bias. The intraday supports for the index are placed around **21850** followed by **21600-21500** range; whereas resistances are seen around **22350** and **22600**.

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 21850	Resistance 1 – 22350
Support 2 – 21500	Resistance 2 – 22600

Comments

- The Nifty futures open interest has increased by 1.81% Bank Nifty futures open interest has decreased by 7.12% as market closed at **11300.55** levels.
- The Nifty July future closed with a premium of 5.15 point against a discount of 9.35 point in last trading session. The August series closed at a premium of 4.4 point.
- The INDIA VIX has decreased from 25.01 to 23.64 At the same time, the PCR-OI of Nifty increased from 1.49 to 1.83.
- Few of the liquid counters where we have seen high cost of carry are INDUSINDBK, GMRINFRA, IBULHSGFIN, CANBK AND BHEL.

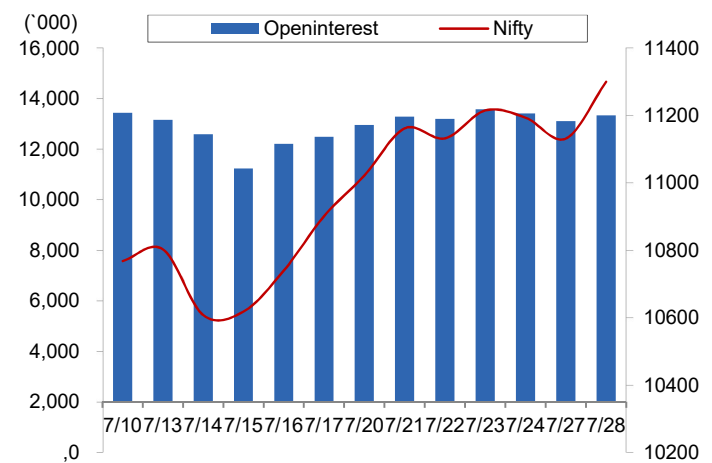
Views

- The Nifty index surpassed the recent consolidation high to end at **11300** and the Bank Nifty too recovered from the lows and ended above **22100**.
- FII's were net buyers in the cash market segment to the tune of Rs. **246** crores. In index futures, they bought worth **993** crores with increase in open interest indicating longs created in yesterday's upmove.
- Nifty witnessed formation of some long positions whereas short covering was seen in the banking index. FII's formed long positions in the index futures segment. In options segment, call writers of **11200** strike ran to cover their positions as the index surpassed its recent hurdle whereas fresh writing was seen in **11200-11150** put options, thus shifting the support higher for the expiry. The above data indicates probability of some further momentum as we approach the expiry day and hence, traders are advised to use intraday dips to buy at-the-money call option.

Historical Volatility

SCRIP	HV
GMRINFRA	54.17
ULTRACEMCO	48.73
TCS	42.01
APOLLOHOSP	56.21
MARICO	33.14

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
NIITTECH	569625	28.95	1767.35	-0.84
UBL	1196300	21.90	970.10	-1.33
GODREJPROP	429000	21.10	879.80	1.14
TATAPOWER	66906000	20.61	49.15	-0.61
APOLLOHOSP	1288000	16.83	1599.25	5.14
ASHOKLEY	55125000	13.66	51.15	4.15
RAMCOCEM	1707650	12.87	714.50	4.43
ICICIBANK	137667750	10.07	352.10	-1.64

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
CANBK	13295000	-18.76	100.40	4.44
NCC	13545000	-17.20	30.00	0.84
SAIL	37468000	-15.69	35.55	4.39
BHEL	42693000	-14.07	37.45	3.58
GMRINFRA	110610000	-12.65	23.45	9.72
BAJFINANCE	7067000	-11.69	3239.60	2.60
ADANIENT	16596000	-11.04	173.55	5.36
UJJIVAN	3537600	-10.27	237.60	4.78

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.83	0.92
BANKNIFTY	0.69	0.76
RELIANCE	0.99	0.62
ICICIBANK	0.38	0.35
INFY	1.30	0.61

FII Statistics for July 28, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	6213.98	5220.88	993.10	144798	11095.77	13.33
INDEX OPTIONS	213981.26	214550.11	(568.85)	823919	63965.90	6.06
STOCK FUTURES	40137.24	39774.42	362.82	1308103	91550.47	(3.06)
STOCK OPTIONS	5638.79	5690.49	(51.70)	75524	5280.31	(8.90)
Total	265971.27	265235.90	735.37	2352344	171892.45	0.66

Turnover on July 28, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	5,99,921	39954.29	14.74
Index Options	2,18,48,918	14,68,281.83	40.29
Stock Futures	17,12,227	1,19,443.51	15.41
Stock Options	16,83,958	1,28,138.40	-4.41
Total	2,58,45,024	17,55,818.03	33.12

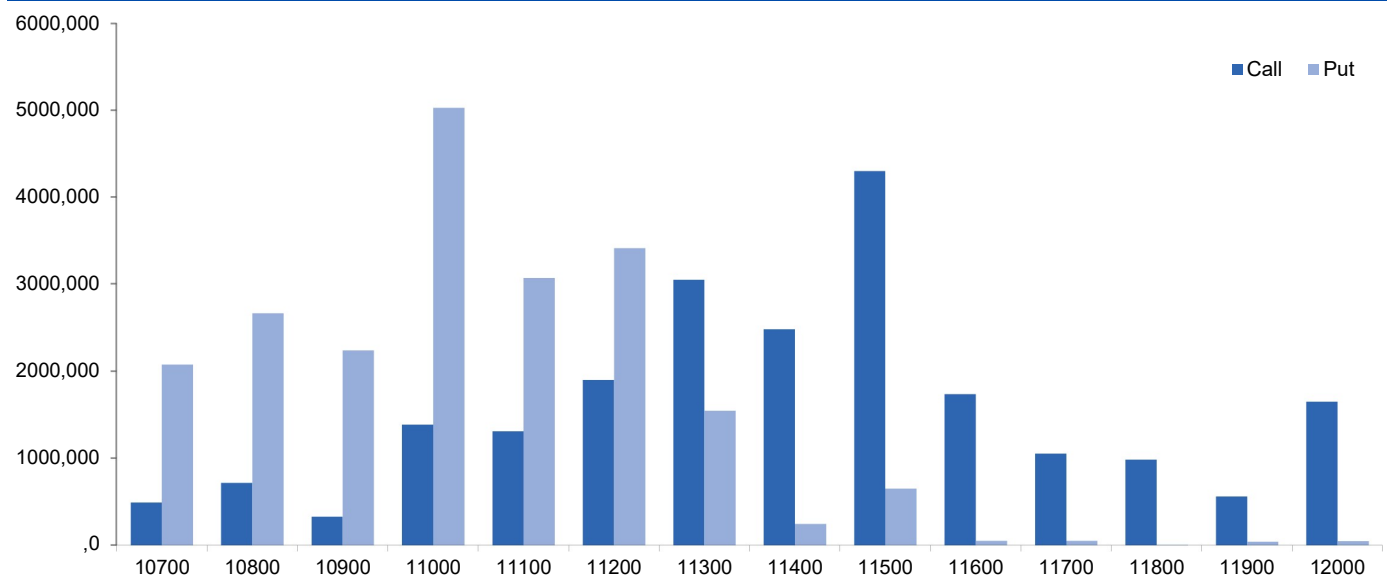
Nifty Spot = 11300.55
Bull-Call Spreads

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

Bear-Put Spreads

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

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	304	311	316	323	328
ASIAN PAINT	1,726	1,743	1,768	1,785	1,809
AXIS BANK	418	428	434	443	449
BAJAJ-AUTO	2,977	3,048	3,089	3,160	3,201
BAJFINANCE	3,121	3,181	3,220	3,279	3,319
BAJAJFINSV	6,088	6,215	6,301	6,429	6,515
BPCL	447	454	464	471	481
BHARTIARTL	546	555	565	574	584
INFRA TEL	184	187	191	194	198
BRITANNIA	3,723	3,749	3,789	3,815	3,856
CIPLA	636	649	658	671	679
COALINDIA	128	129	130	131	132
DRREDDY	3,966	4,008	4,050	4,093	4,135
EICHER MOT	20,306	20,679	20,924	21,298	21,542
GAIL	96	97	98	99	100
GRASIM	553	575	586	608	619
HCLTECH	688	700	708	720	728
HDFC BANK	1,045	1,066	1,080	1,101	1,115
HDFC	1,820	1,859	1,883	1,921	1,945
HEROMOTOCO	2,707	2,774	2,812	2,879	2,917
HINDALCO	156	160	163	167	170
HINDUNILVR	2,199	2,221	2,233	2,255	2,267
ICICIBANK	333	343	353	362	372
IOC	91	92	94	95	96
INDUSINDBK	505	516	522	534	540
INFY	931	947	957	973	984
ITC	193	194	196	198	200
JSW STEEL	204	210	213	218	221
KOTAK BANK	1,286	1,335	1,368	1,417	1,451
LT	892	903	910	921	928
M&M	575	597	612	635	649
MARUTI	5,922	6,103	6,211	6,392	6,501
NESTLEIND	16,726	16,911	17,193	17,377	17,660
NTPC	86	87	88	89	90
ONGC	78	79	80	81	82
POWERGRID	177	179	181	184	185
RELIANCE	2,131	2,154	2,174	2,198	2,217
SHREECEM	20,772	21,344	21,682	22,254	22,592
SBIN	184	187	189	191	193
SUNPHARMA	469	476	480	486	490
TCS	2,177	2,243	2,282	2,348	2,387
TATAMOTORS	100	103	105	108	110
TATASTEEL	350	354	357	361	364
TECHM	649	667	685	702	720
TITAN	1,019	1,036	1,045	1,062	1,072
ULTRACEMCO	3,720	3,928	4,071	4,279	4,421
UPL	437	443	447	453	458
VEDANTA	109	110	111	112	113
WIPRO	266	271	274	278	281
ZEEL	138	141	145	148	151

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