

Sensex (38071) / Nifty (11203)

Tuesday's tail end surge was followed by a flat start yesterday. As expected, in the initial trades, we witnessed a strong optimism to head towards the **11350** mark. Subsequently, the index consolidated with a hint of mild profit booking throughout the first half. However, post the mid-session, the selling aggravated in some of the heavyweights like Reliance, HDFC Bank, ICICI Bank and selective IT names. This resulted in a sharp decline to sneak below the **11200** mark. Due to some modest recovery at the end, the Nifty ended the session with a cut of nearly 100 points.

Till the first half, things were very much on expected lines and importantly, the banking space looked a bit firm. However, a strong bout of profit taking in the latter half poured complete water on Tuesday's smart move. Practically the 'Bullish Flag' mentioned yesterday is still intact; but theoretically this price configuration does not see any pull back move immediately. It is known for its one way move post the breakout. Hence, we do not want to give much weightage to this pattern now. Yesterday, although the key levels are still unbroken, but the way market dipped, it has shaken the confidence of the bulls and we need to pay attention to this behaviour now. Nifty has reached a cluster of resistance and hence aggressive longs here are strictly avoided.

Exhibit 1: Nifty Daily Chart



Going ahead, traders are advised to take one step at a time and should follow strict stop losses for existing trades. Now, as far as levels are concerned, for the coming session, **11150** followed by **11100** would be seen as a strong support zone and just to highlight, a move below **11050** should be treated as a short term trend reversal. On the flipside, **11300-11350** has become a strong resistance zone. Only a move beyond these hurdles would extend the rally in coming days. But for it to happen, banking space needs to contribute heavily, otherwise, the possibility is very low. The only encouraging thing in yesterday's session was the outperformance of the midcap basket. Hence, one should focus on such potential candidates.

Key Levels

Support 1 – 11100	Resistance 1 – 11300
Support 2 – 11050	Resistance 2 – 11350

Nifty Bank Outlook - (22077)

Bank Nifty opened on a flat note and showed some positive momentum to rally towards **22350**. However, it gave up the gains in the later part of the day and ended the session marginally negative.

The index continues to trade in a Rising Channel and it has pulled back higher from the support end in Tuesday's session. Hence, till the Tuesday's low of **21600** is intact, we remain hopeful of some pullback move within the channel. Thus traders are advised to look for stock specific opportunities within this space. The intraday supports are placed around **21870** and **21600** whereas resistances are seen around **22355** and **22550**.

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 21870	Resistance 1 – 22355
Support 2 – 21600	Resistance 2 – 22550

Comments

- The Nifty futures open interest has increased by 6.97% Bank Nifty futures open interest has increased by 5.34% as market closed at **11202.85** levels.
- The Nifty July future closed with a premium of 19.6 point against a premium of 5.15 point in last trading session. The August series closed at a premium of 18.45 point.
- The INDIA VIX has increased from 23.64 to 24.11 At the same time, the PCR-OI of Nifty decreased from 1.83 to 1.41.
- Few of the liquid counters where we have seen high cost of carry are IDEA, EQUITAS, PNB, ZEEL and M&MFIN.

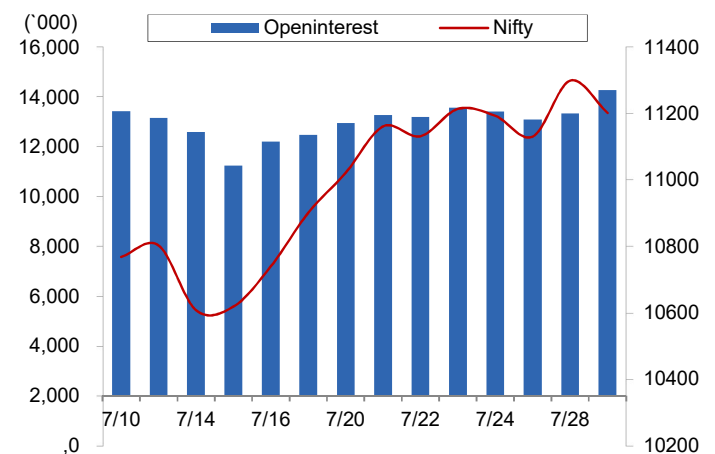
Views

- Nifty opened marginally lower but rallied from the opening ticks in the first half an hour of trade. However, it cooled off from the high of **11340** and corrected for rest of the session to end tad above **11200**.
- FII's were net sellers in the cash market segment to the tune of Rs. **353** crores. In index futures, they sold worth **819** crores with rise in open interest by 23%, which means mixed positions formed with more of shorts.
- Although Bank Nifty showed a relative outperformance, it too gave up its intraday gains towards the end. Some open interest addition was seen in both indices ahead of the monthly expiry. FII's were net sellers in cash segment while they formed mixed positions in index futures. As the index failed to sustain above **11300**, writers added positions there thus forming resistance for the expiry day. On the flip side, open interest unwinding was seen in put options as the index corrected. We may see some range bound activity on the expiry day and hence, traders are advised to trade according to intraday momentum.

Historical Volatility

SCRIP	HV
DRREDDY	37.78
TATACHEM	44.64
COLPAL	42.93
GMRINFRA	54.41
DABUR	34.17

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
SAIL	44061000	17.60	35.45	-0.28
COLPAL	3160500	14.10	1447.75	4.00
SRF	778000	13.45	3934.80	4.32
NMDC	40193300	9.43	87.15	2.58
UBL	1304100	9.01	960.90	-0.95
APOLLOHOSP	1387500	7.73	1641.30	2.75
SRTRANSFIN	3074870	7.43	724.60	4.24
CUMMINSIND	2056800	6.26	400.65	-0.59

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
JUSTDIAL	910000	-19.65	370.75	-0.21
DABUR	13485000	-16.47	489.60	3.00
CANBK	11235000	-15.49	100.25	-0.94
INDUSINDBK	26532000	-14.49	550.50	3.36
NCC	11781000	-13.02	30.05	-0.17
BATAINDIA	2586100	-12.85	1263.40	1.02
ASHOKLEY	48213000	-12.54	51.20	-0.19
KOTAKBANK	9782400	-11.47	1389.45	0.11

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.41	0.95
BANKNIFTY	0.66	0.90
RELIANCE	0.84	0.70
ICICIBANK	0.41	0.29
INFY	1.27	0.72

FII Statistics for July 29, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	6791.93	7610.94	(819.01)	178649	13734.16	23.38
INDEX OPTIONS	311578.03	311014.17	563.86	846441	65393.98	2.73
STOCK FUTURES	31535.72	31828.10	(292.38)	1287335	89974.19	(1.59)
STOCK OPTIONS	6088.68	6116.02	(27.34)	67201	4631.03	(11.02)
Total	355994.36	356569.23	(574.87)	2379626	173733.36	1.16

Turnover on July 29, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	6,52,483	45070.91	12.81
Index Options	2,94,17,932	19,93,876.20	35.80
Stock Futures	16,36,902	1,16,406.10	-2.54
Stock Options	13,71,283	1,07,583.74	-16.04
Total	3,30,78,600	22,62,936.95	28.88

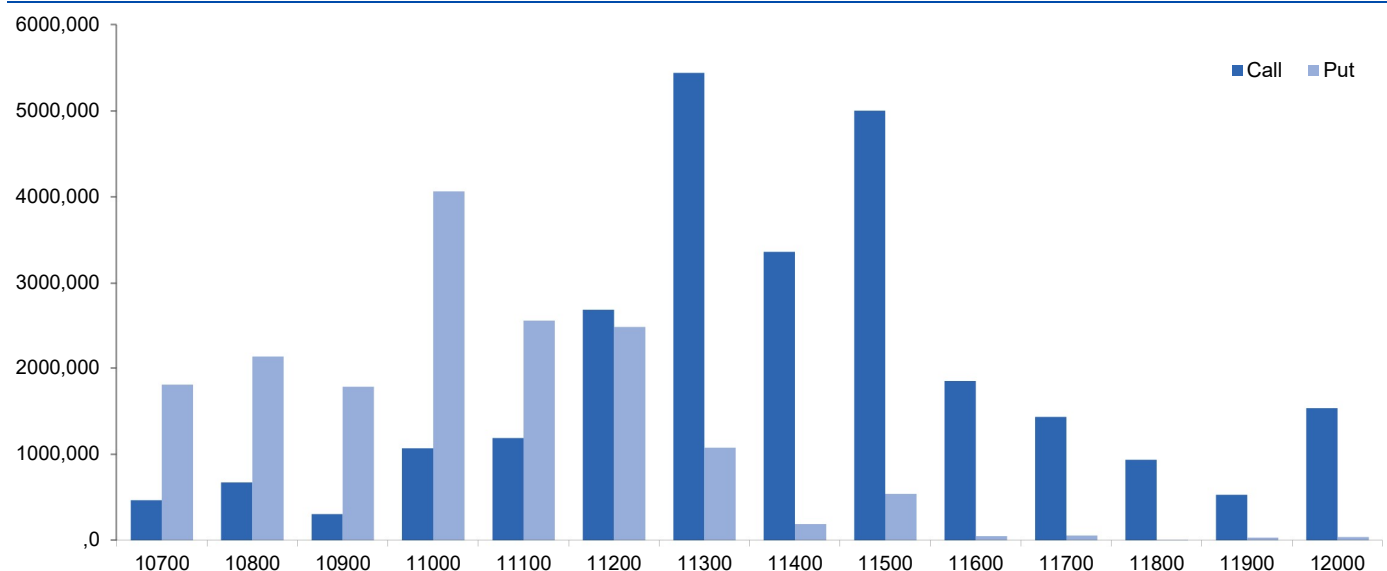
Nifty Spot = 11202.85
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11200	64.80	41.75	58.25	11241.75
Sell	11300	23.05			
Buy	11200	64.80	57.30	142.70	11257.30
Sell	11400	7.50			
Buy	11300	23.05	15.55	84.45	11315.55
Sell	11400	7.50			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11200	40.40	25.85	74.15	11174.15
Sell	11100	14.55			
Buy	11200	40.40	33.95	166.05	11166.05
Sell	11000	6.45			
Buy	11100	14.55	8.10	91.90	11091.90
Sell	11000	6.45			

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	306	310	317	321	328
ASIAN PAINT	1,700	1,720	1,750	1,770	1,800
AXIS BANK	428	434	441	447	453
BAJAJ-AUTO	3,042	3,070	3,110	3,139	3,178
BAJAJ FINANCE	3,195	3,240	3,284	3,329	3,374
BAJAJ FINSV	6,216	6,272	6,349	6,405	6,481
BPCL	435	445	456	465	477
BHARTIARTL	556	561	565	570	574
INFRA TEL	186	191	195	201	205
BRITANNIA	3,736	3,765	3,809	3,838	3,882
CIPLA	654	667	676	690	699
COAL INDIA	128	130	131	133	134
DR REDDY	3,977	4,140	4,238	4,400	4,498
EICHERMOT	20,634	21,017	21,284	21,667	21,933
GAIL	96	97	99	100	101
GRASIM	590	603	613	626	635
HCLTECH	681	688	699	706	717
HDFC BANK	1,037	1,051	1,070	1,084	1,103
HDFC	1,836	1,857	1,888	1,908	1,939
HEROMOTOCO	2,698	2,739	2,810	2,851	2,922
HINDALCO	160	162	165	167	170
HINDUNILVR	2,189	2,210	2,236	2,257	2,283
ICICIBANK	343	347	352	356	362
IOC	91	92	93	94	94
INDUSINDBK	517	534	549	566	582
INFY	936	945	953	962	969
ITC	191	194	196	199	201
JSW STEEL	210	214	217	221	225
KOTAK BANK	1,326	1,358	1,378	1,410	1,430
LT	903	913	927	936	950
M&M	586	596	610	620	634
MARUTI	6,024	6,104	6,200	6,280	6,376
NESTLE IND	16,081	16,339	16,769	17,028	17,458
NTPC	87	87	89	89	90
ONGC	78	79	80	80	81
POWERGRID	178	180	182	184	186
RELIANCE	2,004	2,050	2,117	2,163	2,229
SHREECEM	21,280	21,512	21,856	22,088	22,432
SBIN	183	187	191	195	199
SUN PHARMA	479	486	491	498	503
TCS	2,192	2,234	2,288	2,330	2,384
TATAMOTORS	103	104	106	108	110
TATA STEEL	347	360	369	383	392
TECHM	657	667	681	691	705
TITAN	1,017	1,029	1,048	1,059	1,078
ULTRACEMCO	4,075	4,128	4,208	4,261	4,340
UPL	443	453	458	468	473
VEDANTA	107	109	111	112	115
WIPRO	270	274	276	279	281
ZEEL	138	140	144	146	149

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