

Sensex (37736) / Nifty (11102)

After seeing a reality check on Wednesday, our markets started the day slightly higher and then went on to extend the gains in the first half. However, around **11300**, Nifty was unable to display similar strength and hence, the weak attempt eventually resulted in a sharp decline in the latter half. The selling augmented after breaking all important intraday supports one after another to test the **11100** mark. In the process, the July series expiry panned out on a disappointing note

On Wednesday, the market had indicated some sign of caution and yesterday's nosedive in the latter half, has clearly validated this point. With yesterday's move, **11300-11350** has become an immediate ceiling for Nifty and till the time we do not surpass it, one should avoid aggressive bullish bets in the market. In fact, any bounce back towards **11175-11250** should ideally be used to lighten up longs. On the downside, as mentioned yesterday, a breach of **11050** would result in a decent profit booking towards **10950-10870** levels. Since, the banking remains to be a weakest link, the corrective scenario is likely to be led by this space only and the way its placed, things do not look encouraging. All this suspense is likely to unfold probably in the next couple of trading sessions and hence, one should stay light on positions and wait for confirmation.

On the sectoral front, throughout the day, the entire 'Pharma' space kept buzzing and it was bucking the trend along with the Cement counters.

Exhibit 1: Nifty Daily Chart



Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 11050 | Resistance 1 – 11175 |
| Support 2 – 10950 | Resistance 2 – 11250 |

Nifty Bank Outlook - (21647)

The Bank Nifty too corrected on the expiry day and posted a loss of a couple of percentage. The index has been trading in a channel and it has ended at the lower end of the channel which is placed around **21600**. Today's move would be crucial in the index as if it gives a weekly closing below this support, then it could lead to some further correction in the near term upto **21000-21100**. On the flipside, the index needs to break above **22350** for a probability of any pullback move. Traders are advised to stay light on positions and watch for the above mentioned developments.

Exhibit 2: Nifty Bank Daily Chart



Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 21600 | Resistance 1 – 22000 |
| Support 2 – 21100 | Resistance 2 – 22350 |

Comments

- The Nifty futures open interest has decreased by 21.79% Bank Nifty futures open interest has decreased by 23.46% as market closed at **11102.15** levels.
- The Nifty August future closed with a discount of 8.75 point against a premium of 19.6 point in last trading session. The September series closed at a discount of 10.35 point.
- The INDIA VIX has increased from 24.11 to 24.72 At the same time, the PCR-OI of Nifty increased from 1.41 to 1.49.
- Few of the liquid counters where we have seen high cost of carry are IDEA, VEDL, GMRINFRA, SAIL, AND TATAPOWER.

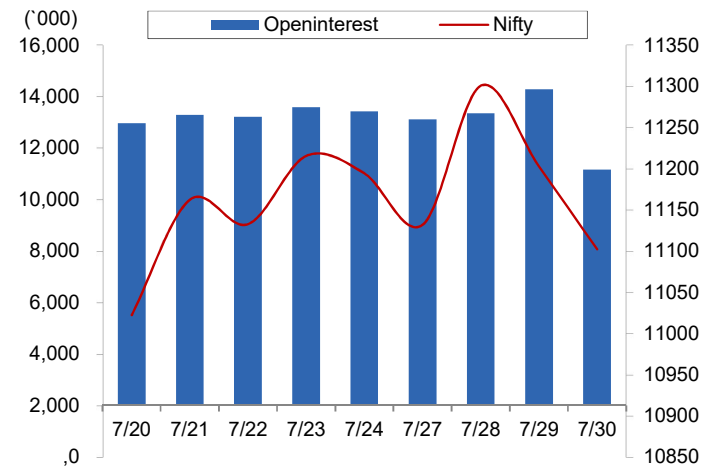
Views

- Although Nifty started the expiry session on a flat note, it corrected in the later part of the day and ended with a loss of about a percent. In the July series, Nifty posted gains of about 8 percent while Bank Nifty underperformed the benchmark index and ended with gains of less than a percent.
- FII's were net buyers in the cash market segment to the tune of Rs. **207** crores. In index futures, they bought worth **539** crores with decrease in open interest on the F&O expiry session.
- The rollover in Nifty is at 77.59 percent, which is in line with its 3-month average of 77.40 percent, whereas rollover in Bank Nifty is at 75.30 percent v/s its average of 79 percent. During the July series, FII's formed long positions in the index futures segment; their 'Long Short Ratio' at the start of new series is at 66 percent. The weekly options data hints at a probable trading range of **11000-11300** in the initial part of the new series. A move beyond the mentioned range could then lead to some directional move in the short term. Thus, traders are advised to trade with a stock specific approach within this range.

Historical Volatility

| SCRIP | HV |
|-------------------|-------|
| DIVISLAB | 40.96 |
| MANAPPURAM | 78.65 |
| DRREDDY | 38.26 |
| BPCL | 63.11 |
| IOC | 44.77 |

Nifty Vs OI



OI Gainers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|-------------------|-----------|-------------|---------|----------------|
| GLENMARK | 5437200 | 10.57 | 441.40 | 3.97 |
| SUNPHARMA | 30380000 | 7.18 | 509.95 | 3.33 |
| DRREDDY | 3411750 | 4.57 | 4516.60 | 5.02 |
| AMBUJACEM | 19476000 | 3.51 | 221.25 | 2.10 |
| NATIONALUM | 38165000 | 2.79 | 32.50 | -2.39 |
| INDIGO | 2801500 | 2.73 | 938.60 | 2.99 |
| VEDL | 109678000 | 1.31 | 110.90 | 1.41 |
| MARUTI | 2603900 | 1.15 | 6265.40 | 1.48 |

OI Losers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|-------------------|-----------|-------------|--------|----------------|
| IDEA | 124040000 | -62.10 | 8.00 | -2.41 |
| POWERGRID | 13712000 | -45.79 | 176.85 | -2.68 |
| GODREJCP | 4280000 | -38.00 | 682.65 | 0.14 |
| DLF | 20733900 | -36.52 | 140.10 | 0.00 |
| CONCOR | 4082556 | -33.69 | 449.95 | -0.86 |
| NTPC | 55307100 | -30.12 | 86.60 | -1.87 |
| GODREJPROP | 303550 | -29.46 | 870.35 | -1.33 |
| ONGC | 38792600 | -29.22 | 77.70 | -2.26 |

Put-Call Ratio

| SCRIP | PCR-OI | PCR-VOL |
|------------------|--------|---------|
| NIFTY | 1.49 | 1.00 |
| BANKNIFTY | 0.68 | 0.72 |
| RELIANCE | 0.78 | 0.64 |
| ICICIBANK | 0.55 | 0.57 |
| INFY | 0.87 | 0.53 |

FII Statistics for July 30, 2020

| Detail | Buy | Sell | Net | Open Interest | | |
|---------------|-----------|-----------|---------|---------------|----------------|------------|
| | | | | Contracts | Value (in Cr.) | Change (%) |
| INDEX FUTURES | 6858.84 | 6319.98 | 538.86 | 115657 | 8844.59 | (35.26) |
| INDEX OPTIONS | 435030.35 | 433604.37 | 1425.98 | 498008 | 39185.76 | (41.16) |
| STOCK FUTURES | 24791.05 | 24395.64 | 395.41 | 1209003 | 83774.88 | (6.08) |
| STOCK OPTIONS | 3424.80 | 3148.07 | 276.73 | 22112 | 1459.73 | (67.10) |
| Total | 470105.04 | 467468.06 | 2636.98 | 1844780 | 133264.96 | (22.48) |

Turnover on July 30, 2020

| Instrument | No. of Contracts | Turnover (in Cr.) | Change (%) |
|---------------|------------------|-------------------|------------|
| Index Futures | 6,78,978 | 46207.68 | 2.52 |
| Index Options | 5,95,11,559 | 39,36,485.11 | 97.43 |
| Stock Futures | 15,16,412 | 1,07,899.88 | -7.31 |
| Stock Options | 12,40,362 | 97435.66 | -9.43 |
| Total | 6,29,47,311 | 41,88,028.33 | 85.07 |

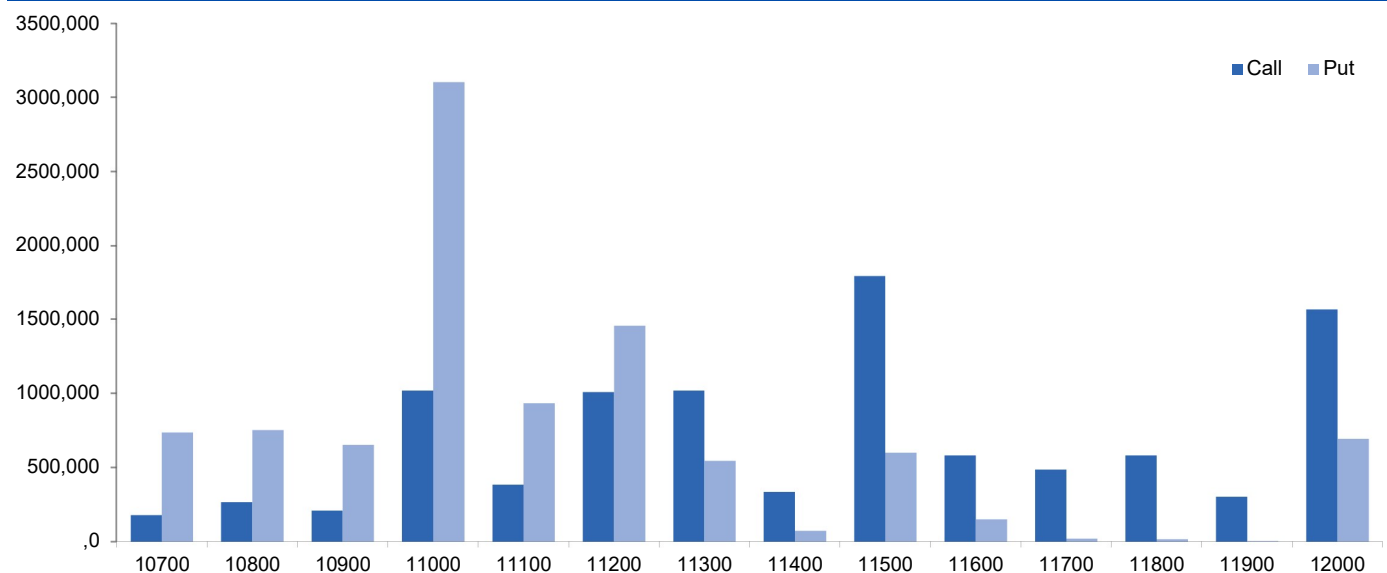
Nifty Spot = 11102.15
Bull-Call Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|-------|--------|----------|
| Buy | 11100 | 281.30 | | | |
| Sell | 11200 | 231.85 | 49.45 | 50.55 | 11149.45 |
| Buy | 11100 | 281.30 | | | |
| Sell | 11300 | 187.45 | 93.85 | 106.15 | 11193.85 |
| Buy | 11200 | 231.85 | | | |
| Sell | 11300 | 187.45 | 44.40 | 55.60 | 11244.40 |

Bear-Put Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|-------|--------|----------|
| Buy | 11100 | 287.60 | | | |
| Sell | 11000 | 244.80 | 42.80 | 57.20 | 11057.20 |
| Buy | 11100 | 287.60 | | | |
| Sell | 10900 | 203.80 | 83.80 | 116.20 | 11016.20 |
| Buy | 11000 | 244.80 | | | |
| Sell | 10900 | 203.8 | 41.00 | 59.00 | 10959.00 |

Note: Above mentioned Bullish or Bearish Spreads in Nifty (August 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 | 303 | 308 | 315 | 319 | 326 |
| ASIAN PAINT | 1,700 | 1,722 | 1,750 | 1,772 | 1,800 |
| AXIS BANK | 411 | 418 | 432 | 440 | 453 |
| BAJAJ-AUTO | 2,982 | 3,016 | 3,073 | 3,106 | 3,163 |
| BAJFINANCE | 3,130 | 3,174 | 3,249 | 3,293 | 3,368 |
| BAJAJFINSV | 5,992 | 6,085 | 6,253 | 6,346 | 6,514 |
| BPCL | 401 | 410 | 425 | 434 | 449 |
| BHARTIARTL | 521 | 537 | 559 | 574 | 596 |
| INFRA TEL | 186 | 189 | 195 | 198 | 203 |
| BRITANNIA | 3,740 | 3,773 | 3,824 | 3,857 | 3,908 |
| CIPLA | 671 | 678 | 689 | 696 | 707 |
| COALINDIA | 126 | 127 | 130 | 131 | 133 |
| DRREDDY | 4,252 | 4,384 | 4,472 | 4,604 | 4,692 |
| EICHER MOT | 20,626 | 20,914 | 21,319 | 21,607 | 22,013 |
| GAIL | 94 | 95 | 98 | 99 | 101 |
| GRASIM | 586 | 594 | 610 | 618 | 634 |
| HCLTECH | 680 | 688 | 700 | 708 | 720 |
| HDFC BANK | 1,023 | 1,037 | 1,060 | 1,074 | 1,097 |
| HDFC | 1,742 | 1,776 | 1,838 | 1,873 | 1,935 |
| HEROMOTOCO | 2,625 | 2,665 | 2,727 | 2,767 | 2,829 |
| HINDALCO | 157 | 159 | 163 | 165 | 168 |
| HINDUNILVR | 2,160 | 2,178 | 2,208 | 2,226 | 2,256 |
| ICICIBANK | 332 | 339 | 347 | 353 | 361 |
| IOC | 85 | 87 | 90 | 92 | 94 |
| INDUSINDBK | 497 | 508 | 527 | 539 | 558 |
| INFY | 950 | 956 | 964 | 970 | 978 |
| ITC | 189 | 191 | 195 | 197 | 201 |
| JSW STEEL | 208 | 211 | 216 | 220 | 225 |
| KOTAK BANK | 1,347 | 1,366 | 1,395 | 1,414 | 1,444 |
| LT | 887 | 897 | 915 | 926 | 944 |
| M&M | 585 | 591 | 603 | 610 | 622 |
| MARUTI | 6,053 | 6,159 | 6,276 | 6,383 | 6,500 |
| NESTLE IND | 16,262 | 16,393 | 16,582 | 16,714 | 16,903 |
| NTPC | 84 | 85 | 87 | 88 | 90 |
| ONGC | 76 | 77 | 79 | 80 | 81 |
| POWERGRID | 171 | 174 | 179 | 182 | 186 |
| RELIANCE | 2,039 | 2,074 | 2,107 | 2,142 | 2,175 |
| SHREECEM | 20,848 | 21,122 | 21,573 | 21,847 | 22,298 |
| SBIN | 181 | 184 | 189 | 191 | 196 |
| SUNPHARMA | 478 | 494 | 503 | 520 | 529 |
| TCS | 2,218 | 2,249 | 2,303 | 2,334 | 2,389 |
| TATAMOTORS | 101 | 102 | 104 | 106 | 108 |
| TATASTEEL | 356 | 361 | 370 | 375 | 383 |
| TECHM | 659 | 667 | 677 | 685 | 695 |
| TITAN | 1,029 | 1,035 | 1,047 | 1,053 | 1,064 |
| ULTRACEMCO | 4,077 | 4,116 | 4,168 | 4,207 | 4,259 |
| UPL | 456 | 460 | 466 | 470 | 476 |
| VEDANTA | 106 | 109 | 111 | 113 | 116 |
| WIPRO | 277 | 281 | 284 | 287 | 290 |
| ZEEL | 134 | 137 | 141 | 144 | 149 |

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