

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	7828.75	4.67%

Nifty Key Levels For The Week

Support	S1: 7425	S2 : 7200
Resistance	R1 : 7750	R2 : 7850

Market Outlook

A wiping of money in the broader market continued after one day of halt. Today's fall was triggered after country-wide lockdown, as well as weakness in the global market, dented investor sentiment. Indices hit the first lower circuit limit, and trading was halted. Nifty resumed its trading after 45 minutes and the sell-off continued, and Nifty closed near December 2016 levels. India Vix surged to its highest level since the 2008 crisis. As of now, no reversal is seen on daily chart. Now next support lies at 7425 followed by 7200 levels. While resistance stands at 7750 followed by 7850 levels.

FII DERIVATIVES POSITION FOR 23-March-2020

	Net (Amt. in crs)
INDEX FUTURES	737
INDEX OPTIONS	(452)
STOCK FUTURES	(763)
STOCK OPTIONS	25

Institutional Turnover

	Buy(cr.)	Sell(cr.)	Net(cr.)
FII			
23-Mar-20	5,702	8,691	(2,989)
Mar-20	108,741	162,974	(54,232)
DII			
23-Mar-20	6,897	5,815	1,082
Mar-20	122,868	77,625	45,243

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(13.97)	(22.20)	(42.05)	(45.14)
Automobiles	(14.08)	(20.55)	(38.61)	(41.72)
Chemicals	(13.33)	(15.31)	(29.71)	(17.94)
Construction & Engineering	(16.28)	(22.82)	(43.45)	(49.09)
Construction Materials	(12.83)	(16.57)	(32.91)	(26.91)
Diversified Financial Services	(18.06)	(28.21)	(46.89)	(36.25)
Electrical Equipment	(10.95)	(15.30)	(32.79)	(38.33)
Energy	(13.01)	(12.17)	(38.80)	(39.97)
Financials	(16.34)	(26.13)	(44.60)	(39.21)
Health Care	(8.25)	(9.34)	(22.96)	(18.76)
Household Durables	(14.00)	(21.76)	(34.88)	(25.18)
Household & Personal Products	(9.10)	(5.90)	(19.73)	(6.25)
Information Technology	(8.51)	(6.87)	(29.12)	(24.59)
Metals/Mining/Minerals	(10.94)	(15.08)	(40.84)	(50.23)
Telecom	(11.02)	(16.83)	(27.82)	(12.78)
Utilities	(7.97)	(10.70)	(30.58)	(32.19)

Participant wise Open Interest In Equities Derivative (no. of contracts)

	Long Position			
	DII	FII	Pro	Other
Future Index	61660	104841	15915	118826
Future Stock	81909	1008970	129411	380244
Option Index Call	19064	207133	132197	561886
Option Index Put	65051	350542	114351	246151
Option Stock Call	0	26427	75656	211973
Option Stock Put	0	16036	78362	61614

	Short Position			
	DII	FII	Pro	Other
Future Index	3105	145319	42412	110406
Future Stock	931225	474314	67410	127585
Option Index Call	0	188400	220675	511205
Option Index Put	0	181789	157597	436709
Option Stock Call	3097	19637	120892	170430
Option Stock Put	0	15294	62436	78282

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532321	CADILAHC	4.5
524494	IPCALAB	4.5
500210	INGERRAND	(6.3)
532443	CERA	(7.0)
500680	PFIZER	(10.7)
500087	CIPLA	(13.3)
500676	GSKCONS	(14.7)
500124	DRREDDY	(14.9)
532488	DIVISLAB	(14.9)
532523	BIOCON	(15.0)

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532648	YESBANK	13.4
511072	DHFL	(2.7)
517354	HAVELLS	(17.0)
531642	MARICO	(19.5)
500407	SWARAJENG	(24.0)
500875	ITC	(24.3)
500086	EXIDEIND	(25.4)
534690	LAKSHVILAS	(25.7)
500480	CUMMINSIND	(25.9)
500182	HEROMOTOCO	(28.3)

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
535789	IBULHSGFIN	(68.0)
524000	MAGMA	(62.4)
532839	DISHTV	(55.3)
500390	RELINFRA	(54.3)
514162	WELSPUNIND	(54.3)
507880	VIPIND	(53.7)
502865	FORBESGOK	(53.1)
532300	WOCKPHARMA	(52.4)
522275	ALSTOMT&D	(52.0)
500110	CHENNPETRO	(51.6)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532144	WELCORP	(67.0)
511218	SRTRANSFIN	(64.5)
533519	L&TFH	(60.3)
511243	CHOLAFIN	(58.4)
532215	AXISBANK	(58.0)
500330	RAYMOND	(57.3)
500570	TATAMOTORS	(56.9)
517334	MOTHERSUMI	(56.7)
512070	UPL	(56.2)
531548	SOMANYCERA	(56.2)

* ES- Earning Score is average of EM (Earning Momentum defined as relative performance in terms of operating profit growth) and EQ (Earning Quality defined as relative balance sheet strength in terms of debt and working capital)

* PS- Price Score is of a company is relative price performance in multiple time-frame

Analysis shown here is only for companies with market cap more than Rs 1,000 Cr.

VIEW

Market continued to plunge following jittery global cues amid fear of deepening adverse economic impact of coronavirus. Demand for safe haven asset spiked as fear of virus is more dangerous than its impact. India was also caught in the virus trap with indices extending their losing streak further. Market sensitivity toward virus is not going to ease anytime soon and if the situation escalates then there can be further decline which can only be witnessed only as time goes by. But, till then it seems that market have factored all the worst. Bounce is unlikely unless we reclaim the entry above recent swing high and sustain above the same on weekly basis.

Technical Outlook-

- a) After four consecutive days of fall, nifty showed good recovery and formed the first higher high and higher low candle in the last one month of trade
- b) Formation of **Morning Star pattern** on daily chart suggest halt on downside
- c) Currently nifty is lying at key support as it holds above **100 monthly SMA's** which is seen at 8433 levels.
- d) Positive divergence in RSI suggest the possibility of short term pullback
- e) As of now, crucial support lies at **8430 level** and if this level is not respected then index can slip down till 7800 levels
- f) However, broader trend remain **'Sell on Rally'** until nifty give confirmation above **9130-9200 zone** decisively. From there, index can extend up to 9550-9600 zone on upside.
- g) While a break below 7800 can extend this downswing towards 7600-7500 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9550	Confirmation levels
Resistance 1	9130	Top of Morning star
Close	8745	
Support 1	8430	100 monthly SMA
Support 2	7800	Recent swing low

VIEW

The selling pressure was continued in Banknifty last week and the index ended the week with a net loss of 19.3% over its previous week's close. Selling was witnessed across the board. However private banking stocks lead to a decline (The private banking index fell over 20% last week). On the other hand PSU banking index out performed the benchmark index and it fell only 7% during the last week.

OBSERVATIONS:

- 1) Banknifty has breached its long term rising trend line (the starting point of the trend line is taken year 2009).
- 2) Banknifty has already retraced 71.8% of its last rally (Last leg of rally in the said trend line is taken from previous bottom of 13209 to 32613).

In reference to the above observations it can be concluded that currently Banknifty is in corrective phase. Next important support of the index is at 17330 (78.6% retracement level). If the index is able to sustain below this level it may find next support at 14360 and then 13210.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	22850
Resistance 1	21000
Close	20317
Support 1	18670
Support 2	17330

VIEW

USD is in high demand at present and has surprisingly strengthened against the currencies of emerging market which have suffered brutal outflows in the past one months. Blood bath in equity market combined with weak global cues are currently weighing on the sentiment. Deadly virus has been already responsible for the death of many people across the nation and has infected number people across the globe, so this fear will continue to rack investors and they will struggle for assessing the economic impact. Going forward market participants will track intervention of RBI or government which may give caution in near term.

TECHNICAL FACTORS-

- a) Formation of long green candle on weekly chart suggest further weakness in rupee
- b) Currently, pair has given breakout from its long term consolidation indicating more heat for an indian currency
- c) The momentum indicator RSI also gave breakout form its falling resistance line which is supporting upsurge in the pair
- d) Next resistance stands at 75.40 followed by 76. Above which it can extend up to 77 mark
- e) Currently, support is shifted higher towards 73.85 and and 72.90 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	76.00
Resistance 1	75.4
Close	75.39
Support 1	73.85
Support 2	72.90

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