

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	8239.80	-0.24%

Nifty Key Levels For The Week

Support	S1: 8195	S2 : 8100
Resistance	R1 : 8420	R2 : 8590

Market Outlook

Nifty opened on a flat note but failed to hold and fell sharply in early trade. It erased all the gains from the previous session and slipped to a fresh low for this week. However, VIX continued to cool off suggest stability for a while. Now support is seen at 8195 followed by 8100 levels. Resistance stands at 8420 level followed by 8590 levels.

FII DERIVATIVES POSITION FOR 01-April-2020

Net (Amt. in crs)

INDEX FUTURES	(1,197)
INDEX OPTIONS	1,281
STOCK FUTURES	(23)
STOCK OPTIONS	(2)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
01-Apr-20	5,582	6,699	(1,117)
Apr-20	5,582	6,699	(1,117)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
01-Apr-20	2,772	3,222	(450)
Apr-20	2,772	3,222	(450)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(1.82)	(0.29)	(31.20)	(42.58)
Automobiles	(1.31)	(7.44)	(32.45)	(42.48)
Chemicals	(2.27)	4.70	(19.60)	(11.82)
Construction & Engineering	(3.26)	(0.44)	(33.39)	(46.59)
Construction Materials	(2.90)	0.17	(28.05)	(27.94)
Diversified Financial Services	(2.01)	(3.66)	(38.94)	(34.91)
Electrical Equipment	(1.00)	3.53	(25.73)	(38.05)
Energy	(2.80)	1.93	(21.12)	(32.73)
Financials	(3.86)	(3.11)	(36.81)	(37.41)
Health Care	(1.35)	4.77	(10.28)	(13.37)
Household Durables	(1.64)	2.65	(28.63)	(24.54)
Household & Personal Products	(3.68)	6.64	(3.93)	8.07
Information Technology	(5.51)	(1.49)	(18.26)	(21.60)
Metals/Mining/Minerals	(0.62)	5.60	(26.88)	(47.40)
Telecom	(3.99)	(1.34)	(21.31)	(9.80)
Utilities	(2.15)	2.67	(20.59)	(28.20)

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

Long Position				
	DII	FII	Pro	Other
Future Index	54486	37805	18378	83227
Future Stock	48392	965511	72110	317301
Option Index Call	4317	116202	68574	271300
Option Index Put	62015	150831	69959	265681
Option Stock Call	0	3501	30869	81403
Option Stock Put	0	4657	27684	46727

Short Position				
	DII	FII	Pro	Other
Future Index	3854	100819	16281	72942
Future Stock	828714	397747	51090	125763
Option Index Call	0	85129	86885	288379
Option Index Put	0	84827	97034	366625
Option Stock Call	694	2623	40628	71828
Option Stock Put	0	4257	30674	44137

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500124	DRREDDY	5.8
500087	CIPLA	3.0
524494	IPCALAB	2.4
506197	BLISSGVS	2.0
532321	CADILAH	1.5
500676	GSKCONS	1.1
500696	HINDUNILVR	0.2
500790	NESTLEIND	(0.6)
532424	GODREJCP	(2.2)
532523	BIOCON	(3.0)

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500188	HINDZINC	(6.8)
524742	CAPPL	(8.2)
531642	MARICO	(11.2)
532178	ENGINERSIN	(15.7)
500875	ITC	(15.8)
507488	GMBREW	(16.1)
517506	TTKPRESTIG	(18.4)
500182	HEROMOTOCO	(20.0)
500086	EXIDEIND	(20.0)
517354	HAVELLS	(20.9)

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
535789	IBULHSGFIN	(64.5)
524000	MAGMA	(60.3)
530073	SANGHVIMOV	(54.2)
532839	DISHTV	(51.7)
500840	EIHOTEL	(50.1)
523756	SREINFRA	(49.9)
522074	ELGIEQUIP	(49.6)
514162	WELSPUNIND	(49.6)
500101	ARVIND	(47.2)
500413	THOMASCOOK	(46.0)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532144	WELCORP	(66.8)
500330	RAYMOND	(55.6)
511243	CHOLAFIN	(53.2)
511431	VAKRANSOFT	(52.2)
532811	AHLUCONT	(51.3)
517380	IGARASHI	(50.0)
533519	L&TFH	(49.4)
532915	RELIGARE	(49.2)
532215	AXISBANK	(48.6)
511218	SRTRANSFIN	(48.1)

* 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

The month of March in the world of global financial was extremely hectic as the markets grappled with coronavirus news updates, lockdown, fiscal stimulus, and weak economic data. However, domestic stocks gained, rebounding from record slides of Monday, as some investors began picking out stocks that may have fallen too far, too quickly, even as much of the world's second-most populous nation goes into lockdown in an effort to contain the spread of the deadly coronavirus. Our FM and the Governor of RBI also came with the welfare packages which was majorly attributed to the poor and middle-class family which are affected due to lockdown. This boosted the sentiments of the market a little bit. As per the latest news, Govt may take certain relief measures for industries in the upcoming days. Owing to the lockdown period there will be an adverse effect on the earnings in the coming quarters. There are some technical cues that indicate that indices made a probable bottom around 7500. As the market discounted almost the worst case of scenario but volatility will continue in line with the world market where the trend of coronavirus cases globally and locally will dictate the further direction of the market.

Technical Outlook-

- After seeing largest decline in a day on Monday, indices extended gain for the fourth consecutive session. Thursday's action qualifies as day three of a rally attempt. So, we are changing the market status to a **Rally Attempt from a Downtrend**.
- Indices formed a bullish candle with higher highs and higher lows price formation. It reclaimed above 8600 mark.
- Indicators and oscillators are still lying in oversold zone which shows that this pullback can get fuel to extend further.
- 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.
- Now, crucial support lies at **8430 level** (near 100 months MA's) and if this level is not respected then index can slip down till 8175- 8000 zone and then it can slip down till 7800 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9550	Confirmation levels
Resistance 1	9130	Top of Morning star
Close	8674	
Support 1	8430	100 monthly SMA
Support 2	8175	Previous swing low

VIEW

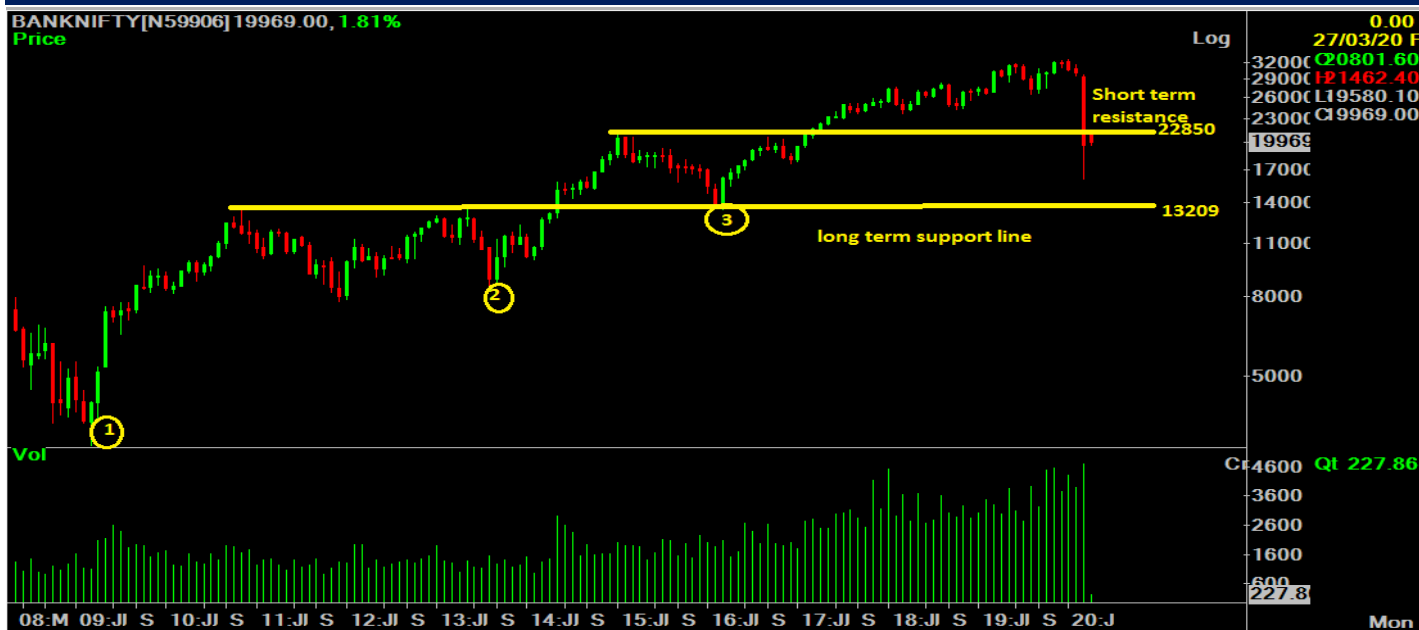
After opening with a negative session, Banknifty fell to make a weekly low of 16116.25 on Tuesday of last week. However it was unable to maintain at the lower level and a smart pullback to 21463 was witnessed in last three successive trading days. At the end of the week Banknifty closed at 19969. It had a net loss of 1.7% over its previous week's close. Axis Bank and State Bank were the main catalysts to close the index lower and they ended the week with a net loss of 16% and 6.5% respectively.

OBSERVATIONS:

- 1) Banknifty is still maintaining 'Higher highs and Higher lows' condition in the monthly chart. Previous lower point is at 13209 which was made on March 2016. (Trend was calculated from 2009-till date)
- 2) RSI has reached at oversold zone in the monthly chart.
- 3) Short term resistance line is at 22850.

In reference to the above observations it can be concluded that currently Banknifty is in corrective phase. The long term support of the index is at 13209. (The index is said to be in corrective phase as long as it maintains above 13209, the bear phase will start below 13209). Some pullback up to 22850 might possible in the extreme short term due to the oversold position of the RSI. However fresh positional long should initiate only above 22850.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	22850
Resistance 1	21470
Close	19969
Support 1	18670
Support 2	17330

VIEW

In our previous article, we mentioned about RBI intervention and on Friday RBI provides antidote to the banking system's covid-19 woes. RBI's ensured that credit flow would continue in the economy to rebuild supply channels as it released hefty amount of stimulus, with a cut of 75 bps in repo rate (now at 4.4%) and also reduced reverse repo rate from 90 bps to 4%. Later this announcement, Rupee took a breather after declining to its all time low for the first time in history. Oil prices also trading lower below its 17 year low levels for over a week which is the advantage scenario for our government they store it maximum. Till the situation around the coronavirus remain frightful, we expect this volatility will continue.

TECHNICAL FACTORS-

- Formation of long leg doji on weekly chart suggest indecisiveness among market participants.
- No further decline in the strength of Rupee is possible till pair sustain below 76.40 mark
- RSI is showing negative divergence which suggest the possibility of further cooling in the coming days
- On breaching 74.35 level, pair can extend down 73.50 and 73 mark
- Failure to breach and sustain below 74.35 mark, it can see a bounce back towards 76.40 mark again

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	77.00
Resistance 1	76.4
Close	75.47
Support 1	74.35
Support 2	73.50

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