

Trading Calls

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FII DERIVATIVES POSITION FOR 20-April-2020	
	Net (Amt. in crs)
INDEX FUTURES	245
INDEX OPTIONS	(105)
STOCK FUTURES	(466)
STOCK OPTIONS	(44)

Institutional Turnover			
FII	Buy(cr.)	Sell(cr.)	Net(cr.)
20-Apr-20	5,817	6,083	(266)
Apr-20	77,912	81,030	(3,118)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
20-Apr-20	3,448	4,237	(789)
Apr-20	39,012	42,165	(3,153)

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9190.50	-0.72%

Nifty Key Levels For The Week

Support	S1: 9200	S2 : 9090
Resistance	R1 : 9325	R2 : 9400

Market Outlook

Domestic market opened on a positive note but soon faded momentum amid volatility followed by weak global cues due to falling crude oil prices which is trading near it's all time low. Formation of bearish candle after hanging man indicate caution for bulls. Although nifty is still trading above its 20 SMA suggest positive bias for short term. RSI and stochastic indicator are also sustaining above their reference line looking conducive for buying on dip strategy. Resistance stands at 9325 followed by 9400 above which nifty can extend up to 9500 levels. Long positions can be held above a close of 9090.

	Sectoral Performance (%)			
	1 Day	1 Week	1 Month	1 Year
Auto Components	0.47	8.05	8.17	(32.59)
Automobiles	(1.76)	(0.83)	2.63	(36.21)
Chemicals	(0.24)	5.65	6.90	(0.25)
Construction & Engineering	0.01	12.47	5.79	(35.99)
Construction Materials	(0.24)	8.35	0.65	(20.82)
Diversified Financial Services	0.43	1.21	(5.49)	(29.03)
Electrical Equipment	(0.09)	2.45	2.16	(31.82)
Energy	1.23	2.21	16.10	(21.59)
Financials	0.29	1.74	(1.69)	(30.53)
Health Care	0.27	1.62	23.12	7.11
Household Durables	0.41	6.63	1.91	(12.25)
Household & Personal Products	(1.45)	(1.90)	12.21	13.67
Information Technology	1.33	1.75	3.41	(18.40)
Metals/Mining/Minerals	(2.30)	3.03	7.75	(42.30)
Telecom	(2.57)	0.88	7.76	6.04
Utilities	1.10	6.02	12.29	(17.43)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	40876	71053	19872	87321
Future Stock	67491	1005948	105733	335642
Option Index Call	4530	126939	112482	442838
Option Index Put	62593	177342	124487	501417
Option Stock Call	0	9730	67468	173742
Option Stock Put	0	12339	42923	123096

	Short Position			
	DII	FII	Pro	Other
Future Index	5285	67150	25216	121471
Future Stock	768257	451119	103473	191965
Option Index Call	0	98595	172566	415628
Option Index Put	0	107992	169765	588082
Option Stock Call	2193	13393	92598	142756
Option Stock Put	0	9826	75255	93277

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	54.1
500087	CIPLA	37.5
500257	LUPIN	33.8
500124	DRREDDY	33.0
532321	CADILAHC	32.5
532523	BIOCON	24.4
500672	NOVARTIND	20.2
532488	DIVISLAB	19.7
500420	TORNTPHARM	17.9
500660	GLAXO	15.6

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532296	GLENMARK	49.9
500288	MOREPENLAB	39.1
532654	MCLEODRUSS	34.4
530001	GUJALKALI	32.2
500188	HINDZINC	23.4
502330	IPAPPM	23.0
532374	STRTECH	22.7
500294	NCC	22.0
524735	HIKAL	21.9
507488	GMBREW	17.0

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
524000	MAGMA	(35.4)
532822	IDEA	(30.4)
522249	MAYURUNIQ	(26.6)
523756	SREINFRA	(24.5)
507880	VIPIND	(24.3)
522074	ELGIEQUIP	(24.0)
500840	EIHOTEL	(22.0)
535789	IBULHSGFIN	(21.1)
535754	ORIENTCEM	(20.1)
532839	DISHTV	(15.4)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511243	CHOLAFIN	(36.4)
532313	MAHLIFE	(35.2)
532498	SHRIRAMCIT	(31.9)
532811	AHLUCONT	(31.6)
532805	REDINGTON	(29.8)
532144	WELCORP	(28.3)
511431	VAKRANSOFT	(26.1)
500164	GODREJIND	(24.7)
500330	RAYMOND	(24.6)
500067	BLUESTARCO	(24.1)

* 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

Spiralling covid-19 cases, rupee depreciation, rising interest rates and fear of economic recession have resulted in market volatility. However, announcement from RBI governor has given some relief measures by allocating Rs 50,000 Crore booster package for small and medium-sized industries. Indices remained volatile throughout the week as they struggled to hold above our demand zone on lack of conviction and follow up buying support. However, they tried their best to absorb selling pressure on Friday which augur well for the market but intermediate bouts of volatility and choppiness can not ruled out. For an intermediate trend change, a break and close below the recent lows is required which will provide confirmation for weakness. Until then, it will remain firm.

Technical Outlook-

- a) We mentioned in our previous report, "Index seems to have **resumed its northward side** as it formed big bullish candle on weekly chart," this has occurred on the daily chart as it gave **ascending triangle breakout** which is implying that this move can extend further.
- b) Although formation of **hanging man** suggest caution for Bulls.
- c) Ascending peaks of **MACD and stochastic** on daily chart are also showing strength.
- e) For keeping this momentum on upside, it has to surpass the top of hanging man which comes at 9325 levels from where it can extend up to 9600 and 9800 levels
- f) Now support is started shifting higher from 8650 to 8820 levels. As long as index holds this support, bias will remain positive

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9600	Previous swing high
Resistance 1	9325	Peak of hanging man
Close	9291	
Support 1	8820	Ascending line breakdown
Support 2	8655	Line of Polarity

VIEW

After opening with a negative session, Banknifty fell to make a weekly low of 18403 on Thursday. However it was unable to maintain at the lower level and a smart recovery was witnessed on Friday of the last week. At the end of the week Banknifty closed with a net gain of 3.85% over its previous week's close. Axis bank, State bank and Indusind bank were the main catalysts to lift the index higher.

OBSERVATIONS:

- 1) Banknifty has made a 'Hanging man' pattern on the daily chart.
- 2) Hidden Bearish Divergences are formed in RSI and Stochastic on the daily chart of Banknifty.

In reference to the above observations it can be concluded that in the extreme short term, some profit booking is expected in Banknifty from the current level. Near-term strong support of the index is at 18450 and a breach of this level is likely to take the index further lower to 17100. On the higher side 21470 would act as near-term stiff resistance of the Banknifty.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	21470
Resistance 1	20925
Close	20681
Support 1	19300
Support 2	18450

VIEW

Domestic currency witnessed a marginal uptick after testing a record low of 76.91 in the current week. Lowering crude oil prices helped the local unit to some extent as record production cut agreement by OPEC members still look insufficient to rebalance the oil market. On Friday, RBI became active and announced certain measures to check this slide which can curtail the losses in the coming sessions. Now we expect that the pace of rupee depreciation would become gradually slower as long as it sustains below its current swing high.

TECHNICAL FACTORS-

- a) From last two weeks, pair has been facing stiff resistance from its monthly rising trend line
- b) Formation of bullish belt hold on weekly chart suggesting some more weakness on chart for Rupee
- c) However, negative divergence of daily chart can rein the momentum in this coming week
- d) On sustaining above 77 mark, pair can extend up to 78 and 78.50 mark
- e) Support lies at 75.80-74.50 zone followed by 74.35 mark. A strong close below the same could lead to strength in Rupee

CHART ANALYSIS

USD/INR



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	78.00
Resistance 1	77
Close	76.55
Support 1	75.8
Support 2	75.50

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Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

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