

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	8902.00	-0.69%

Nifty Key Levels For The Week

Support	S1: 8900	S2 : 8820
Resistance	R1 : 9130	R2 : 9250

Market Outlook

Imminent global slowdown triggered by the coronavirus outbreak and weak Infosys earnings dented the sentiment of market participants. Nifty started trading below 9000 mark after giving gap down opening and closed below the same. In coming session if it slips below 8900 levels, then it can initially extend its downswing towards 8820 and 8650 levels. Unless it closes above 9130 followed by 9250 levels, all pull-back attempts on upside should be considered as an opportunity to create fresh short positions.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(5.69)	4.57	2.01	(36.42)
Automobiles	(4.58)	(3.67)	(2.07)	(39.13)
Chemicals	(1.25)	3.99	5.56	(1.50)
Construction & Engineering	(4.18)	2.68	1.36	(38.67)
Construction Materials	(2.27)	2.82	(1.64)	(22.61)
Diversified Financial Services	(5.14)	(0.03)	(10.34)	(32.68)
Electrical Equipment	(2.29)	0.12	(0.17)	(33.37)
Energy	(2.08)	2.14	13.69	(23.22)
Financials	(4.87)	(0.23)	(6.47)	(33.92)
Health Care	1.11	1.66	24.49	8.29
Household Durables	(3.50)	3.77	(1.66)	(15.32)
Household & Personal Products	(0.68)	(1.23)	11.45	12.90
Information Technology	(3.69)	(1.19)	(0.41)	(21.42)
Metals/Mining/Minerals	(4.58)	(2.92)	2.82	(44.94)
Telecom	1.65	(2.60)	9.54	7.80
Utilities	(2.54)	3.15	9.44	(19.53)

FII DERIVATIVES POSITION FOR 21-April-2020

Net (Amt. in crs)

INDEX FUTURES	(1,071)
INDEX OPTIONS	(110)
STOCK FUTURES	(684)
STOCK OPTIONS	0

Institutional Turnover

	FII	Buy(cr.)	Sell(cr.)	Net(cr.)
21-Apr-20		3,998	6,093	(2,095)
Apr-20		81,910	87,123	(5,214)
	DII	Buy(cr.)	Sell(cr.)	Net(cr.)
21-Apr-20		4,285	4,354	(68)
Apr-20		43,297	46,519	(3,222)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	40948	71249	23399	96373
Future Stock	71677	999892	116655	339781
Option Index Call	4584	132751	116727	550365
Option Index Put	63093	180777	131966	465773
Option Stock Call	0	9588	65129	196251
Option Stock Put	0	13012	49208	114347

	Short Position			
	DII	FII	Pro	Other
Future Index	4758	85068	22261	119882
Future Stock	767033	462337	106101	192534
Option Index Call	0	105726	216871	481830
Option Index Put	0	112860	166714	562035
Option Stock Call	2193	14457	103722	150596
Option Stock Put	0	9323	72472	94772

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	58.7
500087	CIPLA	49.0
500124	DRREDDY	42.1
532321	CADILAHC	38.0
500257	LUPIN	35.9
532523	BIOCON	32.9
532488	DIVISLAB	27.7
524494	IPCALAB	22.7
509480	BERGEPAIN	22.3
523367	DCMSHRIRAM	22.1

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500288	MOREPENLAB	58.5
532654	MCLEODRUSS	46.2
532296	GLENMARK	45.0
530001	GUJALKALI	33.8
507488	GMBREW	32.7
500294	NCC	24.1
500188	HINDZINC	22.8
532374	STRTECH	22.3
500875	ITC	22.0
524735	HIKAL	21.4

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532822	IDEA	(35.3)
524000	MAGMA	(26.7)
507880	VIPIND	(26.1)
523756	SREINFRA	(24.5)
535789	IBULHSGFIN	(24.4)
535754	ORIENTCEM	(21.1)
522074	ELGIEQUIP	(19.3)
522249	MAYURUNIQ	(16.6)
532839	DISHTV	(16.6)
500840	EIHOTEL	(16.0)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511243	CHOLAFIN	(37.1)
532811	AHLUCONT	(36.4)
532498	SHRIRAMCIT	(32.6)
532805	REDINGTON	(30.9)
532313	MAHLIFE	(29.9)
532144	WELCORP	(24.4)
532134	BANKBARODA	(23.6)
511218	SRTRANSFIN	(22.9)
532509	SUPRAJIT	(22.8)
500067	BLUESTARCO	(22.7)

* 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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