

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9200.00	0.35%

Nifty Key Levels For The Week

Support	S1: 9059	S2 : 8900
Resistance	R1 : 9250	R2 : 9400

Market Outlook

Lack of follow thru selling restricted the downswing in the index for a while. Bulls regained its lost ground and tried their best to fill the previous day's gap as it found support near our mentioned level of 8900 mark. While observing the current structure of nifty, we analysed that prices are still trading in area of rising wedge formation. Unless this area will be resolved decisively on either of side, tussle will continue among bulls and bears. Resistance stand at 9250 followed by 9400 levels on upside and support lies at 9050 followed by 8900 and 8800 levels on downside.

FII DERIVATIVES POSITION FOR 22-April-2020

Net (Amt. in crs)

INDEX FUTURES	417
INDEX OPTIONS	(198)
STOCK FUTURES	577
STOCK OPTIONS	(46)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-Apr-20	5,442	6,768	(1,326)
Apr-20	87,351	93,891	(6,540)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-Apr-20	4,353	3,489	864
Apr-20	47,650	50,008	(2,358)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.22	3.42	3.26	(34.69)
Automobiles	2.66	1.71	0.54	(36.47)
Chemicals	2.77	4.00	8.48	2.72
Construction & Engineering	(0.32)	(0.05)	1.03	(38.60)
Construction Materials	2.12	1.40	0.45	(19.66)
Diversified Financial Services	0.85	2.98	(9.58)	(30.58)
Electrical Equipment	0.42	(1.46)	0.24	(32.05)
Energy	6.72	11.40	21.32	(15.66)
Financials	1.14	3.45	(5.41)	(31.88)
Health Care	0.04	2.08	24.53	9.58
Household Durables	1.16	4.18	(0.52)	(13.56)
Household & Personal Products	2.53	(3.40)	14.27	16.01
Information Technology	1.34	0.06	0.93	(20.88)
Metals/Mining/Minerals	0.25	(3.69)	3.08	(43.86)
Telecom	0.74	(1.76)	10.35	8.59
Utilities	0.44	2.94	9.92	(18.59)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	39625	74055	21231	98381
Future Stock	72003	1012392	124792	349126
Option Index Call	4584	136683	128220	522161
Option Index Put	63168	177799	127866	563781
Option Stock Call	0	9317	69855	199745
Option Stock Put	0	14116	49983	127664

	Short Position			
	DII	FII	Pro	Other
Future Index	4171	81601	24482	123038
Future Stock	771195	465778	121987	199353
Option Index Call	0	103771	210293	477584
Option Index Put	0	120759	189474	622381
Option Stock Call	2193	14822	105474	156428
Option Stock Put	0	10501	79897	101365

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	60.0
500087	CIPLA	46.1
500124	DRREDDY	45.4
532523	BIOCON	36.8
500325	RELIANCE	35.1
500257	LUPIN	30.8
500830	COLPAL	30.8
532321	CADILAHC	26.5
532488	DIVISLAB	25.8
500420	TORNTPHARM	23.2

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500288	MOREPENLAB	82.9
532654	MCLEODRUSS	60.8
532296	GLENMARK	54.2
530001	GUJALKALI	42.4
507488	GMBREW	30.3
532374	STRTECH	29.8
524735	HIKAL	29.3
500294	NCC	24.8
500188	HINDZINC	24.5
531642	MARICO	24.0

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
535789	IBULHSGFIN	(28.0)
507880	VIPIND	(23.9)
523756	SREINFRA	(22.6)
535754	ORIENTCEM	(21.6)
522074	ELGIEQUIP	(21.2)
532839	DISHTV	(20.1)
532822	IDEA	(18.4)
526521	SANGHIIND	(16.1)
524000	MAGMA	(14.8)
522249	MAYURUNIQ	(14.4)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532811	AHLUCONT	(35.8)
511243	CHOLAFIN	(31.1)
532498	SHRIRAMCIT	(30.3)
532313	MAHLIFE	(27.8)
532134	BANKBARODA	(26.9)
532805	REDINGTON	(23.7)
532144	WELCORP	(22.1)
511218	SRTRANSFIN	(21.9)
532343	TVSMOTOR	(21.4)
500067	BLUESTARCO	(19.8)

* 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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