

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9213.50	0.79%

Nifty Key Levels For The Week

Support	S1: 9050	S2 : 9000
Resistance	R1 : 9300	R2 : 9350

Market Outlook

Nifty consolidated in a tight range of 300 points through-out the last week, and gave a flat weekly closing. Index was going through a complex correction at higher levels between 8900-9300 marks, and breakout on either side will decide the further price action. Although weekly candlestick has formed a bearish pattern, it has made higher high and higher bottom formation which denotes bullishness to continue further. Moreover, looking at price pattern, Heikin Ashi candlesticks has formed flat bottom which is strong bullish continuation and indication of persistence of ongoing positive trend.

FII DERIVATIVES POSITION FOR 24-April-2020

Net (Amt. in crs)

INDEX FUTURES	(456)
INDEX OPTIONS	632
STOCK FUTURES	(105)
STOCK OPTIONS	15

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
24-Apr-20	5,669	5,876	(207)
Apr-20	99,192	106,053	(6,861)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
24-Apr-20	3,904	4,898	(994)
Apr-20	55,383	58,396	(3,013)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.54	0.70	20.68	(34.34)
Automobiles	0.61	1.95	17.74	(36.08)
Chemicals	0.79	2.94	26.16	3.53
Construction & Engineering	(0.05)	(2.53)	20.63	(38.63)
Construction Materials	(1.10)	(0.57)	13.97	(20.54)
Diversified Financial Services	1.15	1.81	11.62	(29.78)
Electrical Equipment	1.96	0.29	14.78	(30.71)
Energy	0.56	10.11	40.25	(15.19)
Financials	2.42	4.08	15.81	(30.23)
Health Care	0.43	0.94	36.32	10.06
Household Durables	1.16	4.08	17.01	(12.56)
Household & Personal Products	(2.00)	(3.58)	23.20	13.69
Information Technology	4.74	6.31	15.55	(17.13)
Metals/Mining/Minerals	1.60	(3.49)	17.59	(42.96)
Telecom	(0.62)	(0.64)	23.26	7.92
Utilities	(1.37)	(0.99)	17.79	(19.71)

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

Long Position				
	DII	FII	Pro	Other
Future Index	32698	68255	21503	106382
Future Stock	67986	1018595	155746	360922
Option Index Call	4584	126181	100718	388869
Option Index Put	62691	174759	113931	428285
Option Stock Call	0	10516	72340	220888
Option Stock Put	0	14843	55119	129104

Short Position				
	DII	FII	Pro	Other
Future Index	4062	82197	22637	119942
Future Stock	766402	480840	139877	216130
Option Index Call	0	94979	148514	376859
Option Index Put	0	108041	140927	530698
Option Stock Call	2680	17124	120063	163877
Option Stock Put	0	10196	82607	106263

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	77.8
500087	CIPLA	51.7
500124	DRREDDY	51.0
500325	RELIANCE	41.6
532523	BIOCON	37.9
532488	DIVISLAB	34.2
500257	LUPIN	34.0
500420	TORNTPHARM	33.4
521064	TRIDENT	32.3
532514	IGL	32.3

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500288	MOREPENLAB	115.2
532654	MCLEODRUSS	76.5
532296	GLENMARK	70.8
530001	GUJALKALI	64.0
524735	HIKAL	53.7
507488	GMBREW	44.8
532374	STRTECH	35.5
524742	CAPPL	34.4
511072	DHFL	29.6
500294	NCC	29.2

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
523756	SREINFRA	(19.2)
507880	VIPIND	(16.9)
526521	SANGHIIND	(15.6)
522074	ELGIEQUIP	(13.5)
535754	ORIENTCEM	(13.4)
535789	IBULHSGFIN	(12.7)
532839	DISHTV	(12.1)
530073	SANGHVIMOV	(8.5)
526612	BLUEDART	(7.6)
500252	LAXMIMACH	(5.7)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532811	AHLUCONT	(33.2)
532134	BANKBARODA	(25.6)
532498	SHRIRAMCIT	(25.5)
511243	CHOLAFIN	(24.3)
532313	MAHLIFE	(23.4)
500164	GODREJIND	(17.8)
511431	VAKRANSOFT	(17.6)
532343	TVSMOTOR	(17.2)
532805	REDINGTON	(14.6)
532144	WELCORP	(14.0)

* 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

Bulls are not losing their grip while Bears are putting pressure at higher levels as index turned down after two days of extension on the back of weak global cues due to the unsuccessful attempt of the potential antiviral drug for coronavirus. Except for the pharma sector, all other sectorial indices ended lower. Market participants are concerned that the sharp rise in coronavirus cases could weigh on the global as well as domestic market. However easing in the lockdown can provide some level of support to the domestic market.

Technical Outlook-

- Indices moved in line with our hope but failed to give breakout above the base line of ascending triangle pattern which has created the fear of dead cat bounce
- From last few days, Nifty was consolidating in the form of **Rising wedge pattern** on daily chart which give implication of bearishness
- It is evident on the weekly chart that index took halt at 9390 level near **38.2% Fibonacci retracement** of the fall from 12430 to 7511 levels
- Moreover, formation of **bearish belt hold** candlestick pattern on weekly chart suggest weakness but further confirmation is required
- Flattening of 14 period of RSI** near 40 mark indicate weakening of this pullback rally
- However, occurrence of **higher tops and higher bottoms** on weekly chart may provide relief to Bulls
- As of now, **9400 followed by 9550 level** will act as stiff resistance. As long as it holds below the same, index can slip down till **8800** from where it can find support. However, A fall below 8800 can trigger weakness towards 8650 and 8500 on downside

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9550	Previous swing high
Resistance 1	9400	38.2% Fibonacci Retracement
Close	9154	
Support 1	8800	Ascending line breakdown
Support 2	8655	Line of Polarity

VIEW

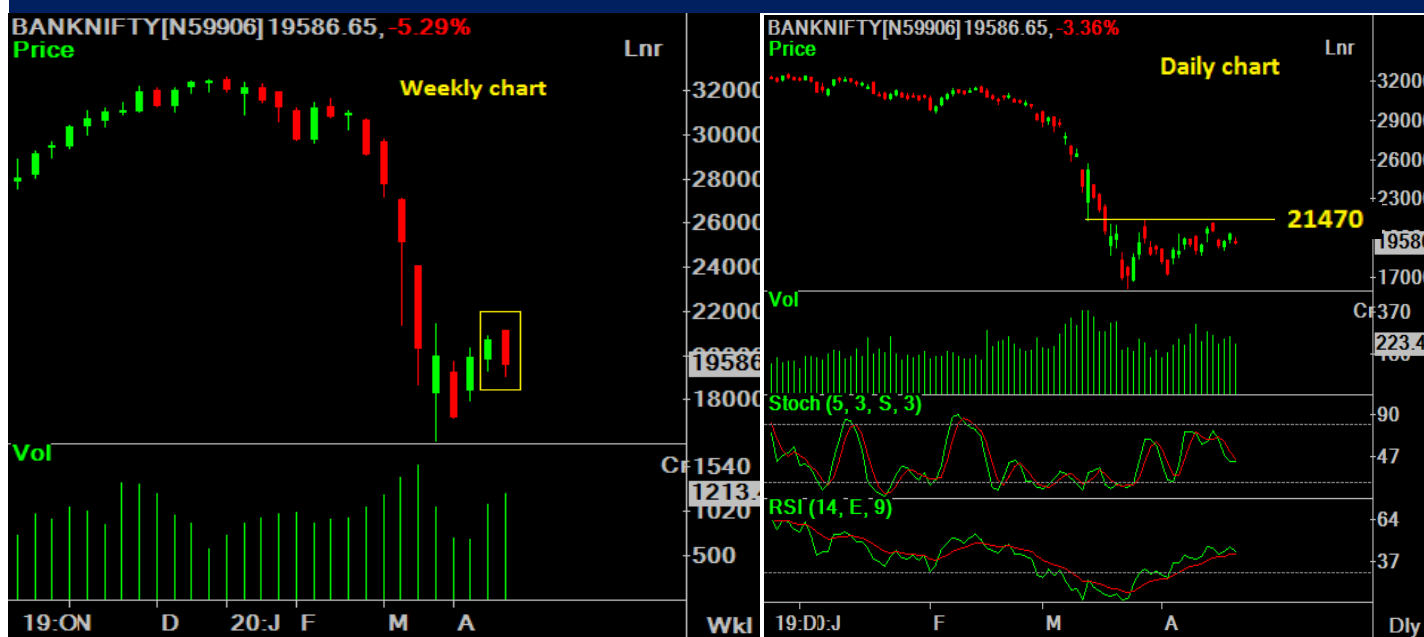
In line with our expectation some selling pressure was witnessed in Banknifty throughout last week and the index closed with a net loss of 5.3% over its previous week's close. ICICI Bank and Axis bank were the major losers during the week and they closed after losing 10%-15% while some buying interest was seen in HDFC bank and kotak bank during the last week.

OBSERVATIONS:

- 1) Banknifty has made a 'Bearish Engulfing' pattern on the weekly chart.
- 2) Short term stiff resistance of Banknifty is at 21470.

The formation of bearish engulfing pattern on the weekly chart of Banknifty is giving indication of some more selling pressure in the near future. 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 short term stiff resistance of the Banknifty and trend reversal is possible only after closing above 21470.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	21470
Resistance 1	20925
Close	19586
Support 1	18450
Support 2	17140

VIEW

Indian currency witnessed breather from its all time low 77.04 and slipped near our mentioned support of 75.80 mark while tracking asian peers and mild gain in equity market. Stimulus measures took by RBI and investment of facebook in Reliance has provided strength which helped Rupee for finding the base near 77 mark. Market participants are looking for easing in the lockdown along with the flattening of curve in the Covid-19 cases which can provide further strength to Rupee but any news related to extension of lockdown can severely impact our struggling economy and depreciate our currency in coming sessions.

TECHNICAL FACTORS-

- Failure to break 77 mark decisively in three consecutive weeks forced the pair into sharp correction
- Pair has broken down from its rising wedge pattern with heavy volume suggest bearish implication for the pair
- On sustaining below 75.80-75.50 zone pair can slip downside till 74.30 mark
- However, RSI found support near 50 mark and turned up implies downside is limited
- Failure to breach our mentioned support, pair can rise up to 77 mark again. Above which it can extend up to 78 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	78.00
Resistance 1	77
Close	75.83
Support 1	75.8
Support 2	75.50

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