

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9279.25	1.01%

Nifty Key Levels For The Week

Support	S1: 9140	S2 : 9000
Resistance	R1 : 9350	R2 : 9450

Market Outlook

Indices made a weak opening tracking closing of the global market. Sentiment also got a dent as coronavirus cases crossed above 50000 mark despite more than 40 days lockdown. Formation of small bodied candle denote a lack of directional consensus and indecisiveness of the market participants. Resistance stands at 9350 followed by 9450 levels while support lies at 9140 followed by 9000 levels.

FII DERIVATIVES POSITION FOR 07-May-2020

Net (Amt. in crs)

INDEX FUTURES	(1,628)
INDEX OPTIONS	1,493
STOCK FUTURES	(2,977)
STOCK OPTIONS	4

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
07-May-20	23,370	4,313	19,056
May-20	37,096	20,967	16,129
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
07-May-20	7,051	3,232	3,818
May-20	17,971	16,487	1,484

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.35)	(3.67)	10.01	(31.44)
Automobiles	(0.86)	(1.17)	9.89	(31.58)
Chemicals	(1.56)	(6.19)	6.19	0.64
Construction & Engineering	0.10	(4.26)	7.97	(37.80)
Construction Materials	(1.52)	(3.69)	4.64	(24.83)
Diversified Financial Services	(1.06)	(5.60)	5.94	(27.80)
Electrical Equipment	(1.31)	(6.22)	(0.23)	(33.83)
Energy	1.39	3.52	17.03	(11.13)
Financials	(1.32)	(6.83)	3.10	(30.82)
Health Care	(0.70)	(2.27)	11.05	12.40
Household Durables	(0.14)	(5.40)	8.00	(11.89)
Household & Personal Products	(1.38)	(9.14)	(14.32)	3.32
Information Technology	(0.44)	(0.04)	6.07	(16.04)
Metals/Mining/Minerals	0.57	(1.49)	2.98	(41.50)
Telecom	(2.40)	5.61	13.84	18.19
Utilities	(1.96)	(1.25)	4.98	(18.59)

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

Long Position				
	DII	FII	Pro	Other
Future Index	22483	52783	19433	87745
Future Stock	42257	992466	112694	386802
Option Index Call	4584	99869	76468	305331
Option Index Put	61465	162538	108558	318115
Option Stock Call	0	9213	57486	207464
Option Stock Put	0	12853	60128	93951

Short Position				
	DII	FII	Pro	Other
Future Index	7122	53226	18341	103755
Future Stock	792476	501542	66263	173938
Option Index Call	0	74599	105646	306007
Option Index Put	0	89219	120845	440612
Option Stock Call	891	12920	105981	154371
Option Stock Put	0	9643	60359	96930

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524208	AARTIIND	42.5
500087	CIPLA	39.3
500257	LUPIN	38.0
500325	RELIANCE	35.5
530813	KRBL	33.2
506820	ASTRAZEN	32.7
532301	TATACOFFEE	32.5
524404	MARKSANS	32.4
532221	SONATSOFTW	31.4
523642	PIIND	31.0

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	134.6
500288	MOREPENLAB	74.0
532296	GLENMARK	63.1
530001	GUJALKALI	48.0
524735	HIKAL	47.7
532374	STRTECH	45.9
500520	M&M	40.6
507488	GMBREW	35.7
532733	SUNTV	34.1
511072	DHFL	33.1

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532477	UNIONBANK	(16.0)
535754	ORIENTCEM	(13.5)
532349	TCI	(13.3)
507880	VIPIND	(10.9)
526521	SANGHIIND	(10.6)
506690	UNICHEMLAB	(9.1)
530965	IOC	(7.2)
524000	MAGMA	(6.4)
500110	CHENNPETRO	(3.5)
522249	MAYURUNIQ	(3.0)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532134	BANKBARODA	(20.6)
500164	GODREJIND	(14.7)
500710	AKZOINDIA	(11.2)
533088	MHRIL	(10.1)
500575	VOLTAS	(7.7)
532313	MAHLIFE	(7.7)
532810	PFC	(5.2)
500878	CEATLTD	(5.0)
531531	HATSUN	(4.7)
532498	SHRIRAMCIT	(3.3)

* 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

Indian market showed an impressive show in the past week ahead as investors sentiment improved on hopes of gradual lifting of lockdown across the world which would help to start economic recovery. The benchmark indices ended the truncated week with 7.7 percent gain. But this pullback rally is going to fizzle out soon due to weak corporate earning results of Reliance and HUL. Macrodatta of core sectors output also contracted by a record of 6.5% in March as many factories shut down and production came to a virtual halt amid the coronavirus lockdown which also implies bearish outlook in the coming week. Weak global data and threat of Donald trump to impose new tariffs on China over the coronavirus crisis is another reason which can weigh down the market. Situation in the market as well as in economy remains complex and grim until the antidote of Covid-19 would be invented.

Technical Outlook-

- Index signed off the April series with strong signs and formed a bullish candle on daily, weekly and monthly charts
- However, while tracking global cues, gap down opening is expected on monday
- This will do structural damage of the chart that has got momentum after the breakout from its Rising wedge pattern
- Fresh round can be expected below 9250 followed by 9140 below which it can slip down till 8950 and 8800 levels.
- Resistance stands at 9600 followed by 9900 levels on upside

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9900	50% Fibonacci Retracement
Resistance 1	9600	Previous Swing High
Close	9859	
Support 1	9250	Line of Polarity
Support 2	9150	Line of Parity

VIEW

After opening with a green session, Banknifty continued its upward movement throughout last week and closed the week with a net gain of 10% over its previous week's close. The buying was witnessed across the board. However ICICI bank, Kotak bank, Axis bank and HDFC bank were on the buyers' radar.

OBSERVATIONS:

- 1) Banknifty has made a 'Gravestone doji' pattern on the daily chart.
- 2) Stochastic reached at overbought zone.

The formation of gravestone doji pattern along with overbought position of Stochastic is giving indication of some profit booking in the near future. Near-term strong support of the index is at 20730 and a breach of this level is likely to take the index further lower to 20270. On the higher side 22060-22570 zone would act as near term stiff resistance of the banknifty.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	22550
Resistance 1	22060
Close	21534
Support 1	20730
Support 2	20270

VIEW

This is the second consecutive week of gain for Rupee during which it has appreciated by 53 paise against US dollar, tracking positive equity market and week american currency in the overseas market. But in this coming week, Rupee can come under selling pressure as US FED widned a key program to help the economy, agreeing to lend to the larger firms which can support Dollar in this coming week. RBI has been intervening in the currency market to mitigate the volatility but the force of selloff is so strong that the RBI has been unable to push the unit above 74.90 mark

TECHNICAL FACTORS-

- After the breakdown of its rising wedge pattern, pair found support near 74.90 levels
- Possibility of bounce back arises if it holds above 74.90 mark
- While indicators and oscillators are giving mixed signal suggest indecisiveness for the market participants
- With support at 74.90, pair can extend up to 76.50 and 77.05 mark where it can face stiff resistance
- However, on sustaining below 74.90 mark, pair can extend down till 74.30 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	77.00
Resistance 1	76.5
Close	75.72
Support 1	74.9
Support 2	74.30

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