

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9350.25	1.25%

Nifty Key Levels For The Week

Support	S1: 9200	S2 : 9150
Resistance	R1 : 9400	R2 : 9450

Market Outlook

Nifty is majorly trading in a band of 20 DMA & 50 DMA since last 3 weeks and any further price action above 50 DMA standing around 9550 will lead to a afresh breakout which can take prices higher towards 10000 marks. On a lower side crucial support lies around 8888 and any decisive move below this zone will trigger fresh selling which can push Nifty towards 8500 marks.

FII DERIVATIVES POSITION FOR 08-May-2020

Net (Amt. in crs)

INDEX FUTURES	329
INDEX OPTIONS	569
STOCK FUTURES	(1,530)
STOCK OPTIONS	17

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
08-May-20	6,092	4,367	1,725
May-20	43,188	25,334	17,854
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
08-May-20	3,417	4,920	(1,503)
May-20	21,387	21,406	(19)

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	21522	52958	20458	92734
Future Stock	50778	993356	118604	392037
Option Index Call	4584	109622	116431	437957
Option Index Put	61465	175463	135687	389548
Option Stock Call	0	9856	59886	224227
Option Stock Put	0	13998	62273	102512

	Short Position			
	DII	FII	Pro	Other
Future Index	7122	50102	22932	107516
Future Stock	773448	529890	68460	182977
Option Index Call	0	80275	163908	424411
Option Index Put	0	98384	154561	509218
Option Stock Call	891	13946	113284	165848
Option Stock Put	0	10053	65520	103210

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500325	RELIANCE	44.5
500257	LUPIN	44.2
500087	CIPLA	43.1
524404	MARKSANS	40.3
524208	AARTIIND	35.9
503806	SRF	35.3
532777	NAUKRI	33.8
532301	TATACOFFEE	32.0
500003	AEGISCHEM	31.6
506820	ASTRAZEN	29.8

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	133.0
500288	MOREPENLAB	73.7
532296	GLENMARK	63.7
524735	HIKAL	50.7
532374	STRTECH	47.3
530001	GUJALKALI	45.4
500520	M&M	41.7
532733	SUNTV	39.0
511072	DHFL	35.6
502330	IPAPPM	31.1

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532477	UNIONBANK	(17.4)
535754	ORIENTCEM	(14.4)
526521	SANGHIIND	(14.1)
532349	TCI	(11.1)
524000	MAGMA	(10.9)
507880	VIPIND	(9.1)
530965	IOC	(5.9)
522249	MAYURUNIQ	(5.0)
523756	SREINFRA	(4.8)
506690	UNICHEMLAB	(4.6)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532134	BANKBARODA	(19.6)
500710	AKZOINDIA	(11.6)
500164	GODREJIND	(10.2)
532313	MAHLIFE	(10.1)
532509	SUPRAJIT	(7.6)
532498	SHRIRAMCIT	(7.0)
533088	MHRIL	(6.4)
531500	RAJESHEXPO	(5.9)
532810	PFC	(5.6)
531531	HATSUN	(3.8)

* 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

After showing pullback rally of 15% in April, domestic market reacted in line with its global peers and witnessed a big gap down opening at the beginning of May contract. This also compels to recall that famous adage of stock market, "**SELL IN MAY & GO AWAY**", where investors usually sell their stocks and in May and re-enter markets in early November as they believe that market produces lower returns from May to October. This is going to seem to be true in 2020 also as the relief rally of April ended with a dead cat bounce where investors did profit booking at higher levels. By looking at all these scenarios, we have a cautious view in the market, unless the global health environment improves with a better treatment and vaccination in the future. Markets are expected to continue to trade in a narrow range until the lockdown ends or fiscal stimulus is announced by the Government.

Technical Outlook-

- Index began its week on a fragile note while ending with a deep cut as it showed no inclination to recover throughout the week
- Nifty closed outside the lower boundary of the Rising wedge pattern along with a red candle on the weekly chart which is exhibiting a bearish directional bias for some more time
- Closing of the Nifty and Banknifty near the day's lowest level would be negative for the coming week
- Unless the Nifty clears the hurdles of 9450 followed by 9600 levels decisively, the trajectory of this market shall remain on the downside
- Weakness gets confirmed with a close below the 9100-9000 zone from where it can fall towards 8800 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9600	Previous breakout point of Rising wedge
Resistance 1	9450	Near 38.2% Fibonacci Retracement
Close	9251	
Support 1	9000	Psychological Levels
Support 2	8800	Line of Parity

VIEW

After opening with a red session, Banknifty continued its downward movement throughout last week and closed the week with a net loss of 10% over its previous week's close. The selling was witnessed across the board. However SBI, ICICI bank and Axis bank lead to a decline.

OBSERVATIONS:

- 1) Hidden Bearish Divergences are formed in MACD and RSI on the daily chart of Banknifty
- 2) Banknifty has left a gap in between 20530 and 21353 on 4th May.

In reference to the above observations it can be concluded that in the extreme short term some pullback may possible in Banknifty for filling the gap (20530-21353). However formation of hidden bearish divergences in MACD and RSI are refuting the sustainability of the index at the higher levels. So every pullback up to 21353 should be used as selling opportunity in Banknifty.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	20600
Resistance 1	20100
Close	19532
Support 1	18920
Support 2	18300

VIEW

Indian currency posted minor gain to close at 75.53 mark against the US dollar amid resurfacing of trade tensions between US and China. Origin of coronavirus which has inflicted severe global economic damage is the point of contention due to this President Trump threatened to impose fresh tariffs for penalising China. However, reopening of various economies in a phased manner has boosted risk appetite to some extent and is underpinning the Rupee where recent top guarding it from further depreciation.

TECHNICAL FACTORS-

- a) After giving the breakdown from its rising wedge pattern, pair found support near 74.90 levels
- b) Possibility of pull back arises if it sustains above 74.90 mark
- c) However, RSI is facing stiff resistance from its falling sloping line
- d) On sustaining above 76.15, pair can extend up to 76.50 and 77.05 mark where it can face stiff resistance
- e) However, on sustaining below 74.90 mark, pair can extend down till 74.30 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	76.50
Resistance 1	76.15
Close	75.53
Support 1	74.9
Support 2	74.30

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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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