

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9145.00	-0.76%

Nifty Key Levels For The Week

Support	S1: 9175	S2 : 9100
Resistance	R1 : 9350	R2 : 9450

Market Outlook

Index pared morning gain to end almost flat and it formed a bearish candle with a long upper wick reflecting weakness near its key resistance at 9450 level. It was the fifth consecutive session when the market consolidated within the band of 250-300 points, which indicated sideways movement and lack of strength on either side. Also daily strength indicator RSI continues to remain weak and trading below the 50 mark, which signals underlying weakness whereas momentum indicator stochastic turned bullish from an oversold zone, indicating possible consolidation to continue further. Sustainability below 9200-9175 zone can push lower towards 9100 and 9000 level. Resistance stands at 9350 followed by 9450 level.

FII DERIVATIVES POSITION FOR 11-May-2020

Net (Amt. in crs)

INDEX FUTURES	806
INDEX OPTIONS	128
STOCK FUTURES	(888)
STOCK OPTIONS	46

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
11-May-20	5,383	4,848	535
May-20	48,571	30,182	18,389
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
11-May-20	3,799	4,621	(822)
May-20	25,186	26,027	(841)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.37	0.86	3.63	(29.49)
Automobiles	4.97	3.56	0.72	(28.30)
Chemicals	(0.27)	(3.29)	1.67	1.61
Construction & Engineering	0.77	0.18	6.54	(37.01)
Construction Materials	1.43	1.48	4.82	(21.66)
Diversified Financial Services	(0.66)	(2.07)	(3.34)	(27.85)
Electrical Equipment	0.57	(3.94)	(5.96)	(32.32)
Energy	0.77	5.86	18.60	(3.26)
Financials	(1.54)	(3.25)	(4.35)	(31.52)
Health Care	(0.05)	(0.87)	4.03	15.61
Household Durables	(0.02)	(2.20)	1.25	(12.07)
Household & Personal Products	(0.90)	(1.69)	(11.73)	6.90
Information Technology	1.67	1.08	7.81	(13.24)
Metals/Mining/Minerals	1.24	(0.15)	0.09	(39.55)
Telecom	1.85	1.24	11.04	23.39
Utilities	0.38	(1.99)	(0.62)	(17.25)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	21988	56272	18532	84649
Future Stock	51509	1005006	122622	397138
Option Index Call	4584	113610	136678	544177
Option Index Put	61450	185056	141312	442827
Option Stock Call	0	10127	62390	238903
Option Stock Put	0	14793	64540	109878

	Short Position			
	DII	FII	Pro	Other
Future Index	7121	41659	22964	109697
Future Stock	781487	545572	71914	177302
Option Index Call	0	88117	209447	501485
Option Index Put	0	104473	166599	559573
Option Stock Call	891	14408	119617	176504
Option Stock Put	0	9728	69256	110227

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500325	RELIANCE	46.2
532541	NIIITTECH	38.5
532187	INDUSINDBK	38.4
500003	AEGISCHEM	38.3
503806	SRF	34.2
532301	TATACOFFEE	32.7
500770	TATACHEM	32.0
500408	TATAELXSI	30.8
500493	BHARATFORG	30.6
500087	CIPLA	30.5

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	123.2
532296	GLENMARK	57.2
500288	MOREPENLAB	53.5
532374	STRTECH	50.5
532733	SUNTV	47.1
500520	M&M	38.9
500294	NCC	38.6
524735	HIKAL	36.2
500182	HEROMOTOCO	31.7
511072	DHFL	29.1

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532477	UNIONBANK	(16.9)
535754	ORIENTCEM	(16.7)
526521	SANGHIIND	(16.5)
500413	THOMASCOOK	(13.2)
524000	MAGMA	(12.4)
523756	SREINFRA	(6.5)
532349	TCI	(6.2)
530965	IOC	(5.2)
500110	CHENNPETRO	(4.5)
532524	PTC	(4.1)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532134	BANKBARODA	(15.8)
531500	RAJESHEXPO	(14.4)
500164	GODREJIND	(8.6)
500710	AKZOINDIA	(8.3)
532509	SUPRAJIT	(6.6)
532144	WELCORP	(6.0)
532498	SHRIRAMCIT	(4.9)
532313	MAHLIFE	(4.6)
532810	PFC	(2.5)
500547	BPCL	(0.8)

* 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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