

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9440.00	2.33%

Nifty Key Levels For The Week

Support	S1: 9350	S2 : 9240
Resistance	R1 : 9600	R2 : 9680

Market Outlook

Gap up opening is expected on the back of the announcement of the stimulus package of 20 lakh crore by PM for boosting the economy which was shattered due to the lockdown. This encouraging development prompting towards a near term relief for market and current reversal situation could get better once nifty convincingly sustains above 9600 level from where it can catch momentum of buying. Intraday support lies at 9350 followed by 9240 levels.

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)

FII DERIVATIVES POSITION FOR 12-May-2020

Net (Amt. in crs)

INDEX FUTURES	(872)
INDEX OPTIONS	181
STOCK FUTURES	(195)
STOCK OPTIONS	49

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
12-May-20	6,232	7,894	(1,662)
May-20	54,803	38,076	16,727
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
12-May-20	5,327	5,691	(364)
May-20	30,513	31,718	(1,205)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	20723	51577	23622	89042
Future Stock	42147	999340	131304	418885
Option Index Call	4584	123651	135009	561190
Option Index Put	61450	191837	152618	465514
Option Stock Call	0	11014	59124	255096
Option Stock Put	0	15784	70126	103563

	Short Position			
	DII	FII	Pro	Other
Future Index	6638	51206	19090	108030
Future Stock	804917	542278	73798	170683
Option Index Call	0	96933	228770	498731
Option Index Put	0	111058	175822	584539
Option Stock Call	891	14700	128186	181457
Option Stock Put	0	10627	66099	112747

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500493	BHARATFORG	29.9
532541	NIIITTECH	29.8
500770	TATACHEM	24.5
524208	AARTIIND	24.3
500408	TATAELXSI	23.0
500325	RELIANCE	22.7
503806	SRF	22.5
524200	VINATIORGA	22.1
500477	ASHOKLEY	21.8
500257	LUPIN	21.2

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532296	GLENMARK	45.7
532374	STRTECH	43.8
532733	SUNTV	37.3
500294	NCC	35.5
500288	MOREPENLAB	23.4
500480	CUMMINSIND	23.0
524735	HIKAL	22.6
532466	OFSS	22.3
500520	M&M	22.3
511072	DHFL	20.5

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
526521	SANGHIIND	(21.8)
535754	ORIENTCEM	(20.0)
532477	UNIONBANK	(17.4)
500413	THOMASCOOK	(17.2)
524000	MAGMA	(16.8)
500840	EIHOTEL	(12.7)
532349	TCI	(10.1)
500101	ARVIND	(10.1)
530965	IOC	(9.8)
500110	CHENNPETRO	(6.4)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
531500	RAJESHEXPO	(14.9)
532134	BANKBARODA	(14.7)
500710	AKZOINDIA	(11.9)
500547	BPCL	(11.1)
500164	GODREJIND	(10.2)
532509	SUPRAJIT	(7.9)
532810	PFC	(7.4)
532498	SHRIRAMCIT	(7.0)
532144	WELCORP	(6.6)
532313	MAHLIFE	(5.9)

* 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 seems to be true in 2020 also as the relief rally of April ended with dead cat bounce where investors did profit booking at higher levels. By looking 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. Market is expected to continue to trade in a narrow range until the lockdown ends or fiscal stimulus 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 red candle on weekly chart which are 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 downside
- Weakness gets confirmed with a close below 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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