

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9250.80	-1.49%

Nifty Key Levels For The Week

Support	S1: 9240	S2 : 9170
Resistance	R1 : 9450	R2 : 9600

Market Outlook

Index failed to hold on gains after jumping more than 350 point on the announcement of 20 lakh crore of stimulus by the PM a day earlier. It formed bearish belt hold pattern suggesting the possibility of selling pressure in coming days until the top of this pattern will breach decisively. Selling pressure may extend if it will fail to past the high of yesterday's top in the coming sessions. A close below 9240 levels can be taken as the opportunities for short towards 9170 and 9100 levels on downside. Resistance stands at 9450 followed by 9600 levels.

FII DERIVATIVES POSITION FOR 13-May-2020

Net (Amt. in crs)

INDEX FUTURES	(49)
INDEX OPTIONS	(2,253)
STOCK FUTURES	469
STOCK OPTIONS	2

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
13-May-20	6,192	6,476	(283)
May-20	60,995	44,552	16,444
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
13-May-20	4,847	4,615	233
May-20	35,360	36,332	(972)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	2.10	2.32	7.99	(27.18)
Automobiles	2.38	5.79	5.79	(24.50)
Chemicals	2.11	(1.39)	2.23	3.84
Construction & Engineering	5.56	5.76	6.47	(32.01)
Construction Materials	4.56	5.28	6.24	(16.61)
Diversified Financial Services	2.95	0.66	4.21	(24.59)
Electrical Equipment	3.47	0.46	(4.11)	(29.51)
Energy	1.90	1.38	17.37	(4.45)
Financials	3.43	(0.34)	1.70	(28.47)
Health Care	(0.91)	(1.03)	1.44	18.09
Household Durables	2.09	(1.03)	2.87	(9.98)
Household & Personal Products	(0.18)	(0.36)	(11.82)	5.30
Information Technology	0.42	2.80	9.85	(12.27)
Metals/Mining/Minerals	2.88	3.85	1.77	(36.80)
Telecom	(0.05)	4.12	9.91	29.24
Utilities	1.69	(0.05)	2.45	(12.48)

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

Long Position				
	DII	FII	Pro	Other
Future Index	23548	40104	22526	88911
Future Stock	40144	1009993	128539	419748
Option Index Call	4584	121597	174525	653272
Option Index Put	66491	185051	163023	513619
Option Stock Call	0	11366	64095	249982
Option Stock Put	0	16813	69687	109739

Short Position				
	DII	FII	Pro	Other
Future Index	5975	38107	19658	111349
Future Stock	825873	532368	76429	163754
Option Index Call	0	114733	269429	569816
Option Index Put	0	114639	192899	620646
Option Stock Call	891	15642	129127	179783
Option Stock Put	0	10789	69857	115593

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500770	TATACHEM	31.2
532541	NIITTECH	28.9
500495	ESCORTS	26.4
500325	RELIANCE	25.5
500387	SHREECEM	23.5
500408	TATAELXSI	23.4
500493	BHARATFORG	22.1
532301	TATACOFFEE	21.2
524200	VINATORGA	21.0
532819	MINDTREE	20.9

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	98.4
532374	STRTECH	51.4
532296	GLENMARK	44.2
500294	NCC	33.4
500520	M&M	26.5
500410	ACC	26.2
532921	ADANI PORTS	23.5
534690	LAKSHVILAS	23.0
532733	SUNTV	21.2
511072	DHFL	20.6

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
526521	SANGHIIND	(23.4)
500413	THOMASCOOK	(20.0)
524000	MAGMA	(17.5)
500840	EIHOTEL	(16.6)
506690	UNICHEMLAB	(13.4)
532477	UNIONBANK	(13.3)
535754	ORIENTCEM	(12.7)
507880	VIPIND	(8.3)
532349	TCI	(7.7)
530965	IOC	(7.1)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
531500	RAJESHEXPO	(13.8)
532134	BANKBARODA	(8.5)
523385	NILKAMAL	(8.3)
500547	BPCL	(7.6)
500164	GODREJIND	(7.5)
500330	RAYMOND	(7.1)
500710	AKZOINDIA	(5.9)
532144	WELCORP	(5.5)
520051	JAMNAAUTO	(4.5)
500575	VOLTAS	(3.7)

* 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 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 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

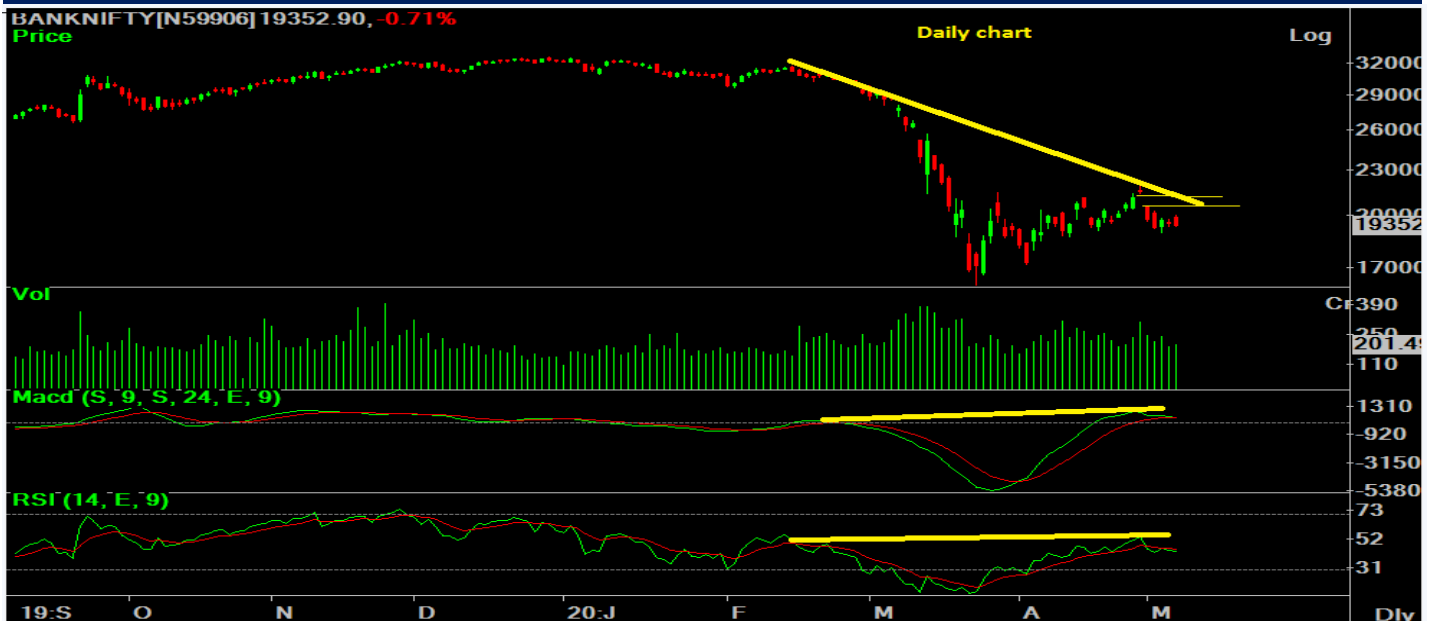
After opening with a red session, Banknifty continued its downward movement throughout last week and closed the week with a net loss of 10% over its previous week's close. The selling was witnessed across the board. However SBI, ICICI bank and Axis bank lead to a decline.

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-

- After giving the breakdown from its rising wedge pattern, pair found support near 74.90 levels
- Possibility of pull back arises if it sustains above 74.90 mark
- However, RSI is facing stiff resistance from its falling sloping line
- On sustaining above 76.15, 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	76.50
Resistance 1	76.15
Close	75.53
Support 1	74.9
Support 2	74.30

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