

## Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9154.00	0.39%

### Nifty Key Levels For The Week

Support	S1: 9050	S2 : 9000
Resistance	R1 : 9300	R2 : 9350

### Market Outlook

Though market traded lower throughout the weekly expiry day, Nifty is trading in a zone of 9000 on lower side and 9500 on higher side since last 10 trading sessions. At the same time 20 DMA and 5DMA are almost flat indicating sideways movement to continue further. Moreover, one can see crucial support near previous swing pivot placed around 9050.

### FII DERIVATIVES POSITION FOR 14-May-2020

Net (Amt. in crs)

INDEX FUTURES	(1,328)
INDEX OPTIONS	1,502
STOCK FUTURES	(692)
STOCK OPTIONS	(98)

### Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
14-May-20	4,655	6,808	(2,153)
May-20	65,650	51,359	14,291
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
14-May-20	4,146	3,344	802
May-20	39,506	39,676	(170)

### Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(1.72)	0.91	6.13	(28.19)
Automobiles	(0.02)	6.68	5.77	(24.89)
Chemicals	(1.03)	(0.86)	1.18	2.96
Construction & Engineering	0.18	5.85	6.66	(32.96)
Construction Materials	(0.42)	6.45	5.79	(17.81)
Diversified Financial Services	(2.86)	(1.17)	1.23	(27.24)
Electrical Equipment	(1.03)	0.74	(5.10)	(31.05)
Energy	(3.53)	(3.53)	13.23	(9.30)
Financials	(2.84)	(1.87)	(1.19)	(30.99)
Health Care	0.71	0.38	2.16	17.72
Household Durables	0.08	(0.81)	2.95	(9.45)
Household & Personal Products	1.47	2.52	(10.53)	6.93
Information Technology	(2.92)	0.24	6.65	(13.66)
Metals/Mining/Minerals	(1.74)	1.46	0.00	(37.97)
Telecom	(1.76)	4.80	7.97	23.28
Utilities	(2.13)	(0.22)	0.27	(15.05)

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

Long Position				
	DII	FII	Pro	Other
Future Index	23622	32899	23864	95159
Future Stock	38553	999145	139365	435165
Option Index Call	4584	99116	113015	434201
Option Index Put	66391	178231	125060	329280
Option Stock Call	23	11618	62574	290439
Option Stock Put	0	17387	80148	109309

Short Position				
	DII	FII	Pro	Other
Future Index	5103	50427	18406	101608
Future Stock	833881	542573	72572	163202
Option Index Call	0	93628	168737	388551
Option Index Put	0	97139	122563	479260
Option Stock Call	941	17992	149642	196079
Option Stock Put	0	11183	70057	125604

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500770	TATACHEM	25.7
532541	NITTECH	21.3
532777	NAUKRI	20.2
500085	CHAMBLFERT	19.4
526299	MPHASIS	18.9
533155	JUBLFOOD	18.9
500325	RELIANCE	17.7
500495	ESCORTS	16.2
500387	SHREECEM	14.3
500027	ATUL	14.3

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	80.2
532296	GLENMARK	39.8
532374	STRTECH	36.7
532921	ADANI PORTS	22.8
511072	DHFL	20.7
500294	NCC	20.1
532466	OFSS	19.6
500410	ACC	18.9
524735	HIKAL	17.0
534690	LAKSHVILAS	14.7

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
526521	SANGHIIND	(26.9)
500413	THOMASCOOK	(24.5)
500840	EIHOTEL	(21.2)
506690	UNICHEMLAB	(20.3)
522275	ALSTOMT&D	(16.5)
524000	MAGMA	(14.5)
532477	UNIONBANK	(14.0)
538562	SKIPPER	(13.3)
535754	ORIENTCEM	(12.7)
512131	SIGNET	(10.9)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532134	BANKBARODA	(15.1)
531500	RAJESHEXPO	(15.0)
511243	CHOLAFIN	(13.6)
523385	NILKAMAL	(12.9)
500330	RAYMOND	(12.3)
500710	AKZOINDIA	(10.8)
520051	JAMNAAUTO	(10.5)
532144	WELCORP	(10.3)
500575	VOLTAS	(10.3)
500547	BPCL	(10.2)

\* 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

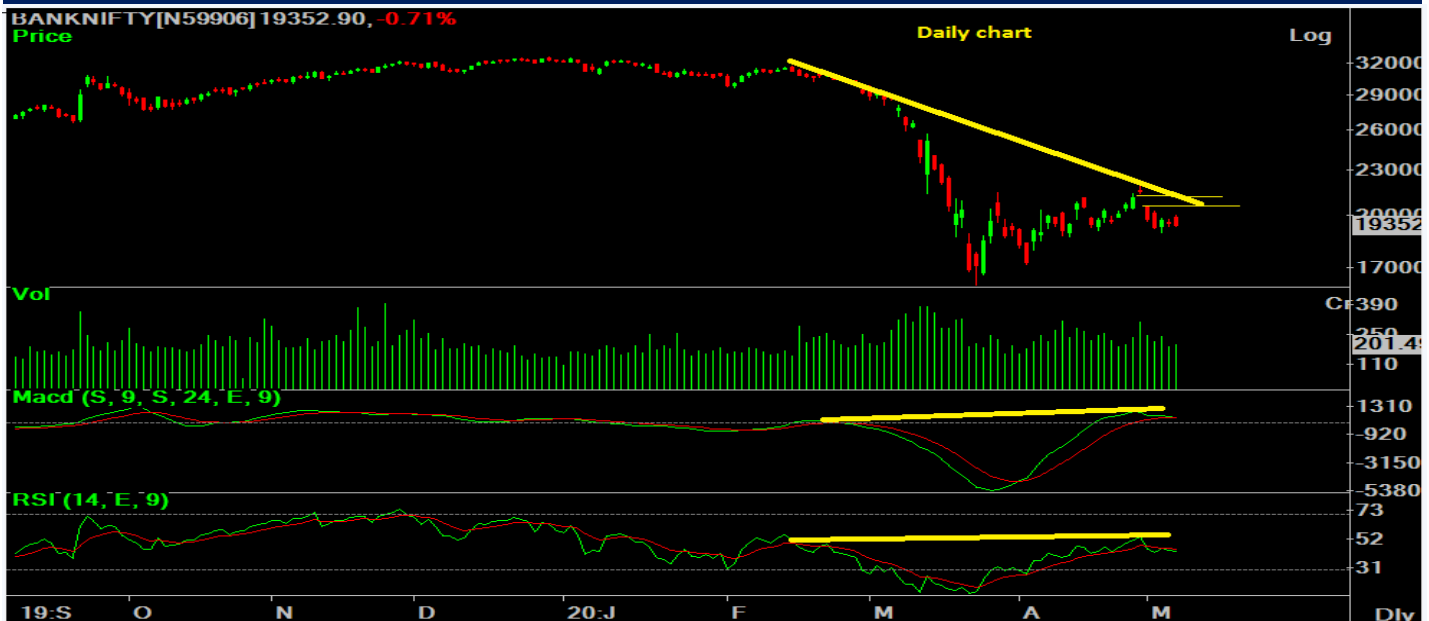
After opening with a red session, Banknifty continued its downward movement throughout last week and closed the week with a net loss of 10% over its previous week's close. The selling was witnessed across the board. However SBI, ICICI bank and Axis bank lead to a decline.

#### 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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