

## Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9067.00	-0.44%

### Nifty Key Levels For The Week

Support	S1: 8950	S2 : 8900
Resistance	R1 : 9250	R2 : 9300

### Market Outlook

Nifty concluded its 'D' leg of ABCD harmonic pattern recently and it is retracing as a part of post pattern implications; whereas 38.2% of the entire rise is expected to fall which comes to 8990, indicating prices can trade towards 8900 marks. However, lower Bollinger band placed at 8920, previous swing low standing at 8909 and Fibonacci 38.2% levels at 8990 are making confluence zone of support near 8900 marks. A price bouncing back after taking this support is highly possible whereas breakout can come only on a decisive close above 50 DMA resting at 9300 marks.

### Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.33	1.49	4.03	(27.55)
Automobiles	(1.08)	7.11	7.60	(24.71)
Chemicals	0.33	(0.11)	(1.21)	3.24
Construction & Engineering	(0.42)	5.43	3.72	(32.25)
Construction Materials	(0.18)	5.25	1.98	(17.19)
Diversified Financial Services	(0.31)	(0.39)	3.07	(27.75)
Electrical Equipment	0.01	1.48	(6.97)	(30.40)
Energy	1.32	(4.49)	17.25	(7.85)
Financials	(0.67)	(1.97)	0.63	(31.21)
Health Care	(0.61)	(1.41)	1.91	17.91
Household Durables	(0.55)	0.26	1.61	(10.16)
Household & Personal Products	0.07	(0.83)	(14.59)	7.94
Information Technology	(0.56)	(0.82)	5.96	(14.15)
Metals/Mining/Minerals	1.49	3.96	0.43	(35.75)
Telecom	1.95	6.29	10.21	28.67
Utilities	(0.08)	1.37	(0.45)	(13.94)

### FII DERIVATIVES POSITION FOR 15-May-2020

Net (Amt. in crs)

INDEX FUTURES	(620)
INDEX OPTIONS	812
STOCK FUTURES	(319)
STOCK OPTIONS	(152)

### Institutional Turnover

	Buy(cr.)	Sell(cr.)	Net(cr.)
FII			
15-May-20	3,906	6,294	(2,388)
May-20	69,556	57,653	11,903
DII			
15-May-20	3,502	2,276	1,226
May-20	43,008	41,952	1,056

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

	Long Position			
	DII	FII	Pro	Other
Future Index	27543	29909	32334	96462
Future Stock	36947	991262	146226	447396
Option Index Call	6015	113410	147051	546725
Option Index Put	65232	189013	143876	385176
Option Stock Call	0	13040	64531	313827
Option Stock Put	0	18463	84630	110223

	Short Position			
	DII	FII	Pro	Other
Future Index	5003	58383	19280	103582
Future Stock	851283	544937	72580	153031
Option Index Call	0	102629	223135	487437
Option Index Put	0	101400	137148	544749
Option Stock Call	941	22024	161823	206610
Option Stock Put	0	12164	69346	131806

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532541	NIITTECH	26.4
526299	MPHASIS	25.8
532922	EDELWEISS	24.4
500770	TATACHEM	23.5
500325	RELIANCE	22.7
533155	JUBLFOOD	21.0
532777	NAUKRI	19.9
505537	ZEEL	19.8
500495	ESCORTS	19.7
500493	BHARATFORG	15.8

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	63.6
532374	STRTECH	25.3
532648	YESBANK	19.1
532466	OFSS	18.4
532921	ADANI PORTS	17.6
511072	DHFL	17.2
524735	HIKAL	17.0
500188	HINDZINC	16.6
500407	SWARAJENG	15.8
500182	HEROMOTOCO	14.5

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500413	THOMASCOOK	(24.4)
535754	ORIENTCEM	(22.8)
526521	SANGHIIND	(22.2)
522275	ALSTOMT&D	(20.0)
500840	EIHOTEL	(18.4)
506690	UNICHEMLAB	(16.6)
524000	MAGMA	(16.2)
532477	UNIONBANK	(13.2)
500101	ARVIND	(12.8)
532349	TCI	(12.1)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
500330	RAYMOND	(16.7)
532134	BANKBARODA	(16.6)
531500	RAJESHEXPO	(11.8)
532144	WELCORP	(11.3)
532498	SHRIRAMCIT	(10.8)
531548	SOMANYCERA	(10.4)
520051	JAMNAAUTO	(9.3)
532313	MAHLIFE	(9.2)
500547	BPCL	(9.2)
500575	VOLTAS	(8.5)

\* 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

Since last few weeks, Bulls and Bears has been showing tough fight for their existence but both were failed to pull out the market on their side. Aggressive bulls came out on an attacking mode after the announcement of massive stimulus of our PM but failed to capitalize the momentum further and domestic market came under pressure on the reports of reemergence of the second wave of coronavirus. The sentiment was further dampened by comments from Jerome Powell that the US economy faces significant downside risk. Overall market condition is looking weak and we can see selling pressure at every bounce. We expect negative to rangebound move in the coming sessions till indices sustain below their previous swing highs.

### Technical Outlook-

- a) Past couple of weeks went much on the anticipated projections as the market continue to imply bearish undertone and closed on weak note
- b) Index failed to hold on gains after jumping more than 350 point and formed bearish belt hold pattern on daily chart indicate the possibility of the formation of short term top
- c) Multiple overhead resistance can become barrier for bulls in coming days as nifty is still sustaining below central line of bollinger band along with the 38.2% of Fibonacci line which suggest weakness
- d) Upside shall remain capped until nifty clears the hurdles of 9450 followed by 9600 levels decisively
- e) If bulls fails to defend 9000 mark then further selling pressure can be expected towards 8800 levels where major support is seen

### 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	9136	
Support 1	9000	Psychological Levels
Support 2	8800	Line of Parity

### VIEW

In line with our expectation selling pressure was witnessed in Banknifty at the higher levels last week and the index ended the week with a net loss of 2.7% over its previous week's close. HDFC Bank, ICICI Bank and Kotak Bank were the main catalysts to drag the index lower.

#### OBSERVATIONS:

1) Banknifty is in the process of making a descending triangle on the daily chart.

In reference to the above observation it can be concluded that recent trend of Banknifty is looking negative. The index is also in the process of formation of a descending triangle and the base line of the triangle is at 18200 and a breach of this level is likely to take the index further lower to 16600 in the short term. Therefore we recommend maintaining stop loss at 18200 (closing basis) of the long position. Fresh short can also be initiated below 18200.

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	20300
Resistance 1	19500
Close	18833
Support 1	18200
Support 2	17140

### VIEW

Tracking weak global and domestic cues, Rupee slipped 30 paise against the US dollar as investors are worried about the fiscal deficit concern over the 20 lakh crore economic package due to the obscurity on how the packaged would be financed. Apart from this, the selloff in domestic and global equities has led to selling pressure in the indian currency at the beginning of the week. Moving from here, sentiment remains weak and fresh concerns over rising coronavirus cases could weigh on sentiment.

#### TECHNICAL FACTORS-

- a) Formation of falling channel line on daily chart and appearance of Hammer on weekly chart suggest upside move in the pair
- b) Declining macd histogram raises concern for the weakening Rupee
- c) However, RSI is facing stiff resistance from its falling sloping line
- d) Breakout of the falling channel line is expected above 76.15 from where pair can extend up to 76.50 and 77.50 mark where it can face stiff resistance
- e) Firm support lies at 75-74.90 mark followed by 74.30 mark

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

#### USDINR LEVEL

Resistance 2	76.50
Resistance 1	76.15
Close	75.83
Support 1	74.9
Support 2	74.30

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