

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	8989.00	2.32%

Nifty Key Levels For The Week

Support	S1: 8800	S2 : 8650
Resistance	R1 : 9050	R2 : 9150

Market Outlook

In line with our weekly estimation, nifty gave breakdown below 9000 mark and ended tad above 8800 mark. It formed bearish belt hold suggest further selling pressure on daily chart. Although this is a very crucial support for the index and possibility of bounce back can not ruled out towards 9050 and 9150 where it can face resistance. However, if nifty failed to defend the level of 8800 then new leg of downswing will start and it can fell toward 8650 levels where next support lies.

FII DERIVATIVES POSITION FOR 18-May-2020

Net (Amt. in crs)

INDEX FUTURES	(803)
INDEX OPTIONS	(430)
STOCK FUTURES	(522)
STOCK OPTIONS	(184)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
18-May-20	4,648	7,161	(2,513)
May-20	74,204	64,814	9,390
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
18-May-20	4,382	4,534	(152)
May-20	47,389	46,486	903

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(2.85)	(2.73)	(6.27)	(29.80)
Automobiles	(6.22)	(4.30)	(4.52)	(31.82)
Chemicals	(2.73)	(2.57)	(6.46)	(0.81)
Construction & Engineering	(5.22)	(0.84)	(6.06)	(37.18)
Construction Materials	(5.80)	(2.25)	(5.66)	(23.96)
Diversified Financial Services	(6.86)	(6.61)	(10.43)	(35.23)
Electrical Equipment	(4.34)	(3.47)	(11.47)	(34.47)
Energy	(2.38)	(7.48)	8.69	(11.36)
Financials	(6.55)	(6.96)	(12.28)	(37.72)
Health Care	(1.02)	(2.37)	0.22	17.79
Household Durables	(3.33)	(3.06)	(7.57)	(13.38)
Household & Personal Products	(1.22)	(1.15)	(12.35)	3.61
Information Technology	1.52	(0.97)	6.33	(13.17)
Metals/Mining/Minerals	(3.91)	(1.33)	(6.35)	(38.75)
Telecom	(2.32)	1.93	9.32	27.39
Utilities	(2.68)	(1.72)	(6.87)	(17.10)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	28570	28856	40418	105542
Future Stock	38011	989455	164891	448806
Option Index Call	4584	123808	155052	793068
Option Index Put	66334	201607	152981	408926
Option Stock Call	0	12515	62576	353186
Option Stock Put	0	17566	91445	110414

	Short Position			
	DII	FII	Pro	Other
Future Index	7069	74326	22283	99708
Future Stock	847432	566473	71765	155493
Option Index Call	0	123562	311044	641906
Option Index Put	0	113640	148763	567445
Option Stock Call	941	23753	182135	221448
Option Stock Put	0	12849	70127	136449

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500325	RELIANCE	25.3
532541	NIITTECH	23.0
532922	EDELWEISS	20.5
526299	MPHASIS	19.3
506820	ASTRAZEN	18.6
500770	TATACHEM	15.1
532819	MINDTREE	14.0
500493	BHARATFORG	13.8
500495	ESCORTS	13.5
532540	TCS	12.1

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	51.0
532374	STRTECH	18.7
524735	HIKAL	17.0
532466	OFSS	15.5
500182	HEROMOTOCO	13.4
507488	GMBREW	12.8
532648	YESBANK	12.7
500288	MOREPENLAB	10.7
500188	HINDZINC	10.6
532921	ADANI PORTS	9.1

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500413	THOMASCOOK	(31.6)
500840	EIHOTEL	(27.2)
526521	SANGHIIND	(25.1)
522275	ALSTOMT&D	(23.4)
535754	ORIENTCEM	(19.1)
532477	UNIONBANK	(18.7)
524000	MAGMA	(18.6)
506690	UNICHEMLAB	(18.3)
519552	HERITGFOOD	(18.2)
538562	SKIPPER	(18.1)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
500330	RAYMOND	(21.3)
532134	BANKBARODA	(21.1)
511243	CHOLAFIN	(18.7)
500104	HINDPETRO	(17.5)
531548	SOMANYCERA	(17.1)
500547	BPCL	(16.9)
515030	ASAHIINDIA	(15.5)
532144	WELCORP	(15.0)
500710	AKZOINDIA	(14.6)
500575	VOLTAS	(14.3)

* 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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