

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9032.00	-0.56%

Nifty Key Levels For The Week

Support	S1: 8875	S2 : 8800
Resistance	R1 : 9160	R2 : 9280

Market Outlook

Domestic markets opened flat but spurred in the later part of the day led by buying across all sectors due to strong corporate earning result. Bulls took a sigh of relief after seeing the close above 9050 level as falling VIX of 9% after eight days of consolidation provided support for index. Fresh selling is only expected below 8800 level until then nifty can pullback higher till 9160 where it can face resistance. Above which this pullback can extend up to 9280-9300 levels. Intraday support lies at 8875 followed by 8800 levels.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.32	(2.36)	(4.90)	(30.56)
Automobiles	2.18	(4.16)	0.43	(32.27)
Chemicals	0.94	(3.14)	(5.97)	(3.69)
Construction & Engineering	2.98	(1.44)	(2.08)	(38.76)
Construction Materials	3.36	(1.37)	(0.40)	(23.77)
Diversified Financial Services	3.54	(5.67)	(6.73)	(35.67)
Electrical Equipment	0.92	(4.33)	(10.47)	(37.09)
Energy	2.14	(3.63)	8.44	(14.44)
Financials	2.75	(7.12)	(9.93)	(38.86)
Health Care	2.90	1.79	2.69	19.50
Household Durables	1.51	(2.31)	(6.54)	(14.39)
Household & Personal Products	0.84	0.51	(10.88)	1.64
Information Technology	0.49	(0.96)	6.04	(13.22)
Metals/Mining/Minerals	0.31	(4.66)	(4.63)	(41.03)
Telecom	(1.25)	6.56	22.23	34.59
Utilities	0.82	(1.91)	(5.05)	(18.08)

FII DERIVATIVES POSITION FOR 20-May-2020

Net (Amt. in crs)

INDEX FUTURES	216
INDEX OPTIONS	(396)
STOCK FUTURES	156
STOCK OPTIONS	65

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
20-May-20	4,522	5,989	(1,467)
May-20	92,340	85,745	6,595
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
20-May-20	4,855	2,482	2,373
May-20	56,607	51,670	4,936

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

	Long Position			
	DII	FII	Pro	Other
Future Index	26441	47933	29691	98867
Future Stock	40730	1028345	169349	462965
Option Index Call	4584	146782	150153	713608
Option Index Put	68128	188752	148171	609862
Option Stock Call	0	13032	69744	337391
Option Stock Put	0	17666	84074	129399

	Short Position			
	DII	FII	Pro	Other
Future Index	11893	49754	20707	120578
Future Stock	886630	559809	86295	168655
Option Index Call	0	120488	288684	605955
Option Index Put	0	119096	209105	686712
Option Stock Call	1900	21766	172846	223655
Option Stock Put	0	13261	78794	139084

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532541	NIITTECH	27.1
532819	MINDTREE	20.1
532454	BHARTIARTL	18.3
500325	RELIANCE	17.1
500495	ESCORTS	16.6
532281	HCLTECH	15.7
526299	MPHASIS	14.6
500420	TORNTPHARM	14.4
500770	TATACHEM	13.9
506820	ASTRAZEN	12.6

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	24.3
532921	ADANIPTS	20.8
532374	STRTECH	18.0
500520	M&M	11.8
500182	HEROMOTOCO	10.1
532296	GLENMARK	9.4
532648	YESBANK	8.4
532466	OFSS	7.9
500288	MOREPENLAB	6.3
522287	KALPATPOWR	6.3

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500413	THOMASCOOK	(33.4)
522275	ALSTOMT&D	(31.6)
500840	EIHOTEL	(30.6)
523204	ABAN	(27.0)
519552	HERITGFOOD	(26.3)
532662	HTMEDIA	(24.8)
500110	CHENNPETRO	(22.6)
532477	UNIONBANK	(21.0)
526521	SANGHIIND	(20.9)
532349	TCI	(19.7)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511218	SRTRANSFIN	(27.8)
532134	BANKBARODA	(26.8)
532215	AXISBANK	(24.4)
511243	CHOLAFIN	(23.8)
532915	RELIGARE	(19.4)
531548	SOMANYCERA	(19.4)
500330	RAYMOND	(19.1)
526797	GREENPLY	(18.7)
532174	ICICIBANK	(18.6)
533519	L&TFH	(18.2)

* 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

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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Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

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