

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9021.80	-0.49%

Nifty Key Levels For The Week

Support	S1: 9050	S2 : 8950
Resistance	R1 : 9160	R2 : 9280

Market Outlook

After giving breakout above our mentioned resistance level of 9160, nifty faced stiff selling pressure and formed shooting star near the same. The momentum oscillator of RSI and stochastic has turned positive suggest consolidation with positive bias. As of now, it has to hold above 9050 followed by 8950 level to witness an upmove towards above 9160 followed by 9280- 9300 level.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.70	0.05	1.54	(29.00)
Automobiles	2.84	(1.41)	8.25	(28.56)
Chemicals	2.82	0.63	(2.10)	(0.09)
Construction & Engineering	(1.36)	(2.95)	0.80	(39.04)
Construction Materials	0.55	(0.40)	2.48	(22.32)
Diversified Financial Services	(1.48)	(4.33)	(3.13)	(36.24)
Electrical Equipment	(0.34)	(3.67)	(8.69)	(36.54)
Energy	0.43	0.33	11.22	(13.90)
Financials	(0.87)	(5.24)	(6.15)	(38.70)
Health Care	0.87	1.95	2.45	21.34
Household Durables	0.56	(1.84)	(2.61)	(14.44)
Household & Personal Products	(0.47)	(1.42)	(10.69)	1.26
Information Technology	1.39	3.43	11.64	(10.85)
Metals/Mining/Minerals	1.26	(1.75)	1.20	(39.26)
Telecom	0.35	8.85	20.67	37.94
Utilities	(0.97)	(0.74)	(3.52)	(17.79)

FII DERIVATIVES POSITION FOR 21-May-2020

Net (Amt. in crs)

INDEX FUTURES	(471)
INDEX OPTIONS	1,799
STOCK FUTURES	490
STOCK OPTIONS	(32)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
21-May-20	6,103	6,361	(259)
May-20	98,443	92,106	6,337
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
21-May-20	3,603	3,201	402
May-20	60,210	54,871	5,338

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

	Long Position			
	DII	FII	Pro	Other
Future Index	26441	49685	27976	105107
Future Stock	43038	1048786	178435	457887
Option Index Call	4584	119332	105328	430547
Option Index Put	67204	173675	100841	402226
Option Stock Call	0	12327	72524	339331
Option Stock Put	0	16882	85662	131971

	Short Position			
	DII	FII	Pro	Other
Future Index	12681	60613	21595	114320
Future Stock	879608	565993	97428	185117
Option Index Call	0	101938	171948	385905
Option Index Put	0	107716	123659	512571
Option Stock Call	1900	21775	178841	221666
Option Stock Put	0	12781	81599	140135

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532541	NIITTECH	32.5
532454	BHARTIARTL	21.2
500495	ESCORTS	18.0
506820	ASTRAZEN	16.0
500325	RELIANCE	15.7
532281	HCLTECH	13.7
532922	EDELWEISS	13.1
532819	MINDTREE	12.8
500420	TORNTPHARM	12.2
526299	MPHASIS	11.8

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532654	MCLEODRUSS	21.7
500182	HEROMOTOCO	17.3
532921	ADANIPTS	17.3
532466	OFSS	15.5
500520	M&M	14.8
524735	HIKAL	11.5
532296	GLENMARK	11.4
532374	STRTECH	11.1
500288	MOREPENLAB	7.8
500302	PEL	6.5

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(36.9)
500413	THOMASCOOK	(31.0)
500110	CHENNPETRO	(28.2)
532662	HTMEDIA	(27.6)
523204	ABAN	(27.5)
500840	EIHOTEL	(26.4)
524000	MAGMA	(22.7)
500109	MRPL	(21.8)
532477	UNIONBANK	(21.5)
502865	FORBESGOK	(21.4)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532134	BANKBARODA	(26.8)
532915	RELIGARE	(24.2)
531548	SOMANYCERA	(22.8)
532215	AXISBANK	(21.6)
500104	HINDPETRO	(20.5)
532144	WELCORP	(20.3)
526797	GREENPLY	(18.3)
500067	BLUESTARCO	(17.6)
532525	MAHABANK	(16.8)
532498	SHRIRAMCIT	(16.8)

* 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-

- Past couple of weeks went much on the anticipated projections as the market continue to imply bearish undertone and closed on weak note
- 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
- 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
- Upside shall remain capped until nifty clears the hurdles of 9450 followed by 9600 levels decisively
- 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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