

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9082.00	0.51%

Nifty Key Levels For The Week

Support	S1: 8800	S2 : 8750
Resistance	R1 : 9150	R2 : 9200

Market Outlook

Benchmark index has given bullish crossover of 20 DMA and 50 DMA in the last week suggesting bullish movement in mid-term; however confirmation on shorter term will come only above 9200 marks which can take prices higher towards previous swing high placed at 9550 marks. On a lower side crucial support of an unfilled gap lies around 8750 and any decisive move below this zone will trigger fresh selling which can push Nifty towards 8600 marks.

FII DERIVATIVES POSITION FOR 22-May-2020

Net (Amt. in crs)

INDEX FUTURES	(671)
INDEX OPTIONS	1,839
STOCK FUTURES	(345)
STOCK OPTIONS	59

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-May-20	4,405	5,759	(1,354)
May-20	102,848	97,865	4,983
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-May-20	4,164	4,508	(344)
May-20	64,374	59,380	4,994

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.10)	(0.38)	0.21	(28.75)
Automobiles	0.37	0.03	5.83	(28.96)
Chemicals	0.65	0.94	(4.12)	(0.19)
Construction & Engineering	(1.12)	(3.63)	(0.00)	(40.12)
Construction Materials	2.31	2.08	2.67	(20.39)
Diversified Financial Services	(4.02)	(7.89)	(7.81)	(39.07)
Electrical Equipment	(1.31)	(4.93)	(10.25)	(37.53)
Energy	(0.45)	(1.42)	3.75	(14.71)
Financials	(2.86)	(7.33)	(9.86)	(40.80)
Health Care	0.28	2.87	2.70	21.18
Household Durables	(0.05)	(1.35)	(3.78)	(14.26)
Household & Personal Products	0.18	(1.31)	(12.74)	1.86
Information Technology	1.26	5.33	11.54	(9.00)
Metals/Mining/Minerals	(1.71)	(4.85)	(0.78)	(40.40)
Telecom	(0.00)	6.77	19.78	37.16
Utilities	(0.67)	(1.33)	(4.58)	(18.56)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	26652	52799	33294	123171
Future Stock	49695	1058656	204092	474682
Option Index Call	4584	142801	142495	560439
Option Index Put	67003	210152	128570	448073
Option Stock Call	0	11422	74045	353043
Option Stock Put	0	17233	91324	123781

	Short Position			
	DII	FII	Pro	Other
Future Index	12731	81181	23255	118749
Future Stock	887809	586238	108237	204841
Option Index Call	0	121590	225052	503677
Option Index Put	0	121343	148420	584035
Option Stock Call	1900	20485	192117	224008
Option Stock Put	0	11837	78609	141892

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532541	NIITTECH	44.6
505537	ZEEL	26.2
500495	ESCORTS	25.5
526299	MPHASIS	23.7
506820	ASTRAZEN	21.8
532819	MINDTREE	21.0
532454	BHARTIARTL	18.4
500770	TATACHEM	18.3
533248	GPPL	17.0
500008	AMARAJABAT	16.4

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500520	M&M	28.4
532654	MCLEODRUSS	19.3
500182	HEROMOTOCO	17.6
532921	ADANI PORTS	17.2
532466	OFSS	15.7
500302	PEL	15.0
532374	STRTECH	13.4
524735	HIKAL	11.6
532296	GLENMARK	11.5
532733	SUNTV	9.9

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(35.9)
524000	MAGMA	(29.1)
532662	HTMEDIA	(26.2)
500413	THOMASCOOK	(24.2)
500110	CHENNPETRO	(24.1)
523204	ABAN	(22.4)
500840	EIHOTEL	(21.7)
519552	HERITGFOOD	(20.7)
532885	CENTRALBK	(19.8)
526521	SANGHIIND	(18.9)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532505	UCOBANK	(25.3)
532134	BANKBARODA	(22.9)
505726	IFBIND	(20.2)
532215	AXISBANK	(19.9)
531548	SOMANYCERA	(19.9)
532915	RELIGARE	(18.6)
511676	GICHSGFIN	(17.7)
515030	ASAHIINDIA	(16.6)
532144	WELCORP	(16.3)
526797	GREENPLY	(15.7)

* 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

Market was breathing a sigh of relief on the initial signs of lockdown being lifted but snapped a three days of winning streak to end lower on Friday as the extension of the moratorium on loans by the RBI led to a sell-off in financial stocks. In a surprise move, RBI cut repo rate by 40 bps to 4% and reverse repo rate at 3.35% but this cut is failed to cheer the market. Indices continued to exhibit lack of directional bias throughout the week. Coming week will be truncated one as the observance of Ramzan Id on Monday. We expect that market will continue to portray a sideways to bearish undertone in the upcoming week also until market break their recent swing high.

Technical Outlook-

- a) Although index showed pullback rally but it gave up a major part of gain which is a cause of concern
- b) But formation of Hammer on weekly chart are giving edge to Bulls as follow thru selling was also missing from the market
- c) Indicator and oscillator are giving mixed signal
- d) Falling VIX can provide stability which indicate the possibility of pullback
- e) Nifty would gain credence only on a convincing move above 9300 followed by 9450 levels
- f) Bulls can give tough fight near 8800 level but a close below this shall accentuate the selling pressure further toward 8650 level

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	9450	Near 38.2% Fibonacci Retracement
Resistance 1	9300	Line of Parity
Close	9050	
Support 1	8800	Crucial support
Support 2	8650	Line of Parity

VIEW

In line with our expectation selling pressure was witnessed in Banknifty throughout last week and the index ended the week with a net loss of 8.3% over its previous week's close. The selling was witnessed across the board. However Axis Bank, ICICI Bank and State were the main catalysts to drag the index lower.

OBSERVATIONS:

1) Banknifty has given bearish breakout of a Descending Triangle pattern on the daily chart.

According to the above observation it can be said that the recent trend of Banknifty is looking negative. The bearish breakout of descending triangle pattern below 18200 is indicating of some more downward price revision in the near future. The pattern target of the index is 16600.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	18280
Resistance 1	18000
Close	17278
Support 1	17140
Support 2	16600

VIEW

After spending a few days of consolidation, rupee saw modest loss while oscillating in a capped range. Weakness in the domestic equities pressurized the rupee which is also the major threat in the coming session also. Even RBI failed to enthuse the market participants after slashing interest rate for boosting liquidity in the market. We expect the pair to endure its up move and head higher to challenge its life time high.

TECHNICAL FACTORS-

- a) Pair has formed a higher base after arresting its intermediate correction near key value area of 74.90-75 zone
- b) On the daily chart, pair has formed bullish belt hold candle pattern however it remained restricted within previous two weeks High low range indicating absence of strength on either side
- c) Currently pair is sustaining above its 20 and 50 days SMA which support bullish sentiment in near term
- 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) Strong 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	75.99
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, AIC 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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