

Trading Calls

| Market | Value | % Change |
|-------------------------------|---------|----------|
| SGX Nifty (at 8.00 am IST) | 9360.00 | 0.53% |

Nifty Key Levels For The Week

| | | |
|------------|-----------|-----------|
| Support | S1: 9000 | S2 : 8960 |
| Resistance | R1 : 9350 | R2 : 9500 |

Market Outlook

After subdued sessions of three days, index spurted over 3% due to bargain hunting in banks. This sudden surprise pushed other investors to cover their short positions and forced nifty to reclaim 9300 level. The momentum oscillator RSI turned north suggest further possibility of upside. Immediate resistance is seen at 9350 above which it can extend up to 9500 level. Now the zone of 8960-9000 level will act sacrosanct support.

FII DERIVATIVES POSITION FOR 27-May-2020

Net (Amt. in crs)

| | |
|---------------|-------|
| INDEX FUTURES | 1,664 |
| INDEX OPTIONS | 1,753 |
| STOCK FUTURES | 912 |
| STOCK OPTIONS | (36) |

Institutional Turnover

| FII | Buy(cr.) | Sell(cr.) | Net(cr.) |
|-----------|----------|-----------|----------|
| 27-May-20 | 6,192 | 6,526 | (335) |
| May-20 | 120,889 | 111,525 | 9,364 |
| DII | Buy(cr.) | Sell(cr.) | Net(cr.) |
| 27-May-20 | 5,685 | 3,276 | 2,409 |
| May-20 | 76,758 | 66,514 | 10,244 |

Sectoral Performance (%)

| | 1 Day | 1 Week | 1 Month | 1 Year |
|--------------------------------|--------|--------|---------|---------|
| Auto Components | 0.38 | 3.97 | 1.63 | (29.32) |
| Automobiles | 0.66 | 7.57 | 8.17 | (29.22) |
| Chemicals | 0.32 | 5.78 | (5.07) | (1.25) |
| Construction & Engineering | 2.50 | 4.11 | 3.99 | (42.91) |
| Construction Materials | (0.86) | 9.35 | 8.44 | (23.17) |
| Diversified Financial Services | 3.92 | 0.43 | (3.48) | (38.97) |
| Electrical Equipment | 1.06 | 0.90 | (8.00) | (40.17) |
| Energy | 1.68 | 3.58 | 1.63 | (13.27) |
| Financials | 5.55 | 4.44 | (5.37) | (39.42) |
| Health Care | (1.20) | 2.21 | (2.88) | 18.47 |
| Household Durables | 0.57 | 2.96 | (3.82) | (15.31) |
| Household & Personal Products | 0.52 | 0.90 | (10.52) | 1.26 |
| Information Technology | 2.97 | 3.72 | 8.35 | (7.74) |
| Metals/Mining/Minerals | 1.87 | 3.91 | 3.62 | (39.99) |
| Telecom | 0.93 | (4.40) | 17.50 | 26.44 |
| Utilities | 0.29 | 1.32 | 0.09 | (19.60) |

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

| Long Position | | | | |
|-------------------|-------|---------|--------|--------|
| | DII | FII | Pro | Other |
| Future Index | 30966 | 87496 | 35289 | 106664 |
| Future Stock | 60934 | 1051892 | 175723 | 478349 |
| Option Index Call | 4584 | 163601 | 148076 | 524782 |
| Option Index Put | 69033 | 239200 | 178623 | 746875 |
| Option Stock Call | 0 | 8010 | 84379 | 276159 |
| Option Stock Put | 0 | 12467 | 88908 | 111535 |

| Short Position | | | | |
|-------------------|--------|--------|--------|--------|
| | DII | FII | Pro | Other |
| Future Index | 8982 | 78155 | 26431 | 146847 |
| Future Stock | 948757 | 547257 | 89006 | 181878 |
| Option Index Call | 0 | 112127 | 223086 | 505830 |
| Option Index Put | 0 | 148247 | 291787 | 793697 |
| Option Stock Call | 1900 | 17609 | 159770 | 189269 |
| Option Stock Put | 0 | 9975 | 78788 | 124147 |

High ES & High PS Stock Maintaining Strength

| BSE Code | NSE CODE | 1 Month Return % |
|----------|-----------|------------------|
| 531768 | POLYMED | 33.7 |
| 532541 | NIITTECH | 26.8 |
| 532922 | EDELWEISS | 21.9 |
| 526299 | MPHASIS | 21.3 |
| 532848 | DELTACORP | 19.0 |
| 500770 | TATACHEM | 17.7 |
| 532819 | MINDTREE | 16.5 |
| 500495 | ESCORTS | 16.1 |
| 500228 | JSWSTEEL | 15.8 |
| 500312 | ONGC | 15.8 |

High ES & Low PS Stock Showing Strength

| BSE Code | NSE CODE | 1 Month Return % |
|----------|-------------|------------------|
| 500520 | M&M | 24.4 |
| 532466 | OFSS | 19.0 |
| 532921 | ADANI PORTS | 17.7 |
| 500407 | SWARAJENG | 17.6 |
| 500182 | HEROMOTOCO | 16.6 |
| 500302 | PEL | 12.3 |
| 531642 | MARICO | 7.0 |
| 532155 | GAIL | 6.7 |
| 500875 | ITC | 6.3 |
| 500410 | ACC | 5.7 |

Low ES & Low PS Stock Maintaining Weakness

| BSE Code | NSE CODE | 1 Month Return % |
|----------|------------|------------------|
| 524000 | MAGMA | (35.7) |
| 522275 | ALSTOMT&D | (31.4) |
| 500110 | CHENNPETRO | (25.9) |
| 500840 | EIHOTEL | (24.3) |
| 532662 | HTMEDIA | (19.5) |
| 532524 | PTC | (18.8) |
| 532477 | UNIONBANK | (18.3) |
| 533217 | HMVL | (17.4) |
| 500109 | MRPL | (17.1) |
| 532885 | CENTRALBK | (16.6) |

Low ES & High PS Stock Showing Weakness

| BSE Code | NSE CODE | 1 Month Return % |
|----------|------------|------------------|
| 532505 | UCOBANK | (21.9) |
| 526797 | GREENPLY | (20.7) |
| 532134 | BANKBARODA | (20.6) |
| 532144 | WELCORP | (18.2) |
| 515030 | ASAHIINDIA | (17.1) |
| 508486 | HAWKINCOOK | (16.7) |
| 532810 | PFC | (16.2) |
| 532548 | CENTURYPLY | (16.2) |
| 511676 | GICHSGFIN | (15.7) |
| 501455 | GREAVESCOT | (14.9) |

* 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.

28-05-2020

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-

- Although index showed pullback rally but it gave up a major part of gain which is a cause of concern
- But formation of Hammer on weekly chart are giving edge to Bulls as follow thru selling was also missing from the market
- Indicator and oscillator are giving mixed signal
- Falling VIX can provide stability which indicate the possibility of pullback
- Nifty would gain credence only on a convincing move above 9300 followed by 9450 levels
- 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-

- Pair has formed a higher base after arresting its intermediate correction near key value area of 74.90-75 zone
- 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
- Currently pair is sustaining above its 20 and 50 days SMA which support bullish sentiment in near term
- 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
- 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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