

Trading Calls

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Market	Value	% Change
SGX Nifty (at 8.00 am IST)	9412.00	-0.15%

Nifty Key Levels For The Week

Support	S1: 9335	S2 : 9240
Resistance	R1 : 9510	R2 : 9600

Market Outlook

In line with our expectation, indices trotted firmly on north side amid positive global cues. Drop in VIX also supported market for moving higher. As of now, formation of bearish Bat harmonic pattern along with oversold RSI and hurdle of 61.8% fibonacci retracement of the fall of 9889 to 8807 at lower time scale indicate incremental weakness. Any kind of price reversal in the PRZ of 9500-9600 can lead to profit booking. Till these mentioned level surpass decisively on closing basis, nifty will vulnerable to retest its lower levels of 9335 and 9240 mark on southward side.

FII DERIVATIVES POSITION FOR 28-May-2020

Net (Amt. in crs)

INDEX FUTURES	-354
INDEX OPTIONS	2,421
STOCK FUTURES	2,123
STOCK OPTIONS	-56

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
28-May-20	8,584	6,230	2,354
May-20	1,29,474	1,17,755	11,718
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
28-May-20	5,044	4,899	145
May-20	81,802	71,414	10,389

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	3.09	5.78	4.68	(27.68)
Automobiles	3.63	9.10	11.84	(26.06)
Chemicals	1.15	6.00	(4.39)	(0.42)
Construction & Engineering	3.91	5.05	7.77	(40.18)
Construction Materials	1.81	7.72	10.53	(21.49)
Diversified Financial Services	1.88	(1.18)	(6.96)	(37.49)
Electrical Equipment	3.78	3.75	(4.67)	(37.72)
Energy	1.44	2.87	3.03	(12.83)
Financials	2.27	3.95	(6.42)	(37.90)
Health Care	0.09	(0.58)	(1.13)	18.46
Household Durables	2.19	3.65	(3.44)	(14.10)
Household & Personal Products	1.45	1.52	(8.15)	2.53
Information Technology	0.34	3.56	8.34	(8.66)
Metals/Mining/Minerals	2.33	6.00	6.31	(39.12)
Telecom	0.48	(2.72)	19.64	27.94
Utilities	0.61	1.12	1.14	(20.05)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	32148	76558	14346	82633
Future Stock	39087	1035381	121778	419908
Option Index Call	4584	125231	93400	239360
Option Index Put	62130	159482	79888	380953
Option Stock Call	0	1831	40306	103697
Option Stock Put	0	4137	43357	54075

	Short Position			
	DII	FII	Pro	Other
Future Index	7386	44561	37629	116109
Future Stock	915775	489277	44427	166675
Option Index Call	0	78479	97676	286420
Option Index Put	0	89255	128461	464737
Option Stock Call	0	5662	58173	81999
Option Stock Put	0	7459	33368	60742

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
531768	POLYMED	35.1
532541	NIITTECH	31.9
532922	EDELWEISS	30.3
532848	DELTACORP	27.6
526299	MPHASIS	25.6
505537	ZEEL	24.7
500495	ESCORTS	24.1
500228	JSWSTEEL	20.2
505200	EICHERMOT	19.4
500312	ONGC	16.6

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500520	M&M	31.7
532921	ADANI PORTS	22.5
532466	OFSS	22.3
500182	HEROMOTOCO	20.9
500407	SWARAJENG	19.6
500302	PEL	10.8
500410	ACC	9.8
532374	STRTECH	9.7
532155	GAIL	9.3
531642	MARICO	8.3

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
524000	MAGMA	(33.7)
522275	ALSTOMT&D	(29.5)
500110	CHENNPETRO	(18.8)
532662	HTMEDIA	(18.2)
533217	HMVL	(17.0)
500390	RELINFRA	(16.5)
532524	PTC	(16.5)
532477	UNIONBANK	(15.5)
532300	WOCKPHARMA	(15.0)
500840	EIHOTEL	(14.1)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
526797	GREENPLY	(22.9)
532134	BANKBARODA	(16.8)
532810	PFC	(15.2)
511218	SRTRANSFIN	(15.2)
508486	HAWKINCOOK	(14.3)
532548	CENTURYPLY	(14.3)
500067	BLUESTARCO	(13.2)
532505	UCOBANK	(13.0)
532498	SHRIRAMCIT	(11.7)
532525	MAHABANK	(11.3)

* 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.

29-05-2020

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-

- 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	74.90
Support 2	74.30

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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