

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9666.50	1.60%

Nifty Key Levels For The Week

Support	S1: 9350	S2 : 9300
Resistance	R1 : 9650	R2 : 9700

Market Outlook

Recent formation of bullish Wolfe Wave pattern in Nifty had a target of 9620 which is achieved in faster pace in just one week; this also shows possibility of range bound movement in the range of 9700-9300 in coming days. In addition, Bollinger Band on daily time frame is squeezing seen since last one & half month and prices are trading typically between 9700 & 8900 and decisive price action in either side will decide further price action, otherwise we may witness more consolidation in the same range.

FII DERIVATIVES POSITION FOR 29-May-2020

Net (Amt. in crs)

INDEX FUTURES	(631)
INDEX OPTIONS	205
STOCK FUTURES	1,374
STOCK OPTIONS	(64)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
29-May-20	25,389	23,929	1,461
May-20	154,863	141,684	13,179
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
29-May-20	8,144	7,177	967
May-20	89,947	78,591	11,356

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	38098	65349	15289	97773
Future Stock	55837	1054980	131467	429366
Option Index Call	4584	145948	126802	312113
Option Index Put	66963	180042	123171	532930
Option Stock Call	0	5013	55190	130881
Option Stock Put	0	9427	55500	70771

	Short Position			
	DII	FII	Pro	Other
Future Index	10206	43647	44855	117801
Future Stock	952801	486850	55796	176203
Option Index Call	0	92538	127361	369548
Option Index Put	0	111673	194529	596904
Option Stock Call	104	9828	75174	105978
Option Stock Put	0	11491	46184	78023

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532541	NIITTECH	29.5
500495	ESCORTS	27.5
531768	POLYMED	26.9
532922	EDELWEISS	23.8
532848	DELTACORP	23.8
526299	MPHASIS	23.1
505537	ZEEL	22.6
500312	ONGC	21.5
500493	BHARATFORG	20.7
505200	EICHERMOT	18.3

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500520	M&M	32.0
500182	HEROMOTOCO	22.2
532921	ADANI PORTS	19.5
532466	OFSS	19.0
500407	SWARAJENG	17.4
531642	MARICO	15.7
519600	CCL	13.3
532155	GAIL	13.0
500410	ACC	11.7
500086	EXIDEIND	10.2

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(30.7)
524000	MAGMA	(29.0)
500390	RELINFRA	(20.0)
532300	WOCKPHARMA	(19.0)
532524	PTC	(14.8)
533217	HMVL	(14.7)
506690	UNICHEMLAB	(14.5)
532662	HTMEDIA	(14.3)
502865	FORBESGOK	(13.9)
532477	UNIONBANK	(13.8)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
526797	GREENPLY	(21.9)
532810	PFC	(18.3)
532134	BANKBARODA	(16.8)
532548	CENTURYPLY	(15.0)
505714	GABRIEL	(11.8)
533519	L&TFH	(11.4)
532498	SHRIRAMCIT	(11.3)
511218	SRTRANSFIN	(10.9)
532525	MAHABANK	(10.8)
500067	BLUESTARCO	(10.5)

* 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

Domestic market snapped its three weeks losing streak as follow thru buying is seen in most of the sectors. Nifty & Sensex jumped around 4 to 6% gain, propelled by buying in Banks, Pharma, FMCG, Energy and Auto sectors. Besides stock specific action, heavy foreign fund inflows lent buying confidence to market participants. However, we cannot say with certainty that the bulls can breath a sigh of reliefs as contraction in the GDP data of Jan-march 2020 can bring back Bears in the game. But we also believe that after taking a minor dip from the current juncture, market will find out the sanity and journey on north side will continue.

Technical Outlook-

- a) Pattern analysis shows that index has averted a breakdown for a while as it rebound from its key support area but profit booking can not rule out at present levels
- b) Formation of long green candle after the appearance of hammer suggest upside momentum on weekly chart
- c) Occurrence of **three back to back green candle** also suggest strength
- d) But depiction of **Bearish Bat Harmonic pattern** along with oversold RSI and negative crossover in MACD on shorter time frame indicate weakness at current juncture
- e) Any kind of price reversal in the **PRZ of 9600-9660 zone** can lead to profit booking towards 9470, 9335 and 9240 levels on downside
- f) Fresh buying is only initiated if nifty get close above 9660 level then after it can extend this gain towards 10000 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10000	Psychological levels
Resistance 1	9660	Near 78.6% Fibonacci Retracement
Close	9569	
Support 1	9470	Near 61.8% Fibonacci Retracement
Support 2	9335	Line of Parity

VIEW

Banknifty gave a sharp pullback rally throughout last week and closed the week with a net gain of 11.7% over its previous week's close. The buying was witnessed across the board. HDFC Bank, Axis Bank and ICICI Bank were the stellar performers during the week.

OBSERVATIONS:

- 1) Banknifty is facing resistance at 50 DMA, currently is at 19435.
- 2) Banknifty has left a gap in between 20530 and 21353 on 4th May 2020.
- 3) Hidden Bearish Divergence is formed in Stochastic on the daily chart of Banknifty

According to the above observations it can be concluded that currently Banknifty is facing a stiff resistance at 50 DMA (19435) and a successful closing beyond this level is likely to take the index further higher levels. In fact the index may also fill the gap (20530-21353) which was formed on 4th may. However formation of Hidden Bearish Divergence in Stochastic is giving some profit booking signal at the current level. Therefore we recommend booking profits of existing long positions in Banknifty. Fresh long should initiate only above 50 DMA (closing basis)

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	20210
Resistance 1	19460
Close	19297
Support 1	18720
Support 2	18000

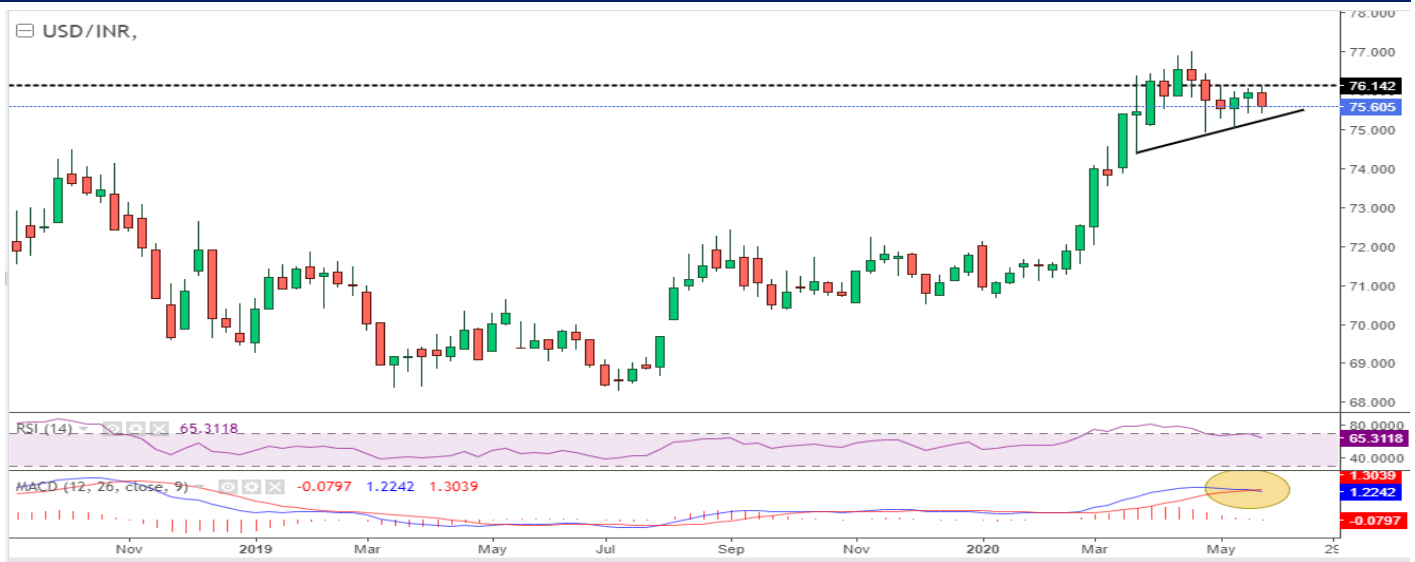
VIEW

From last four weeks, USDINR pair has been gyrating within the range of 1Rs 15 paise. Although it traded with positive bias and ended with minor gain due to the capital inflow in equity. However, stage of congestion after upside momentum prevails and pair is still awaiting breakout on either of side. Though the prices are trapped in a narrow range but the Bulls are looking strong as this sluggish movement is happening in the area of Bulls which indicates higher targets in coming days.

TECHNICAL FACTORS-

- a) Consolidation above rising trendline support of 74.90-75 zone suggest sideways to positive move further
- b) Higher trough and higher crest phase is still intact and this subdued phase is preparing the bulls for next leg of rally
- c) Nevertheless negative crossover in MACD can rein the upside move for a while
- d) Immediate resistance still stands at 76.15 from where pair can extend up to 76.50 and 77.10 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	75.60
Support 1	74.9
Support 2	74.30

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