

## Trading Calls

--	--

--	--

--	--

FII DERIVATIVES POSITION FOR 01-June-2020	
	Net (Amt. in crs)
INDEX FUTURES	136
INDEX OPTIONS	(226)
STOCK FUTURES	(351)
STOCK OPTIONS	(140)

Institutional Turnover			
FII	Buy(cr.)	Sell(cr.)	Net(cr.)
01-Jun-20	7,015	5,440	1,575
Jun-20	7,015	5,440	1,575
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
01-Jun-20	4,891	5,350	(459)
Jun-20	4,891	5,350	(459)

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9809.50	-0.25%

### Nifty Key Levels For The Week

Support	S1: 9700	S2 : 9580
Resistance	R1 : 9935	R2 : 10000

### Market Outlook

Index pushed to three month highs led by a rally in beaten banking and financial stocks. After opening gap up, bulls rushed to touch 10000 mark but witnessed profit booking at this psychological level owing to which nifty depicted a shooting star candlestick pattern. Confirmation of this pattern can come below 9700 mark, from where it can take a dip towards 9580 and 9500 levels. Contrary to this if bulls manages a sustain above 10000 levels then it will open fresh leg towards 10400 which is 61.8% fibonacci retracement of the fall from top of 12470 to the low of 7510 levels

Sectoral Performance (%)				
	1 Day	1 Week	1 Month	1 Year
Auto Components	3.59	10.65	4.34	(22.97)
Automobiles	3.00	11.07	8.92	(19.89)
Chemicals	1.16	5.70	(1.21)	1.68
Construction & Engineering	0.78	10.08	5.10	(37.95)
Construction Materials	0.04	5.77	7.82	(19.49)
Diversified Financial Services	5.00	11.69	(7.10)	(33.90)
Electrical Equipment	5.42	12.26	(0.86)	(33.16)
Energy	3.00	7.10	2.80	(9.55)
Financials	4.13	13.58	(6.67)	(34.56)
Health Care	0.49	0.75	1.86	22.02
Household Durables	4.05	8.72	(0.09)	(11.47)
Household & Personal Products	1.50	6.44	(1.33)	6.54
Information Technology	2.56	2.84	2.11	(9.95)
Metals/Mining/Minerals	3.64	12.69	2.68	(33.95)
Telecom	0.65	(3.14)	12.32	27.00
Utilities	1.62	5.24	(0.32)	(17.99)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	38182	67563	16627	98037
Future Stock	58062	1056075	129668	419128
Option Index Call	4584	165203	164289	463939
Option Index Put	67558	193456	162691	679043
Option Stock Call	13	8395	72166	148741
Option Stock Put	0	11456	61562	95500

	Short Position			
	DII	FII	Pro	Other
Future Index	10206	48259	42397	119547
Future Stock	929457	493466	64387	175623
Option Index Call	0	117103	212622	468290
Option Index Put	0	120861	264109	717778
Option Stock Call	226	13412	91258	124419
Option Stock Put	0	15087	62979	90452

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
531768	POLYMED	37.2
500495	ESCORTS	37.0
532848	DELTACORP	30.5
532922	EDELWEISS	25.8
500493	BHARATFORG	25.5
532541	NIITTECH	22.9
505537	ZEEL	21.9
500228	JSWSTEEL	21.7
500312	ONGC	21.3
526299	MPHASIS	20.3

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500520	M&M	37.5
500407	SWARAJENG	36.9
532921	ADANI PORTS	20.7
500182	HEROMOTOCO	19.7
500302	PEL	19.3
500086	EXIDEIND	18.5
531642	MARICO	16.5
532466	OFSS	14.1
500410	ACC	13.9
532296	GLENMARK	12.4

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(27.9)
524000	MAGMA	(22.6)
500390	RELINFRA	(20.4)
532300	WOCKPHARMA	(17.6)
506690	UNICHEMLAB	(15.1)
532939	RPOWER	(15.1)
502865	FORBESGOK	(12.1)
512131	SIGNET	(12.1)
526521	SANGHIIND	(12.0)
532524	PTC	(11.1)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
526797	GREENPLY	(19.1)
531500	RAJESHEXPO	(18.1)
511218	SRTRANSFIN	(16.6)
532215	AXISBANK	(12.9)
508486	HAWKINCOOK	(12.1)
532498	SHRIRAMCIT	(11.7)
533519	L&TFH	(10.7)
532134	BANKBARODA	(10.3)
532810	PFC	(10.1)
532548	CENTURYPLY	(10.0)

\* 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

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

**Disclosures:** Narnolia Financial Advisors Ltd. (NFAL) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at [www.narnolia.com](http://www.narnolia.com)

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, its associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**Analyst Certification** The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclosure of Interest Statement-**

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

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com).

Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerze Limited (Formerly Microsec Commerze Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

**Disclaimer:**

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NFAL & its group companies to registration or licensing requirements within such jurisdictions.