

Trading Calls

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FII DERIVATIVES POSITION FOR 02-June-2020	
	Net (Amt. in crs)
INDEX FUTURES	357
INDEX OPTIONS	483
STOCK FUTURES	(484)
STOCK OPTIONS	(8)

Institutional Turnover			
FII	Buy(cr.)	Sell(cr.)	Net(cr.)
02-Jun-20	12,157	4,659	7,498
Jun-20	19,172	10,099	9,074
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
02-Jun-20	5,066	4,625	441
Jun-20	9,957	9,975	(18)

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	10076.00	0.97%

Nifty Key Levels For The Week

Support	S1: 9820	S2 : 9700
Resistance	R1 : 10040	R2 : 10160

Market Outlook

Domestic market shrugged off the negative downgrade rating of moody's and indices formed bullish candle while nifty end just shy of 10000 mark. The momentum oscillator RSI is started moving toward north side and daily MACD also started trading above signal line which has bullish implications. As long as nifty trades above 9820 followed by 9700, we expect nifty will continue its up move towards 10160-10200 levels after crossing above 100 DEMA which comes at 10040 levels.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.57	10.59	5.98	(21.76)
Automobiles	0.49	10.16	9.45	(19.49)
Chemicals	1.09	5.86	(0.13)	2.79
Construction & Engineering	2.58	11.67	7.82	(36.35)
Construction Materials	0.91	2.88	8.80	(18.76)
Diversified Financial Services	4.33	18.06	(3.08)	(31.03)
Electrical Equipment	1.42	13.20	0.55	(32.21)
Energy	0.84	8.27	3.67	(8.79)
Financials	3.41	17.44	(3.48)	(32.33)
Health Care	0.77	2.14	2.65	22.96
Household Durables	0.94	9.37	0.85	(10.63)
Household & Personal Products	(0.23)	6.35	(1.56)	6.29
Information Technology	0.54	5.90	2.66	(9.47)
Metals/Mining/Minerals	0.06	10.36	2.74	(33.91)
Telecom	0.79	2.13	13.21	28.00
Utilities	1.66	5.03	1.34	(16.63)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	36215	74019	23605	105513
Future Stock	62290	1055160	131858	427912
Option Index Call	4584	183060	180301	489585
Option Index Put	67825	195654	165910	834083
Option Stock Call	13	10797	83685	165144
Option Stock Put	0	12587	65244	119671

	Short Position			
	DII	FII	Pro	Other
Future Index	10609	49124	46414	133205
Future Stock	907893	503443	80243	185641
Option Index Call	0	121160	228269	508101
Option Index Put	0	127992	309233	826247
Option Stock Call	426	15394	102028	141791
Option Stock Put	0	16702	77000	103800

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532848	DELTACORP	37.5
531768	POLYMED	35.9
500495	ESCORTS	34.1
524404	MARKSANS	28.0
505537	ZEEL	24.9
526299	MPHASIS	23.8
532541	NIITTECH	23.5
500008	AMARAJABAT	23.1
505200	EICHERMOT	21.5
521064	TRIDENT	21.4

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500407	SWARAJENG	35.8
500520	M&M	32.9
500302	PEL	23.4
532921	ADANI PORTS	18.0
532296	GLENMARK	17.9
500182	HEROMOTOCO	17.8
532374	STRTECH	16.3
500410	ACC	14.7
531642	MARICO	14.2
532700	ENIL	10.7

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(25.4)
500390	RELINFRA	(22.0)
524000	MAGMA	(20.5)
532939	RPOWER	(15.2)
532300	WOCKPHARMA	(14.9)
506690	UNICHEMLAB	(14.1)
526521	SANGHIIND	(11.9)
532524	PTC	(11.4)
502865	FORBESGOK	(10.4)
500111	RELCAPITAL	(9.9)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
531500	RAJESHXPO	(21.6)
526797	GREENPLY	(17.3)
511218	SRTRANSFIN	(15.8)
532548	CENTURYPLY	(14.7)
532810	PFC	(13.1)
508486	HAWKINCOOK	(12.9)
532134	BANKBARODA	(12.5)
532498	SHRIRAMCIT	(11.8)
500253	LICHSGFIN	(10.9)
532531	STAR	(8.8)

* 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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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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