

Trading Calls

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FII DERIVATIVES POSITION FOR 03-June-2020	
	Net (Amt. in crs)
INDEX FUTURES	532
INDEX OPTIONS	(161)
STOCK FUTURES	1,636
STOCK OPTIONS	(24)

Institutional Turnover			
FII	Buy(cr.)	Sell(cr.)	Net(cr.)
03-Jun-20	9,979	8,128	1,851
Jun-20	29,152	18,227	10,925
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
03-Jun-20	4,633	5,415	(782)
Jun-20	14,590	15,390	(800)

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	10151.50	0.61%

Nifty Key Levels For The Week

Support	S1: 9995	S2 : 9820
Resistance	R1 : 10200	R2 : 10400

Market Outlook

Continuing its winning streak to the sixth session in a row, the domestic market settled in positive territory amid on the back of positive global markets but it pared most of the gain in the last hours of trade. Nifty registered a bearish candle but higher highs with higher lows remain intact and we expect that upswing can expand towards 10200 followed by 10400 where key resistance stands. Contrary to this, weakness may resume if the Nifty will sustain below 9995 then it can slip down till 9820 levels.

Sectoral Performance (%)	1 Day	1 Week	1 Month	1 Year
	Auto Components	0.64	10.88	6.66
Automobiles	0.16	9.62	9.63	(21.37)
Chemicals	0.46	6.01	0.33	2.52
Construction & Engineering	1.04	10.08	8.94	(36.16)
Construction Materials	0.22	4.01	9.04	(19.51)
Diversified Financial Services	1.54	15.36	(1.59)	(30.98)
Electrical Equipment	0.84	12.95	1.39	(32.28)
Energy	0.78	7.32	4.48	(9.43)
Financials	2.06	13.55	(1.50)	(31.68)
Health Care	(0.01)	3.37	2.63	21.96
Household Durables	1.80	10.71	2.67	(8.68)
Household & Personal Products	0.87	6.73	(0.70)	4.72
Information Technology	(0.33)	2.50	2.32	(11.01)
Metals/Mining/Minerals	(0.13)	8.19	2.61	(35.02)
Telecom	(0.75)	0.42	12.36	25.99
Utilities	(0.35)	4.36	0.99	(17.26)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	33434	80182	24020	94929
Future Stock	63223	1053551	129603	414048
Option Index Call	4584	192513	193930	594633
Option Index Put	68105	221436	201257	881306
Option Stock Call	13	12571	92441	176983
Option Stock Put	0	14372	68986	138735

	Short Position			
	DII	FII	Pro	Other
Future Index	11380	47587	35663	137935
Future Stock	902271	474462	89786	193906
Option Index Call	0	131467	293092	561101
Option Index Put	0	154182	359537	858385
Option Stock Call	426	17309	110190	154083
Option Stock Put	0	18758	91378	111957

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
521064	TRIDENT	46.2
524404	MARKSANS	44.6
532848	DELTACORP	42.8
500495	ESCORTS	36.4
531768	POLYMED	29.4
533150	GODREJPROP	23.2
505537	ZEEL	23.0
532424	GODREJCP	21.4
530517	RELAXO	20.6
532541	NIITTECH	19.9

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500520	M&M	32.2
500407	SWARAJENG	30.1
532921	ADANIPTS	17.0
531642	MARICO	16.7
532374	STRTECH	16.1
532296	GLENMARK	15.7
532638	SHOPERSTOP	15.2
532218	SOUTHBANK	14.9
500171	GHCL	14.7
500302	PEL	14.0

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(22.8)
524000	MAGMA	(22.7)
500390	RELINFRA	(17.9)
506690	UNICHEMLAB	(14.4)
519552	HERITGFOOD	(13.0)
526521	SANGHIIND	(11.1)
500111	RELCAPITAL	(9.9)
500110	CHENNPETRO	(9.3)
532524	PTC	(9.1)
532300	WOCKPHARMA	(8.5)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
531500	RAJESHEXPO	(21.9)
511218	SRTRANSFIN	(21.1)
526797	GREENPLY	(15.9)
532810	PFC	(14.3)
532498	SHRIRAMCIT	(12.9)
532134	BANKBARODA	(12.2)
508486	HAWKINCOOK	(11.5)
532548	CENTURYPLY	(11.2)
500104	HINDPETRO	(10.6)
500710	AKZOINDIA	(10.3)

* 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.

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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