

## Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	10049.20	0.34%

### Nifty Key Levels For The Week

Support	S1: 9940	S2 : 9820
Resistance	R1 : 10175	R2 : 10200

### Market Outlook

Bulls took a breather after six days of massive gain and formed doji which suggests indeciveness among bulls and bears. We expect consolidation will continue in near term also which can give push index beyond 10175-10200 zone from where it can expand till 10400 levels. Intraday support lies at 9940 followed by 9820 levels.

### FII DERIVATIVES POSITION FOR 04-June-2020

Net (Amt. in crs)

INDEX FUTURES	(1,266)
INDEX OPTIONS	1,228
STOCK FUTURES	722
STOCK OPTIONS	29

### Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
04-Jun-20	8,506	5,601	2,905
Jun-20	37,658	23,828	13,830
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
04-Jun-20	3,623	4,470	(847)
Jun-20	18,212	19,860	(1,647)

### Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.17	7.74	13.98	(21.41)
Automobiles	0.36	6.16	18.61	(20.67)
Chemicals	(1.51)	3.23	3.39	2.03
Construction & Engineering	(1.71)	4.13	13.27	(37.33)
Construction Materials	(0.71)	1.43	14.15	(18.21)
Diversified Financial Services	(2.85)	10.00	3.96	(33.03)
Electrical Equipment	(0.20)	8.62	5.59	(32.44)
Energy	1.71	7.61	9.51	(7.11)
Financials	(2.47)	8.29	4.34	(33.36)
Health Care	1.59	4.92	3.72	24.91
Household Durables	(0.48)	7.81	7.57	(9.52)
Household & Personal Products	(0.13)	5.06	3.86	5.57
Information Technology	2.08	4.28	9.24	(7.50)
Metals/Mining/Minerals	0.40	6.15	10.31	(34.83)
Telecom	3.48	3.43	13.11	30.16
Utilities	1.26	5.02	5.43	(16.57)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	36374	64985	25013	95433
Future Stock	59792	1048692	129090	429846
Option Index Call	4584	161140	116866	342793
Option Index Put	67605	187404	115196	469531
Option Stock Call	13	13923	94381	202138
Option Stock Put	0	15619	75623	147641

	Short Position			
	DII	FII	Pro	Other
Future Index	13238	49189	31089	128289
Future Stock	901644	466042	94179	205555
Option Index Call	0	105001	153658	366724
Option Index Put	0	116680	164443	558613
Option Stock Call	925	18907	122736	167887
Option Stock Put	0	19280	96341	123262

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
521064	TRIDENT	59.6
524404	MARKSANS	56.2
532848	DELTACORP	45.3
500495	ESCORTS	42.9
505537	ZEEL	40.5
531768	POLYMED	35.8
532706	INOXLEISUR	30.0
533150	GODREJPROP	27.8
530517	RELAXO	27.8
500493	BHARATFORG	26.5

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500520	M&M	34.1
500407	SWARAJENG	31.1
532921	ADANIPTS	27.4
532218	SOUTHBANK	26.3
504067	ZENSARTECH	22.9
500171	GHCL	20.8
532374	STRTECH	19.9
500302	PEL	19.6
502330	IPAPPM	18.2
532296	GLENMARK	17.2

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
524000	MAGMA	(22.2)
522275	ALSTOMT&D	(15.0)
500111	RELCAPITAL	(10.0)
506690	UNICHEMLAB	(10.0)
500390	RELINFRA	(9.5)
519552	HERITGFOOD	(8.3)
532524	PTC	(8.1)
526612	BLUEDART	(8.0)
526521	SANGHIIND	(5.7)
532300	WOCKPHARMA	(5.6)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511218	SRTRANSFIN	(17.8)
532498	SHRIRAMCIT	(14.4)
531500	RAJESHEXPO	(13.5)
526797	GREENPLY	(11.7)
532810	PFC	(11.5)
508486	HAWKINCOOK	(9.7)
532548	CENTURYPLY	(8.0)
532134	BANKBARODA	(6.6)
500104	HINDPETRO	(6.0)
500710	AKZOINDIA	(6.0)

\* 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

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