

Trading Calls

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FII DERIVATIVES POSITION FOR 05-June-2020	
	Net (Amt. in crs)
INDEX FUTURES	(345)
INDEX OPTIONS	662
STOCK FUTURES	455
STOCK OPTIONS	27

Institutional Turnover			
	Buy(cr.)	Sell(cr.)	Net(cr.)
FII			
05-Jun-20	4,586	4,488	98
Jun-20	42,244	28,316	13,928
DII			
05-Jun-20	3,539	3,492	47
Jun-20	21,751	23,351	(1,600)

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	10164.00	1.39%

Nifty Key Levels For The Week

Support	S1: 10050	S2 : 10000
Resistance	R1 : 10300	R2 : 10320

Market Outlook

Index has managed to close inside lower Bollinger band in monthly time frame indicating mean reversion movement in progress which can continue towards middle band currently standing around 11000 levels. Moreover, strong positive bias can push index towards 100 DMA standing around 10320 marks. On a flip side crucial support is seen near 9940 marks and any decisive move below this zone can push index lower towards previous swing pivot placed around 9800 marks.

	Sectoral Performance (%)			
	1 Day	1 Week	1 Month	1 Year
Auto Components	2.53	8.75	17.49	(19.43)
Automobiles	1.36	5.46	21.04	(19.59)
Chemicals	1.54	2.74	6.21	3.60
Construction & Engineering	2.22	4.96	17.34	(35.94)
Construction Materials	2.74	3.20	18.40	(15.97)
Diversified Financial Services	2.05	10.28	8.36	(31.66)
Electrical Equipment	2.61	10.41	10.61	(30.68)
Energy	0.81	7.33	8.96	(6.36)
Financials	2.71	10.08	9.59	(31.55)
Health Care	0.34	3.21	5.58	25.33
Household Durables	0.90	7.36	8.23	(8.71)
Household & Personal Products	(0.98)	1.02	4.82	4.53
Information Technology	(0.95)	3.91	8.31	(8.39)
Metals/Mining/Minerals	3.47	7.58	15.38	(32.57)
Telecom	3.86	8.21	18.49	35.18
Utilities	1.69	6.00	6.50	(15.16)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	36228	68341	27741	100513
Future Stock	56396	1056601	125643	439835
Option Index Call	4584	205606	161424	449427
Option Index Put	67275	204726	159048	667873
Option Stock Call	13	16234	101956	219597
Option Stock Put	0	17276	76172	169929

	Short Position			
	DII	FII	Pro	Other
Future Index	13038	58048	27997	133740
Future Stock	912125	456064	102778	207508
Option Index Call	0	136937	200538	483566
Option Index Put	0	136061	233493	729368
Option Stock Call	1672	20850	132202	183076
Option Stock Put	0	21134	107087	135156

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	67.4
521064	TRIDENT	57.1
532848	DELTACORP	42.3
532706	INOXLEISUR	40.5
500495	ESCORTS	39.5
505537	ZEEL	39.2
531768	POLYMED	38.5
532689	PVR	35.8
500038	BALRAMCHIN	33.6
533150	GODREJPROP	31.9

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
504067	ZENSARTECH	46.3
502330	IPAPPM	41.7
500407	SWARAJENG	36.3
500520	M&M	31.6
532921	ADANIPOINTS	29.6
532218	SOUTHBANK	29.3
500171	GHCL	28.9
532638	SHOPERSTOP	28.8
500294	NCC	28.7
532374	STRTECH	24.0

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
524000	MAGMA	(14.3)
500111	RELCAPITAL	(10.0)
522275	ALSTOMT&D	(7.1)
506690	UNICHEMLAB	(6.4)
519552	HERITGFOOD	(5.6)
532524	PTC	(3.9)
532259	APARINDS	(3.7)
526612	BLUEDART	(2.4)
532331	AJANTPHARM	(1.0)
532300	WOCKPHARMA	(0.0)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511218	SRTRANSFIN	(16.8)
531500	RAJESHEXPO	(11.8)
532498	SHRIRAMCIT	(11.2)
526797	GREENPLY	(10.9)
508486	HAWKINCOOK	(7.4)
532810	PFC	(5.2)
500104	HINDPETRO	(4.7)
500710	AKZOINDIA	(3.3)
503310	SWANENERGY	(1.3)
532531	STAR	(1.0)

* 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

Despite negative rating from Moody's, domestic market continue to trade with their gaining momentum streaks on north side without any hiccups and witnessed three months high candle. Easing of lock down and hope of coronavirus vaccine in the offing infused positive sentiment in the market. Short covering in PSU banks further strengthen the power of bulls which kept the market aloft. Market did excellent recovery in last couple of weeks and nifty reclaim five digit of 10000 mark. Even declining VIX supporting the higher market base. However any gloomy development at macro levels can hinder this momentum, therefore buying on dips would be the good strategy to play in the coming week.

Technical Outlook-

- a) Nifty registered bullish belt hold candle after the formation of evening star on weekly chart indicate this move can expand further.
- b) Formation of higher highs and higher lows remain intact from last three weeks
- c) Bullish crossover in MACD on daily chart also looking conducive for price pattern
- d) However, Index gained more than 1100 point in last six trading days so minor profit booking can not be ruled out
- e) A close above 10200 level can push index toward 10500-10600 zone near 61.8% fibonacci retracement
- f) As long as nifty sustain above 9940 followed by 9700, trader can follow buy on dip approach

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10500	Psychological levels
Resistance 1	10200	Immediate Resistance
Close	10142	
Support 1	9940	Previous swing low
Support 2	9700	Line of Parity

VIEW

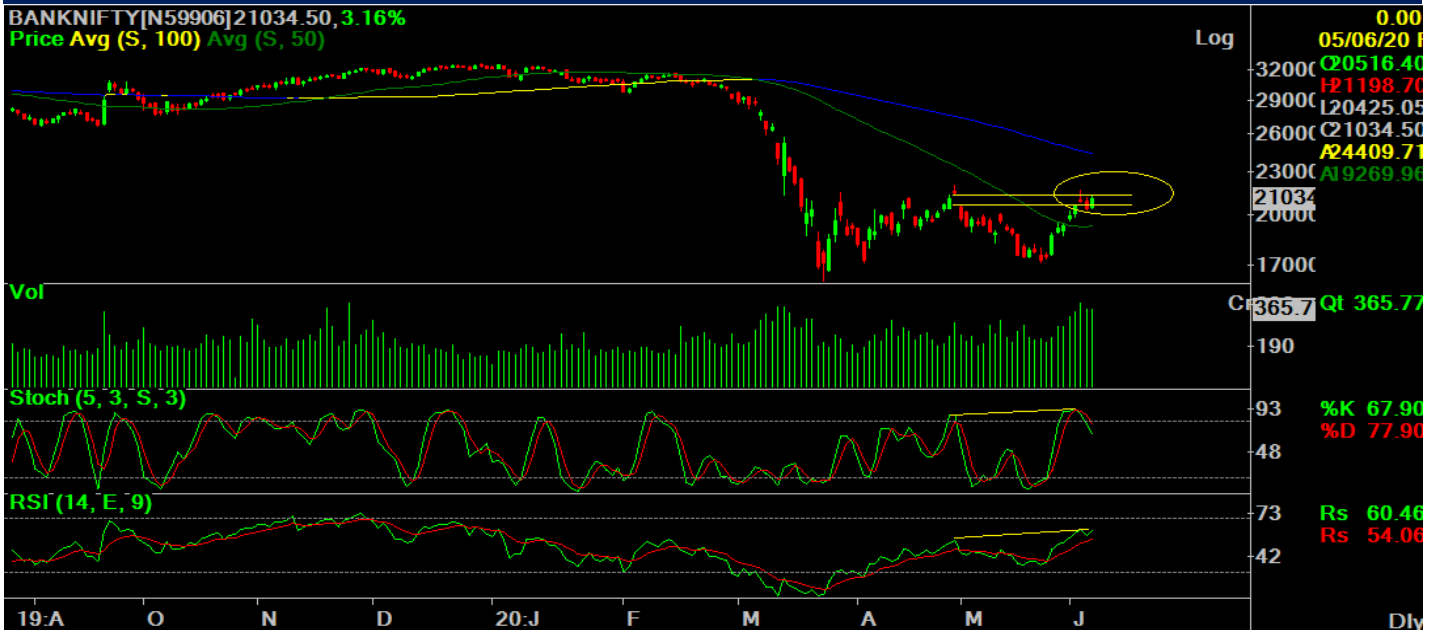
Banknifty continued its pullback rally throughout last week and closed the week with a net gain of 9% over its previous week's close. The buying was witnessed across the board. State Bank, Kotak Bank and HDFC Bank were on the buyers' radar.

OBSERVATIONS:

- 1) Banknifty has filled the gap (20530-21353, which was left on 4th May 2020) completely last week.
- 3) Hidden Bearish Divergences are still maintaining in Stochastic and RSI on the daily chart of Banknifty

According to the above observations it can be concluded that Banknifty has completed its gap-filling process. Last week some delivery based buying was also witnessed in this sector, so the current pullback may continue for another few days. However existence of Hidden Bearish Divergences both in Stochastic and RSI are giving some profit booking signal in the near future. On the higher side the index may find stiff resistance in 21980-22560 zone. We recommend booking profits of existing long positions in Banknifty and Fresh short can also be initiated in the index in 21980-22560 zone.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	22560
Resistance 1	21980
Close	21034
Support 1	20240
Support 2	19130

VIEW

From the last few weeks, pair has stuck in the narrow range of 76.15 and 74.90 mark. In the process of this, it has formed a strong base at its lower levels. Appreciation in USD due to better expected jobless claim data is not looking augur well for Rupee. But inflow of hefty amount of money in equity has restricted the downside move as the pair is still trading below our mentioned resistance. Price analysis shows that buying interest can pull the prices again toward upper range in the coming days.

TECHNICAL FACTORS-

- a) Consolidation above rising trendline support of 74.90-75 zone suggest sideways to positive move further
- b) Higher tops and higher bottom is still intact and this subdued phase is preparing the bulls for next leg of rally
- c) Moreover, positive crossover in MACD and RSI bouncing back from support levels suggest that the rangebound move is likely to be biased towards bulls
- d) Immediate resistance continue to stand 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	75.56
Support 1	74.9
Support 2	74.30

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