

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	10229.80	0.64%

Nifty Key Levels For The Week

Support	S1: 10050	S2 : 10000
Resistance	R1 : 10300	R2 : 10350

Market Outlook

After giving a gap-up opening, Nifty rose to make an intraday high of 10328 yesterday. However it was unable to maintain at the higher levels and some profit booking was seen towards closing session. At last Nifty ended the day with a net gain of 0.3%. Currently two important things are witnessing in the daily chart.

1. Nifty has completed the gap-filling process which was left on 12th March 2020.
2. The index has found a stiff resistance at 100 DMA.

These two observations are giving indication of some profit booking in the near future. On the downward path some crucial supports are 9900 and 9600.

This view will reverse when Nifty is able to close above 10330 and in that case upward rally may continue up to 10750.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.41)	4.55	16.97	(18.38)
Automobiles	0.09	2.48	21.96	(18.48)
Chemicals	(0.30)	1.26	7.93	3.94
Construction & Engineering	1.03	5.22	17.68	(33.58)
Construction Materials	(2.16)	0.93	14.69	(15.61)
Diversified Financial Services	1.85	6.97	9.62	(29.05)
Electrical Equipment	(0.64)	4.06	12.70	(30.55)
Energy	0.86	5.11	5.99	(2.88)
Financials	0.65	6.41	9.78	(29.81)
Health Care	(0.88)	1.80	4.01	26.64
Household Durables	(0.15)	3.03	10.78	(8.47)
Household & Personal Products	0.88	0.40	4.59	5.36
Information Technology	1.50	2.83	10.47	(7.01)
Metals/Mining/Minerals	0.05	3.86	15.78	(31.47)
Telecom	0.85	8.42	19.18	35.89
Utilities	(0.13)	4.18	9.66	(14.01)

FII DERIVATIVES POSITION FOR 08-June-2020

Net (Amt. in crs)

INDEX FUTURES	(439)
INDEX OPTIONS	5
STOCK FUTURES	279
STOCK OPTIONS	22

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
08-Jun-20	6,082	5,269	813
Jun-20	48,326	33,585	14,741
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
08-Jun-20	4,212	5,450	(1,238)
Jun-20	25,964	28,802	(2,838)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	33449	63469	27124	114068
Future Stock	59170	1063446	125405	430015
Option Index Call	4584	216704	205019	625391
Option Index Put	70808	226696	182307	750499
Option Stock Call	13	17890	104867	244590
Option Stock Put	0	18418	82084	178032

	Short Position			
	DII	FII	Pro	Other
Future Index	14390	59088	28191	136441
Future Stock	901575	450362	103090	223009
Option Index Call	0	148409	291135	612154
Option Index Put	0	158822	275961	795527
Option Stock Call	1672	22610	147360	195718
Option Stock Put	0	21713	112578	144243

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	71.1
500173	GUJFLUORO	55.8
532848	DELTACORP	51.0
521064	TRIDENT	42.7
530813	KRBL	36.7
532706	INOXLEISUR	36.6
531768	POLYMED	35.7
533150	GODREJPROP	34.9
500495	ESCORTS	34.3
532659	IDFC	32.8

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
502330	IPAPPM	39.8
504067	ZENSARTECH	38.4
500171	GHCL	37.3
511072	DHFL	35.5
500294	NCC	34.0
532218	SOUTHBANK	31.6
532129	HEXAWARE	30.8
532638	SHOPERSTOP	29.5
532700	ENIL	29.1
532921	ADANI PORTS	26.9

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500111	RELCAPITAL	(10.0)
524000	MAGMA	(5.4)
506690	UNICHEMLAB	(4.4)
532524	PTC	(3.1)
526612	BLUEDART	(2.8)
532300	WOCKPHARMA	(1.1)
502865	FORBESGOK	(0.4)
500645	DEEPAKFERT	1.0
532331	AJANTPHARM	1.8
522275	ALSTOMT&D	1.9

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511218	SRTRANSFIN	(19.1)
531500	RAJESHEXPO	(11.5)
526797	GREENPLY	(8.9)
520113	VESUVIUS	(8.1)
508486	HAWKINCOOK	(7.1)
532810	PFC	(4.7)
500710	AKZOINDIA	(2.8)
511243	CHOLAFIN	(2.4)
532498	SHRIRAMCIT	(1.5)
500253	LICHSGFIN	(0.6)

* 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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