

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	10092.30	-0.49%

Nifty Key Levels For The Week

Support	S1: 10020	S2 : 9940
Resistance	R1 : 10180	R2 : 10330

Market Outlook

In a roller coaster ride, market swung in red and green zone but spurted in the last hour of trade which helped it to close with gains. Formation of bullish harami candle suggests that bulls are not ready to loose their grip so easily due to this nifty was able to defend its previous day low. Resistance stands on same point at 10180 followed by 10330 levels while support lies at 10020 followed by 9940 levels.

FII DERIVATIVES POSITION FOR 10-June-2020

Net (Amt. in crs)

INDEX FUTURES	294
INDEX OPTIONS	(405)
STOCK FUTURES	(149)
STOCK OPTIONS	(29)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
10-Jun-20	4,432	5,351	(919)
Jun-20	59,260	44,948	14,312
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
10-Jun-20	3,180	2,679	501
Jun-20	33,187	36,258	(3,071)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.81)	0.60	15.04	(20.10)
Automobiles	(0.90)	0.24	20.07	(19.80)
Chemicals	0.35	(0.44)	7.77	3.87
Construction & Engineering	0.14	1.29	17.41	(34.03)
Construction Materials	1.10	0.19	15.14	(15.47)
Diversified Financial Services	1.30	1.36	10.03	(28.67)
Electrical Equipment	0.55	1.43	12.35	(31.02)
Energy	1.21	2.51	5.06	(3.11)
Financials	1.45	0.40	9.33	(29.97)
Health Care	0.90	2.95	5.98	28.57
Household Durables	(0.09)	(0.36)	10.10	(9.20)
Household & Personal Products	(0.12)	(0.23)	4.60	4.57
Information Technology	0.90	3.08	10.96	(8.24)
Metals/Mining/Minerals	(0.74)	2.24	13.89	(32.57)
Telecom	0.53	5.18	15.66	31.41
Utilities	0.52	2.95	9.79	(14.30)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	30916	72461	23441	120270
Future Stock	57198	1070297	124899	436926
Option Index Call	4584	228213	226134	701354
Option Index Put	70958	233876	212018	874968
Option Stock Call	25	20036	108116	274173
Option Stock Put	0	20684	85482	195413

	Short Position			
	DII	FII	Pro	Other
Future Index	17474	56682	35541	137391
Future Stock	907549	440346	107497	233928
Option Index Call	0	157339	317947	684999
Option Index Put	0	180112	319737	891971
Option Stock Call	2552	24810	156298	218690
Option Stock Put	0	23771	119166	158642

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	56.1
521064	TRIDENT	51.7
500173	GUJFLUORO	37.8
500038	BALRAMCHIN	37.7
500850	INDHOTEL	37.5
531768	POLYMED	35.9
532848	DELTACORP	35.5
533150	GODREJPROP	33.9
533248	GPPL	31.7
500490	BAJAJHLDNG	31.6

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
504067	ZENSARTECH	38.2
511072	DHFL	38.2
500171	GHCL	37.1
532129	HEXAWARE	36.1
500294	NCC	31.6
500288	MOREPENLAB	28.9
500407	SWARAJENG	28.8
500690	GSFC	28.2
500875	ITC	25.9
520056	SUNCLAYLTD	25.5

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500111	RELCAPITAL	(7.2)
526612	BLUEDART	(4.3)
500219	JISLJALEQS	(3.5)
532524	PTC	(0.9)
533217	HMVL	(0.8)
502865	FORBESGOK	0.5
532300	WOCKPHARMA	2.2
532331	AJANTPHARM	3.0
522275	ALSTOMT&D	3.9
519552	HERITGFOOD	5.0

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511218	SRTRANSFIN	(14.6)
531500	RAJESHEXPO	(8.7)
526797	GREENPLY	(6.1)
508486	HAWKINCOOK	(5.2)
532498	SHRIRAMCIT	(3.8)
520113	VESUVIUS	(3.5)
532531	STAR	(2.2)
500710	AKZOINDIA	(1.6)
531599	FDC	0.1
500253	LICHSGFIN	1.1

* 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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Analyst's ownership of the stocks mentioned in the Report	NIL
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