

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	9580.00	-2.77%

Nifty Key Levels For The Week

Support	S1: 9600	S2 : 9500
Resistance	R1 : 9890	R2 : 10000

Market Outlook

Bears were on the top of the trade and hammered the market hard. Bears are having tailwinds as far as international cues are concerned. Market breadth was sharply negative. Near term, the market has strong momentum on the downside toward 9600 level where it can fill the bullish gap area lies at 9706- 9598 zone which was registered at 1 June. Upside resistance is seen at 9890 followed by 10000 levels.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(1.05)	(0.62)	12.30	(21.24)
Automobiles	(2.38)	(2.50)	11.66	(21.94)
Chemicals	(1.34)	(0.27)	6.62	2.27
Construction & Engineering	(2.00)	0.99	14.18	(35.17)
Construction Materials	(1.80)	(0.90)	11.48	(16.80)
Diversified Financial Services	(1.57)	2.69	9.02	(29.86)
Electrical Equipment	(2.01)	(0.41)	9.47	(32.71)
Energy	(2.04)	(1.28)	2.12	(5.96)
Financials	(2.39)	0.50	8.38	(32.00)
Health Care	(1.71)	(0.39)	4.22	25.94
Household Durables	(0.77)	(0.64)	9.28	(10.16)
Household & Personal Products	(1.06)	(1.16)	4.43	3.61
Information Technology	(1.61)	(0.64)	7.38	(10.28)
Metals/Mining/Minerals	(2.15)	(0.35)	10.08	(34.59)
Telecom	(4.31)	(2.75)	8.66	25.05
Utilities	(0.07)	1.61	9.30	(14.67)

FII DERIVATIVES POSITION FOR 11-June-2020

Net (Amt. in crs)

INDEX FUTURES	(923)
INDEX OPTIONS	2,081
STOCK FUTURES	(798)
STOCK OPTIONS	24

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
11-Jun-20	3,805	4,610	(805)
Jun-20	63,065	49,558	13,507
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
11-Jun-20	3,027	3,902	(874)
Jun-20	36,214	40,160	(3,945)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	32223	63993	24558	127835
Future Stock	56430	1063117	126454	431954
Option Index Call	4584	192431	146454	422820
Option Index Put	71099	227880	145591	513400
Option Stock Call	76	21840	103040	314267
Option Stock Put	65	24217	97029	182872

	Short Position			
	DII	FII	Pro	Other
Future Index	18104	62078	34447	133980
Future Stock	899903	448685	94919	234448
Option Index Call	0	139561	181895	444833
Option Index Put	0	145319	182917	629734
Option Stock Call	2860	27071	175128	234164
Option Stock Put	0	25969	115888	162326

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524404	MARKSANS	55.6
521064	TRIDENT	47.3
500038	BALRAMCHIN	40.8
500850	INDHOTEL	37.8
533248	GPPL	37.0
533150	GODREJPROP	31.8
532848	DELTACORP	31.2
500173	GUJFLUORO	29.7
532483	CANBK	28.2
532482	GRANULES	28.0

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532370	RAMCOSYS	47.0
504067	ZENSARTECH	42.2
500171	GHCL	38.4
500690	GSFC	32.9
502330	IPAPPM	31.9
511072	DHFL	31.4
520056	SUNCLAYLTD	27.9
532218	SOUTHBANK	27.9
532129	HEXAWARE	26.9
500288	MOREPENLAB	26.9

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500111	RELCAPITAL	(5.9)
532300	WOCKPHARMA	(3.2)
526612	BLUEDART	(2.4)
500219	JISLJAEQS	(1.6)
502865	FORBESGOK	(1.4)
533217	HMVL	(0.4)
532331	AJANTPHARM	0.1
532524	PTC	0.3
522275	ALSTOMT&D	2.1
500405	SUPPETRO	4.7

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
511218	SRTRANSFIN	(13.4)
531500	RAJESHEXPO	(11.5)
526797	GREENPLY	(6.0)
532531	STAR	(4.1)
532498	SHRIRAMCIT	(4.0)
517380	IGARASHI	(3.8)
520113	VESUVIUS	(3.5)
508486	HAWKINCOOK	(3.2)
532548	CENTURYPLY	(2.2)
532810	PFC	(1.5)

* 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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