

Trading Calls

Market	Value	% Change
SGX Nifty (at 8.30 am IST)	10599.80	0.45%

Nifty Key Levels For The Week

Support	S1: 10485	S2 : 10445
Resistance	R1 : 10700	R2 : 10750

Market Outlook

Market successfully crossed wall of worry that stands at 10555 level (61.8% & 200 EMA) which is a bullish signal. Price action on daily chart has formed a bullish candle implying positive biasness among market participants. Further short covering in indices and appreciation in rupee will push the market higher. Bullish gap area of yesterday's session in the range of 10485-10447 zone will act as key support. Contrary, prices are also forming rising wedge pattern on daily chart where it can face resistance. Now looking all the scenario we expect this rally can scale higher till 10650- 10700 zone.

FII DERIVATIVES POSITION FOR 02-July-2020

	Net (Amt. in crs)
INDEX FUTURES	706
INDEX OPTIONS	2,732
STOCK FUTURES	667
STOCK OPTIONS	159

Institutional Turnover

	Buy(cr.)	Sell(cr.)	Net(cr.)
FII			
02-Jul-20	4,054	4,611	(557)
Jul-20	7,684	9,937	(2,253)
DII			
02-Jul-20	5,135	4,226	909
Jul-20	8,804	6,518	2,286

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.84	1.24	7.01	(13.76)
Automobiles	2.43	2.22	6.75	(11.86)
Chemicals	0.43	(0.15)	2.96	10.95
Construction & Engineering	1.68	0.55	3.78	(33.42)
Construction Materials	0.43	2.48	4.99	(10.37)
Diversified Financial Services	1.55	1.72	13.92	(21.97)
Electrical Equipment	1.10	0.56	7.01	(27.95)
Energy	1.27	2.19	11.98	7.53
Financials	0.58	2.22	9.59	(25.95)
Health Care	0.65	(1.99)	2.18	29.00
Household Durables	1.43	1.17	2.88	(8.26)
Household & Personal Products	(0.36)	0.18	3.39	10.10
Information Technology	2.86	6.09	5.43	(4.99)
Metals/Mining/Minerals	0.75	(0.27)	4.84	(31.64)
Telecom	(0.04)	(0.09)	3.33	35.75
Utilities	0.75	(0.50)	5.71	(16.05)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	19577	45179	19240	131430
Future Stock	35859	925976	121796	429468
Option Index Call	287	142498	155550	371747
Option Index Put	39353	182469	162769	526375
Option Stock Call	0	19305	78177	238811
Option Stock Put	0	16829	82699	109640

	Short Position			
	DII	FII	Pro	Other
Future Index	16412	48255	29043	121716
Future Stock	822107	396534	71824	222634
Option Index Call	0	113297	161613	395172
Option Index Put	0	119920	211237	579809
Option Stock Call	4190	27802	128913	175388
Option Stock Put	0	17218	68427	123523

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532922	EDELWEISS	29.5
530813	KRBL	28.7
500049	BEL	27.9
500034	BAJFINANCE	26.5
500038	BALRAMCHIN	26.0
523598	SCI	25.7
532430	BFUTILITIE	25.4
533248	GPPL	24.5
532461	PNB	23.9
532636	INDIAINFO	23.9

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532370	RAMCOSYS	52.2
500288	MOREPENLAB	49.9
532218	SOUTHBANK	43.4
504067	ZENSARTECH	36.9
514043	HIMATSEIDE	36.8
511072	DHFL	34.4
532175	CYIENT	29.5
532129	HEXAWARE	26.2
500144	FINCABLES	24.5
500690	GSFC	23.0

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500413	THOMASCOOK	(11.1)
500840	EIHOTEL	(9.9)
500101	ARVIND	(9.7)
500031	BAJAJELEC	(4.7)
526612	BLUEDART	(3.3)
530073	SANGHVIMOV	(1.5)
526586	WIMPLAST	(1.4)
522074	ELGIEQUIP	(1.2)
532331	AJANTPHARM	(1.0)
530965	IOC	3.1

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
505744	FMGOETZE	(13.4)
523398	HITACHIHOME	(10.4)
532539	MINDAIND	(7.9)
500067	BLUESTARCO	(7.0)
500710	AKZOINDIA	(4.7)
532555	NTPC	(3.5)
532683	AIAENG	(3.2)
532805	REDINGTON	(3.2)
505726	IFBIND	(2.9)
531500	RAJESHEXPO	(2.7)

* 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

Strength in banks and comeback moves in high beta financial scrips along with the continuation of a pick up in breadth in the broader market underline market strength. India VIX remained flattish and hovering around its support of 25 levels and lower VIX is supporting the higher market base. Easing tension between India and china helped indices to extend their weekly gain. However some profit booking is seen at higher levels as they approached their psychological levels where they faced supply pressure but in the current scenario corrective moves on downside are likely to be short lived.

Technical Outlook-

- a) Bulls failed to cross the worry of wall which stands at 10550 levels (61.8% Fibonacci retracement)
- b) Index registered a spinning top at the apex of rising wedge which indicate indecisiveness in the market
- c) Weekly momentum indicator RSI and MACD support the bullishness in the price pattern as they are still trading above rising line
- d) To reinstate the bullish undertone, nifty has to surpass above 10550 level from where it can extend this rally towards 10750 and 10900 levels
- f) However, confirmation of weakness can come with follow thru selling below 10000 level (near 100 SMA) where as minor support is seen near 10190 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10750	Top of Beraish belt Hold
Resistance 1	10550	61.8% Fibonacci Retracement
Close	10383	
Support 1	10190	Immediate Swing Low
Support 2	10000	100 SMA

VIEW

After opening with a green session, Banknifty rose to make a weekly high of 22480 on Wednesday. However it was unable to maintain at the higher level and some selling pressure brought the index lower to 20926. At last Banknifty ended the week with a net gain of 1.2% over its previous week's close.

OBSERVATIONS:

1) Negative divergence in Stochastic was formed on the daily chart of Banknifty.

The above observation is suggesting of some profit booking in the near future and in the profit booking process Banknifty may test 20700 and then 19800. On the higher side 22500 would act as near-term stiff resistance of Banknifty and sustainable move beyond this level is likely to take the index further higher to 24000 in the short term. Therefore we recommend to initiate fresh long either near 19800 or only above 22500.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	21980
Resistance 1	21600
Close	21338
Support 1	20400
Support 2	19900

VIEW

Indian currency mirrored positive sentiment from the equity market which has been running with a bullish move from the last few weeks. Last week was the best weekly performance from the Rupee since may. RBI's forex reserves acted as a buffer which has altered the structural dynamics in the price action of Rupee. We expect that appreciation in Rupee will continue in the near term also as pair seems to be exhausted at upper levels.

TECHNICAL FACTORS-

- a) Pair began the week on a negative note as it faced stiff resistance near 76.50 level
- b) On weekly chart, pair has formed bear candle and has closed below the lows of last week candle
- c) Daily strength indicator RSI and MACD are showing negative crossover suggesting the bearish momentum in the pair.
-) If pair breaches 75.40 mark then it would witness selling which could lead the pair towards 74.90 mark where major support is seen.
- e) However, if the pair crosses above 76.15 mark then it will again bounce back towards 76.50 and 77 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	76.50
Resistance 1	76.15
Close	75.62
Support 1	75.4
Support 2	74.90

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