

Sensex (72404) / Nifty (21957)

On the weekly expiry day, the benchmark index Nifty commenced trading on a negative trajectory. Throughout the day, without any significant intra-day recovery, it continued to decline steadily. Eventually, prices concluded with a substantial cut of 1.50%, ending tad above the **21950** mark.

The bearish trend persists, with the last five trading sessions witnessing an erosion of around 850 points from the all-time high levels. Amidst this decline, support levels have been easily breached. Our market's behavior remains distinct from global counterparts, experiencing significant pressure due to participants opting for lighter positions ahead of the impending Lok Sabha election results. The critical level to monitor next lies within the range of **21750 - 21700**. This zone aligns with crucial support levels indicated by previous swing lows and the lower boundary of a rising channel pattern. Additionally, with hourly indicators dipping into deep oversold territory and prices hovering around 89EMA, it remains to be seen whether relief will materialize or if selling pressure will persist into the week's end. In our view, any rebound should be used to reduce long positions, given the unsettling intensity of selling.

Nifty Bank Outlook (47488)

The rate-sensitive index had a quiet start to the day's proceedings, opening mildly lower. There was a brief attempt in the initial hour to recover lost ground, but that effort failed, and it began to drop lower at a rapid pace. The weakness persisted throughout the day, as it fell lower steadily. Eventually the day concluded on a very weak note, below the **47500** level, losing nearly 600 points for the day.

Technically, the bearish set up persists, with the index maintaining its 7-day losing streak. The fact that the index has now fallen below its 20-DEMA and 50-DEMA, and its key support levels underscores the weakness and momentum to the downside. Going forward, there appears to be no change in our outlook as the index remains poised to test lower levels. However, one must very carefully watch what the index does in the **47300-46700** zone, as this aligns with the 78.6% and 100% retracement levels of the previous swing, and one can expect some demand to spur up from these zones. But given the free fall, nature of the current fall, one must adopt a bearish view on the index and utilize any rallies to venture into bearish positions.

Key Levels

Support 1 – 47200	Resistance 1 – 48000
Support 2 – 47000	Resistance 2 – 48200

Exhibit 1: Nifty Daily Chart



It's prudent to maintain a cautious stance as we approach the pivotal event. Therefore, bottom fishing should be avoided until clear signs of reversal emerge. Conversely, resistance levels continue to adjust lower, with **22150 - 22200** emerging as immediate hurdles. Traders are advised to monitor these levels closely and adjust their trading strategies accordingly.

Key Levels

Support 1 – 21800	Resistance 1 – 22150
Support 2 – 21700	Resistance 2 – 22200

Exhibit 2: Nifty Bank Daily Chart



As far as levels are concerned, support for BANKNIFTY is now placed around the **47000-46700** zone. For resistance, the zone of **48200-48300**, which coincides with 20-DEMA and last two days high is likely to act as hurdle in the near term.

Comments

- The Nifty futures open interest has increased by 19.07% and Bank Nifty futures open interest has increased by 9.19% as the market closed at 21957.50.
- The Nifty May future closed with a premium of 118.30 points against a premium of 91.35 points in the last trading session. The June series closed at a premium of 231.90 points.
- The INDIA VIX has increased from 17.08 to 18.20. At the same time, the PCR-OI of Nifty has increased from 0.77 to 0.90.
- A few of the liquid counters where we have seen high cost of carry are LT, ASIANPAINT, UBL, PEL and MANAPPURAM.

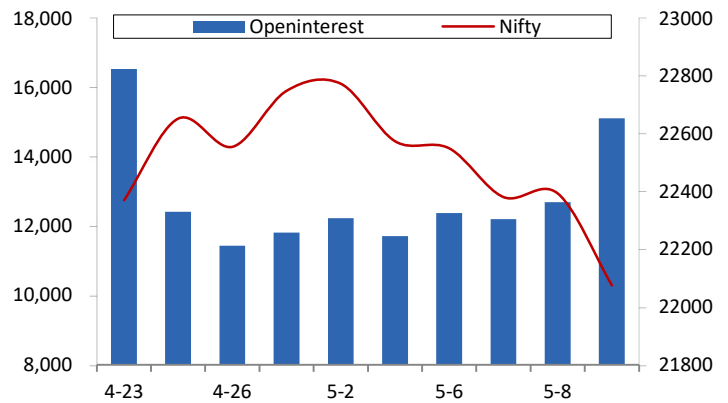
View

- The Indian equity markets witnessed an intense day of sell-off amidst broad-based selling pressure. The benchmark index Nifty50 plummeted below the 22000 mark, eroding over 1.50 percent on the weekly expiry.
- FII were net sellers in the cash market segment to the tune of Rs. 6995 crore. Simultaneously, they sold worth Rs. 3882 crore in Index futures with an increase in open interest, indicating short addition.
- On the derivatives front, substantial short additions were seen in key indices on the weekly settlement of Nifty. On the options front, decent positioning of OI is seen around 22000-21800 put strikes, suggesting intermediate support for the Nifty. On the flip side, Call writers shifted to 22200 strike for the upcoming weekly expiry, suggesting the immediate hurdle. The stronger hands added fresh shorts, resulting in a decline in the Long Short Ratio to 33% from 39%. Considering the mentioned data, weakness is likely to persist amidst the spike in the volatility index, and hence, it is advisable to maintain light positions while utilizing bounce to exit longs in the system.

Historical Volatility

SCRIP	HV
COFORGE	40.89
MRF	27.25
COALINDIA	37.34
SRF	30.70
SHREECEM	29.76

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
MUTHOOTFIN	6348650	22.15	1598.40	-3.83
ASIANPAINT	13332800	18.86	2710.15	-4.95
BERGEPAIN	21212400	13.17	481.25	-4.97
VOLTAS	6612000	11.72	1276.05	-2.93
SUNTV	8889000	11.58	656.80	1.29
M&M	13401150	8.51	2212.55	1.31
PIDILITIND	2247750	8.26	2837.30	0.78
RELIANCE	44519750	6.08	2788.25	-1.59

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
PEL	17600	-17.87	815.80	-9.01
BHARATFORG	6646500	-9.08	1412.70	0.61
NAVINFLUOR	2198525	-6.98	3222.20	-5.50
DEEPAKNTR	1654200	-6.75	2435.45	-2.91
CROMPTON	14691600	-6.70	337.40	-1.30
PIIND	1607500	-6.54	3517.15	-0.31
GODREJCP	6789000	-6.13	1330.90	-1.46
CANBK	69566850	-6.09	545.50	-1.87

Put-Call Ratio

SCRIP	PCR (OI)	PCR (VOL)
NIFTY	0.90	0.93
BANKNIFTY	0.65	1.01
RELIANCE	0.48	0.57
ICICIBANK	0.50	0.54
INFY	0.51	0.34

FII Statistics for May 09, 2024

Detail	Buy		Net	Contracts	OI Value (in Cr.)	CHANG
	Buy	Sell				
INDEX FUTURES	7157.33	11039.48	(3882.15)	458772	28265.25	15.57
INDEX OPTIONS	3077658.05	3059990.70	17667.35	4066438	257210.22	(25.70)
STOCK FUTURES	35662.18	38747.15	(3084.97)	3826510	270484.31	0.58
STOCK OPTIONS	46601.24	48443.53	(1842.29)	476854	34215.21	2.36
Total	3167078.80	3158220.86	8857.94	8828574	590174.99	12.42

Turnover on May 09, 2024

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	736650	44364.19	36.83
Index Options	755884145	71322.11	2.38
Stock Futures	1923165	139744.24	16.63
Stock Options	6575073	9289.74	9.10
Total	65,75,073	9289.74	14.88

Nifty Spot = 21957.50

Bull-Call Spreads

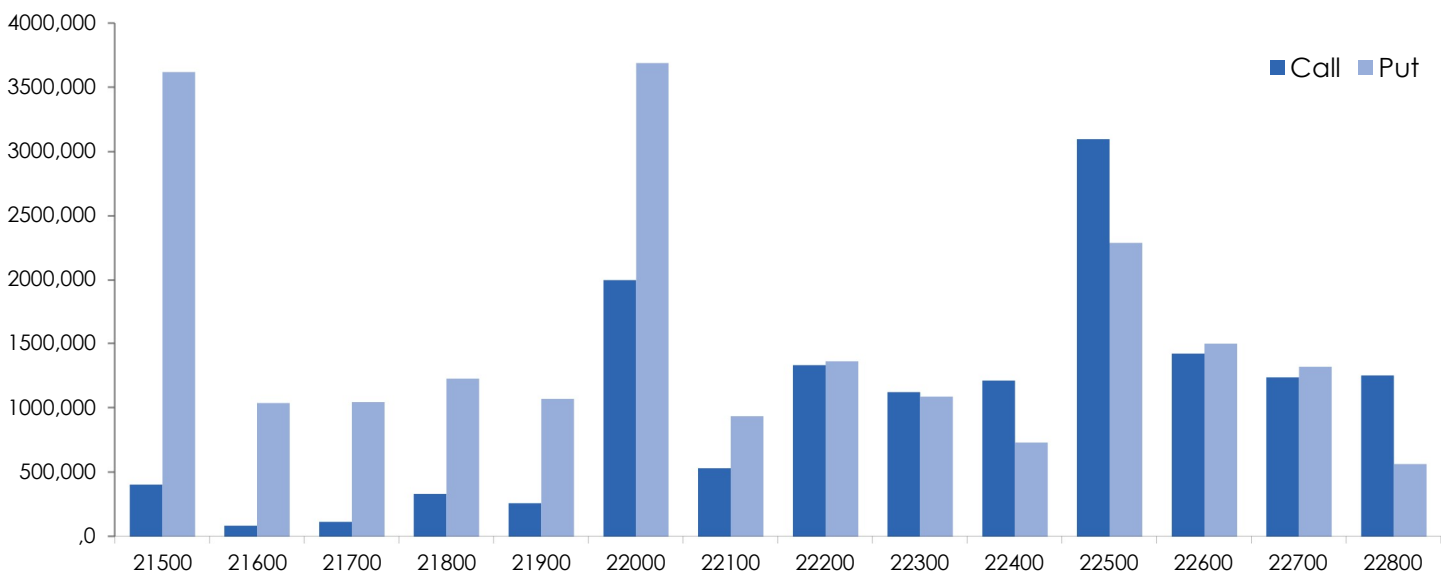
Action	Strike	Price	Risk	Reward	BEP
Buy	21900	396.90	57.25	42.75	21957.25
Sell	22000	339.65			
Buy	21900	396.90	112.80	87.20	22012.80
Sell	22100	284.10			
Buy	22000	339.65	55.55	44.45	22055.55
Sell	22100	284.10			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	22100	306.55	45.85	54.15	22054.15
Sell	22000	260.70			
Buy	22100	306.55	83.30	116.70	22016.70
Sell	21900	223.25			
Buy	22000	260.70	37.45	62.55	21962.55
Sell	21900	223.25			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (May Series) are given as an information and not as a recommendation.

Nifty Put-Call Analysis



Daily Pivot Levels for Nifty Constituents

Scripts	S2	S1	PIVOT	R1	R2
ADANIANT	2,674	2,721	2,802	2,848	2,930
ADANIPOINTS	1,211	1,228	1,257	1,274	1,303
APOLLOHOSP	5,730	5,772	5,832	5,874	5,934
ASIANPAINT	2,606	2,658	2,756	2,808	2,906
AXISBANK	1,098	1,107	1,121	1,129	1,143
BAJAJ-AUTO	8,659	8,753	8,880	8,974	9,101
BAJFINANCE	6,427	6,516	6,674	6,764	6,922
BAJAJFINSV	1,526	1,545	1,579	1,599	1,633
BPCL	567	580	602	615	637
BHARTIARTL	1,255	1,265	1,280	1,290	1,306
BRITANNIA	4,918	4,994	5,121	5,197	5,324
CIPLA	1,329	1,344	1,368	1,383	1,407
COALINDIA	425	434	451	460	477
DIVISLAB	3,638	3,714	3,831	3,908	4,025
DRREDDY	5,736	5,807	5,941	6,011	6,145
EICHERMOT	4,439	4,504	4,606	4,670	4,772
GRASIM	2,316	2,335	2,364	2,383	2,412
HCLTECH	1,300	1,310	1,325	1,335	1,349
HDFCBANK	1,418	1,433	1,460	1,474	1,501
HDFCLIFE	529	534	543	548	557
HEROMOTOCO	4,485	4,625	4,774	4,913	5,062
HINDALCO	601	610	624	633	647
HINDUNILVR	2,293	2,309	2,336	2,352	2,378
ICICIBANK	1,099	1,108	1,118	1,126	1,137
INDUSINDBK	1,354	1,378	1,417	1,441	1,480
INFY	1,413	1,426	1,438	1,451	1,463
ITC	412	418	430	437	448
JSW STEEL	807	821	845	859	883
KOTAKBANK	1,622	1,633	1,647	1,658	1,672
LT	3,196	3,236	3,306	3,346	3,417
LTIMINDTREE	4,571	4,614	4,671	4,715	4,771
M&M	2,146	2,179	2,218	2,251	2,290
MARUTI	12,257	12,381	12,560	12,684	12,863
NESTLEIND	2,474	2,494	2,522	2,542	2,570
NTPC	336	341	350	354	363
ONGC	254	259	269	275	284
POWERGRID	289	293	299	302	308
RELIANCE	2,738	2,763	2,805	2,831	2,873
SBILIFE	1,399	1,411	1,425	1,437	1,451
SHRIRAMFIN	2,276	2,319	2,396	2,439	2,516
SBIN	785	802	821	838	857
SUNPHARMA	1,465	1,480	1,505	1,520	1,545
TCS	3,886	3,923	3,947	3,984	4,008
TATACONSUM	1,056	1,070	1,093	1,107	1,129
TATAMOTORS	991	1,011	1,027	1,047	1,063
TATASTEEL	158	160	163	165	169
TECHM	1,248	1,258	1,272	1,283	1,297
TITAN	3,178	3,212	3,267	3,301	3,357
ULTRACEMCO	9,319	9,383	9,471	9,535	9,623
WIPRO	448	452	458	462	468

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