

Sensex (34287) / Nifty (10142)

It was certainly a great start for the new trading week as well as the June month. Last month, there was a gap down opening at the inaugural day and on Monday, precisely that downside gap area was filled to kick off the new month. Our markets continued their upwards trajectory to enter a five digit territory beyond **10000** after nearly three months. After a good head start, markets took a pause and saw some profit booking for couple of days. But without much damage, the buying re-emerged at lower levels on Friday to conclude the week with whopping 6% gains from the previous weekly close.

Technically speaking, Monday's gap up opening turned out to be a game changer for the bulls. Because After the April month ecstatic move, May started with some negativity and the same precisely got reversed with such bump up. Since the previous gap was filled by yet another gap, this time bears got caught completely on the wrong foot. Now looking at the current set up, we remain upbeat as long as **9900** holds on a sustainable basis and this is what we alluded post Thursday's close as well. Since the recent move was mainly propelled by the banking space, we were convinced of the rally in last couple of weeks. Now along with banking, we could see contribution from the broader market too, indicating sign of a robust move. Last week, although we struggled at **10200**, the positioning of RSI-Smoothened indicates possibility of extending this move towards **10500-10700** levels. Hence traders are continuously advised to stay on the positive side as long as **9900** is being held.

Nifty Bank Outlook - (21034)

During last week, Bank Nifty started the session with a gap up opening and rallied sharply to register high over **21600** during mid-week. Although the index gave up some of the gains on Thursday, the momentum resumed on the last trading session of the week and the index posted whopping gains of 9 percent. Post a minor intra week correction, Bank Nifty resumed its momentum on Friday's session with a broad participation from stocks within the sector. After a long time, the PSU Banking space too witnessed a sharp price upmove with good volumes and the way banking space has seen participation in the last couple of weeks, it indicates that the index is showing a catch up rally to the recent underperformance. SGX Nifty is indicating a gap up opening for our markets this week too which should lead to a continuation of the short term trend. Hence, traders are advised to continue to trade with a positive bias for near term targets around **21970** followed by **22700**. The immediate support for the index is placed around **20600**.

Key Levels

Support 1 – 20750	Resistance 1 – 21970
Support 2 – 20600	Resistance 2 – 22700

Exhibit 1: Nifty Weekly Chart



Apart from this, we take this opportunity to highlight some notable observations. If we look at two major global indices, DOW JONES and DAX, both have retraced almost 78% from the March lows but we are trading tad above 50%. Hence, if we have to see the catch up move, mentioned levels are very much on cards now.

Key Levels

Support 1 – 10040	Resistance 1 – 10250
Support 2 – 10000	Resistance 2 – 10335

Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has increased by 2.85% Bank Nifty futures open interest has increased by 9.49% as market closed at **10142.15** levels.
- The Nifty June future closed with a premium of 3.35 point against a discount of 11.45 point in last trading session. The July series closed at a premium of 0.10 point.
- The INDIA VIX has decreased from 29.69 to 28.68 At the same time, the PCR-OI of Nifty increased from 1.36 to 1.50.
- Few of the liquid counters where we have seen high cost of carry are NCC, BHEL, GMRINFRA, JINDALSTEL and PNB.

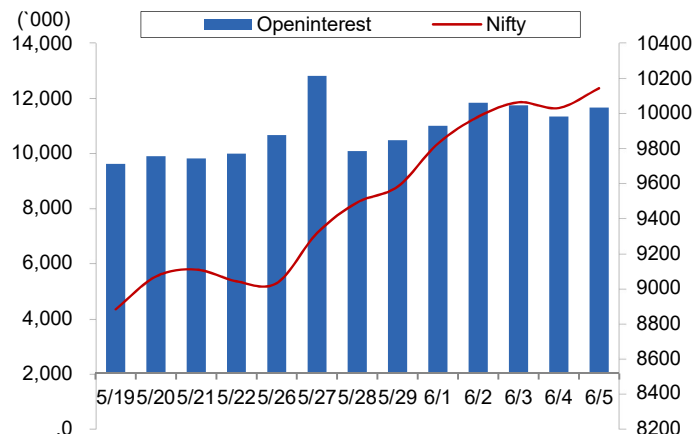
Views

- During last week, Nifty started with a gap up opening and post an intra-week hiccup resumed its positive momentum on Friday to end with gains of 6% percent against the previous week close.
- FII's were net buyers in the cash market segment to the tune of Rs. **98** crores. In index futures, they sold worth **345** crores with increase in open interest indicating shorts as well as some longs created on Friday.
- During last week, indices rallied higher with formation of long positions in Nifty and a combination of short covering and long formation in Bank Nifty. We witnessed good open interest addition in **10000-9700** put options indicating support base shifting higher. FII's bought equities in the cash segment during the week while they formed marginal short positions in index futures. If we look at stock specific build up, many stocks from the derivatives space witnessed long formations while the broader markets too witnessed good momentum. The options data hints good support at **10000** mark for the near term whereas on the higher side the momentum could lead the index towards **10300** and **10500** mark. Hence, traders are advised to continue to trade with a positive bias.

Historical Volatility

SCRIP	HV
PVR	65.51
TATAMOTORS	77.37
UBL	47.63
PNB	60.64
IDEA	148.25

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
TORNTPOWER	2289000	24.27	344.55	4.33
UBL	1486800	22.00	1017.05	7.48
CUMMINSIND	1503000	18.78	384.30	1.66
NCC	34443000	16.15	30.35	13.12
CANBK	13087000	15.70	104.30	7.33
PVR	1624000	13.34	1242.15	9.58
SRTRANSFIN	3252300	12.65	614.95	0.14
APOLLOTYRE	11381000	11.03	104.70	2.09

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
UJJIVAN	3245700	-15.45	184.85	2.98
CADILAHC	6182000	-10.82	359.65	-1.09
INFRATEL	8473200	-9.89	236.25	7.98
TORNTPHARM	1367500	-8.25	2367.75	0.00
BHARTIARTL	84749886	-8.13	584.35	1.89
LUPIN	7457050	-7.82	902.35	-0.45
MGL	1459800	-7.56	1012.65	-1.22
CHOLAFIN	5760000	-7.28	145.40	1.89

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.50	0.88
BANKNIFTY	1.01	0.71
RELIANCE	0.81	0.45
ICICIBANK	0.85	0.74
INFY	0.55	0.37

FII Statistics for June 05, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	5753.19	6098.28	(345.09)	126389	8523.05	10.70
INDEX OPTIONS	152232.01	151570.33	661.68	683330	45561.86	19.84
STOCK FUTURES	18895.56	18440.74	454.82	1512665	81076.08	(0.14)
STOCK OPTIONS	4834.24	4807.13	27.11	75494	4381.34	11.46
Total	181715.00	180916.48	798.52	2397878	139542.33	5.78

Turnover on June 05, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	6,54,507	34579.06	-8.45
Index Options	1,27,46,508	7,09,009.95	-65.78
Stock Futures	11,45,756	61873.36	6.76
Stock Options	12,40,751	73747.23	26.31
Total	1,57,87,522	8,79,209.60	-60.50

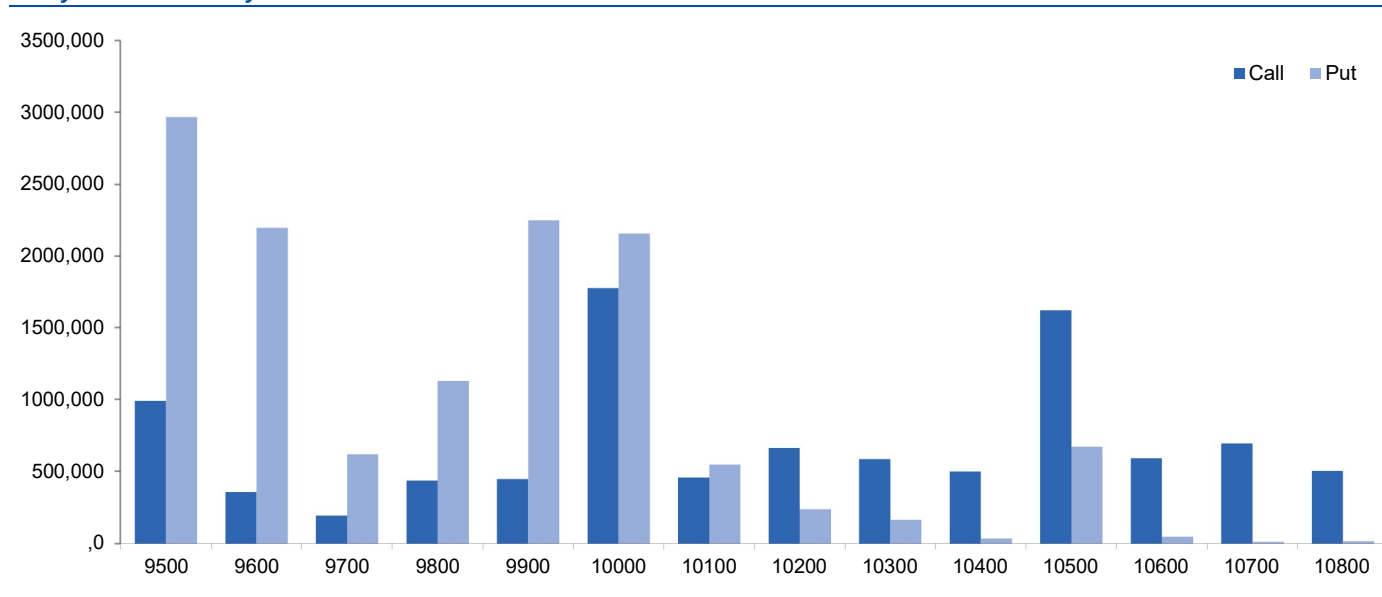
Nifty Spot = 10142.20
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	10200	221.85	45.50	54.50	10245.50
Sell	10300	176.35			
Buy	10200	221.85	84.25	115.75	10284.25
Sell	10400	137.60			
Buy	10300	176.35	38.75	61.25	10338.75
Sell	10400	137.60			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	10100	233.20	40.65	59.35	10059.35
Sell	10000	192.55			
Buy	10100	233.20	73.15	126.85	10026.85
Sell	9900	160.05			
Buy	10000	192.55	32.50	67.50	9967.50
Sell	9900	160.05			

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

Nifty Put-Call Analysis


Daily Pivot Levels for Nifty Constituents

Scrips	S2	S1	PIVOT	R1	R2
ADANI PORTS	332	337	342	346	352
ASIAN PAINT	1,601	1,620	1,640	1,658	1,678
AXIS BANK	383	394	402	413	421
BAJAJ-AUTO	2,713	2,745	2,794	2,825	2,875
BAJFINANCE	2,224	2,307	2,358	2,441	2,492
BAJAJFINSV	5,017	5,127	5,206	5,316	5,395
BPCL	344	357	365	377	385
BHARTIARTL	558	571	581	594	603
INFRA TEL	216	226	233	243	250
BRITANNIA	3,360	3,413	3,456	3,509	3,551
CIPLA	636	643	657	664	677
COALINDIA	138	142	144	147	149
DRREDDY	3,965	3,995	4,022	4,053	4,080
EICHERMOT	17,165	17,330	17,475	17,640	17,785
GAIL	96	97	98	99	100
GRASIM	601	614	622	635	644
HCLTECH	564	570	579	585	593
HDFCBANK	987	1,010	1,026	1,050	1,066
HDFC	1,717	1,742	1,765	1,790	1,814
HEROMOTOCO	2,282	2,311	2,338	2,367	2,393
HINDALCO	140	145	148	152	155
HINDUNILVR	2,057	2,072	2,100	2,115	2,143
ICICIBANK	342	349	355	362	368
IOC	85	87	89	91	92
INDUSINDBK	404	413	420	429	436
INFY	694	699	705	710	716
ITC	197	198	200	202	204
JSW STEEL	189	193	198	202	206
KOTAKBANK	1,302	1,320	1,339	1,357	1,376
LT	927	941	951	965	974
M&M	469	477	483	491	497
MARUTI	5,620	5,683	5,734	5,797	5,848
NESTLEIND	16,668	16,882	17,171	17,386	17,675
NTPC	93	95	97	99	101
ONGC	83	85	87	89	91
POWERGRID	160	166	170	176	180
RELIANCE	1,547	1,564	1,591	1,609	1,635
SHREECEM	21,077	21,583	22,007	22,513	22,937
SBIN	171	179	185	193	198
SUNPHARMA	480	487	499	506	518
TCS	2,004	2,026	2,062	2,084	2,120
TATAMOTORS	94	102	107	116	121
TATASTEEL	317	328	336	347	354
TECHM	564	572	583	591	601
TITAN	956	974	984	1,002	1,012
ULTRACEMCO	3,744	3,807	3,868	3,930	3,991
UPL	414	427	436	449	459
VEDANTA	101	103	105	107	108
WIPRO	213	216	218	221	223
ZEEL	198	202	206	210	214

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