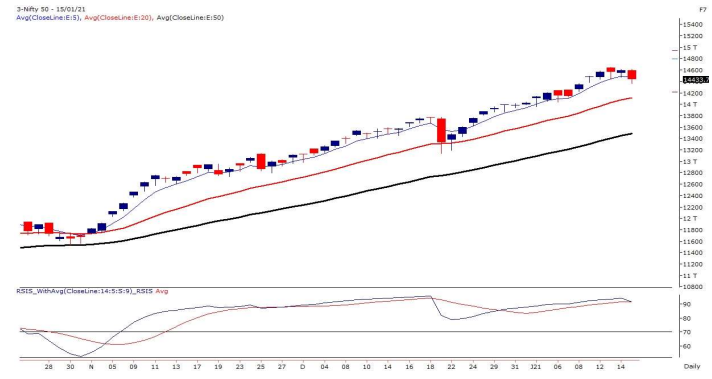


Sensex (49035) / Nifty (14434)

Second week of the new calendar year started with a good bump up at fresh record high tad below the **14500** mark on Monday. In the initial hour, we witnessed a small bout of correction; but similar to recent trend, the intraday decline was bought into and the index thereafter once again resumed its upward trajectory. The similar price movement was continued for following three sessions. However, on Friday, there was some sustained profit booking seen to conclude the week tad below the Monday's opening point.

The bulls are continuing with their strong hold on the market and barring single day of sharp correction last month, the relentless rally resumed to clock fresh record highs day by day. In our intra-week commentary, we had mentioned how 2.30 factor played out well since last few days. There was a typical pattern when we see some price decline in the first half and buying emerges in the latter half to hit new record highs. But this winning streak finally got snapped on Friday when market corrected further after 2-2.30. Although it's just a one day activity and still no major damage done, we expect **14650** to act as an immediate resistance now. On the daily chart, Nifty closed below 5-day EMA for the first time in the recent past, which is a first sign of weakness. Hence, in this week, the extension of profit booking cannot be ruled out. The moment we see Nifty sliding below **14380**, we expect the Nifty to slide towards **14250-14100** levels.

Exhibit 1: Nifty Daily Chart



In fact, stock specific the fatigue was seen in so many counters from Wednesday itself. The major banking index is at its previous record highs and the Nifty Midcap 50 index, which is at crucial Fibonacci ratios, may provide this much awaited corrective move. Let see how things pan out in the early part of this week. Since the overall trend has been strongly bullish, even if the correction comes, one needs to go one at a time rather than projecting bigger downside targets. Traders are advised to stay light and avoid aggressive leveraged positions.

Key Levels

Support 1 – 14380	Resistance 1 – 14600
Support 2 – 14250	Resistance 2 – 14650

Nifty Bank Outlook - (32247)

On Friday, Bank Nifty started on a negative note and from the word go it started to moved lower. During the day it tested levels around **32000** however some bounce in the last hour resulted prices to erase some loss and eventually end with loss of 0.84% at **32247**.

During the last week, we mentioned resistance for Bank Index around the all time high levels around **32600** levels and in spite prices slightly breaking above it we did not witnessed follow up buying. Infact we witnessed profit booking on Friday, going ahead we sense the lackluster move may continue or we may even see price wise correction as long we don't see prices breaking above **32600 - 32700** on a sustained basis. On the flip side, immediate support is now placed around **32000 - 31750** levels. Traders are advised to stay light and avoid aggressive bets.

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 32000	Resistance 1 – 32600
Support 2 – 31750	Resistance 2 – 32700

Comments

- The Nifty futures open interest has decreased by 2.59% Bank Nifty futures open interest has increased by 4.35% as market closed at 14433.70 levels.
- The Nifty January future closed with a premium of 24.80 point against a premium of 32.50 point in last trading session. The February series closed at a premium of 59.60 point.
- The INDIA VIX increased from 23.02 to 24.10. At the same time, the PCR-OI of Nifty decreased from 1.47 to 1.19.
- Few of the liquid counters where we have seen high cost of carry are IDEA, MRF, APOLLOTYRE, HINDPETRO, NMDC and LALPATHLAB.

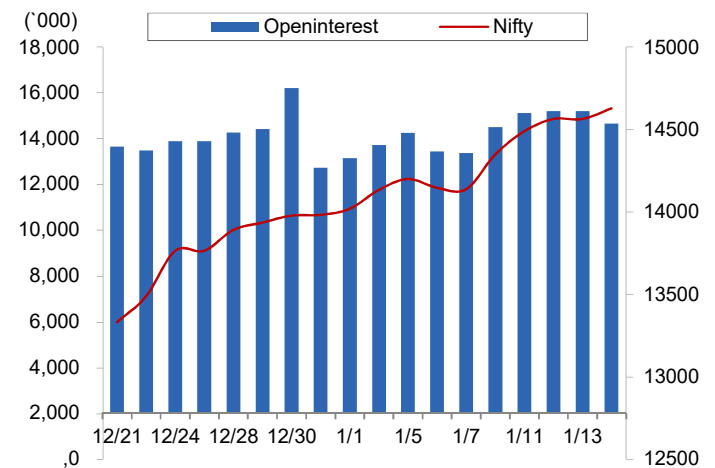
View

- We began the week on a cheerful note and saw follow-up buying to extend the up move beyond 14650 mark. Around this levels, we found some parameters like PCR-OI and FIIs 'Long short Ratio' hinting market in the overbought zone. As anticipated, we witnessed decent profit booking at the higher level which led weekly closing below 14450 mark.
- FIIs were net buyers in the cash segment to the tune of Rs. 971 crore. In index future segment, they sold worth Rs. 1063 crores with decent rise in open interest indicating short formation in Friday's session.
- Last week, we saw mixed activity in terms of open interest in index futures segment. The PCR-OI surged to 1.80 on Tuesday, which clearly suggested market was overbought. From the next trading sessions, strong writing was observed in 14600-14700 call options. On Friday, we also saw good amount of writing in 14500 strikes. In case of puts, hardly any meaningful build-up was seen during the week. The Volatility index surged more than 16% last week, which is certainly not good for Bull's. Considering the overall development seen in F&O space, we expect some follow-up selling in the coming week as well. Hence, traders are advised lightening up their longs and prefer buying slightly OTM puts in case of any pullback around 14500-14550.

Historical Volatility

SCRIP	HV
TECHM	44.48
TATAMOTORS	68.40
IDEA	121.80
HCLTECH	44.14
WIPRO	43.03

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
SAIL	179322000	121.34	70.15	4.37
HDFCAMC	366000	24.15	3244.30	-2.29
CADILAH	11708400	11.57	487.80	-3.45
L&TFH	33465600	11.38	105.25	-2.08
ICICIPRULI	4726500	9.41	499.70	-1.89
VOLTAS	2263000	9.27	887.55	-2.48
APOLLOTYRE	13175000	9.15	183.30	-3.58
HINDALCO	24944300	9.12	253.35	-2.79

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
GAIL	31073400	-13.89	138.50	-3.98
UPL	16896100	-9.07	522.55	2.42
RECLTD	13962000	-7.62	145.40	1.04
AARTIIND	399075	-7.31	1256.50	-0.94
RAMCOCEM	1394000	-7.08	822.45	-2.07
BHEL	117747000	-6.38	39.40	-2.24
BANKBARODA	63121500	-5.67	75.15	-1.25
GODREJCP	4141000	-5.61	780.10	-0.17

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.19	1.02
BANKNIFTY	0.88	1.12
RELIANCE	0.49	0.47
ICICIBANK	0.55	0.47
INFY	0.36	0.37

FII Statistics for January 15, 2020

Detail	Buy	Sell	Net	Contracts	Open Interest	
					Value (in Cr.)	Change
INDEX FUTURES	3779.34	4842.66	(1063.32)	124590	12557.91	2.19
INDEX OPTIONS	293136.97	292519.75	617.22	836448	82997.52	18.98
STOCK FUTURES	14230.07	15162.14	(932.07)	1226596	101767.48	0.14
STOCK OPTIONS	10901.01	11165.22	(264.21)	182548	15194.96	6.42
Total	322047.39	323689.77	(1642.38)	2370182	212517.87	6.70

Turnover on January 15, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	4,11,549	38891.62	42.87
Index Options	2,09,97,097	19,72,045.30	29.52
Stock Futures	9,20,211	82647.95	13.03
Stock Options	19,55,065	1,82,212.06	21.47
Total	2,42,83,922	22,75,796.93	28.36

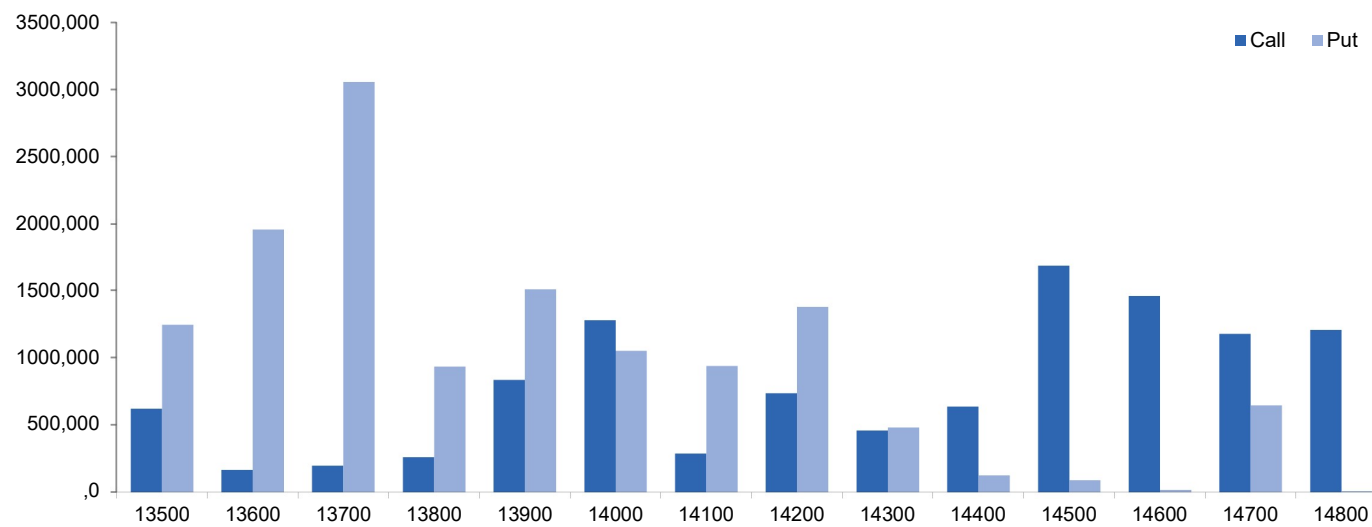
Nifty Spot = 14433.70
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	14500	191.60	50.20	49.80	14550.20
Sell	14600	141.40			
Buy	14500	191.60	89.65	110.35	14589.65
Sell	14700	101.95			
Buy	14600	141.40	39.45	60.55	14639.45
Sell	14700	101.95			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	14400	84.35	16.00	84.00	14384.00
Sell	14300	68.35			
Buy	14400	84.35	29.10	170.90	14370.90
Sell	14200	55.25			
Buy	14300	68.35	13.10	86.90	14286.90
Sell	14200	55.25			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (January 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	514	521	531	538	548
ASIAN PAINT	2,530	2,560	2,611	2,642	2,692
AXIS BANK	662	669	676	682	689
BAJAJ-AUTO	3,499	3,540	3,581	3,622	3,663
BAJFINANCE	4,800	4,842	4,884	4,926	4,969
BAJAJFINSV	8,475	8,555	8,691	8,772	8,907
BPCL	400	407	418	426	437
BHARTIARTL	586	594	602	611	619
BRITANNIA	3,508	3,558	3,622	3,672	3,736
CIPLA	806	815	830	839	854
COALINDIA	139	141	144	146	150
DIVISLAB	3,550	3,598	3,680	3,727	3,810
DRREDDY	5,122	5,167	5,241	5,287	5,361
EICHERMOT	2,804	2,831	2,866	2,893	2,928
GAIL	131	135	140	144	150
GRASIM	987	1,010	1,025	1,048	1,062
HCLTECH	940	965	1,009	1,034	1,078
HDFCBANK	1,434	1,451	1,461	1,477	1,488
HDFCLIFE	693	699	708	714	723
HDFC	2,573	2,603	2,646	2,676	2,718
HEROMOTOCO	3,119	3,161	3,216	3,258	3,313
HINDALCO	244	249	256	261	268
HINDUNILVR	2,303	2,327	2,367	2,391	2,431
ICICIBANK	536	539	545	549	555
IOC	99	100	102	103	105
INDUSINDBK	938	952	967	981	997
INFY	1,325	1,335	1,350	1,360	1,374
ITC	209	213	216	221	223
JSW STEEL	385	389	396	401	407
KOTAKBANK	1,824	1,844	1,874	1,894	1,924
LT	1,322	1,338	1,361	1,377	1,401
M&M	802	811	824	833	847
MARUTI	7,862	7,943	8,081	8,163	8,301
NESTLEIND	17,512	17,673	17,961	18,122	18,410
NTPC	98	99	101	103	105
ONGC	97	99	103	105	108
POWERGRID	201	202	204	205	207
RELIANCE	1,890	1,914	1,944	1,967	1,998
SBILIFE	888	899	914	926	941
SHREECEM	23,859	24,136	24,490	24,768	25,122
SBIN	296	300	305	309	315
SUNPHARMA	588	596	606	615	625
TCS	3,175	3,204	3,239	3,268	3,303
TATAMOTORS	234	247	256	269	278
TATASTEEL	685	695	708	719	732
TECHM	964	986	1,024	1,046	1,084
TITAN	1,448	1,463	1,486	1,500	1,524
ULTRACEMCO	5,281	5,366	5,512	5,597	5,743
UPL	504	513	521	530	537
WIPRO	422	430	445	453	468

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