

Sensex (40432) / Nifty (11873)

The Asian markets were trading with a positive bias yesterday morning which led to an optimistic sentiment and hence, our markets too started the week with a gap up. Nifty then consolidated within a range throughout the day and ended with gains of almost a percent at **11873**.

We had a good start for the week led by the Banking space which too started the day on a positive note. During the day, the Banking index led the momentum and posted gains of over 3 percent while the recent outperforming IT sector, Auto stocks and the index heavyweight RIL took a backseat. Some other sectors such as Metals and FMCG too traded with a positive bias and hence, it could be said that it was a day with a sector specific momentum. Post the hiccup seen in the last week, the Nifty is back to the safer zone and the immediate support base has now shifted higher at **11780-11820**. On the higher side, the resistance is seen around the **12000** mark and once this is taken out, our markets would again gear for the next leg of the rally. Traders are advised to trade with a positive bias and look for such sectors which are in momentum and are providing good trading opportunities.

Key Levels

Support 1 – 11820	Resistance 1 – 11950
Support 2 – 11780	Resistance 2 – 12000

Nifty Bank Outlook - (24267)

The banking index started the week with a good bump up in tandem with the benchmark. During the initial hours, the lead got extended as some of the heavyweight banking stocks attracted tremendous buying interest. This resulted in a strong breakout beyond the **24000** mark. At the mid session, the BANKNIFTY dipped a bit; but the overall undercurrent is so strong, the small decline immediately got bought into to eventually end the day with sizable gains over three percent.

Since the last 3-4 days we are observing an interesting development, where the recent leaders like IT and RIL have taken a back step and financial space has taken a charge. Earlier banking stocks were not letting Nifty go higher; but now if Nifty has to surpass the **12000** mark, the BANKNIFTY will dominate the move. Yesterday's close above **24000** is a sign of strength and hence, any decline towards **24100 – 23900** should now be construed as a buying opportunity. On the higher side, we expect it to continue its march towards **24500 – 24700** levels.

Key Levels

Support 1 – 24100	Resistance 1 – 24500
Support 2 – 23900	Resistance 2 – 24700

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has increased by 0.27% Bank Nifty futures open interest has increased by 4.03% as market closed at **11873.05** levels.
- The Nifty October future closed with a premium of 16.35 point against a premium of 2.70 point in last trading session. The November series closed at a premium of 40.90 point.
- The INDIA VIX has increased from 21.64 to 21.82. At the same time, the PCR-OI of Nifty increased from 1.31 to 1.35.
- Few of the liquid counters where we have seen high cost of carry are IBULHSGFIN, PNB, NTPC, HAVELLS, HDFCLIFE and BANKBARODA.

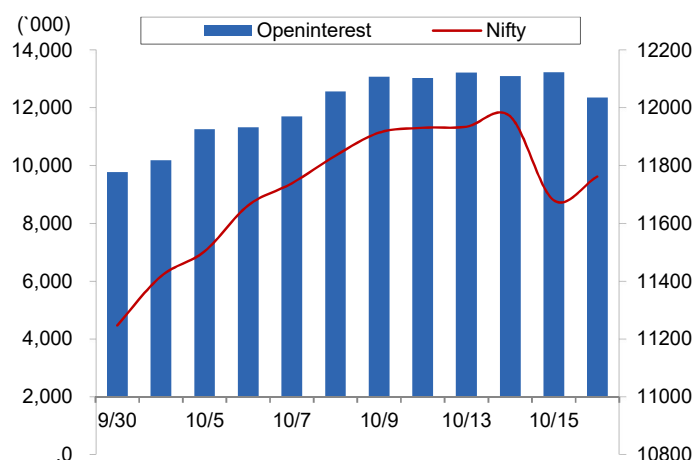
Views

- We started of the week with an upside gap. During the day, index corrected towards 11800 but fresh demand was seen around this zone. Nifty then consolidated to eventually conclude the day tad above 11850.
- FIIs were net buyers in the cash segment to the tune of Rs. 1657 crores. In index future segment, they bought worth Rs. 141 crores with rise in open interest, indicating some long formation in yesterday's session.
- Last weeks correction was mainly due to unwinding. In yesterday's recovery, we saw addition of fresh longs especially in BankNifty. For the entire October series, we witnessed strong outperformance by the banking index and yesterday we finally saw it surpassing the hurdle around 24000. Considering the options activity, we may soon see extension of yesterday's rally towards 24500-24700. In case of Nifty, good amount of writing was seen in 11800 put strikes, which is a positive development. Hence, any declines towards 11800 mark shall be an opportunity to add longs.

Historical Volatility

SCRIP	HV
UPL	58.86
MINDTREE	60.59
JSWSTEEL	58.01
CUMMINSIND	41.34
VOLTAS	43.69

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
MINDTREE	1810400	37.90	1341.75	0.49
AMBUJACEM	23256000	28.32	247.60	-0.24
COLPAL	2731400	23.40	1476.70	2.82
ACC	2723000	16.67	1562.65	0.16
M&MFIN	18043116	16.11	129.95	3.61
UPL	15440100	14.29	463.45	-0.67
FEDERALBNK	88850500	12.16	56.20	7.63
L&TFH	29586800	11.19	63.30	3.42

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
GODREJPROP	826800	-13.59	900.95	3.83
IOC	54970800	-8.64	76.80	3.49
COFORGE	449250	-7.85	2543.55	-0.42
TATAMOTORS	75656100	-6.36	128.25	0.51
INFY	36397200	-5.65	1125.90	0.18
SRF	602500	-4.55	4450.60	-0.10
COALINDIA	49284000	-3.96	114.70	2.81
JUBLFOOD	1792000	-3.91	2248.00	-3.06

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.35	0.91
BANKNIFTY	1.15	0.76
RELIANCE	0.47	0.42
ICICIBANK	0.86	0.49
INFY	0.37	0.41

FII Statistics for October 19, 2020

Detail	Buy	Sell	Net	Contracts	Open Interest	
					Value (in Cr.)	Change
INDEX FUTURES	3729.54	3588.72	140.82	142472	11575.76	1.70
INDEX OPTIONS	198110.28	198145.12	(34.84)	950458	77341.24	5.59
STOCK FUTURES	14712.14	15357.06	(644.92)	1125585	80540.53	0.86
STOCK OPTIONS	6833.19	6874.34	(41.15)	106269	8345.96	2.25
Total	223385.15	223965.24	(580.09)	2324784	177803.49	2.86

Turnover on October 19, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	4,74,726	32729.19	-24.03
Index Options	1,75,66,909	12,54,660.23	-77.59
Stock Futures	7,23,284	55917.39	-10.06
Stock Options	12,46,592	1,05,193.16	-12.72
Total	2,00,11,511	14,48,499.97	-75.13

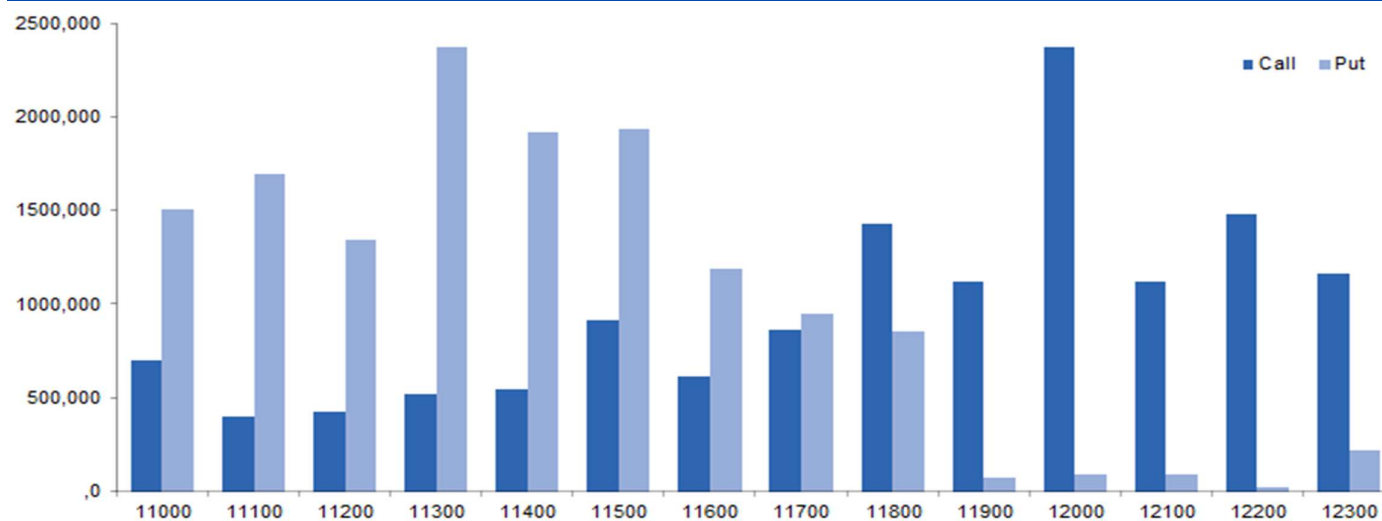
Nifty Spot = 11873.05
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11900	132.95	47.20	52.80	11947.20
Sell	12000	85.75			
Buy	11900	132.95	82.50	117.50	11982.50
Sell	12100	50.45			
Buy	12000	85.75	35.30	64.70	12035.30
Sell	12100	50.45			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11900	143.85	39.45	60.55	11860.55
Sell	11800	104.40			
Buy	11900	143.85	68.25	131.75	11831.75
Sell	11700	75.60			
Buy	11800	104.40	28.80	71.20	11771.20
Sell	11700	75.60			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (October 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	341	344	348	352	356
ASIAN PAINT	2,045	2,058	2,069	2,081	2,092
AXIS BANK	469	481	488	500	508
BAJAJ-AUTO	2,906	2,943	3,007	3,045	3,109
BAJFINANCE	3,155	3,211	3,253	3,309	3,351
BAJAJFINSV	5,869	5,925	5,981	6,038	6,094
BPCL	338	343	345	349	352
BHARTIARTL	388	393	399	404	409
BRITANNIA	3,714	3,743	3,769	3,798	3,824
CIPLA	748	756	770	778	792
COALINDIA	110	112	114	116	118
DIVISLAB	2,980	3,037	3,142	3,199	3,304
DRREDDY	4,932	4,995	5,105	5,168	5,278
EICHERMOT	2,126	2,162	2,221	2,257	2,316
GAIL	83	85	86	89	90
GRASIM	752	762	772	783	793
HCLTECH	818	831	846	860	875
HDFCBANK	1,168	1,186	1,210	1,228	1,253
HDFCLIFE	560	565	570	575	580
HDFC	1,961	1,996	2,018	2,053	2,075
HEROMOTOCO	3,151	3,200	3,279	3,328	3,407
HINDALCO	175	179	181	185	188
HINDUNILVR	2,139	2,158	2,172	2,191	2,205
ICICIBANK	395	406	412	424	430
IOC	73	75	76	78	79
INDUSINDBK	597	612	621	636	646
INFY	1,103	1,114	1,127	1,138	1,150
ITC	165	167	168	169	171
JSW STEEL	303	308	313	319	324
KOTAKBANK	1,317	1,347	1,363	1,393	1,410
LT	876	889	898	911	920
M&M	583	590	602	610	622
MARUTI	6,731	6,791	6,886	6,946	7,041
NESTLEIND	15,146	15,619	15,899	16,372	16,652
NTPC	79	80	82	83	84
ONGC	66	68	69	71	72
POWERGRID	158	159	161	162	164
RELIANCE	2,113	2,145	2,187	2,218	2,260
SBILIFE	787	793	801	806	814
SHREECEM	20,797	20,950	21,175	21,327	21,553
SBIN	193	199	202	207	210
SUNPHARMA	475	479	485	489	495
TCS	2,663	2,687	2,731	2,755	2,798
TATAMOTORS	126	127	129	130	131
TATASTEEL	388	392	396	400	404
TECHM	807	816	826	835	845
TITAN	1,204	1,216	1,226	1,238	1,247
ULTRACEMCO	4,425	4,470	4,509	4,554	4,594
UPL	435	449	462	476	489
WIPRO	335	339	343	347	351

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