

Sensex (31605) / Nifty (9315)

Nifty opened marginally positive around **9080** in yesterday's session and corrected in first half an hour to test the support of **9000**. From this support, we witnessed buying interest and the index rallied throughout the day to end with gains of over 3 percent.

Post some hiccup in the first half an hour of the trade, the markets witnessed good momentum from its support of **9000**. Markets hinted about this in Tuesday's session itself where we witnessed good buying interest in the broader markets. The index rallied with broadbased buying and surpassed its hurdle of **9200**. Being the F&O expiry week, stocks from the derivatives market witnessed sharp upmoves as the index gave a breakout beyond the resistance, which probably led to short covering and fresh long formations. The recent underperforming Banking and the NBFC space witnessed sharp moves and were seen taking the leadership to push the benchmark higher. With the broader markets participating, there should be a continuation of the upmove in the near term towards **9470-9500**. On the flipside, **9200-9150** will now be seen as the immediate support zone.

Nifty Bank Outlook - (18711)

Bank Nifty as well started with a gap up opening and after a marginal hiccup in the first few minutes witnessed a broad-based buying throughout the session to end with gains of more than seven percent tad above **18700** levels.

In our last few articles, we had mentioned a positive divergence on the hourly charts and a chance of strong bounce back in the near term. Yesterday, we witnessed bank nifty outperforming with broad base buying seen as both private as well as lethargic PSU banks participated in the upmove. On the daily chart with yesterday's upmove we are witnessing a bullish candle along with positive crossover in RSIS oscillator and hence we expect the positive momentum to continue in the near term. As far as levels are concerned immediate resistance is placed around **19470 - 19600** whereas support is placed around **18450 - 18200**.

Key Levels

Support 1 – 18450	Resistance 1 – 19470
Support 2 – 18200	Resistance 2 – 19600

Exhibit 1: Nifty Daily Chart



We continue with our advise for traders to trade with a positive bias and look for stock specific opportunities with good volumes as such pockets have potential to give decent returns.

Key Levels

Support 1 – 9200	Resistance 1 – 9470
Support 2 – 9150	Resistance 2 – 9500

Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has increased by 20.21% Bank Nifty futures open interest has decreased by 3.46% as market closed at **9314.95** levels.
- The Nifty May future closed with a discount of 5.55 point against a premium of 4.95 point in last trading session. The June series closed at a discount of 14.5 points.
- The INDIA VIX has decreased from 31.47 to 31.27 At the same time, the PCR-OI of Nifty increased from 1.15 to 1.56.
- Few of the liquid counters where we have seen high cost of carry are GMRINFRA, IBULHSGFIN, BHEL, JUSTDIAL and FEDERALBNK.

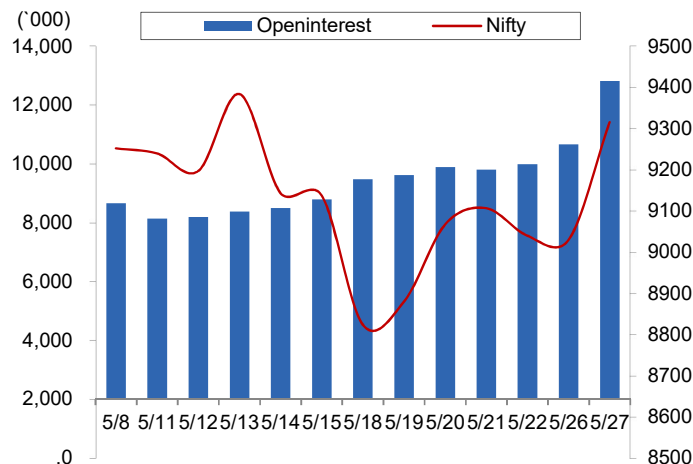
Views

- After a positive start and initial dip in the first few minutes; Nifty witnessed strong positive momentum throughout the session to end with gains of more than 3% above **9300** levels.
- FIIs were net sellers in the cash market segment to the tune of Rs. **335** crores. In index futures, they bought worth **1664** crores with an increase in open interest, indicating longs created in yesterday's upmove.
- Post opening on a positive note, Nifty almost tested the **9000** mark in the first hour of the day. In index options, **9000** put had highest open interest and there was no unwinding seen by the put writers. Infact, even in the previous session, the put writers kept their position intact inspite of the index sneaking below the support of **9000**. Nifty then rallied higher from this support and the momentum accelerated post the breakout above **9200**, as the call writers ran to cover their positions. While Nifty witnessed fresh long formation, Bank Nifty rallied due to combination of short covering and fresh long formation. FIIs too formed long positions in the index futures segment. Looking at the data, **9300** followed by **9200** now seem to be the immediate supports whereas resistance is around **9500**. Traders are advised to use declines to buy ATM call option and trade with a positive bias.

Historical Volatility

SCRIP	HV
WIPRO	51.24
TORNTPHARM	60.38
AXISBANK	116.15
ICICIBANK	95.26
GRASIM	70.85

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
TORNTPHARM	1046500	22.83	2402.60	-6.22
IBULHSGFIN	17151900	15.37	121.80	6.86
BALKRISIND	1186400	14.34	1076.00	3.77
MOTHERSUMI	25248000	14.23	86.60	2.30
PAGEIND	158675	12.60	18587.15	-0.42
BRITANNIA	1712000	11.39	3220.15	1.90
GMRINFRA	58815000	11.33	17.25	0.29
CANBK	9402800	10.04	83.65	6.08

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
CESC	290400	-25.77	561.60	2.18
BATAINDIA	1635150	-24.66	1320.85	2.28
TORNTPOWER	2259000	-16.61	305.85	-0.81
L&TFH	26400000	-13.63	53.85	5.37
YESBANK	15954400	-12.88	27.60	0.73
HDFCBANK	36947350	-11.49	903.65	5.84
BEL	26913200	-10.67	66.65	2.08
INDIGO	3438300	-10.46	953.90	1.46

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.56	0.87
BANKNIFTY	1.32	0.77
RELIANCE	0.53	0.49
ICICIBANK	0.46	0.40
INFY	0.78	0.61

FII Statistics for May 27, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	10202.55	8538.21	1664.34	165651	10178.01	32.01
INDEX OPTIONS	288258.23	286505.06	1753.17	663175	42542.28	7.81
STOCK FUTURES	34907.71	33996.19	911.52	1599149	78824.49	(1.64)
STOCK OPTIONS	1933.69	1969.73	(36.04)	48061	2513.31	(12.53)
Total	335302.18	331009.19	4292.99	2476036	134058.09	2.26

Turnover on May 27, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	10,38,482	50149.41	58.83
Index Options	3,22,22,543	15,17,545.09	103.56
Stock Futures	22,68,145	1,07,288.45	-89.74
Stock Options	10,10,240	52295.42	-9.83
Total	3,65,39,410	17,27,278.37	83.83

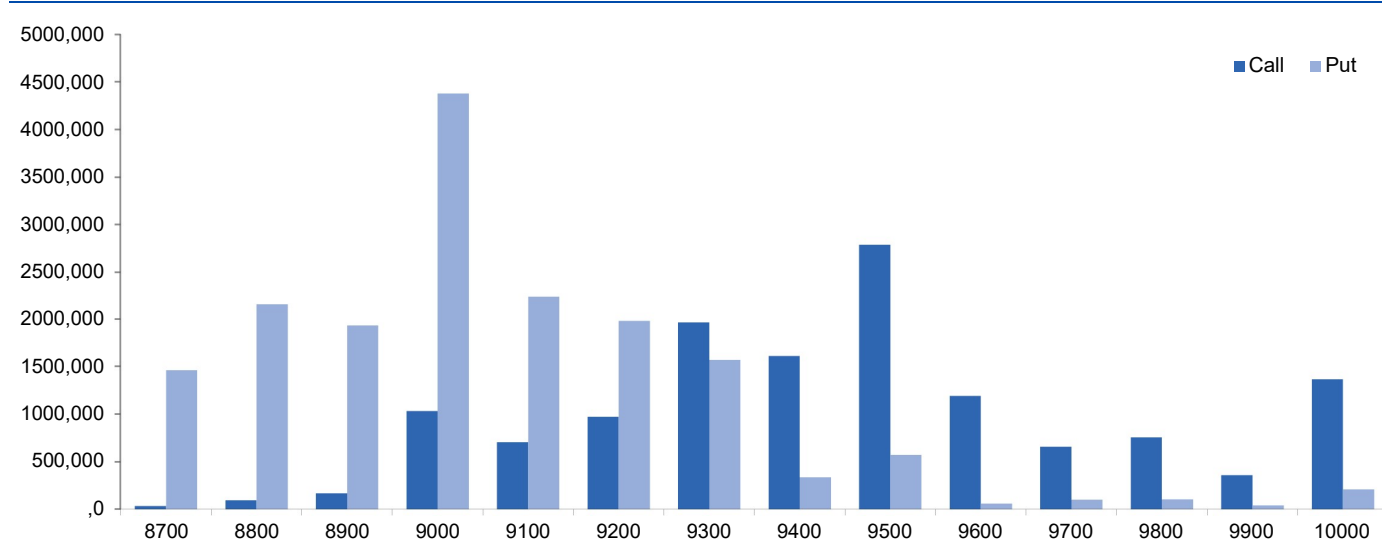
Nifty Spot = 9314.95
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	9300	58.20	37.30	62.70	9337.30
Sell	9400	20.90			
Buy	9300	58.20	51.75	148.25	9351.75
Sell	9500	6.45			
Buy	9400	20.90	14.45	85.55	9414.45
Sell	9500	6.45			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	9300	47.95	30.25	69.75	9269.75
Sell	9200	17.70			
Buy	9300	47.95	40.10	159.90	9259.90
Sell	9100	7.85			
Buy	9200	17.70	9.85	90.15	9190.15
Sell	9100	7.85			

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

Scrips	S2	S1	PIVOT	R1	R2
ADANI PORTS	307	317	323	332	338
ASIAN PAINT	1,577	1,598	1,617	1,639	1,658
AXIS BANK	323	355	374	406	425
BAJAJ-AUTO	2,511	2,546	2,575	2,610	2,640
BAJFINANCE	1,725	1,831	1,888	1,994	2,051
BAJAJFINSV	3,882	4,070	4,173	4,362	4,465
BPCL	306	318	325	336	343
BHARTIARTL	549	556	561	568	573
INFRA TEL	204	210	214	221	225
BRITANNIA	3,102	3,161	3,200	3,259	3,298
CIPLA	620	627	632	639	644
COAL INDIA	124	127	129	133	135
DRREDDY	3,780	3,831	3,866	3,917	3,952
EICHER MOT	14,249	14,608	14,864	15,223	15,479
GAIL	86	87	88	90	91
GRASIM	515	541	555	581	596
HCLTECH	509	520	527	538	545
HDFC BANK	838	871	890	923	943
HDFC	1,458	1,514	1,546	1,602	1,634
HEROMOTOCO	2,088	2,132	2,159	2,203	2,231
HINDALCO	128	131	133	135	138
HINDUNILVR	1,944	1,971	1,988	2,015	2,032
ICICI BANK	285	302	312	329	339
IOC	75	76	77	78	79
INDUSINDBK	336	353	364	380	392
INFY	662	684	697	718	731
ITC	184	188	191	195	198
JSW STEEL	168	176	183	191	198
KOTAK BANK	1,125	1,171	1,207	1,253	1,289
LT	815	833	845	863	875
M&M	408	420	427	440	447
MARUTI	5,068	5,156	5,224	5,312	5,379
NESTLE IND	16,342	16,529	16,675	16,862	17,007
NTPC	90	92	94	96	98
ONGC	75	77	77	79	80
POWERGRID	155	156	157	158	159
RELIANCE	1,395	1,420	1,437	1,462	1,479
SHREECEM	19,959	20,218	20,559	20,818	21,159
SBIN	147	153	157	163	167
SUN PHARMA	432	441	453	463	475
TCS	1,917	1,961	1,986	2,030	2,054
TATAMOTORS	83	84	85	86	87
TATA STEEL	274	281	286	293	297
TECHM	507	515	521	529	535
TITAN	859	873	882	895	904
ULTRACEMCO	3,625	3,676	3,742	3,793	3,859
UPL	359	373	382	396	405
VEDANTA	85	86	88	89	90
WIPRO	180	191	198	209	216
ZEEL	160	162	164	167	169

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