

Sensex (58299) / Nifty (17382)

The Indian equity market has started the day with a decent gap up tracking the positive global cues, wherein the benchmark index inched towards the **17500** mark. But soon after the opening, markets lost their sheen and slid inside the negative terrain. Generally, we term it as a profit booking, but this time it wasn't the normal move as we saw a complete nosedive around the midsession, which was intimidating at one point. Within a blink of an eye, we not only broke **17400** and **17300** but also went on to thrash the key support of **17200**. Fortunately, it did not turn out to be a nightmare, as the mighty bulls came to rescue and defended the territory throughout the remaining part of the session. With the intense tug of war between the bulls and the bears, the Nifty managed to conclude the action-packed weekly expiry almost at Wednesday's close.

The market took a breather post six consecutive days of its up move, but it was a bit scary at one point. Technically, the bullish structure remains unchanged as the bulls showed their resilience and reciprocated from lower grounds decisively. As far as levels are concerned, **17500** is likely to be seen as a sturdy wall for the bulls, and any persistent breakthrough could only open the gates for further upside for the index. On the flip side, **17200** has proved its mettle in providing vital support. Still, yesterday's price activity was a reality check for market participants, which is why we have been reiterating not to get complacent at any point. The immediate support can be seen around **17300**.

Nifty Bank Outlook (37756)

The global screen was cheerful yesterday morning and as a result, the banking index too opened higher in tandem with benchmark. In the initial trade, the BANKNIFTY hastened slightly beyond the **38200** mark and then consolidated with a small hint of profit booking. Around the mid session, the profit booking mode turned into a sell off and in the process, the BANKNIFTY plunged towards the **37200** mark (i.e. 1000 points from morning high) in a flash. Fortunately the selling got arrested as we stepped into the latter half and in fact, with the help of modest recovery, the BANKNIFTY ended the session with over six tenths of a percent loss. In our previous commentary, we had clearly mentioned how **38200 - 38500** is a sturdy wall for banking index and traders should certainly take some money off the table after reaching this zone. Yesterday's brutal sell off triggered after making a high of **38231.85**. Although the magnitude at which it came, was really surprising and even intimidating as well. For the coming session, **38000** followed by **38200** remains a strong hurdle; whereas on the flipside, **37500 - 37200** are to be seen as key supports for the banking index. The banking space is going to be in focus today on the back of RBI monetary policy. Let's see how things pan out post the event.

Key Levels

Support 1 – 37500	Resistance 1 – 38000
Support 2 – 37200	Resistance 2 – 38200

Exhibit 1: Nifty Daily Chart



The RBI monetary policy is slated in the coming session, and hence, traders should keep a close eye on the event. Whether it turns out to be a non-event or not, it would really be interesting to watch. Apart from this, global development should also not be overlooked, and hence, we may see some interesting actions going ahead.

Key Levels

Support 1 – 17200	Resistance 1 – 17450
Support 2 – 17150	Resistance 2 – 17500

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 37500	Resistance 1 – 38000
Support 2 – 37200	Resistance 2 – 38200

Comments

- The Nifty futures open interest has increased by 2.90%. and BANK Nifty futures open interest has decreased by 4.05% as the market closed at 17382.
- The Nifty Aug future closed with a premium of 7.85 point against a premium of 19.00 point in the last trading session. The Sep series closed at a premium of 75.10 point.
- The INDIA VIX increased from 18.48 to 19.25. At the same time, the PCR-OI of Nifty has decreased from 1.28 to 1.03.
- Few of the liquid counters where we have seen high cost of carry are L&TFH, ABFRL, IDEA, PIIND and METROPOLIS.

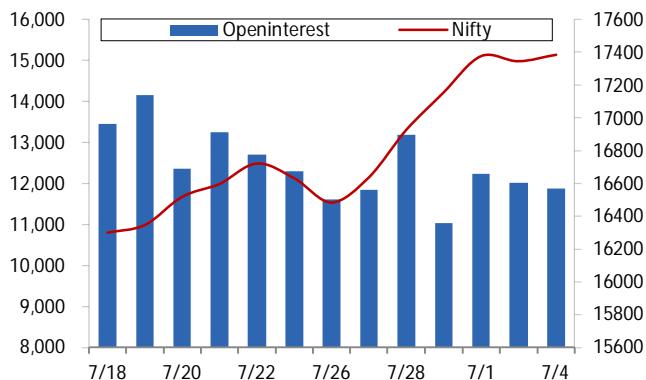
View

- The tug of war continued as we saw strong opening to touch 17500 but all of the sudden sharp selling was seen to drag the index below 17200. This wasn't done yet, luckily market recovered to conclude almost flat.
- FIIs were net buyers in the cash market segment to the tune of Rs. 1474 crores. Simultaneously, in Index futures, they sold worth Rs. 830 crores with an increase in open interest, indicating short formation.
- As far as derivatives segment is concerned, we saw mixed activity in Nifty and some unwinding was observed in banking index. Stronger hands continued to pump in liquidity in equities but preferred addition some shorts in index futures segment. On index options front, we saw some fresh build-up in 17300 put and 17500 call strike in coming weekly series. Highest open interest concentration is now placed at 17000 put and 17500 call strike. Considering the recent price action, we believe index has been stuck in the range of 17100-17500 for the time being and until we remain in this range traders can focus on individual space.

Historical Volatility

SCRIP	HV
ZYDUSLIFE	35.16
IPCALAB	34.52
GUJGASLTD	46.56
LUPIN	37.92
CIPLA	31.77

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
GUJGASLTD	5805000	70.55	444.45	-6.08
ALKEM	451200	31.16	3151.75	0.97
TATACONSUM	8849700	16.53	789.25	-2.92
LUPIN	10717650	13.35	659.95	5.13
IPCALAB	867100	12.76	1024.95	4.78
APOLLOTYRE	12992000	12.72	232.20	1.72
INDUSTOWER	19908000	12.29	203.30	-1.89
NAM-INDIA	2731200	11.28	299.55	-0.12

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
INDIGO	2462100	-12.73	1986.05	0.63
BOSCHLTD	173150	-12.53	17561.70	1.32
AUBANK	6460000	-12.42	636.60	4.66
BATAINDIA	2105125	-8.78	1913.85	-0.72
FSL	20051200	-7.46	105.35	2.03
PERSISTENT	562050	-7.23	3769.30	1.34
NAVINFLUOR	566550	-6.39	4320.95	1.36
GSPL	3162500	-6.37	238.40	-0.75

Put-Call Ratio

SCRIP	PCR (OI)	PCR (VOL)
NIFTY	1.03	1.01
BANKNIFTY	0.84	1.03
RELIANCE	0.54	0.48
ICICIBANK	0.68	0.61
INFY	0.74	0.48

FII Statistics for August 04, 2022

Detail	Buy	Sell	Net	Contracts	Open Interest Value (in Cr.)	CHANGE
INDEX FUTURES	3421.67	4251.52	(829.85)	137414	12306.52	1.09
INDEX OPTIONS	2495243.95	2494114.63	1129.32	845288	74847.75	(36.43)
STOCK FUTURES	12647.40	11945.70	701.70	2147950	145976.03	0.76
STOCK OPTIONS	9113.12	8949.30	163.82	105401	7283.08	9.62
Total	2520426.14	2519261.15	1164.99	3236053	240413.38	(12.38)

Turnover on August 04, 2022

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	560204	50373.00	53.40
Index Options	338899646	30886857.28	150.59
Stock Futures	973262	65089.63	12.26
Stock Options	3349452	231827.70	7.59
Total	3,349,452	231827.70	147.26

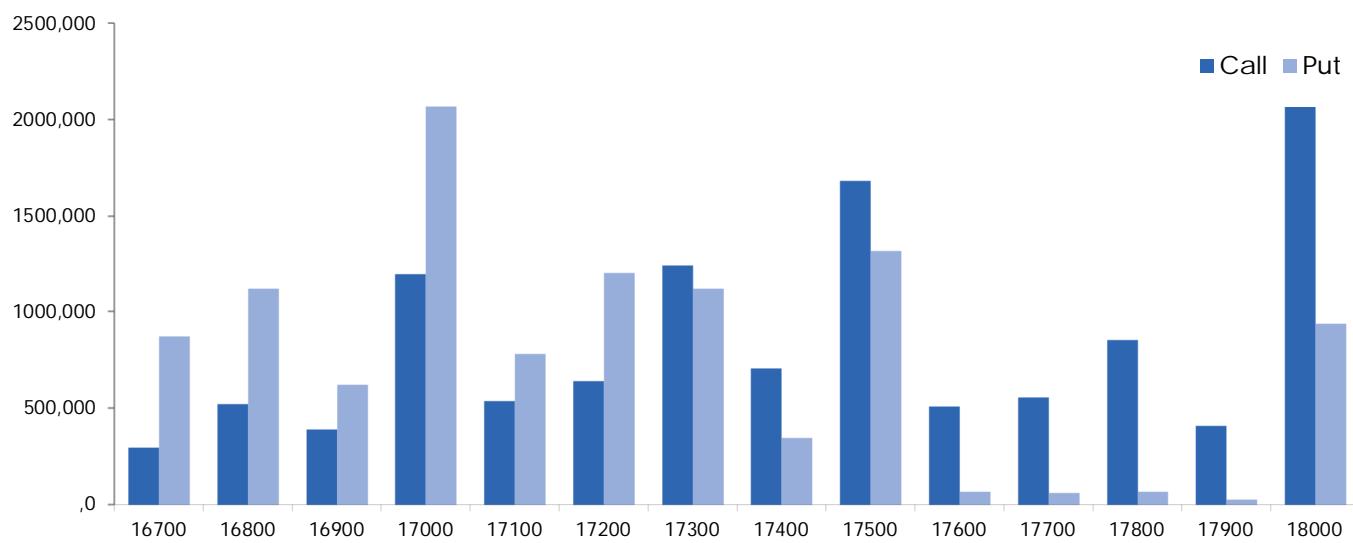
Nifty Spot = 17,382
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	17400	346.05	57.35	42.65	17457.35
Sell	17500	288.70			
Buy	17400	346.05	110.35	89.65	17510.35
Sell	17600	235.70			
Buy	17500	288.70	53.00	47.00	17553.00
Sell	17600	235.70			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	17400	239.75	36.25	63.75	17363.75
Sell	17300	203.50			
Buy	17400	239.75	68.65	131.35	17331.35
Sell	17200	171.10			
Buy	17300	203.50	32.40	67.60	17267.60
Sell	17200	171.10			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (Aug 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
ADANIPORTS	784	796	808	820	832
APOLLOHOSP	4,273	4,334	4,372	4,433	4,471
ASIANPAINT	3,383	3,422	3,449	3,488	3,516
AXISBANK	699	710	724	735	748
BAJAJ-AUTO	3,949	3,980	4,008	4,039	4,067
BAJFINANCE	7,122	7,219	7,302	7,399	7,482
BAJAJFINSV	14,864	15,025	15,216	15,377	15,568
BPCL	326	330	334	338	342
BHARTIARTL	673	684	691	702	709
BRITANNIA	3,698	3,737	3,764	3,803	3,830
CIPLA	1,004	1,024	1,035	1,056	1,067
COALINDIA	202	204	209	212	216
DIVISLAB	3,776	3,832	3,868	3,924	3,960
DRREDDY	4,062	4,105	4,132	4,175	4,202
EICHERMOT	3,052	3,099	3,148	3,195	3,243
GRASIM	1,540	1,560	1,581	1,600	1,621
HCLTECH	934	946	958	970	982
HDFCBANK	1,397	1,414	1,431	1,448	1,464
HDFCLIFE	525	530	535	540	545
HDFC	2,303	2,332	2,359	2,389	2,416
HEROMOTOCO	2,756	2,781	2,805	2,830	2,854
HINDALCO	410	416	424	430	439
HINDUNILVR	2,600	2,614	2,629	2,643	2,657
ICICIBANK	798	809	820	831	841
INDUSINDBK	1,027	1,038	1,056	1,067	1,085
INFY	1,564	1,582	1,593	1,611	1,622
ITC	306	308	309	311	312
JSW STEEL	643	654	664	674	684
KOTAKBANK	1,792	1,814	1,836	1,858	1,881
LT	1,750	1,765	1,790	1,805	1,830
M&M	1,229	1,246	1,255	1,272	1,281
MARUTI	8,730	8,848	8,948	9,066	9,166
NESTLEIND	19,196	19,523	19,723	20,051	20,251
NTPC	149	152	156	159	164
ONGC	133	134	136	138	139
POWERGRID	216	219	221	224	226
RELIANCE	2,492	2,532	2,575	2,615	2,658
SBILIFE	1,262	1,270	1,279	1,287	1,295
SHREECEM	20,116	20,402	20,826	21,112	21,536
SBIN	514	524	534	543	554
SUNPHARMA	887	903	911	927	936
TCS	3,270	3,312	3,350	3,393	3,431
TATACONSUM	773	781	789	798	806
TATAMOTORS	449	459	466	476	484
TATASTEEL	104	106	108	109	111
TECHM	1,018	1,037	1,055	1,074	1,091
TITAN	2,349	2,386	2,408	2,446	2,468
ULTRACEMCO	6,472	6,530	6,608	6,666	6,743
UPL	712	722	731	741	751
WIPRO	421	428	434	442	448

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