

Sensex (58279) / Nifty (17362)

The benchmark index started the session with marginal upside gap precisely at **17400**. However due to some profit booking in the initial hours, Nifty came off sharply to slide tad below the **17300** mark. Fortunately no further damage done as bulls once again defended the key support and thereafter lifted the Nifty back above the **17400** terrain. Towards the end, sceptical traders used this bounce back to lighten up longs, which resulted in a small decline to conclude the session with a negligible loss.

We witnessed a see-saw like price movement during the session, but the overall range was not very wide as index kept vacillating within the boundaries of not even a percent. At the end, Nifty managed to close slightly below **17400** with some hint of profit booking at higher levels. Price-wise, there is no damage visible yet but we continue with our cautious stance on the index. Also, in our previous commentary, we had mentioned about Nifty confirming first sign of weakness if starts trading below previous week's high of **17340**. Yesterday it did trade below this point but rebounded sharply from the key support of **17300**. In practical terms, we reckon this development as good enough evidence for early sign of weakness/ profit booking.

Nifty Bank Outlook - (36469)

We started-off the session slightly lower and then similar to previous trading session saw selling pressure from the word go to tank below **36200**. However, smart recovery from the subsequent hour followed by one more round of profit resulted the bank index to conclude the volatile day tad below **36500** with the loss of 0.34%. Throughout the August series, the banking index struggle to surpass the sturdy wall placed around **36200-36300** and yesterday this same levels acted as a support zone. If we look at the hourly chart, the 89 EMA also coincides with the above mentioned levels and considering the recovery seen it has certainly gained more importance. Going ahead, until we manage to sustain above **36000-36200** on the closing basis there isn't anything to be worried above but any fall below this shall be a sign of caution. On the higher side, **37000-37200** shall be looked as strong resistance zone.

Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 36500 | Resistance 1 – 37000 |
| Support 2 – 36400 | Resistance 2 – 37200 |

Exhibit 1: Nifty Daily Chart



Going ahead, **17450** is to be seen as immediate hurdle and the moment we close below **17300**, we would see some immediate profit booking in the market. Hence, traders are advised to stay light and avoid taking aggressive bets for a while. Apart from the benchmark index, the banking space continues to sulk; but yesterday surprisingly, the IT basket was also applying some pressure, which could be the space to watch going ahead.

Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 17300 | Resistance 1 – 17450 |
| Support 2 – 17200 | Resistance 2 – 17500 |

Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has decreased by 0.04%. Bank Nifty futures open interest has decreased by 9.51% as market closed at 17362.10 levels.
- The Nifty September future closed with a premium of 13.7 point against a premium of 26.85 point in last trading session. The October series closed at a premium of 44.25 point.
- The INDIA VIX increased from 14.05 to 14.90. At the same time, the PCR-OI of Nifty has decreased from 1.29 to 1.20.
- Few of the liquid counters where we have seen high cost of carry are IDEA, INDIAMART, PEL, SIEMENS, AND CANFINHOME

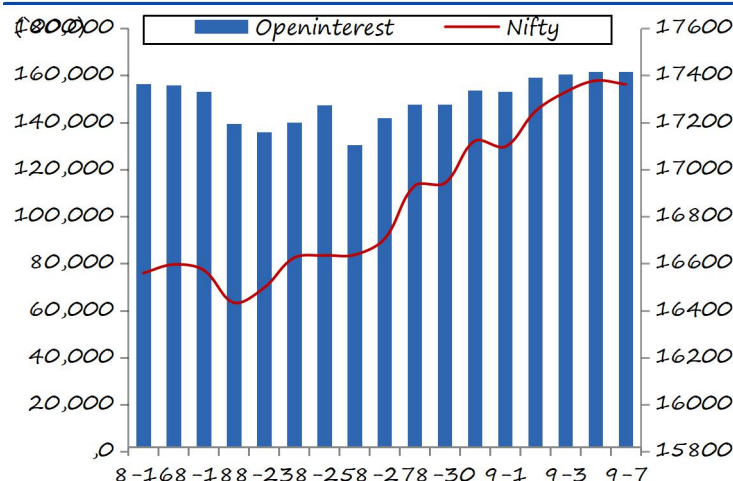
View

- Nifty witnessed some volatile moves in yesterday's session wherein the index corrected post opening and entered sub 17300 zone. However, it immediately witnessed buying interest around this support and rallied to surpass 17400. It gave up the gains at the end and closed with marginal loss around 17360.
- FII were net sellers in cash market segment to the tune of Rs. 145 crores. In index futures, they bought to the tune of Rs. 433 crores with decrease in open interest indicating short covering in yesterday's session.
- The intraday volatility did not lead to any change in open interest in Nifty, but the Banking index shed open interest by 9 percent which indicates long unwinding. Recently, some hopes were built for an upmove in the BankNifty as the short positions were not rolled over and fresh longs were seen post expiry. But as there was no follow up move in prices, traders seem to be unwinding their longs, leading to uncertainty over the short term. In options segment, 17400 and 17500 calls have decent positions indicating resistance zone. On the flipside, 17300 is the immediate support and a breach below the same could lead to profit booking in next couple of sessions..

Historical Volatility

| SCRIP | HV |
|------------|--------|
| IRCTC | 47.81 |
| VOLTAS | 39.03 |
| INDUSTOWER | 56.27 |
| IDEA | 106.94 |
| LICHSGFIN | 50.10 |

Nifty Vs OI



OI Gainers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|------------|-----------|-------------|---------|----------------|
| CANFINHOME | 2848950 | 44.15 | 615.70 | 3.91 |
| POLYCAB | 611700 | 33.79 | 2405.35 | 3.74 |
| IDEA | 732270000 | 24.23 | 8.25 | 14.38 |
| IRCTC | 2120625 | 14.15 | 3287.00 | 8.82 |
| INDIAMART | 240150 | 9.92 | 8752.45 | -2.06 |
| TATACONSUM | 8715600 | 8.91 | 868.25 | -0.25 |
| MANAPPURAM | 27240000 | 7.81 | 163.90 | -2.40 |
| GUJGASLTD | 3387500 | 7.63 | 695.85 | 1.27 |

OI Losers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|------------|-----------|-------------|---------|----------------|
| VOLTAS | 3104000 | -11.86 | 1187.25 | 5.64 |
| NATIONALUM | 119238000 | -8.12 | 96.30 | -2.95 |
| NAM-INDIA | 3470400 | -7.27 | 420.05 | -0.53 |
| SUNPHARMA | 31612000 | -6.74 | 769.90 | -1.84 |
| DLF | 38936700 | -5.66 | 336.05 | -3.08 |
| HINDALCO | 35907150 | -4.96 | 462.30 | -1.49 |
| COFORGE | 834200 | -4.60 | 5179.45 | -2.26 |
| LTI | 755850 | -4.58 | 5404.70 | -0.92 |

Put-Call Ratio

| SCRIP | PCR-OI | PCR-VOL |
|-----------|--------|---------|
| NIFTY | 1.20 | 0.93 |
| BANKNIFTY | 0.69 | 0.89 |
| RELIANCE | 0.58 | 0.36 |
| ICICIBANK | 0.49 | 0.52 |
| INFY | 0.53 | 0.41 |

FII Statistics for September 07, 2021

| Detail | Buy | Sell | Net | Contracts | Open Interest | |
|---------------|-----------|-----------|-----------|-----------|----------------|--------|
| | | | | | Value (in Cr.) | Change |
| INDEX FUTURES | 4316.03 | 3883.08 | 432.95 | 169964 | 14906.52 | (7.10) |
| INDEX OPTIONS | 362079.02 | 360114.38 | 1964.64 | 1603879 | 141410.27 | 2.83 |
| STOCK FUTURES | 12476.54 | 13567.58 | (1091.04) | 1447600 | 123793.90 | (0.46) |
| STOCK OPTIONS | 18279.95 | 18309.58 | (29.63) | 248096 | 21108.63 | 5.50 |
| Total | 397151.54 | 395874.62 | 1276.92 | 3469539 | 301219.32 | 1.09 |

Turnover on September 07, 2021

| Instrument | No. of Contracts | Turnover (in Cr.) | Change (%) |
|---------------|------------------|-------------------|------------|
| Index Futures | 3,26,765 | 29164.06 | 71.22 |
| Index Options | 5,71,27,063 | 51,34,177.72 | 61.00 |
| Stock Futures | 7,02,868 | 59529.20 | 3.24 |
| Stock Options | 27,52,542 | 2,41,919.47 | 1.33 |
| Total | 6,09,09,238 | 54,64,790.45 | 56.03 |

Nifty Spot = 17362.10

Bull-Call Spreads

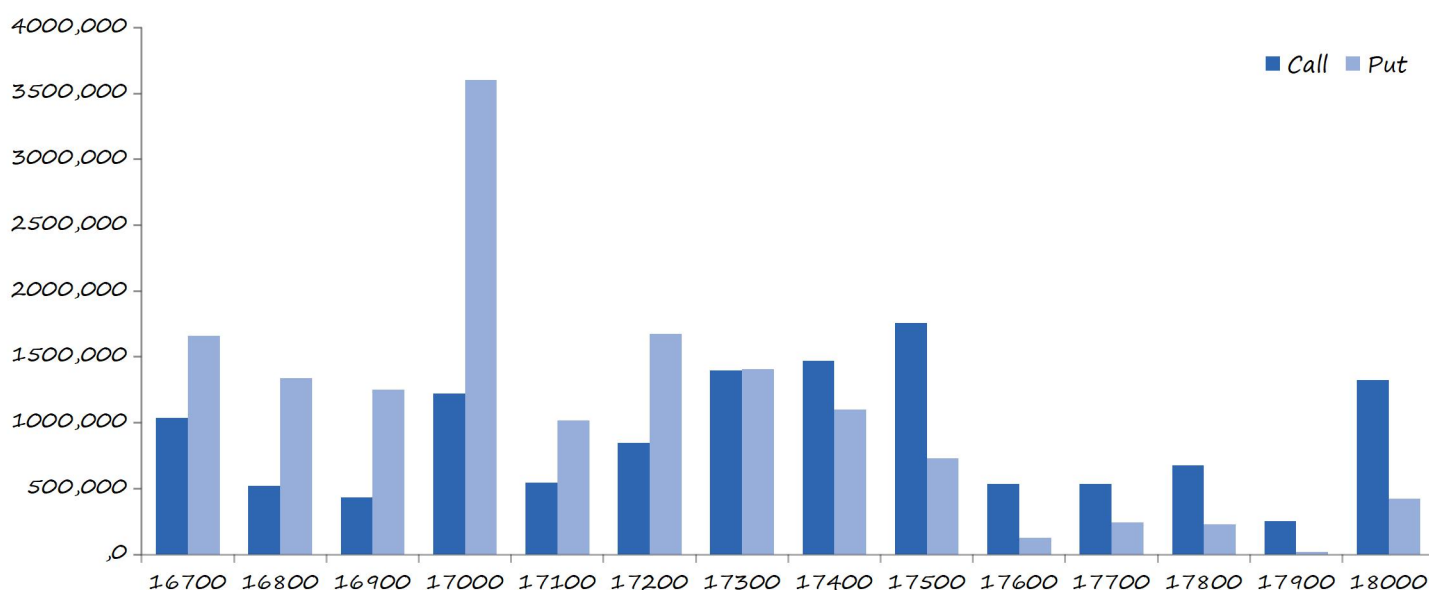
| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|-------|--------|----------|
| Buy | 17400 | 200.35 | 47.95 | 52.05 | 17447.95 |
| Sell | 17500 | 152.40 | | | |
| Buy | 17400 | 200.35 | 86.05 | 113.95 | 17486.05 |
| Sell | 17600 | 114.30 | | | |
| Buy | 17500 | 152.40 | 38.10 | 61.90 | 17538.10 |
| Sell | 17600 | 114.30 | | | |

Bear-Put Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|-------|--------|----------|
| Buy | 17400 | 225.75 | 46.60 | 53.40 | 17353.40 |
| Sell | 17300 | 179.15 | | | |
| Buy | 17400 | 225.75 | 82.50 | 117.50 | 17317.50 |
| Sell | 17200 | 143.25 | | | |
| Buy | 17300 | 179.15 | 35.90 | 64.10 | 17264.10 |
| Sell | 17200 | 143.25 | | | |

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

Nifty Put-Call Analysis



Daily Pivot Levels for Nifty Constituents

| Scripts | S2 | S1 | PIVOT | R1 | R2 |
|------------|--------|--------|--------|--------|--------|
| ADANIPTS | 734 | 740 | 747 | 753 | 761 |
| ASIANPAINT | 3,281 | 3,309 | 3,352 | 3,379 | 3,422 |
| AXISBANK | 772 | 780 | 790 | 797 | 807 |
| BAJAJ-AUTO | 3,739 | 3,755 | 3,778 | 3,794 | 3,816 |
| BAJFINANCE | 7,318 | 7,388 | 7,477 | 7,547 | 7,636 |
| BAJAJFINSV | 16,472 | 16,627 | 16,786 | 16,940 | 17,099 |
| BPCL | 473 | 477 | 485 | 490 | 498 |
| BHARTIARTL | 634 | 652 | 666 | 685 | 699 |
| BRITANNIA | 4,052 | 4,074 | 4,102 | 4,123 | 4,151 |
| CIPLA | 937 | 944 | 951 | 957 | 964 |
| COALINDIA | 144 | 146 | 147 | 148 | 150 |
| DIVISLAB | 5,153 | 5,182 | 5,208 | 5,237 | 5,263 |
| DRREDDY | 4,823 | 4,860 | 4,893 | 4,930 | 4,963 |
| EICHERMOT | 2,762 | 2,793 | 2,836 | 2,867 | 2,910 |
| GRASIM | 1,499 | 1,527 | 1,542 | 1,570 | 1,586 |
| HCLTECH | 1,158 | 1,170 | 1,192 | 1,205 | 1,227 |
| HDFCBANK | 1,542 | 1,556 | 1,569 | 1,582 | 1,596 |
| HDFCLIFE | 723 | 729 | 736 | 742 | 749 |
| HDFC | 2,710 | 2,773 | 2,814 | 2,877 | 2,917 |
| HEROMOTOCO | 2,771 | 2,784 | 2,805 | 2,818 | 2,839 |
| HINDALCO | 454 | 458 | 465 | 470 | 477 |
| HINDUNILVR | 2,747 | 2,762 | 2,785 | 2,801 | 2,824 |
| ICICIBANK | 706 | 712 | 717 | 722 | 728 |
| IOC | 110 | 111 | 112 | 113 | 113 |
| INDUSINDBK | 971 | 986 | 999 | 1,014 | 1,027 |
| INFY | 1,684 | 1,695 | 1,715 | 1,726 | 1,746 |
| ITC | 208 | 210 | 212 | 214 | 216 |
| JSW STEEL | 673 | 678 | 688 | 694 | 703 |
| KOTAKBANK | 1,730 | 1,747 | 1,763 | 1,781 | 1,797 |
| LT | 1,663 | 1,672 | 1,689 | 1,698 | 1,714 |
| M&M | 743 | 748 | 753 | 759 | 764 |
| MARUTI | 6,811 | 6,844 | 6,887 | 6,920 | 6,963 |
| NESTLEIND | 20,083 | 20,226 | 20,309 | 20,452 | 20,536 |
| NTPC | 114 | 115 | 116 | 117 | 118 |
| ONGC | 118 | 119 | 121 | 122 | 124 |
| POWERGRID | 172 | 172 | 173 | 174 | 175 |
| RELIANCE | 2,391 | 2,416 | 2,437 | 2,462 | 2,483 |
| SBILIFE | 1,215 | 1,227 | 1,240 | 1,252 | 1,265 |
| SHREECEM | 29,983 | 30,318 | 30,596 | 30,931 | 31,208 |
| SBIN | 422 | 426 | 429 | 432 | 435 |
| SUNPHARMA | 757 | 763 | 773 | 780 | 790 |
| TCS | 3,770 | 3,793 | 3,831 | 3,854 | 3,893 |
| TATACONSUM | 850 | 859 | 874 | 883 | 898 |
| TATAMOTORS | 288 | 291 | 294 | 298 | 301 |
| TATASTEEL | 1,398 | 1,413 | 1,436 | 1,452 | 1,474 |
| TECHM | 1,406 | 1,421 | 1,447 | 1,461 | 1,487 |
| TITAN | 2,002 | 2,018 | 2,029 | 2,045 | 2,056 |
| ULTRACEMCO | 7,851 | 7,939 | 7,999 | 8,087 | 8,148 |
| UPL | 739 | 745 | 753 | 759 | 767 |
| WIPRO | 662 | 668 | 679 | 685 | 696 |

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