

Sensex (54209) / Nifty (16240)

Tuesday's massive rally was followed by yet another gap up opening with modest gains. We clearly shrugged off the global cues as the SGX Nifty was indicating a sluggish start in the morning. In the initial trades, Nifty extended its gains towards **16400**, but failed to sustain at higher levels. Around the midsession, Key indices pared down all gains and slipped marginally in the red. Fortunately, a smart recovery immediately post the midsession pulled Nifty back to **16350**, which again got sold into to conclude the choppy session on a flat note.

Since the overall global picture has not changed yet, our market was unable to keep up the same momentum as we witnessed during Tuesday's short covering move. Traders chose to take some money off the table after reaching the key resistance zone of **16400 – 16500**. Now although, we witnessed a sharp sell-off in the U.S. markets overnight, we expect buying to emerge at lower levels till the time Nifty holds its sacrosanct support zone of **16100 – 16000**. Traders can certainly take a punt as close as possible to **16050 – 16000** on the expiry session. On the flipside, strong resistance continues to be seen around the higher range of **16400 – 16500**. The real strength will come back in our market only after surpassing the sturdy wall of **16500 – 16600**, till then it would be a prudent strategy to adopt 'One step at a time' strategy.

Nifty Bank Outlook - (34164)

Following the rub-off effect of Tuesday's strong upmove, the bank nifty started on a positive note and then went on to make an intraday high of **34655** during the first hour. However, a follow-up move was missing that resulted bank index to pared-down all morning gains. Eventually, after trading with choppy moves in a range, the bank nifty finally ended with a loss of 0.40% at **34164**.

On the daily chart, price wise there's no major change however if we observe the RSI Smoothed then we can observe a buy crossover with the indicator still in the oversold zone. This augurs well for the bull and hence we remain positive to suggest traders to use intraday dips on the weekly expiry as a buying opportunity. As far as levels are concerned, immediate support is seen at **34000** followed by **33600** levels on the flip side, **34600 – 34800** seems like a key intermediate hurdle.

Exhibit 1: Nifty Daily Chart



Yesterday, there wasn't much sectoral participation seen in the market; but the FMCG space stood out and some of the heavyweights like, HINDUNILVR are poised for some decent moves. Also, one can focus on banking and metal counters which are likely to perform well if there is positive development in the global cues.

Key Levels

Support 1 – 16050

Resistance 1 – 16400

Support 2 – 16000

Resistance 2 – 16500

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 34000

Resistance 1 – 34800

Support 2 – 33800

Resistance 2 – 35000

Comments

- The Nifty futures open interest has decreased by 3.85% and BANK Nifty futures open interest has decreased by 8.65% as the market closed at 16240.30.
- The Nifty May future closed with a discount of 14.25 point against a discount of 4.35 point in the last trading session. The June series closed at a discount of 9.90 point.
- The INDIA VIX decreased from 22.74 to 22.29. At the same time, the PCR-OI of Nifty decreased from 1.12 to 0.87.
- Few of the liquid counters where we have seen high cost of carry are METROPOLIS, IOC, PETRONET, LALPATHLAB and POWERGRID.

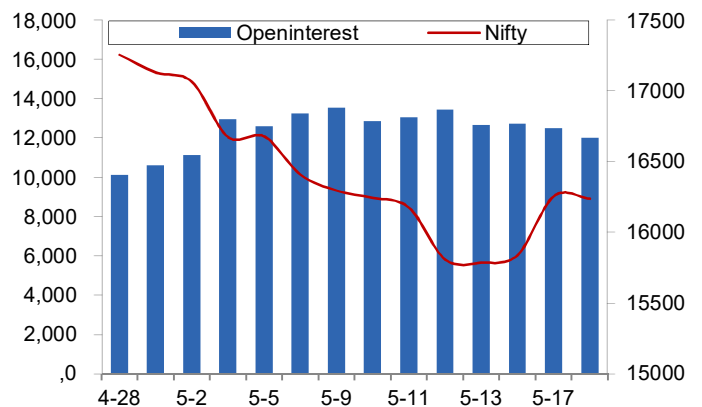
View

- Our market has witnessed a choppy session and concluded the day on a subdued note ahead of the weekly expiry. The benchmark index Nifty50 settled the day with a mere loss of 0.12 percent.
- FII's were net sellers in the cash market segment to the tune of Rs. 1255 crores. Simultaneously, in Index futures, they bought worth Rs. 62 crores with a mere increase in open interest, indicating some long formation.
- Looking at the F&O data, we have witnessed long unwinding in both the indices. On the options front, a pile-up is visible in the 16200 Put strike in the options segment, followed by a significant concentration built up in 16000 PE. While on the contrary, a considerable OI concentration is built on the 16400-16500 call strikes, indicating a tentative range in the market for the near term. Considering the recent price action, the sentiments are likely to remain upbeat, and any correction towards the support zone could be seen as an opportunity to go long. Traders can look to buy the ATM Call option as close as possible to the support level and try to lighten up around the higher end on the expiry day.

Historical Volatility

SCRIP	HV
IDEA	94.86
IBULHSGFIN	78.60
ZEEL	71.92
HINDCOPPER	67.76
RBLBANK	66.66

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
METROPOLIS	653900	29.38	1753.45	-8.65
DELTACORP	19149800	26.48	227.90	-5.87
ITC	128006400	13.82	266.80	0.81
CHOLAFIN	10507500	13.55	662.75	-0.29
HINDPETRO	14704200	13.25	243.65	-5.00
VOLTAS	3950500	12.97	985.55	-0.24
AMBUJACEM	51562500	11.49	361.10	-2.03
BHARTIARTL	61693000	11.33	696.15	-1.61

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
PERSISTENT	462600	-8.70	3857.70	3.19
LTTS	1001000	-6.74	3775.20	2.54
BOSCHLTD	119350	-6.61	14186.25	4.06
ICICIBANK	102597000	-6.07	707.35	-0.35
ACC	2436250	-5.73	2236.65	0.52
COALINDIA	38745000	-5.63	185.55	0.60
APOLLOTYRE	10887000	-5.51	214.10	-0.60
HINDALCO	41490700	-5.42	436.10	1.72

Put-Call Ratio

SCRIP	PCR (OI)	PCR (VOL)
NIFTY	0.87	0.90
BANKNIFTY	0.83	0.98
RELIANCE	0.33	0.44
ICICIBANK	0.52	0.57
INFY	0.39	0.46

FII Statistics for May 18, 2022

Detail	Buy	Sell	Net	Contracts	Open Interest Value (in Cr.)	CHANGE
INDEX FUTURES	3968.60	3906.57	62.03	165525	13650.95	0.67
INDEX OPTIONS	895594.28	894822.99	771.29	1942012	159236.05	9.67
STOCK FUTURES	16632.82	15708.27	924.55	2338371	144937.05	(0.06)
STOCK OPTIONS	8686.02	8706.97	(20.95)	158123	10167.65	2.13
Total	924881.72	923144.80	1736.92	4604031	327991.70	3.93

Turnover on May 18, 2022

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	463841	38537.32	-3.00
Index Options	130865242	10958306.85	35.21
Stock Futures	1023616	63390.73	6.57
Stock Options	3834043	251077.83	1.47
Total	38,34,043	251077.83	33.84

Nifty Spot = 16240.30

Bull-Call Spreads

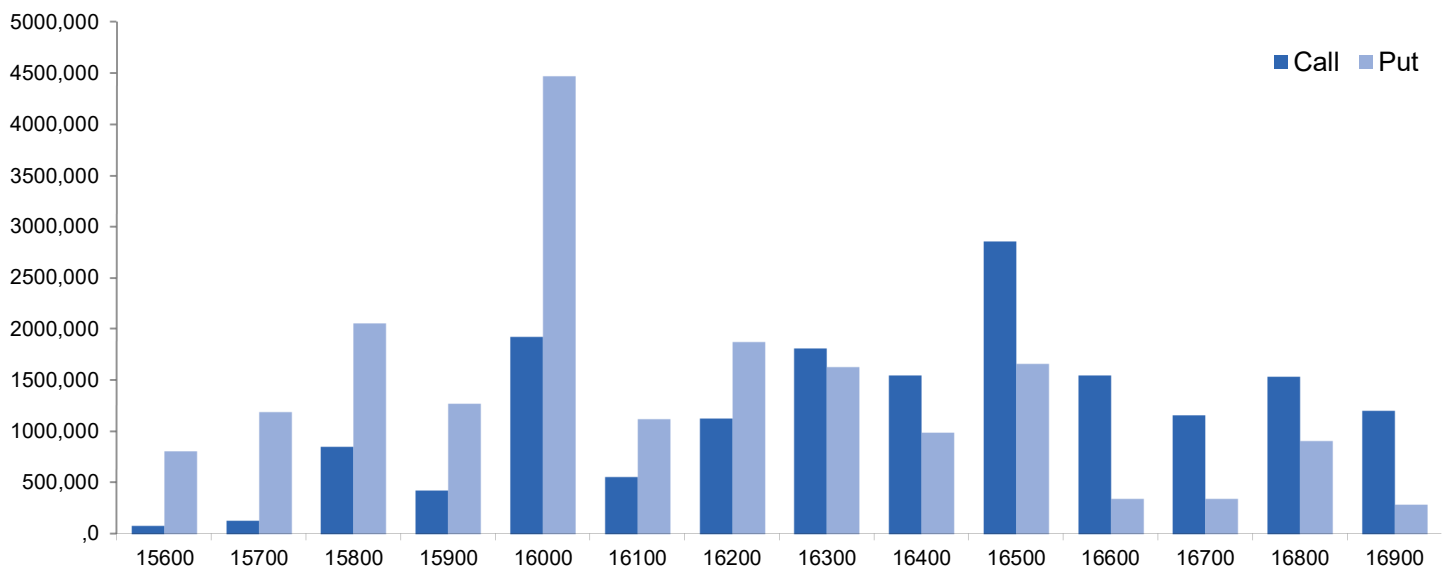
Action	Strike	Price	Risk	Reward	BEP
Buy	16200	207.10			
Sell	16300	153.95	53.15	46.85	16253.15
Buy	16200	207.10			
Sell	16400	111.10	96.00	104.00	16296.00
Buy	16300	153.95			
Sell	16400	111.10	42.85	57.15	16342.85

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	16200	181.30			
Sell	16100	141.55	39.75	60.25	16160.25
Buy	16200	181.30			
Sell	16000	110.35	70.95	129.05	16129.05
Buy	16100	141.55			
Sell	16000	110.35	31.20	68.80	16068.80

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	731	745	756	771	782
APOLLO HOSP	3,650	3,693	3,767	3,810	3,884
ASIAN PAINT	2,982	3,041	3,085	3,144	3,188
AXIS BANK	640	650	660	670	680
BAJAJ-AUTO	3,692	3,742	3,786	3,835	3,879
BAJFINANCE	5,687	5,751	5,854	5,918	6,021
BAJAJFINSV	12,301	12,532	12,841	13,071	13,380
BPCL	321	326	337	342	353
BHARTIARTL	666	681	704	719	742
BRITANNIA	3,310	3,352	3,392	3,435	3,475
CIPLA	933	945	953	965	973
COALINDIA	179	182	185	188	191
DIVISLAB	4,230	4,298	4,342	4,410	4,454
DRREDDY	3,821	3,864	3,924	3,967	4,027
EICHERMOT	2,630	2,663	2,716	2,749	2,803
GRASIM	1,458	1,473	1,491	1,506	1,524
HCLTECH	1,054	1,064	1,081	1,090	1,107
HDFCBANK	1,296	1,305	1,319	1,328	1,342
HDFCLIFE	541	546	552	557	563
HDFC	2,154	2,169	2,194	2,209	2,234
HEROMOTOCO	2,493	2,516	2,535	2,558	2,577
HINDALCO	418	427	433	442	448
HINDUNILVR	2,211	2,251	2,277	2,317	2,342
ICICIBANK	699	703	710	714	721
INDUSINDBK	888	895	907	914	926
INFY	1,477	1,493	1,521	1,538	1,566
ITC	261	264	266	269	271
JSW STEEL	618	624	635	641	652
KOTAKBANK	1,827	1,837	1,851	1,860	1,874
LT	1,529	1,551	1,587	1,609	1,645
M&M	896	905	914	922	931
MARUTI	7,442	7,504	7,572	7,635	7,703
NESTLEIND	16,118	16,231	16,325	16,437	16,531
NTPC	145	147	149	151	153
ONGC	158	161	163	165	167
POWERGRID	220	224	231	235	242
RELIANCE	2,477	2,508	2,539	2,569	2,601
SBILIFE	1,049	1,062	1,073	1,086	1,097
SHREECEM	21,747	22,124	22,356	22,733	22,964
SBIN	450	454	461	465	473
SUNPHARMA	878	888	899	909	920
TCS	3,410	3,430	3,462	3,482	3,514
TATA CONSUM	725	739	749	764	773
TATAMOTORS	406	410	419	424	432
TATASTEEL	1,154	1,167	1,188	1,201	1,222
TECHM	1,128	1,150	1,190	1,212	1,252
TITAN	2,141	2,154	2,174	2,187	2,207
ULTRACEMCO	6,065	6,150	6,214	6,298	6,363
UPL	801	811	819	829	837
WIPRO	471	476	486	491	500

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