

Sensex (58491) / Nifty (17397)

Yesterday morning, the global screen was extremely terrible and in line with SGX Nifty, we started the week around the **17450** mark. Surprisingly, after the initial hiccup, we witnessed a v-shaped recovery not only to erased losses but also to trade in the green above **17600**. However, it could not decouple itself from the global peers for a long time as the markets took a U-turn post the mid-session, to finally sneak below **17400** on a closing basis.

Last two sessions' (especially yesterday) price activity has certainly validated our recent cautious stance on the market. Since last week or so, we have been advising caution and booking profits in the rally. Percentage wise we may see Nifty falling merely a percent from the Friday's close, but if we try to dive deep into it, we can see some sharp cuts in individual pockets. The Metal space is clearly one of them. It's been enjoying its mega Bull Run till now, but the way some of the stocks plunged yesterday, it was intimidating. Also, the banking space which seemed to have come out of its slumber phase, again failed to live up to the expectations. Importantly, the broader market which has been the theme of last 15 months, has underwent some decent profit taking. Practically, the correction was overdue from a quite long time now, this may be the beginning of it. Let's see how things pan out going forward.

Nifty Bank Outlook - (37146)

We started-off the week with the downside gap tad below **37400** but recovered to reclaim **37800** in the initial two hours of trade. As we progresses, the banking index attracted fresh selling pressure to test the early morning lows and fall below **37100** mark. Finally, we concluded the volatile day tad below **37200** with the cut of 1.76% to Friday's close.

Last week belong to banking space as we finally saw it coming off its slumber phase but last two trading days price action was clearly disappointing. The PSU banking counters that we showing strength off late were the major dragger yesterday; whereas, heavyweight private banks like INDUSINDBK, AXISBANK, ICICIBANK and HDFCBANK too plunged in the range of 1%-4%. Surprisingly, the index has concluded the day between **37100-37200** which acted as a resistance during first half of September month and hence it would be interesting to see how things get pan out going forwards.

Exhibit 1: Nifty Daily Chart



For a time being, we would certainly not be in a hurry to buy these dips; because this may not be the similar corrective move that we have been witnessing of late. As far as levels are concerned, **17550** – **17630** are to be treated as stiff hurdles; whereas on the flipside, we have entered a key support zone of **17450 – 17250**. A violation of the lower range would lead to extended correction in the market which in our sense is likely in coming days. Still all eyes would be on the banking as well as midcap space, because they are the ones who are likely to set the tone for the remainder of participants.

Key Levels

Support 1 – 17300	Resistance 1 – 17550
Support 2 – 17250	Resistance 2 – 17630

Exhibit 2: Nifty Bank Daily Chart



As far as levels are concerned, immediate support is place around the psychological mark of **37000** and on the higher side **37600-37800** shall act as sturdy hurdle now.

Key Levels

Support 1 – 37000	Resistance 1 – 37600
Support 2 – 36850	Resistance 2 – 37800

Comments

- The Nifty futures open interest has decreased by 4.75%. Bank Nifty futures open interest has increased by 11.48% as market closed at 17396.90 levels.
- The Nifty September future closed with a discount of 10.25 point against a premium of 18.00 point in last trading session. The October series closed at a premium of 22.75 point.
- The INDIA VIX increased from 15.23 to 17.49. At the same time, the PCR-OI of Nifty has decreased from 1.15 to 0.98.
- Few of the liquid counters where we have seen high cost of carry are IDEA, ADANIENT, ESCORTS, BERGERPAINT AND ZEEL

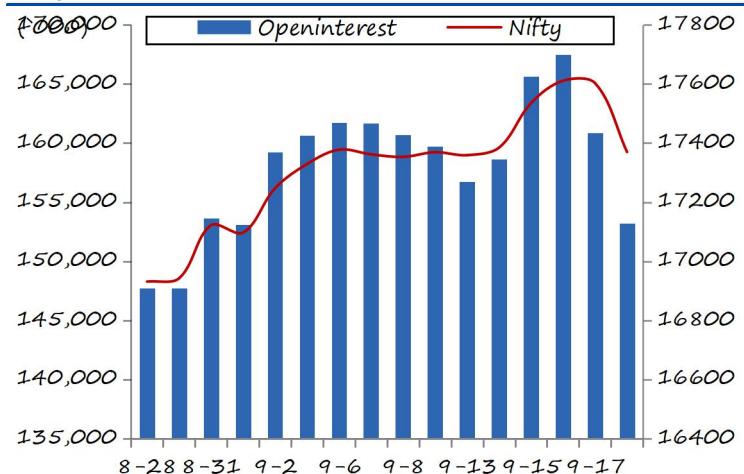
View

- In line with negative global cues, our markets started the day with a gap down of about 140 points. The index recovered sharply and erased all the losses during the day, but once again the selling aggravated in the last hour and Nifty ended with a loss of over a percent below 17400.
- FII's were net buyers in cash market segment to the tune of Rs. 93 crores. In index futures, they sold worth Rs. 2560 crores with decrease in open interest indicating long unwinding and short formations in yesterday's session.
- The negative global markets had an impact on our indices as we saw a sharp sell-off. Nifty corrected due to formation of long positions while Bank Nifty witnessed fresh short formation. FII's unwound their index futures long and also formed fresh short positions. In the options segment, 17500 and above strikes added fresh positions while the put writers ran to cover their positions. INDIA VIX also rallied sharply and ended above 17 which is a concern. The weekly as well as monthly data hints at a resistance in the range of 17500-17600 and support around 17300 and hence, any pullback moves should be used to lighten up long positions. Also, long unwinding and short formations have been seen in several F&O stocks and hence, traders should look for such stock specific selling opportunities which could provide good short term returns.

Historical Volatility

SCRIPT	HV
TATASTEEL	53.21
INDHOTEL	48.98
JSWSTEEL	49.06
NATIONALUM	62.73
NMDC	53.76

Nifty Vs OI



OI Gainers

SCRIPT	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
INDHOTEL	15978300	24.00	161.05	7.92
PVR	3078141	17.93	1423.80	1.94
GODREJPROP	2163200	15.76	1644.90	0.56
ZEEL	63381000	14.58	255.45	-0.21
TATASTEEL	54532600	14.04	1253.10	-9.57
GMRINFRA	111780000	12.22	34.05	7.91
IDEA	790370000	9.08	10.75	-4.42
INDIGO	4358500	7.84	2169.45	-1.43

OI Losers

SCRIPT	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
IRCTC	2454400	-16.47	3707.85	-4.02
INDIAMART	234600	-13.83	8099.75	-5.99
MARICO	9892000	-10.33	567.45	1.52
NAM-INDIA	3078400	-10.14	434.40	-1.33
IEX	8917500	-9.86	582.50	-2.93
NATIONALUM	87329000	-8.79	85.75	-9.01
MCX	2086000	-8.73	1593.50	-0.62
SYNGENE	1718700	-8.34	643.55	-0.77

Put-Call Ratio

SCRIPT	PCR-OI	PCR-VOL
NIFTY	0.98	0.90
BANKNIFTY	0.68	0.95
RELIANCE	0.46	0.42
ICICIBANK	0.48	0.58
INFY	0.51	0.38

FII Statistics for September 20, 2021

Detail	Buy	Sell	Net	Contracts	Open Interest	
					Value (in Cr.)	Change
INDEX FUTURES	4293.27	6853.40	(2560.13)	172976	15301.37	(2.65)
INDEX OPTIONS	439897.23	441603.87	(1706.64)	1495411	132109.47	(1.73)
STOCK FUTURES	17265.60	17919.06	(653.46)	1495488	127161.52	0.25
STOCK OPTIONS	28201.72	28613.80	(412.08)	342437	29497.10	(0.10)
Total	489657.82	494990.13	(5332.31)	3506312	304069.46	(0.78)

Turnover on September 20, 2021

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	392049	35378.67	-15.61
Index Options	56726114	5186474.63	-2.29
Stock Futures	908503	77736.79	-23.34
Stock Options	3446760	307786.54	-23.44
Total	6,14,73,426	5607376.63	-4.21

Nifty Spot = 17396.90

Bull-Call Spreads

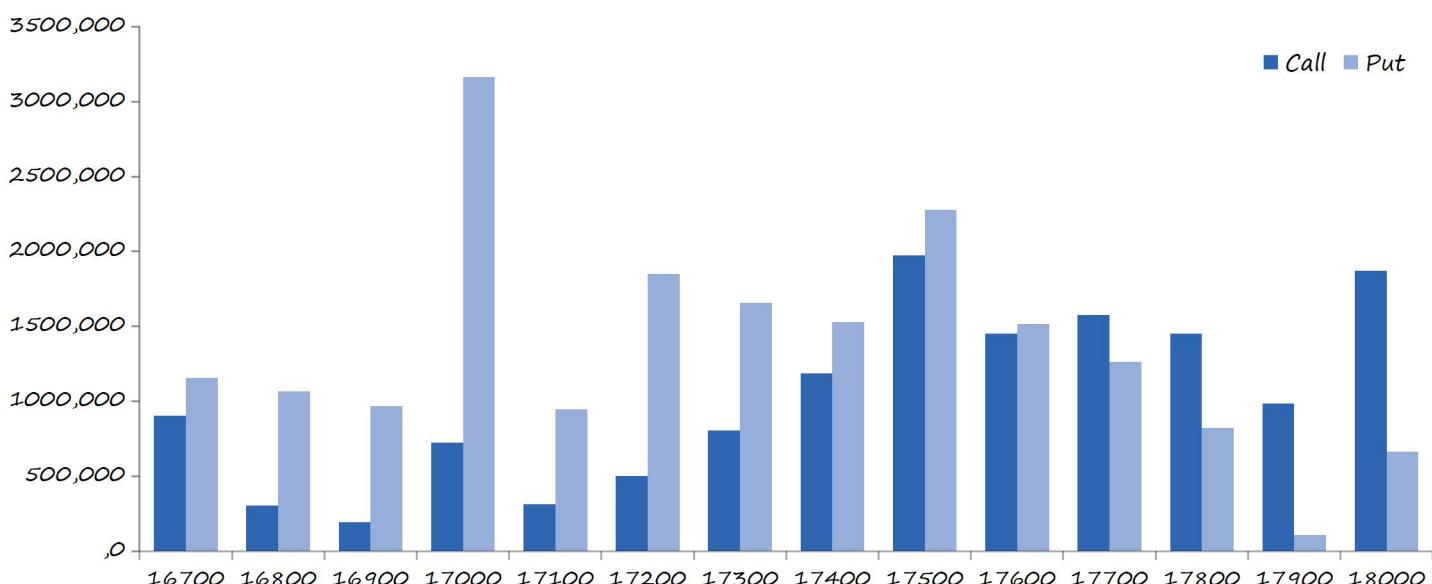
Action	Strike	Price	Risk	Reward	BEP
Buy	17400	175.40	50.10	49.90	17450.10
Sell	17500	125.30			
Buy	17400	175.40	87.20	112.80	17487.20
Sell	17600	88.20			
Buy	17500	125.30	37.10	62.90	17537.10
Sell	17600	88.20			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	17400	186.65	39.85	60.15	17360.15
Sell	17300	146.80			
Buy	17400	186.65	71.85	128.15	17328.15
Sell	17200	114.80			
Buy	17300	146.80	32.00	68.00	17268.00
Sell	17200	114.80			

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

Scrips	S2	S1	PIVOT	R1	R2
ADANIPORTS	727	738	757	768	787
ASIANPAINT	3,234	3,253	3,284	3,303	3,334
AXISBANK	782	789	799	806	816
BAJAJ-AUTO	3,696	3,736	3,775	3,815	3,853
BAJFINANCE	7,188	7,315	7,448	7,575	7,708
BAJAJFINSV	16,384	16,701	17,018	17,335	17,652
BPCL	410	415	424	430	439
BHARTIARTL	713	719	726	732	740
BRITANNIA	3,952	4,018	4,067	4,133	4,182
CIPLA	917	928	940	951	964
COALINDIA	150	152	155	157	160
DIVISLAB	4,986	5,048	5,142	5,204	5,298
DRREDDY	4,666	4,720	4,803	4,858	4,940
EICHERMOT	2,708	2,760	2,809	2,862	2,911
GRASIM	1,505	1,520	1,544	1,559	1,583
HCLTECH	1,226	1,251	1,275	1,300	1,324
HDFCBANK	1,543	1,551	1,567	1,575	1,590
HDFCLIFE	715	722	735	742	755
HDFC	2,686	2,714	2,761	2,790	2,837
HEROMOTOCO	2,848	2,869	2,894	2,915	2,941
HINDALCO	429	437	450	458	472
HINDUNILVR	2,674	2,737	2,773	2,836	2,872
ICICIBANK	698	704	712	718	726
IOC	112	113	116	117	119
INDUSINDBK	1,055	1,072	1,102	1,120	1,150
INFY	1,661	1,675	1,691	1,704	1,721
ITC	225	230	234	239	244
JSW STEEL	602	618	644	659	686
KOTAKBANK	1,951	1,976	2,007	2,032	2,063
LT	1,678	1,691	1,713	1,726	1,748
M&M	718	728	742	752	767
MARUTI	6,848	6,899	6,957	7,009	7,067
NESTLEIND	19,985	20,154	20,270	20,439	20,555
NTPC	121	122	123	124	125
ONGC	123	126	128	130	132
POWERGRID	173	175	177	179	181
RELIANCE	2,346	2,370	2,394	2,418	2,443
SBILIFE	1,159	1,168	1,183	1,193	1,208
SHREECEM	29,352	29,727	30,213	30,589	31,075
SBIN	424	431	442	449	460
SUNPHARMA	738	747	761	770	784
TCS	3,771	3,797	3,834	3,860	3,897
TATACONSUM	841	849	863	871	885
TATAMOTORS	289	294	302	307	315
TATASTEEL	1,180	1,216	1,284	1,321	1,389
TECHM	1,383	1,407	1,450	1,474	1,517
TITAN	2,056	2,067	2,081	2,092	2,107
ULTRACEMCO	7,433	7,504	7,617	7,689	7,802
UPL	678	692	715	729	752
WIPRO	645	654	662	671	679

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