

Sensex (54326) / Nifty (16266)

Our markets witnessed many twists and turns during the last week and on Friday the activity started with yet another gap; but this time it was fortunately on the higher side. This pleasant surprise picked up its momentum as the day progressed, to conclude the week convincingly above the 16200 mark.

The second half of the week gone by was full of dramatic twists and turns. Both counterparties were caught napping in all this but as we mostly say 'All's well that ends well'. Eventually the bulls turned out to be victorious as they managed to pull the Nifty back inside the safe terrain by gaining over 3% from previous weekly close. With reference to our previous week's commentary, **15700 – 15600** stands to be a very solid support; because it coincides with the '89-EMA' on weekly chart who has proved its mettle many times over the past many years. Yes we are not completely out of the woods but at least we are well above the crucial support zone. On the flipside, the cluster of resistance is placed around **16400 – 16500 – 16600** and till the time we do not surpass it convincingly, one should avoid being complacent. At this juncture, we are clearly mirroring US markets' sentiments and hence, if market has to move higher, the global relief is the key.

Nifty Bank Outlook - (34276)

It was certainly an action-packed week and on Friday the activity started with a huge gap up opening. This was then followed up by further strong momentum to erase all Thursday's lost ground and end with gains of 2.88% and the week with gains of 3.49% at **34276**. Despite the sharp sell-off on Thursday, we were a bit skeptical about it as the indicators were in deep oversold territory and we had highlighted a fresh buy crossover in RSI Smoothed indicator. This signal played out well on Friday as finally the bank index snapped its weekly losing streak and ended with healthy gains. The way markets have behaved in the recent past, it would be too soon to say that the bulls have the upper hand however the way some of the heavyweight counters have performed further traction in them would definitely augur well for the bulls. On the hourly chart, we have seen a higher bottom taking place, and if we sustain above **34700** that would develop 'HIGHER TOP HIGHER BOTTOM' which could then trigger further positive traction in the index. On the flip side, **34000 - 33800** is seen as immediate support. We believe if there are no further problems on the global front then ideally any dip towards the support should be taken as buying opportunity.

Exhibit 1: Nifty Daily Chart

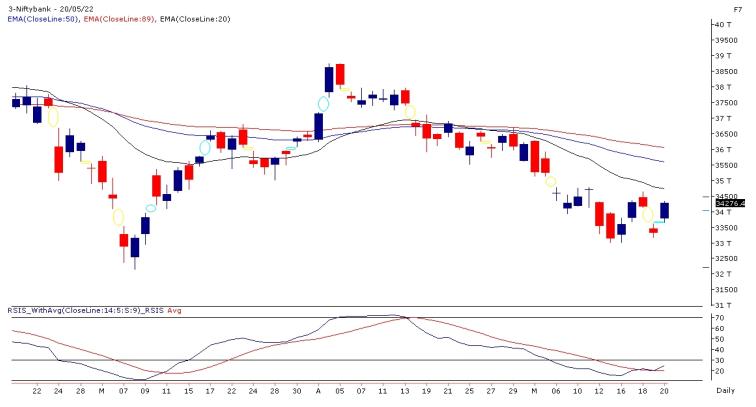


Let's see how things pan out this week. It would be important to keep a regular tab on global developments and one should certainly be prepared for surprising moves on either side. As far as sectoral participation is concerned, we witnessed some decent relief moves in most of the beaten heavyweight spaces during the week. Also, the broader market has started to show some encouraging signs, which we believe should do extremely well if market remains above the psychological support of **16000**.

Key Levels

Support 1 – 16100	Resistance 1 – 16400
Support 2 – 16000	Resistance 2 – 16500

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 - 34000	Resistance 1 - 34700
Support 2 - 33800	Resistance 2 - 35000

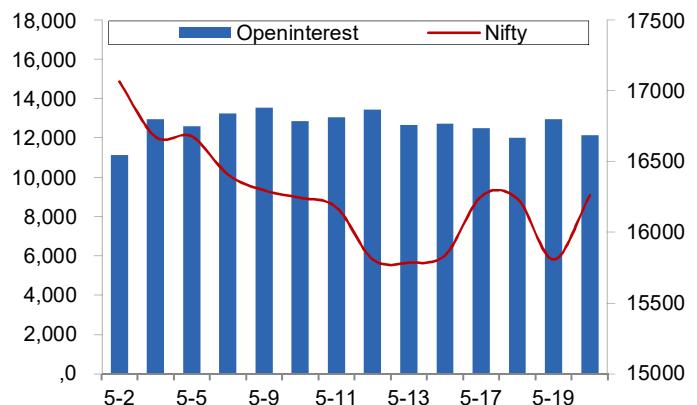
Comments

- The Nifty futures open interest has decreased by 6.33% and BANK Nifty futures open interest has decreased by 0.19% as the market closed at 16266.15.
- The Nifty May future closed with a discount of 12.90 point against a discount of 39.95 point in the last trading session. The June series closed at a discount of 16.30 point.
- The INDIA VIX decreased from 24.55 to 23.10. At the same time, the PCR-OI of Nifty increased from 0.71 to 1.07.
- Few of the liquid counters where we have seen high cost of carry are DRREDDY, GRANULES, SUNTV, NESTLEIND and RELIANCE.

View

- It has been a roller coaster week for our market that fortunately halted the selling saga with a positive closure of around 3.07% in the benchmark index Nifty50 on weekly basis.
- FIIs were net sellers in the cash market segment to the tune of Rs. 1265 crores. Simultaneously, in Index futures, they bought worth Rs. 3012 crores with a decrease in open interest, indicating short covering.
- Looking at the F&O data, short covering was seen in both indices that, boosted the overall sentiments. On the options front, a pile-up is seen at 16000 put strike, indicating strong near-term support. While on the higher end, 16300-16500 call strikes have seen some fresh addition, indicating a range-bound movement in the near term. Meanwhile, the long-short ratio of FII has seen an increase from 23% to 39% on a weekly basis, that have bolstered the bullish sentiments. The data signifies an encouraging sign, though it is advisable to avoid being complacent and stay watchful with daily developments in both domestic and global markets.

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
RAMCOCEM	3219800	22.83	691.70	0.43
GODREJCP	6703500	17.98	758.40	-4.65
ASHOKLEY	36539000	13.04	130.35	6.52
APOLLOTYRE	12644000	12.86	216.75	1.98
ZYDUSLIFE	17041900	11.91	356.85	5.15
GSPL	2329200	10.65	272.60	3.78
BHEL	131880000	10.39	53.10	7.79
HDFCAML	5437100	10.37	1706.80	0.33

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
LICHSGFIN	21898000	-7.65	369.90	4.13
GNFC	4546100	-6.42	635.90	5.03
DELTACORP	16732500	-6.10	234.25	3.01
BOSCHLTD	117850	-5.76	14175.10	5.72
GRANULES	10029400	-5.73	271.20	10.38
CANFINHOME	3821025	-5.66	471.60	4.14
BIOCON	12187700	-5.49	340.00	5.47
ITC	102233600	-5.23	280.00	1.59

Historical Volatility

SCRIP	HV
IDEA	94.60
IBULHSGFIN	78.65
ZEEL	72.06
HINDCOPPER	67.94
RBLBANK	66.77

Put-Call Ratio

SCRIP	PCR (OI)	PCR (VOL)
NIFTY	1.07	0.69
BANKNIFTY	1.07	0.84
RELIANCE	0.42	0.28
ICICIBANK	0.49	0.59
INFY	0.38	0.50

FII Statistics for May 20, 2022

Detail	Buy	Sell	Net	Contracts	Open Interest Value (in Cr.)	CHANGE
INDEX FUTURES	4838.54	5759.31	(920.77)	183823	14723.13	11.05
INDEX OPTIONS	1056857.01	1039952.96	16904.05	1528187	121736.38	(21.31)
STOCK FUTURES	19544.89	19501.12	43.77	2417214	145668.64	3.37
STOCK OPTIONS	9274.52	9296.75	(22.23)	160967	10064.66	1.80
Total	1090514.96	1074510.14	16004.82	4290191	292192.81	(6.82)

Turnover on May 20, 2022

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	539392	44471.83	13.53
Index Options	59490119	4970287.17	-70.99
Stock Futures	1328508	81273.86	17.69
Stock Options	4438187	288825.29	20.35
Total	44,38,187	288825.29	-69.20

Nifty Spot = 16266.15

Bull-Call Spreads

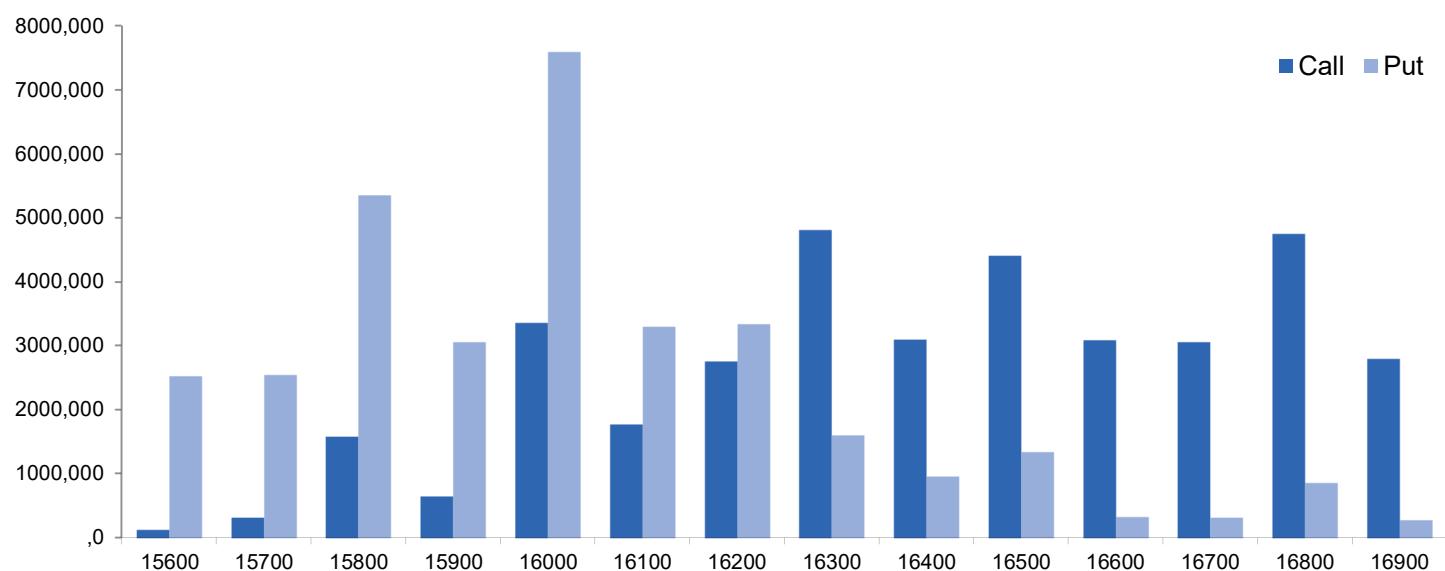
Action	Strike	Price	Risk	Reward	BEP
Buy	16200	206.20	54.55	45.45	16254.55
Sell	16300	151.65			
Buy	16200	206.20	99.65	100.35	16299.65
Sell	16400	106.55			
Buy	16300	151.65	45.10	54.90	16345.10
Sell	16400	106.55			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	16200	153.15	35.25	64.75	16164.75
Sell	16100	117.90			
Buy	16200	153.15	63.15	136.85	16136.85
Sell	16000	90.00			
Buy	16100	117.90	27.90	72.10	16072.10
Sell	16000	90.00			

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
ADANIPORTS	734	751	762	779	790
APOLLOHOSP	3,541	3,604	3,650	3,713	3,759
ASIANPAINT	3,047	3,078	3,102	3,133	3,157
AXISBANK	651	662	669	680	687
BAJAJ-AUTO	3,677	3,732	3,791	3,846	3,905
BAJFINANCE	5,645	5,707	5,775	5,837	5,904
BAJAJFINSV	12,297	12,429	12,564	12,697	12,831
BPCL	325	329	332	336	339
BHARTIARTL	679	683	687	692	696
BRITANNIA	3,310	3,380	3,422	3,492	3,534
CIPLA	923	951	967	994	1,010
COALINDIA	182	184	185	187	189
DIVISLAB	4,178	4,242	4,283	4,347	4,388
DRREDDY	3,850	4,050	4,174	4,374	4,499
EICHERMOT	2,625	2,667	2,693	2,734	2,761
GRASIM	1,439	1,464	1,493	1,517	1,547
HCLTECH	1,009	1,019	1,027	1,037	1,044
HDFCBANK	1,281	1,301	1,313	1,333	1,344
HDFCLIFE	526	535	541	551	557
HDFC	2,129	2,165	2,189	2,225	2,248
HEROMOTOCO	2,514	2,552	2,583	2,621	2,651
HINDALCO	414	422	428	436	442
HINDUNILVR	2,254	2,290	2,319	2,355	2,384
ICICIBANK	687	698	705	716	723
INDUSINDBK	874	885	893	904	911
INFY	1,436	1,446	1,456	1,466	1,476
ITC	274	277	280	283	285
JSW STEEL	610	620	627	638	645
KOTAKBANK	1,776	1,802	1,821	1,848	1,867
LT	1,542	1,576	1,595	1,629	1,647
M&M	879	891	901	914	924
MARUTI	7,363	7,475	7,562	7,674	7,761
NESTLEIND	15,981	16,421	16,691	17,131	17,401
NTPC	146	148	149	151	153
ONGC	158	160	162	164	166
POWERGRID	223	226	230	233	236
RELIANCE	2,448	2,536	2,590	2,679	2,733
SBILIFE	1,050	1,061	1,072	1,083	1,094
SHREECEM	20,444	21,223	22,599	23,377	24,754
SBIN	450	456	460	466	470
SUNPHARMA	879	897	907	926	936
TCS	3,248	3,271	3,292	3,315	3,336
TATACONSUM	727	733	738	744	749
TATAMOTORS	405	412	416	423	428
TATASTEEL	1,126	1,148	1,163	1,186	1,201
TECHM	1,107	1,119	1,127	1,139	1,147
TITAN	2,114	2,126	2,141	2,152	2,167
ULTRACEMCO	6,018	6,074	6,119	6,174	6,220
UPL	789	799	813	823	838
WIPRO	452	456	459	463	466

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