

## 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.

## 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

## 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 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.

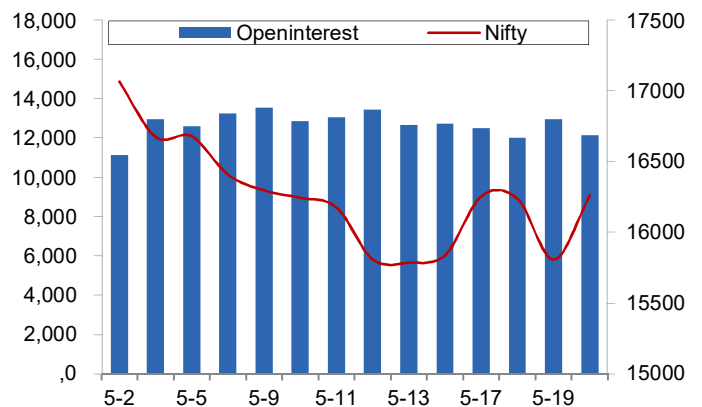
## View

- 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.
- FII 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.

## Historical Volatility

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

## 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           |
| HDFCAMC    | 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           |

## 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

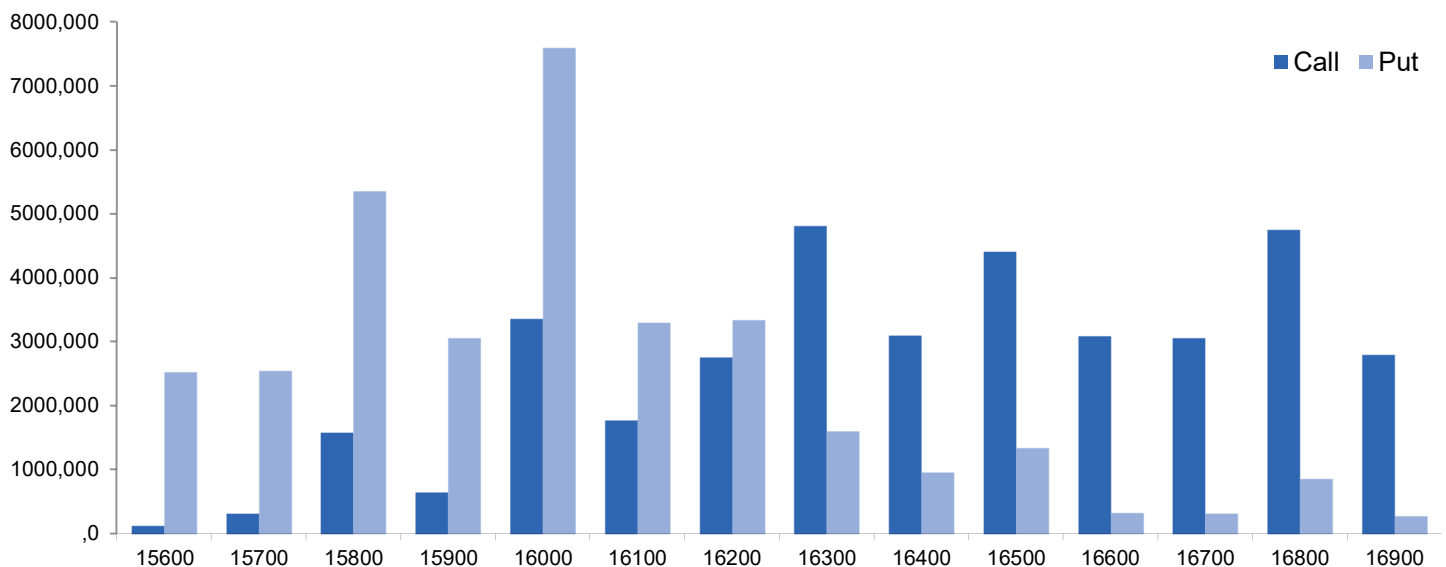
| Action | Strike | Price  | Risk  | Reward | BEP      |
|--------|--------|--------|-------|--------|----------|
| Buy    | 16200  | 206.20 |       |        |          |
| Sell   | 16300  | 151.65 | 54.55 | 45.45  | 16254.55 |
| Buy    | 16200  | 206.20 |       |        |          |
| Sell   | 16400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

## Bear-Put Spreads

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

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 | 734    | 751    | 762    | 779    | 790    |
| APOLLO HOSP | 3,541  | 3,604  | 3,650  | 3,713  | 3,759  |
| ASIAN PAINT | 3,047  | 3,078  | 3,102  | 3,133  | 3,157  |
| AXIS BANK   | 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  |
| TATA CONSUM | 727    | 733    | 738    | 744    | 749    |
| TATA MOTORS | 405    | 412    | 416    | 423    | 428    |
| TATA STEEL  | 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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