

Sensex (37688) / Nifty (11095)

The index started yesterday's session marginally positive in line with the global cues. However, the initial dip in first 15 minutes of trade was bought into and the index then rallied higher throughout the day to end with gains over 200 points.

Nifty had ended Monday's session in the vicinity of its support zone of **10870-10900**, which was the previous breakout level as well as the '200 SMA' on the daily chart. This support zone played its role well and the index resumed the momentum yesterday led by the index heavyweights such as Reliance Ind. and HDFC Bank. Apart from the index heavyweight RIL, the private banking space too participated as the Bank Nifty defended its swing low of **21027**. With this pullback, the index continues the 'Higher Top Higher Bottom' structure and forms a higher low i.e. a higher support base at **10880**. Thus, the near term continues to be positive now till **10880** remains intact. Hence, traders are advised to trade with a positive bias and look for buying opportunities in intraday declines. On the flipside, **11250-11300** would be immediate target zone to watch out for.

Exhibit 1: Nifty Daily Chart



Yesterday we mentioned about the positive market breadth in falling market with midcaps showing a relative outperformance. The midcap space continued its momentum and now the banking and financial stocks too could participate to cover up for their recent underperformance. Thus, we continue with our advice to look for such stock specific opportunities which could provide good returns in the near term.

Key Levels

Support 1 – 11000	Resistance 1 – 11250
Support 2 – 10900	Resistance 2 – 11300

Nifty Bank Outlook - (21491)

Markets can be very unpredictable at times and the price action in the last couple of sessions completely justifies this statement. The banking has been dragging continuously for the past few days and with Monday's fall, the Bank Nifty reached its crucial swing low of **21027**. Yesterday in the initial trades, this crucial support was challenged once again; but from nowhere, the strong buying emerged at lower levels in few heavyweight banking names, which pulled the index higher. In fact, it did not stop there, the lead got extended in the following hours to conclude comfortably at elevated levels. If we take a glance at intraday charts, yesterday's move appears to be completely opposite of Monday's fall and it is always good to see the market rising. As we had stated yesterday also, if any recovery has to happen it should happen from this important point only and markets managed to recover. Going ahead, **21027** remains a major support and till the time it is defended, there is no reason to worry for. For the coming session, a move beyond **21576** would extend the relief move towards **21750 - 22000** levels; whereas on the downside, the immediate intraday support lies at **21300 - 21200**.

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 21300	Resistance 1 – 21750
Support 2 – 21200	Resistance 2 – 22000

Comments

- The Nifty futures open interest has increased by 4.86%. Bank Nifty futures open interest has decreased by 9.88% as market closed at **11095.25** levels.
- The Nifty August future closed with a premium of 6.8 point against a premium of 21.8 point in last trading session. The September series closed at a premium of 11.85 point.
- The INDIA VIX has decreased from 25.18 to 23.81. At the same time, the PCR-OI of Nifty increased from 1.10 to 1.42.
- Few of the liquid counters where we have seen high cost of carry are BANKBARODA, GODREJPROP, PNB, NATIONALUM, AND ASHOKLEY.

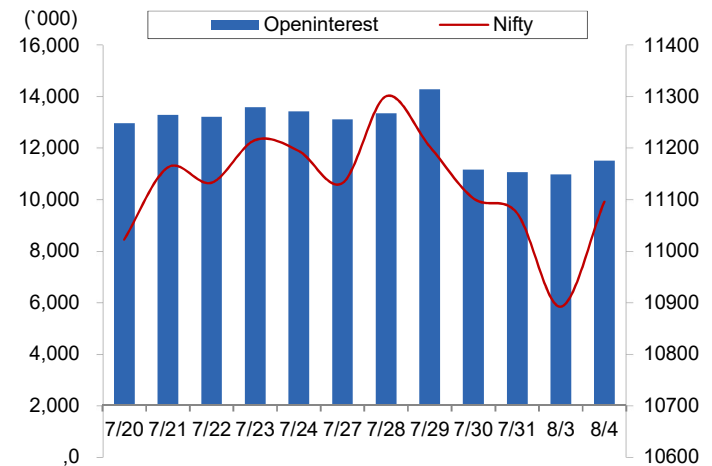
Views

- The indices opened on a positive note in yesterday's session. Post some hiccups in the initial few minutes, the index rallied higher throughout the session and ended around the **11100** mark.
- FII's were net buyers in the cash market segment to the tune of Rs. **704** crores. In index futures, they bought worth **1228** crores with decrease in open interest indicating short covering in yesterday's upmove.
- Yesterday's move in the index and the data was completely opposite to the previous day. While there was short formation in Bank Nifty on Monday, we witnessed long formation in Nifty and short covering in Bank Nifty yesterday. FII's unwinded long positions and formed short positions in Monday's session in index futures segment, but they covered their short positions yesterday. Due to such contradictory data in last two day's, we saw a sharp correction in Nifty on Monday and a recovery yesterday. In the options segment, **11000** and **10900** put options added a good amount of open interest build up indicating a strong support at these levels. Hence, traders are advised to trade with a positive bias from a near term perspective.

Historical Volatility

SCRIP	HV
RELIANCE	53.68
APOLLOTYRE	52.05
ADANIENT	61.33
HDFCBANK	43.71
APOLLOHOSP	57.04

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
APOLLOTYRE	15090000	32.72	115.15	6.53
BANDHANBNK	31325400	26.02	306.90	-1.74
MRF	27010	21.67	61269.30	0.56
EXIDEIND	12452400	17.29	155.65	0.94
MFSL	1933100	15.99	538.65	-0.71
VOLTAS	2831000	13.38	610.80	2.57
IDEA	323540000	11.16	8.65	-1.14
TATAPOWER	57105000	10.73	49.70	2.04

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
BPCL	18925200	-11.00	408.55	-2.20
COLPAL	2870000	-7.22	1439.65	1.60
MINDTREE	1160800	-5.78	1125.90	-0.14
BALKRISIND	2593600	-5.40	1324.25	1.07
TORNTPHARM	1880000	-5.29	2828.70	3.43
UPL	14848600	-4.86	461.70	1.96
AMARAJABAT	1328000	-4.80	711.75	0.25
INDIGO	2580500	-4.71	984.00	3.10

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.42	0.84
BANKNIFTY	0.80	0.84
RELIANCE	0.75	0.39
ICICIBANK	0.49	0.43
INFY	0.78	0.65

FII Statistics for August 04, 2020

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	4621.89	3393.50	1228.39	104006	7904.91	(11.67)
INDEX OPTIONS	177516.97	176672.43	844.54	630775	48545.07	1.18
STOCK FUTURES	14556.12	14050.76	505.36	1256581	86640.02	0.65
STOCK OPTIONS	6153.47	6141.57	11.90	57994	3877.70	5.71
Total	202848.45	200258.26	2590.19	2049356	146967.70	0.24

Turnover on August 04, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	4,92,897	32178.56	10.85
Index Options	1,87,98,648	12,71,317.83	37.11
Stock Futures	8,38,257	60266.71	7.16
Stock Options	10,22,025	82868.94	20.75
Total	2,11,51,827	14,46,632.04	33.81

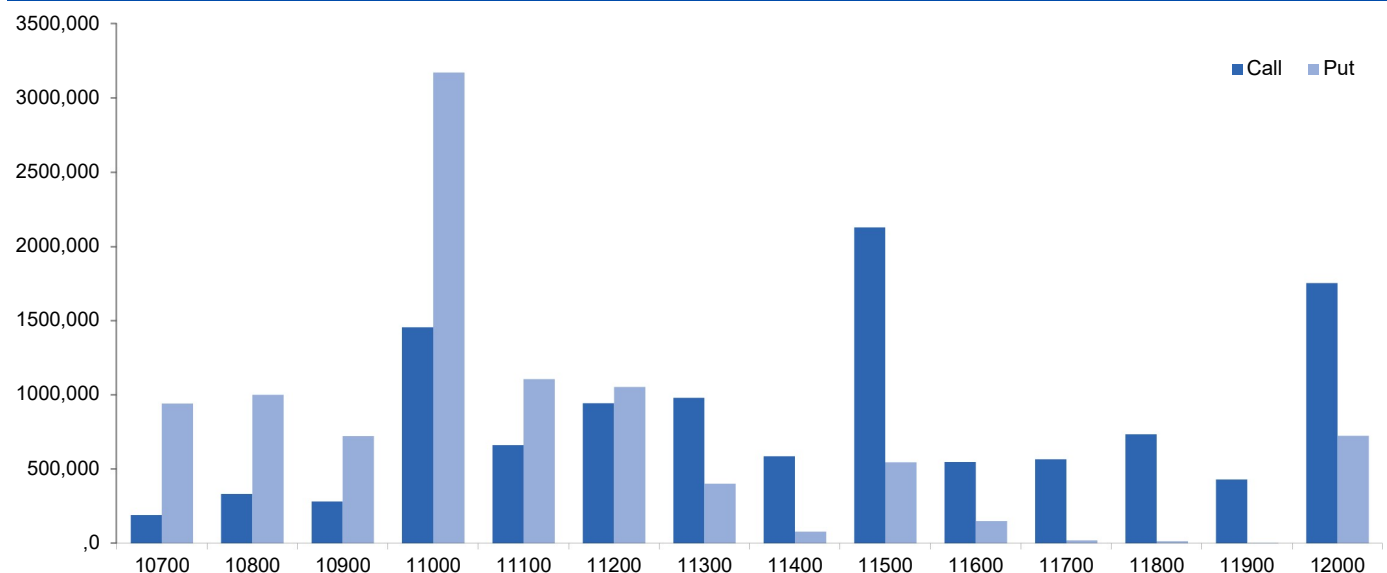
Nifty Spot = 11095.25
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11100	239.45			
Sell	11200	189.55	49.90	50.10	11149.90
Buy	11100	239.45			
Sell	11300	147.25	92.20	107.80	11192.20
Buy	11200	189.55			
Sell	11300	147.25	42.30	57.70	11242.30

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11100	236.80			
Sell	11000	194.70	42.10	57.90	11057.90
Buy	11100	236.80			
Sell	10900	158.10	78.70	121.30	11021.30
Buy	11000	194.70			
Sell	10900	158.10	36.60	63.40	10963.40

Note: Above mentioned Bullish or Bearish Spreads in Nifty (August 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	308	312	315	318	321
ASIAN PAINT	1,693	1,703	1,719	1,730	1,746
AXIS BANK	412	421	426	434	440
BAJAJ-AUTO	2,887	2,928	2,964	3,005	3,041
BAJFINANCE	3,096	3,166	3,213	3,283	3,330
BAJAJFINSV	5,998	6,080	6,154	6,236	6,310
BPCL	376	392	408	424	440
BHARTIARTL	542	545	549	553	557
INFRA TEL	188	190	191	193	195
BRITANNIA	3,749	3,783	3,819	3,853	3,889
CIPLA	696	705	712	721	728
COALINDIA	126	128	130	131	133
DRREDDY	4,429	4,532	4,593	4,696	4,757
EICHERMOT	20,555	20,785	21,030	21,260	21,505
GAIL	92	92	94	94	95
GRASIM	611	618	629	636	646
HCLTECH	673	683	697	707	721
HDFCBANK	977	1,009	1,035	1,067	1,093
HDFC	595	605	610	620	625
HEROMOTOCO	1,722	1,752	1,773	1,803	1,824
HINDALCO	2,600	2,653	2,693	2,746	2,786
HINDUNILVR	159	161	163	164	166
ICICIBANK	2,153	2,176	2,197	2,219	2,241
IOC	340	346	349	355	358
INDUSINDBK	85	86	87	88	88
INFY	470	481	495	506	519
ITC	924	937	954	967	984
JSW STEEL	191	192	194	195	197
KOTAKBANK	215	222	226	232	236
LT	1,290	1,307	1,319	1,336	1,348
M&M	910	917	924	931	937
MARUTI	591	597	603	609	616
NESTLEIND	6,115	6,237	6,307	6,429	6,499
NTPC	16,313	16,446	16,547	16,681	16,782
ONGC	84	85	86	87	88
POWERGRID	75	75	77	77	78
RELIANCE	174	176	178	180	181
SHREECEM	1,939	2,045	2,106	2,212	2,273
SBIN	21,005	21,299	21,620	21,915	22,235
SUNPHARMA	189	190	192	193	195
TCS	511	520	526	535	541
TATAMOTORS	2,204	2,227	2,248	2,271	2,293
TATASTEEL	108	110	112	114	117
TECHM	362	367	373	378	383
TITAN	633	643	660	669	686
ULTRACEMCO	1,053	1,064	1,077	1,088	1,101
UPL	3,931	3,968	4,021	4,057	4,111
VEDANTA	450	456	460	466	470
WIPRO	276	278	281	284	286
ZEEL	132	138	141	147	151

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