

Sensex (49100) / Nifty (14529)

During the last week, Markets had a nervous start on Monday as we saw Nifty sliding below the key support of **14900** to even test sub-**14700** levels. However, at the midst of the week, we witnessed a v-shaped recovery in the market post some dramatic events. Everything looked hunky dory as the February series ended convincingly above the **15000** mark. But market was not done with its twists yet as we saw a huge gap down on Friday on the back of weak global cues. The selling augmented as the day progressed to eventually mark biggest single day loss in last couple of months.

The one who follows 'Technical Analysis', gives more weightage to the price action and importantly it's the closing point that matters the most than a starting or in between activity. If we relate this concept to the price action in the week gone by, we did see some healthy recovery at the midst; but all this positivity eventually went for a toss on Friday. Fortunately, we did not get carried away by the intra-week rally and waited for the convincing move beyond **15200** to change our stance. Market failed to surpass it and in fact, with a massive broad based sell off, Nifty has sneaked below its recent swing low of **14635.05** on a closing basis. This led to a confirmation of first sign of trend reversal in the form of 'Lower Top Lower Bottom' on the daily time frame chart. The weekly chart already showed some exhaustion in the previous week as we observed fatigue around the strong resistance zone of **15380 – 15500** (which is the 161% 'Golden Ratio' of the entire fall from Jan'20 highs to March'20 lows).

Exhibit 1: Nifty Daily Chart



Looking at the price structure, we expect this correction to extend towards **14200 – 14000** levels first. Here, **14000** would be seen as crucial 'Trend Line' support and a breach of this would open up further space towards **13700 – 13500**. Hence, we would be closely observing how index behaves around **14000** in this week. For us, the short term tide has turned downwards and the view will remain intact as long as **15200** is not broken. On the immediate basis, **14750 – 14920** are to be seen as stiff hurdles. Traders should not get intimidated if all the above mentioned scenarios turn into a reality because the larger degree uptrend is still very much intact. Since a long time, market has not seen any major correction, so this should only be construed as a much awaited profit booking or a short term corrective phase which is healthy in the longer run. Momentum traders should avoid aggressive or leveraged longs for a while; rather use decent declines to accumulate quality propositions with the broader view.

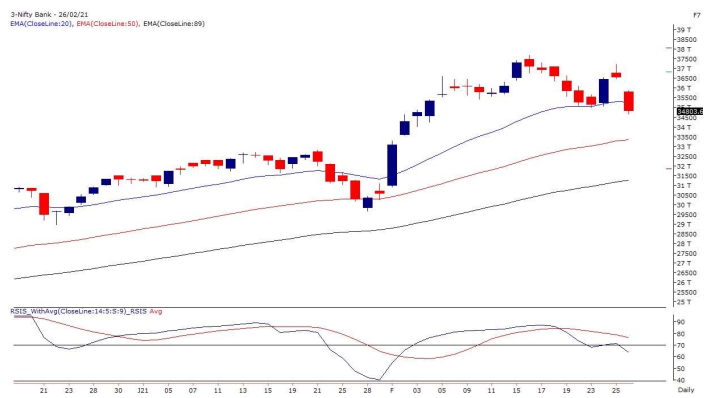
Key Levels

Support 1 – 14200	Resistance 1 – 14750
Support 2 – 14000	Resistance 2 – 14920

Nifty Bank Outlook - (34804)

On Friday, Bank Nifty started with a gap down and remained under pressure throughout the session to end with a loss of 4.78% tad above **34800**. In our last outlook, we had mentioned the mid-week bounce has resisted around the 78.6% retracement of the recent fall and with Friday's massive cut the bank index has now confirmed a lower top at the mentioned resistance as well has confirmed a lower bottom by breaking the recent low. The bears strongly grip the momentum, and we sense any bounce back is likely to get sold. As far as levels are concerned, **35200 - 35590** is the immediate resistance whereas, **34000 - 33800** is the next support to watch out for. With a spike in volatility, traders are advised to avoid aggressive bets and have a proper exit setup for any trades.

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 34000	Resistance 1 – 35200
Support 2 – 33800	Resistance 2 – 35590

Comments

- The Nifty futures open interest has increased by 15.37% Bank Nifty futures open interest has increased by 41.27% as market closed at 14529.15 levels.
- The Nifty March future closed with a premium of 49.3 point against a premium of 72.15 point in last trading session. The April series closed at a premium of 113.55 point.
- The INDIA VIX increased from 22.89 to 28.14. At the same time, the PCR-OI of Nifty decreased from 1.35 to 0.93.
- Few of the liquid counters where we have seen high cost of carry are MPHASIS, IDEA, ALKEM, SUNPHARMA AND JSWSTEEL.

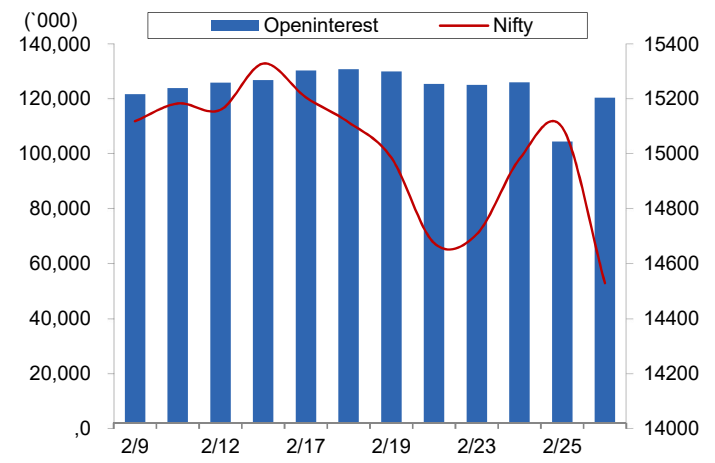
View

- We had a roller coaster ride for the expiry week as the Nifty started with a sharp fall on Monday. However, it recovered during midweek and ended the monthly expiry above 15100. A sharp sell-off in global markets then led to a gap down opening on the first day of the new series and our markets witnessed a follow up selling to end the week tab above 14500 mark.
- Flls were net sellers in the cash segment to the tune of Rs.8295 crores. In Index Future segment they sold worth Rs. 3806 crores with rise in open interest indicating short formations and long unwinding on Friday.
- In options segment, writers preferred to sell call options of 14800-15000 strikes on Friday which could limit the upside on pullback moves. Some long build up was seen in 14800 put option while the data indicates support around 14200-14000. The Banking and the Auto space witnessed short formations on Friday and thus, we could see some further pressure in the coming week to drag the index towards the mentioned support.

Historical Volatility

SCRIP	HV
ALKEM	35.51
APLLTD	51.11
AUBANK	56.70
CUB	51.52
DEEPAKNT	60.41

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
INDUSTOWER	13101200	30.23	257.80	-4.55
BANKBARODA	110904300	26.03	85.40	-3.98
SAIL	123595000	25.99	76.55	4.55
POWERGRID	13732000	23.89	214.30	-5.53
BERGEPAINT	3945700	23.26	679.85	-6.05
HDFCLIFE	8080600	20.94	700.65	-4.48
PNB	184416000	17.11	40.85	-4.39
BHARTIARTL	96962784	16.65	556.30	-3.72

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
L&TFH	29761540	-17.12	104.90	-2.34
M&MFIN	11676000	-13.56	203.70	-5.74
CUMMINSIND	1263600	-12.90	787.85	-2.47
BHARATFORG	6034500	-8.98	610.05	-1.96
HINDALCO	21844000	-8.65	340.25	-2.75
PVR	1549856	-7.97	1363.05	-4.69
ASHOKLEY	35118000	-7.56	128.85	-2.12
APOLLOTYRE	13480000	-6.36	232.10	-3.84

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	0.93	1.06
BANKNIFTY	0.57	1.10
RELIANCE	0.48	0.52
ICICIBANK	0.45	0.54
INFY	0.61	0.49

FII Statistics for February 26, 2020

Detail	Buy	Sell	Net	Contracts	Open Interest	
					Value (in Cr.)	Change
INDEX FUTURES	8984.03	12790.39	(3806.36)	137603	14449.17	12.86
INDEX OPTIONS	431940.94	428562.00	3378.94	743784	77252.15	38.63
STOCK FUTURES	22845.50	23545.47	(699.97)	1186017	100112.74	3.45
STOCK OPTIONS	16351.20	16621.58	(270.38)	98806	8354.13	51.59
Total	480121.67	481519.44	(1397.77)	2166210	200168.19	15.83

Turnover on February 26, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	7,33,800	72670.02	9.67
Index Options	2,74,17,497	27,26,556.56	-66.83
Stock Futures	11,11,447	1,02,317.43	-38.21
Stock Options	15,79,646	1,46,404.80	-11.05
Total	3,08,42,390	30,47,948.81	-64.62

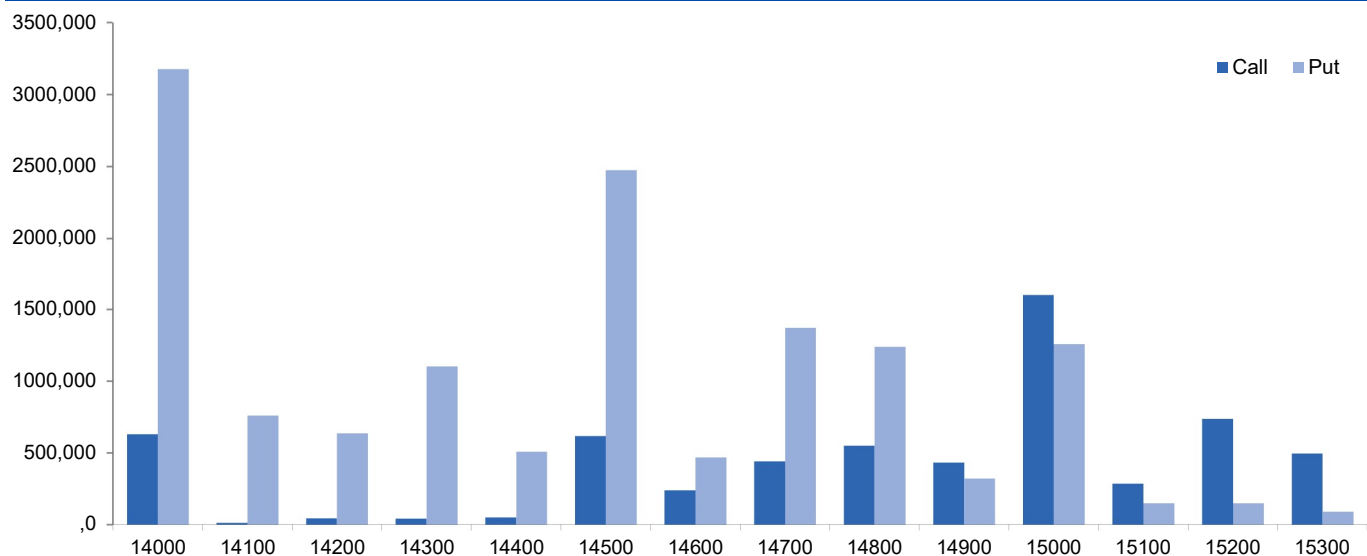
Nifty Spot = 14529.15
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	14500	459.15	51.95	48.05	14551.95
Sell	14600	407.20			
Buy	14500	459.15	98.40	101.60	14598.40
Sell	14700	360.75			
Buy	14600	407.20	46.45	53.55	14646.45
Sell	14700	360.75			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	14500	391.85	44.70	55.30	14455.30
Sell	14400	347.15			
Buy	14500	391.85	85.25	114.75	14414.75
Sell	14300	306.60			
Buy	14400	347.15	40.55	59.45	14359.45
Sell	14300	306.60			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (March 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	647	661	682	697	718
ASIAN PAINT	2,199	2,238	2,299	2,338	2,399
AXIS BANK	694	709	734	749	774
BAJAJ-AUTO	3,668	3,733	3,838	3,904	4,008
BAJFINANCE	5,080	5,173	5,313	5,406	5,546
BAJAJFINSV	9,273	9,461	9,788	9,976	10,302
BPCL	426	438	452	464	478
BHARTIARTL	530	543	565	578	599
BRITANNIA	3,306	3,335	3,372	3,401	3,438
CIPLA	756	771	796	811	836
COALINDIA	143	147	155	160	168
DIVISLAB	3,232	3,298	3,392	3,457	3,551
DRREDDY	4,310	4,368	4,463	4,522	4,617
EICHERMOT	2,420	2,459	2,503	2,542	2,586
GAIL	135	138	144	148	154
GRASIM	1,141	1,171	1,221	1,250	1,300
HCLTECH	893	901	913	921	933
HDFCBANK	1,480	1,507	1,548	1,575	1,616
HDFCLIFE	672	686	709	723	745
HDFC	2,452	2,496	2,563	2,607	2,675
HEROMOTOCO	3,059	3,141	3,282	3,365	3,506
HINDALCO	327	333	342	348	356
HINDUNILVR	2,082	2,107	2,145	2,170	2,207
ICICIBANK	577	587	601	612	625
IOC	94	96	99	101	104
INDUSINDBK	1,034	1,049	1,066	1,080	1,097
INFY	1,228	1,241	1,257	1,270	1,287
ITC	200	202	205	207	210
JSW STEEL	374	385	403	414	432
KOTAKBANK	1,711	1,746	1,807	1,842	1,903
LT	1,399	1,421	1,457	1,479	1,515
M&M	762	784	821	843	879
MARUTI	6,668	6,767	6,921	7,020	7,174
NESTLEIND	15,849	15,976	16,130	16,256	16,410
NTPC	102	104	108	111	114
ONGC	105	108	113	116	122
POWERGRID	202	208	218	224	234
RELIANCE	2,034	2,060	2,097	2,123	2,160
SBILIFE	847	857	868	878	889
SHREECEM	25,247	25,874	26,797	27,425	28,348
SBIN	379	384	393	398	407
SUNPHARMA	571	583	602	614	633
TCS	2,823	2,859	2,916	2,951	3,008
TATAMOTORS	311	317	325	331	339
TATASTEEL	692	704	723	734	753
TECHM	894	906	928	940	961
TITAN	1,385	1,396	1,414	1,425	1,443
ULTRACEMCO	5,792	5,954	6,221	6,383	6,650
UPL	535	548	569	582	603
WIPRO	401	406	413	417	425

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