

January 28, 2021

Rollover Analysis

Settlement likely to be in vicinity of 14000 levels

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Dipesh Dedhia

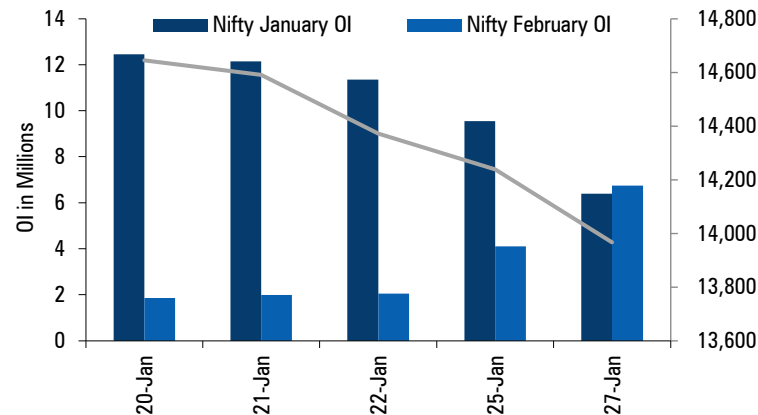
dipesh.dedhia@icicisecurities.com

Rollover below average as closure of positions observed across sectors...

Rollover Snapshot

	January	December	November
Market wide rollover (%)	71	76	78
Nifty Rollover (%)	53.12	59.46	64.26
Nifty Rollover cost (%)	0.27	0.39	0.23

OI build up in current and mid series



Source: Bloomberg, Seediff.com, ICICI Direct Research

Rollover Highlights

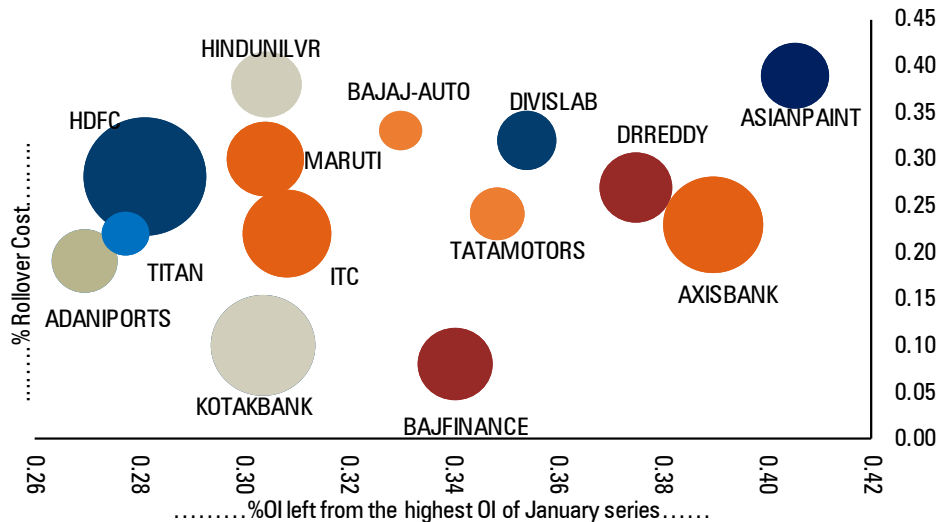
- Nifty rolls were nearly 53% lower than the 3M average of 59%
- Marketwide rolls were at 71% also lower than the 3M average of 75%
- Highest rollover was seen in Dabur, Zee Entertainment, GMR Infra, M&M Finance and Canara Bank
- Rollover activity was relatively low in SAIL, PNB, UBL, Bal Krishna Industries and Indus Tower
- Among index stocks, Grasim (93%), JSW Steel (87%) and HDFC Bank (84%) are witnessing high rolls into the next series while Power Grid (46%), NTPC (53%) and Axis Bank (60%) are seeing relatively low rollover into the February series
- The open interest in the Nifty has declined marginally amid higher closures seen in the January series. During the last session, January series saw closure of 3.1 million shares while mid-month saw addition of almost 2.6 million shares. Due to the high closure of positions, the roll spread has declined a bit and closed near 38 points. We believe the roll spread may decline further today as market weakness continues ahead of union budget. However, open interest in Index is substantially low at just 6 million for January series
- The open interest in the Bank Nifty also saw marginal closure and mid-month saw addition of just 0.4 million shares. Moreover, the roll spread in the banking index has declined to just 54 points due to ongoing pressure. We believe the roll spread will stay under pressure towards settlement as short rollover is likely to be seen

Rollover below average as closure of positions were observed across sectors...

Stock Rollover

High Rollover		Low Rollover	
Stock	Rollover %	Stock	Rollover %
GRASIM	93.24	SAIL	27.12
JSWSTEEL	87.58	POWERGRID	45.83
DABUR	85.03	NATIONALUM	49.53
HDFCBANK	84.41	PNB	50.61
ZEEL	84.16	UBL	51.07

Heavyweights build up vis-à-vis rollover cost



The diagram above depicts the rollover cost of index heavyweights along with the open interest left for the settlement in comparison with highest OI levels of the series. The size of the bubble represents maximum open interest of the stock futures while the 'X' axis indicates percentage left in near month open interest of the highest open interest attained in the series. The 'Y' axis shows the % rollover cost associated with the stock.

- The broader markets have remained under pressure due to weak global cues and apprehensions regarding upcoming budget. Meanwhile Nifty has moved below its highest Put base of 14000 strike in the last session. While no major closure of positions were seen in the Put strike, a round of recovery towards these levels can be expected in today's session. On downsides, 13800 levels likely to extend support.
- The banking index moved towards 30000 levels and turned negative for the series. We believe that levels near 29500 are important support for the banking index amid ongoing profit booking. We expect Bank Nifty to settle around current levels
- The roll spread in both the Nifty, Bank Nifty has declined marginally as closure of positions was seen in most stocks. While long roll can be done in most of the heavyweights around 30-40 bps, no major short additions are visible. We expect closure of long positions to keep the roll spread under pressure
- Most index heavyweights are witnessing better rollover of positions in the February series. Marginally high open interest is visible among select PSU and Financial stocks in the near month
- In the midcap space, UBL, Shree Cement and stocks from the PSU space are witnessing relatively high open interest being left in the January series settlement.

Source: Bloomberg, Seediff.com, ICICI Direct Research

Rollover Details

Instrument	Rollover %	Previous Rollover %	January	February	March	Total OI	Rollover Cost %	Previous Rollover Cost %
AARTIIND	68.15	-	176800	375700	2550	555050	0.58	-
ACC	79.78	83.62	515000	2023500	9000	2547500	0.3	0.41
ADANIENT	78.78	84.59	4026000	14900000	44000	18970000	0.52	0.32
ADANIPTS	70.45	74.08	12787500	30432500	57500	43277500	0.19	0.35
AMARAJABAT	78.69	76.27	417000	1519000	21000	1957000	-0.55	-0.32
AMBUJACEM	71.65	79.99	5109000	12864000	48000	18021000	0.28	0.42
APOLLOHOSP	78.17	80.54	336000	1194500	8500	1539000	0.26	0.33
APOLLOTYRE	71.96	73.66	5145000	12915000	290000	18350000	0.27	0.42
ASHOKLEY	68.51	76	10863000	23184000	450000	34497000	0.26	0.47
ASIANPAINT	63.64	79.35	2526600	4380600	42600	6949800	0.39	0.31
AUROPHARMA	68.58	82.97	2690350	5833750	39650	8563750	0.23	0.43
AXISBANK	60.43	70.36	19436400	29564400	117600	49118400	0.26	0.40
BAJAJ-AUTO	73.35	71.22	571000	1565250	6500	2142750	0.33	0.35
BAJAJFINSV	74.65	66.25	152625	443375	6000	602000	0.28	0.40
BAJFINANCE	61.05	72.73	2068250	3201500	40500	5310250	0.08	0.04
BALKRISIND	58.56	87	691200	972400	4400	1668000	0.24	0.52
BANDHANBNK	75.51	76.29	6541200	19697400	468000	26706600	0.21	0.48
BANKBARODA	65.10	81.02	23423400	43020900	678600	67122900	0.27	-0.64
BANKNIFTY	54.72	52.27	936750	1091975	40225	2068950	0.18	0.26
BATAINDIA	70.77	64.31	326150	774950	14850	1115950	0.3	0.48
BEL	76.87	74.09	6916000	22556800	425600	29898400	-0.6	0.52
BERGEPAIN	75.93	76.28	734800	2296800	20900	3052500	0.29	0.42
BHARATFORG	79.03	77.51	1053000	3942000	25500	5020500	0.23	0.41

Instrument	Rollover %	Previous Rollover %	January	February	March	Total OI	Rollover Cost %	Previous Rollover Cost %
BHARTIARTL	80.04	85.63	19709448	78371340	660807	98741595	0.33	0.45
BHEL	72.34	76.75	31038000	78351000	2835000	112224000	0.42	0.56
BIOCON	80.83	83.18	3663900	15230600	216200	19110700	0.26	0.46
BOSCHLTD	72.55	68.1	24200	62850	1100	88150	0.36	0.58
BPCL	65.99	68.9	10274400	19531800	403200	30209400	-0.16	0.38
BRITANNIA	71.85	80.75	560800	1422400	9000	1992200	0.26	0.39
CADILAHC	65.75	74.87	3656400	6859600	158400	10674400	0.3	0.42
CANBK	80.77	79.14	10735200	44755200	329400	55819800	0.34	0.73
CHOLAFIN	71.45	70.71	1432500	3527500	57500	5017500	0.19	0.43
CIPLA	78.89	80.21	3671200	13672100	48100	17391400	0.37	0.46
COALINDIA	70.74	66.25	11037600	24696000	1986600	37720200	-0.12	0.22
COFORGE	63.16	65.81	282375	477000	7125	766500	0.38	0.43
COLPAL	76.54	76.74	697200	2259600	15400	2972200	0.31	0.43
CONCOR	76.13	78.01	1914675	6067566	40638	8022879	0.23	0.55
CUMMINSIND	74.81	75.72	544800	1587600	30000	2162400	-0.79	0.43
DABUR	85.03	86.44	2140000	12117500	41250	14298750	0.37	0.45
DIVISLAB	70.25	73.11	1011200	2348400	39000	3398600	0.28	0.40
DLF	71.44	80.04	7913400	19674600	115500	27703500	0.23	0.44
DRREDDY	63.03	74.08	1059250	1769000	36875	2865125	0.27	0.39
EICHERMOT	73.73	82.23	647500	1808800	8400	2464700	0.26	0.45
ESCORTS	71.08	74.75	1010900	2464550	20350	3495800	0.3	0.46
EXIDEIND	75.17	73.68	3510000	10490400	136800	14137200	-0.28	0.44
FEDERALBNK	75.50	83.32	24410000	74460000	760000	99630000	0.43	0.67

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FINNIFTY	26.59	-	31480	10560	840	42880	0.44	-
GAIL	71.72	75.81	7722600	19196700	390400	27309700	0.16	0.20
GLENMARK	62.89	74.28	1753750	2917550	54050	4725350	0.37	0.44
GMRINFRA	84.01	78.65	26370000	138105000	427500	164902500	0.59	0.73
GODREJCP	70.52	88.23	993000	2364000	11000	3368000	0.19	0.45
GODREJPROP	65.76	72.33	547300	943800	107250	1598350	0.27	0.13
GRASIM	93.24	94.81	1224550	16890050	12350	18126950	0.3	0.45
HAVELLS	71.79	75.07	1435000	3616000	35000	5086000	0.33	0.53
HCLTECH	79.91	88.4	3908100	15326500	222600	19457200	0.28	0.09
HDFC	72.61	62.23	5411100	14305200	36000	19752300	0.28	0.39
HDFCAMC	80.21	-	109400	436000	7400	552800	0.25	-
HDFCBANK	84.41	77.43	4360950	23429450	187000	27977400	0.21	0.36
HDFCLIFE	68.95	67.45	2462900	5398800	71500	7933200	0.33	0.43
HEROMOTOCO	79.74	91.23	789600	3091200	17100	3897900	-2.37	-0.25
HINDALCO	70.43	72.34	7060600	16675400	141900	23877900	0.35	0.51
HINDPETRO	60	80.91	12263400	18084600	310500	30658500	0.09	0.53
HINDUNILVR	66.66	70.45	1878900	3736200	21000	5636100	0.38	0.47
IBULHSGFIN	69.52	84.23	8701700	19551700	291400	28544800	0.33	0.53
ICICIBANK	82	80.29	16812125	76348250	221375	93381750	0.32	0.44
ICICIGI	78.35	56.3	266900	950300	15725	1232925	0.42	0.46
ICICIPRULI	77.86	79.49	985500	3432000	33000	4450500	0.29	0.42
IDEA	63.73	72.33	343000000	597380000	5250000	945630000	0.43	0.49
IDFCFIRSTB	80.48	87.05	30476000	121277000	4351000	156104000	-0.42	-0.81

Instrument	Rollover %	Previous Rollover %	January	February	March	Total OI	Rollover Cost %	Previous Rollover Cost %
IGL	71.14	87.75	1724250	4215750	34375	5974375	0.11	0.42
INDIGO	82.91	79.51	483000	2328500	15500	2827000	0.12	0.35
INDUSINDBK	77.57	87.44	3814200	13080600	107100	17001900	0.29	0.37
INDUSTOWER	61.13	68.57	4799200	7492800	56000	12348000	-0.4	0.04
INFY	83.89	78.67	5509200	28487400	194400	34191000	0.22	0.39
IOC	66.45	73.22	22919000	42783000	2613000	68315000	-0.11	0.33
ITC	69.14	80.19	34089600	74262400	2124800	110476800	0.28	0.47
JINDALSTEL	74.2	85.03	6310000	18070000	80000	24460000	0.31	0.58
JSWSTEEL	87.58	87.74	4428000	31133700	97200	35658900	0.32	0.44
JUBLFOOD	72.23	72.56	383750	993250	4750	1381750	0.26	0.42
KOTAKBANK	68.44	87.91	5698800	12276400	81600	18056800	0.01	-0.28
L&TFH	67.4	76.42	8834760	17464268	803160	27102188	-0.51	-0.38
LALPATHLAB	65.23	-	70750	132250	500	203500	0.41	-
LICHSGFIN	73.37	80	2070000	5570000	134000	7774000	0.23	0.43
LT	77.48	82.23	3210800	10989975	56925	14257700	0.31	0.44
LUPIN	79.62	79.62	1765450	6869700	26350	8661500	0.27	0.39
M&M	72.38	60.96	2877000	7511000	28000	10416000	0.18	0.40
M&MFIN	83.51	81.42	2292000	11432000	172000	13896000	0.35	0.57
MANAPPURAM	73.09	77.22	4800000	12846000	192000	17838000	-0.06	0.51
MARICO	64.62	80.51	3034000	5514000	28000	8576000	0.28	0.48
MARUTI	65.08	69.91	769800	1424700	9700	2204200	0.3	0.41
MCDOWELL-N	75.7	81.72	2891250	8983750	25000	11900000	0.27	0.42
MFSL	65.27	84.39	1931800	3630900	0	5562700	0.35	0.57

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MGL	66.9	75.33	705600	1392600	33600	2131800	-0.45	0.42
MINDTREE	74.26	71.46	495200	1421600	7200	1924000	0.31	0.39
MOTHERSUMI	71.86	65.96	8603000	21763000	203000	30569000	0.33	0.47
MRF	68.74	86.5	18640	40560	420	59620	0.26	0.39
MUTHOOTFIN	73.67	86.39	1353750	3727500	60750	5142000	0.11	0.37
NATIONALUM	49.53	71.69	34017000	32555000	833000	67405000	0.42	0.60
NAUKRI	69.24	62.97	275500	612500	7500	895500	0.31	0.42
NESTLEIND	72.4	85.11	88550	230100	2150	320800	0.28	0.33
NIFTY	53.12	59.46	6386100	6744375	492825	13623300	0.27	0.39
NMDC	55.11	71.44	22029600	25942400	1098800	49070800	0.19	0.30
NTPC	53.84	62.36	38731500	43092000	2091900	83915400	-0.22	0.45
ONGC	67.16	77.38	17917900	35651000	985600	54554500	-0.61	0.16
PAGEIND	71.67	71.94	16830	42360	210	59400	0.15	0.54
PEL	76.95	81.62	949300	3148200	20350	4117850	0.38	0.51
PETRONET	69.32	73.68	4695000	10386000	222000	15303000	0.36	0.51
PFC	64.55	72.17	11333600	20484800	155000	31973400	0.31	0.44
PIDILITIND	70.73	74.76	906500	2173500	16500	3096500	0.31	0.44
PNB	50.61	24.64	87552000	83760000	5952000	177264000	0.75	0.76
POWERGRID	45.83	67.58	10512000	8756000	136000	19404000	-0.23	0.45
PVR	63.54	78.02	772079	1298737	46805	2117621	-0.33	-1.38
RAMCOCEM	64.19	62.59	568650	1008100	11050	1587800	0.31	0.44
RBLBANK	78.65	81.52	5933400	21291800	568400	27793600	-1.14	-0.26
RECLTD	61.96	83.01	4788000	7650000	150000	12588000	-1.02	0.53
RELIANCE	71.91	74.17	8833250	22017750	596500	31447500	0.34	0.41
SAIL	27.12	77.96	91124000	33326000	589000	125039000	1.05	0.22

Instrument	Previous Rollover %	January	February	March	Total OI	Rollover Cost %	Previous Rollover Cost %	
SBILIFE	78.29	72.34	1326000	4736250	44250	6106500	0.28	0.41
SBIN	79.53	67.22	15849000	60399000	1164000	77412000	0.33	0.45
SHREECEM	57.27	69.99	79450	105400	1100	185950	0.25	0.40
SIEMENS	68.29	47.18	260700	558800	2750	822250	0.3	0.37
SRF	63.17	67.51	145250	247000	2125	394375	-0.06	0.39
SRTRANSFIN	77.27	65.31	772000	2604800	19200	3396000	0.25	0.38
SUNPHARMA	80.15	85.1	8996400	36180200	154000	45330600	-0.21	0.39
SUNTV	71.65	78.8	3243000	8127000	70500	11440500	0.43	0.60
TATACHEM	73.21	71.75	2320000	6210000	130000	8660000	0.34	0.47
TATACONSUM	74.66	81.54	3870450	11333250	70200	15273900	0.3	0.43
TATAMOTORS	66.86	82.3	24316200	48016800	1048800	73381800	0.24	0.49
TATAPOWER	78.49	78.3	22045500	78853500	1579500	102478500	0.39	0.53
TATASTEEL	78.51	87.45	8571400	31111700	202300	39885400	0.29	0.53
TCS	74.74	77.39	1428900	4201500	27000	5657400	0.32	0.34
TECHM	73.53	69.61	3727200	10302000	54000	14083200	0.27	0.43
TITAN	71.01	81.6	1898250	4625250	24750	6548250	0.25	0.33
TORNTPHARM	75.11	74.97	200750	603500	2250	806500	-0.09	0.43
TORNTPOWER	62.69	69.85	2055000	3426000	27000	5508000	0.25	0.45
TVSMOTOR	76.02	76.72	1290800	4078200	14000	5383000	0.16	0.46
UBL	51.07	80.06	961100	991200	11900	1964200	-0.32	0.22
ULTRACEMCO	75.38	77.24	364800	1114000	2800	1481600	0.32	0.46
UPL	82.4	86.42	2839200	13204100	92300	16135600	0.27	0.40
VEDL	82.13	85.36	14563800	66433000	514600	81511400	0.4	0.52
VOLTAS	67.5	73.84	741000	1521000	18000	2280000	0.33	0.4
WIPRO	80.88	82.7	5955200	24886400	307200	31148800	-0.19	0.21
ZEEL	84.16	82.59	3933000	20769000	126000	24828000	0.32	0.39

Source: Bloomberg, Seediff.com, ICICI Direct Research

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road no.7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

[CLICK HERE](#)



Source: Bloomberg, ICICI Direct Research

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