

## Sensex (49625) / Nifty (14590)

The Nifty index opened on a positive note and surpassed the **14750** mark for the first time. It consolidated at higher level for most part of the session, however, the indices corrected sharply after 2 pm and Nifty ended the day tad below **14600**.

During most part of the day, the indices were trading on a positive note and the Nifty even marked a high over **14750**. However, the weekly expiry session resulted in some serious profit booking in the later half and both Nifty as well as the Bank Nifty not only wiped out its morning gains, but ended the session in the red. On the daily chart of Nifty, we can observe a negative divergence between price and the RSI oscillator as the price has surpassed the recent swing high and has made a 'Higher High', but the RSI has made a 'Lower High' in the same time frame. This divergence, and the profit booking that we saw in the broader markets in the later half yesterday indicates that although the trend is positive, one should look out to book profits on the long positions and avoid aggressive positions for time being. The Banking index has consolidated within a range of **32860-31690** in last few sessions, and a breakout beyond this range could then lead to a directional move in this space which could drive the momentum in Nifty as well.

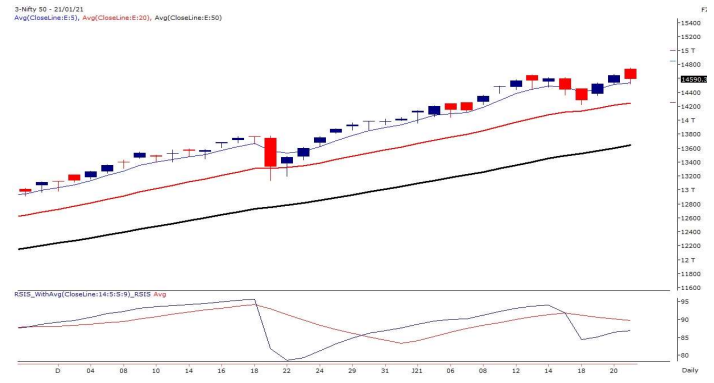
## Nifty Bank Outlook - (32187)

US markets were cheerful previous night so as yesterday morning (Dow Futures) after the oath taking ceremony of Joe Biden as 46th US President. This clearly had a rub off effect on our markets as well. BANKNIFTY started the session higher and then extended gains to clock fresh record high of **32842.30** at the midsession. However, all of a sudden the selling augmented in the market after 2 pm to not only pare down all gains but also to close well inside the negative territory. BANKNIFTY was enjoying its northward move in the first half and everything looked hunky dory until the nosedive started in last one and half hours of trade. It is hard to gauge what triggered this sell off but probably it started after the disappointing set of numbers from Bandhan Bank. May be it's just a broad based profit booking that coincided around the same time on the weekly expiry day. Reason could be anything, but as mentioned in our previous commentary, **32700-33000** is to be seen as strong resistance and yesterday's sell off exactly triggered after entering this zone. Since we can observe 3-points negative divergence in 'RSI-Smoothened' in all major indices, one should avoid aggressive longs. On the lower side, **32000** can be considered as key support, below which we may see some extended correction.

### Key Levels

Support 1 – 32000	Resistance 1 – 32700
Support 2 – 31800	Resistance 2 – 33000

## Exhibit 1: Nifty Daily Chart



Also, the Midcap index is trading at a crucial juncture around the resistance as per Fibonacci ratios. Hence, until we see a follow up buying above this week's high, some bouts of profit booking could be seen in this space too. Hence, we continue with our advice for traders to look for stock specific trading opportunities and also focus on timely exits on trading positions. As far as levels are concerned, the supports for Nifty are placed around **14500** and **14410** whereas resistance is seen in the range of **14700-14750**.

### Key Levels

Support 1 – 14500	Resistance 1 – 14700
Support 2 – 14410	Resistance2 – 14750

## Exhibit 2: Nifty Bank Daily Chart



## Comments

- The Nifty futures open interest has decreased by 1.06% Bank Nifty futures open interest has increased by 8.08% as market closed at 14590.35 levels.
- The Nifty January future closed with a premium of 8.3 point against a premium of 0.45 point in last trading session. The February series closed at a premium of 42.35 point.
- The INDIA VIX increased from 21.55 to 22.18. At the same time, the PCR-OI of Nifty decreased from 1.44 to 1.28.
- Few of the liquid counters where we have seen high cost of carry are CUMMINSIND, APOLLOTYRE, IOC, SAIL, IGL AND JUBLFOOD.

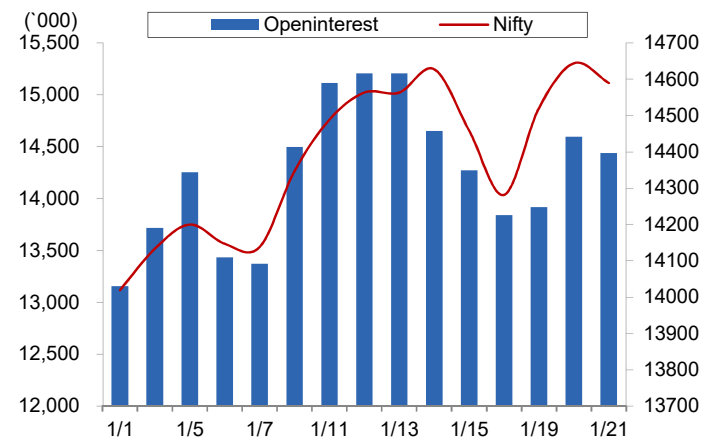
## View

- Post last two sessions strong upmove, we began the weekly expiry day on a cheerful note tad above 14700 mark. As the day progressed, the benchmark consolidated for initial few hours and then all of a sudden we witnessed a sharp sell-off to drag index towards 11500 mark. Eventually, due to some recovery in last few minutes index concluded the day tad below 14600 mark.
- FII's were net buyers in the cash segment to the tune of Rs. 1615 crore. In index future segment, they bought worth Rs. 1102 crore with increase in open interest indicating long formation in yesterday's session.
- In yesterday's session, we witnessed open interest addition in the Bank Nifty. FII's added long positions in index futures. However, recently we saw stronger hands unwinding their longs and their index futures 'Long short Ratio' plunged to 66% from 80%(seen during start of January series), which indicates they don't expect major upside from hereon. During yesterday's sell-off, the put writers of 14300-14600 ran to cover their positions. Whereas, meaningful positions were formed by call writers in 14600 strike. Considering this development, we believe 14650-14750 to now act as a hurdle, whereas immediate support is placed around 14500 mark.

## Historical Volatility

SCRIP	HV
HAVELLS	42.95
APOLLOTYRE	53.85
IGL	46.14
VOLTAS	41.99
MGL	46.36

## Nifty Vs OI



## OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
HDFCAMC	498600	23.85	3098.35	-3.76
SRF	437875	21.67	5772.65	-1.74
HAVELLS	5723000	20.71	1131.95	10.60
BERGEPAIN	2978800	17.53	805.30	1.38
MGL	2286000	17.48	1041.70	-3.84
TORNTPOWER	5658000	15.21	327.00	-2.02
BHEL	116319000	13.23	38.75	-4.66
AARTIIND	532525	12.48	1183.95	-2.41

## OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
BOSCHLTD	113500	-9.92	15805.10	-0.44
TORNTPHARM	809500	-8.09	2738.95	0.38
CHOLAFIN	5037500	-7.86	431.70	-5.57
SUNTV	10731000	-7.63	503.95	-4.86
NAUKRI	946500	-6.82	5207.45	0.68
RBLBANK	25377900	-5.91	250.55	-1.18
BANDHANBNK	27412200	-5.69	340.70	-5.73
RELIANCE	32793750	-5.57	2099.30	2.17

## Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.28	1.09
BANKNIFTY	0.85	0.99
RELIANCE	0.61	0.44
ICICIBANK	0.57	0.45
INFY	0.36	0.35

**FII Statistics for January 21, 2020**

Detail	Buy	Sell	Net	Contracts	Open Interest	
					Value (in Cr.)	Change
INDEX FUTURES	4640.63	3538.45	1102.18	135212	13779.49	8.63
INDEX OPTIONS	545737.20	543688.57	2048.63	660925	67766.85	(25.91)
STOCK FUTURES	15582.21	15777.57	(195.36)	1221646	101250.92	0.62
STOCK OPTIONS	16528.44	16451.23	77.21	188034	15717.87	0.57
Total	582488.48	579455.82	3032.66	2205817	198515.13	(8.76)

**Turnover on January 21, 2020**

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	3,66,048	34034.24	25.29
Index Options	7,25,49,454	65,15,831.94	113.23
Stock Futures	11,28,319	1,00,893.85	43.53
Stock Options	27,32,007	2,55,566.36	35.29
Total	7,67,75,828	69,06,326.39	106.64

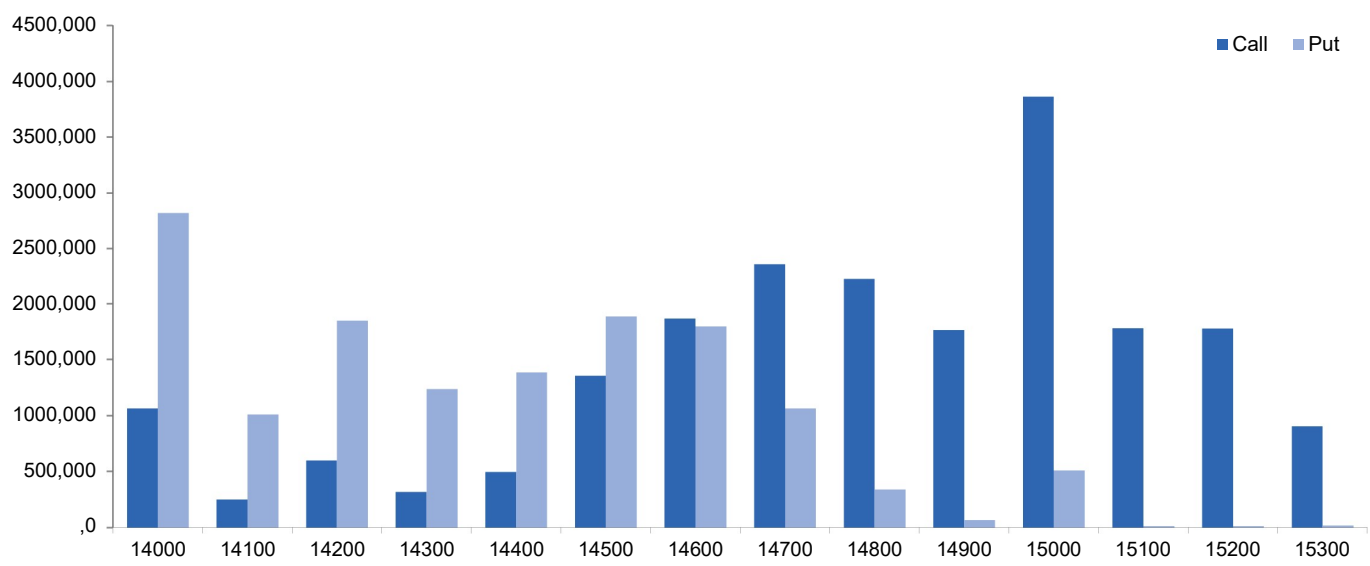
**Nifty Spot = 14590.35**
**Bull-Call Spreads**

Action	Strike	Price	Risk	Reward	BEP
Buy	14600	147.80			
Sell	14700	97.60	50.20	49.80	14650.20
Buy	14600	147.80			
Sell	14800	59.25	88.55	111.45	14688.55
Buy	14700	97.60			
Sell	14800	59.25	38.35	61.65	14738.35

**Bear-Put Spreads**

Action	Strike	Price	Risk	Reward	BEP
Buy	14600	145.50			
Sell	14500	106.55	38.95	61.05	14561.05
Buy	14600	145.50			
Sell	14400	77.55	67.95	132.05	14532.05
Buy	14500	106.55			
Sell	14400	77.55	29.00	71.00	14471.00

Note: Above mentioned Bullish or Bearish Spreads in Nifty (January 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	532	540	551	559	570
ASIAN PAINT	2,621	2,669	2,743	2,791	2,865
AXIS BANK	655	665	680	691	705
BAJAJ-AUTO	3,570	3,637	3,722	3,788	3,874
BAJFINANCE	4,876	4,997	5,111	5,232	5,346
BAJAJFINSV	8,692	8,873	9,131	9,311	9,569
BPCL	394	401	412	419	430
BHARTIARTL	557	569	587	599	616
BRITANNIA	3,569	3,600	3,633	3,664	3,697
CIPLA	790	801	820	832	851
COALINDIA	133	135	139	141	144
DIVISLAB	3,555	3,580	3,615	3,640	3,675
DRREDDY	4,971	5,011	5,075	5,116	5,179
EICHERMOT	2,866	2,896	2,926	2,956	2,986
GAIL	128	131	135	138	142
GRASIM	991	1,004	1,026	1,039	1,060
HCLTECH	962	978	999	1,015	1,036
HDFCBANK	1,453	1,464	1,479	1,490	1,505
HDFCLIFE	691	696	704	709	717
HDFC	2,611	2,637	2,667	2,694	2,724
HEROMOTOCO	3,145	3,196	3,271	3,322	3,397
HINDALCO	242	245	250	253	258
HINDUNILVR	2,323	2,345	2,373	2,395	2,422
ICICIBANK	543	548	554	559	566
IOC	94	95	98	99	101
INDUSINDBK	888	907	937	956	986
INFY	1,319	1,329	1,345	1,356	1,371
ITC	208	211	215	218	222
JSW STEEL	380	387	396	403	412
KOTAKBANK	1,810	1,834	1,869	1,893	1,929
LT	1,341	1,356	1,376	1,391	1,411
M&M	780	794	815	829	849
MARUTI	7,876	7,976	8,122	8,222	8,367
NESTLEIND	17,513	17,614	17,757	17,859	18,002
NTPC	93	95	97	98	101
ONGC	90	92	96	99	103
POWERGRID	192	194	196	197	199
RELIANCE	2,053	2,076	2,098	2,121	2,143
SBILIFE	854	866	887	899	920
SHREECEM	23,176	23,447	23,874	24,145	24,571
SBIN	284	289	297	303	311
SUNPHARMA	569	576	587	594	606
TCS	3,235	3,254	3,282	3,301	3,329
TATAMOTORS	271	281	290	300	309
TATASTEEL	641	654	674	687	708
TECHM	972	988	1,011	1,027	1,050
TITAN	1,489	1,503	1,526	1,541	1,564
ULTRACEMCO	5,432	5,488	5,567	5,623	5,703
UPL	567	576	585	594	603
WIPRO	436	441	447	452	458

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