

Sensex (49206) / Nifty (14823)

In last few weeks, every Monday has brought some unexpected move at the opening and last week too it surprised everyone with a decent gap down opening. Lot of domestic factors weighed down heavily to trigger the downside gap and global cues had very little to contribute in it. Fortunately, Nifty managed to hold the key support in the initial hiccup and in fact, a good amount of buying at lower levels led to a complete recovery in the latter half. Barring Tuesday's sluggishness, we witnessed a slow and steady up move throughout the remaining part of the week to reclaim the **14800** mark. On a weekly basis, Nifty managed to clock over a percent gains in the inaugurated week of May month.

Since last few days the index seems to have lost its charm. Although it has been maintaining its positive posture throughout, the overall movement is quite lethargic. All key indices like NIFTY, BANKNIFTY and NIFTY IT are trapped in a slender range. As far as higher levels are concerned for Nifty, **14900 – 14960 – 15050** are the levels to watch out for; whereas on the flip side, **14750 – 14600 – 14450** are to be considered as immediate supports. Till the time we do not see index coming out of its congestion zone, such boredom is likely to continue. Thus, it's better not to trade aggressively in index and carrying overnight positions is strictly avoided. Taking a glance at the intraday charts, we can see the range shrinking drastically and hence, there is a high possibility that we may see a decisive breakout soon.

Nifty Bank Outlook - (32904)

We started-off the week with a downside gap amidst domestic concerns over the COVID. Initially, we saw index sliding below **32000** mark but this got bought into same day. As we progressed, the banking index attracted follow-up buying interest and hence, we saw a gradual up move beyond **33200**. Eventually, BankNifty concluded the week on a slightly positive note with the gains of 0.37%. It's been the second week, wherein the BankNifty has shown some buying interest around **32000-32200** levels. This space has recently underperformed the benchmark index but could manage to sustain above 20 EMA in the weekly chart; which bodes well for Bulls. Now, it will be really important to see how things pan out in this truncated week as recently the overall trading range for BankNifty has shrunk a lot and we expect some momentum to soon attract this space. Considering the overall price action, it's advisable to stay light in index until we see a relevant traction. As far as levels are concerned, **33200-33500** is an immediate hurdle and on the downside; around **32000** mark is the strong demand zone.

Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 32200 | Resistance 1 – 33200 |
| Support 2 – 32000 | Resistance 2 – 33500 |

Exhibit 1: Nifty Daily Chart



Although, key indices are displaying complete boredom, the broader market is clearly not short of actions. In fact, there were numerous themes that played out exceedingly well throughout the week. Every now and then we are observing some sector chipping in to keep the traders' fraternity engrossed all the time. Hence, the pragmatic approach would be to keep focusing on such potential movers to obtain better trading opportunities. One of the notable observations is the development in 'NIFTY MIDCAP' index. In the latter half of the week, it has managed to surpass the higher boundary of the cluster of resistance by a small margin. Couple of follow up moves in this basket would provide the real impetus for the next leg of the rally.

Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 14750 | Resistance 1 – 14900 |
| Support 2 – 14600 | Resistance 2 – 14960 |

Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has increased by 0.55%. Bank Nifty futures open interest has increased by 2.02% as market closed at 14823.15 levels.
- The Nifty May future closed with a premium of 46.4 point against a premium of 45.15 point in last trading session. The June series closed at a premium of 75.25 point.
- The INDIA VIX decreased from 22.04 to 20.82. At the same time, the PCR-OI of Nifty increased from 1.15 to 1.33.
- Few of the liquid counters where we have seen high cost of carry are BHEL, IOC, TATAPOWER, HINDPETRO AND ONGC.

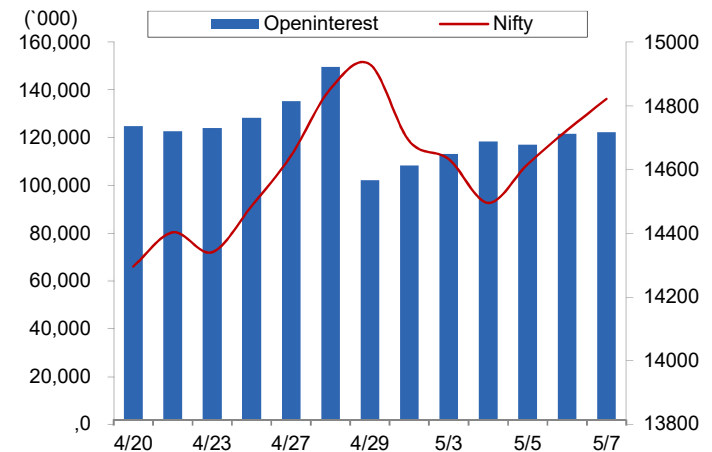
View

- Post a gap down opening on Monday around the 14500 mark, we witnessed a gradual recovery as the week progressed and Nifty managed to end above 14800 with gains of over a percent.
- FII's were net sellers in the cash segment to the tune of Rs. 1143 crores. In index futures front, they bought worth Rs. 402 crores with rise in open interest indicating long formations on Friday.
- The open interest in both Nifty and Bank Nifty increased by almost 13 percent during the week. FII's were sellers in cash segment throughout the week except on Thursday. In index futures, they unwound some of their existing longs and formed short positions which has declined their 'Long Short Ratio' to 52.6 percent. However, they were buyers in the stock futures segment indicating their stock specific interest for near term. The options data hints at a support in 14600-14500 range and resistances at 15000 followed by 15200. We expect the index to trade within this broad range with more stock specific action to continue. Hence, traders should look for buying opportunities in index if we see any declines while continue to focus on stock specific trading which could provide better returns.

Historical Volatility

| SCRIP | HV |
|-------------------|-------|
| SRF | 47.48 |
| NATIONALUM | 56.87 |
| NMDC | 54.47 |
| TATASTEEL | 55.15 |
| NAVINFLUOR | 58.95 |

Nifty Vs OI



OI Gainers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|-------------------|-----------|-------------|---------|----------------|
| NATIONALUM | 113730000 | 29.75 | 76.00 | 10.64 |
| SBILIFE | 8985750 | 27.50 | 1000.25 | 3.31 |
| HDFCAMC | 798000 | 12.74 | 2718.65 | -0.52 |
| RAMCOCEM | 1751850 | 11.77 | 963.40 | -1.43 |
| PNB | 246688000 | 9.74 | 36.25 | -0.28 |
| ALKEM | 291400 | 9.30 | 2907.45 | 1.61 |
| AARTIIND | 893775 | 9.08 | 1696.00 | -4.84 |
| MANAPPURAM | 24666000 | 8.30 | 152.55 | 1.77 |

OI Losers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|-------------------|-----------|-------------|---------|----------------|
| ESCORTS | 3178450 | -9.76 | 1162.55 | 2.27 |
| BHEL | 125527500 | -9.43 | 57.80 | -0.17 |
| M&M | 10454500 | -7.64 | 767.40 | 2.57 |
| TORNTPHARM | 973000 | -5.97 | 2616.05 | 0.19 |
| NAM-INDIA | 1492800 | -5.85 | 350.75 | 1.54 |
| NAVINFLUOR | 383400 | -5.70 | 3371.30 | -7.23 |
| IDFCFIRSTB | 130425500 | -5.41 | 56.75 | 0.00 |
| BANDHANBNK | 26665200 | -5.12 | 297.35 | 1.86 |

Put-Call Ratio

| SCRIP | PCR-OI | PCR-VOL |
|------------------|--------|---------|
| NIFTY | 1.33 | 0.87 |
| BANKNIFTY | 0.92 | 0.82 |
| RELIANCE | 0.42 | 0.35 |
| ICICIBANK | 0.63 | 0.54 |
| INFY | 0.56 | 0.51 |

FII Statistics for May 07, 2021

| Detail | Buy | Sell | Net | Contracts | Open Interest | |
|---------------|-----------|-----------|-----------|-----------|----------------|--------|
| | | | | | Value (in Cr.) | Change |
| INDEX FUTURES | 2839.10 | 2436.62 | 402.48 | 106016 | 10921.41 | 3.01 |
| INDEX OPTIONS | 177964.94 | 180248.18 | (2283.24) | 871944 | 90966.08 | 15.46 |
| STOCK FUTURES | 12529.75 | 12815.29 | (285.54) | 1376263 | 102640.90 | 1.08 |
| STOCK OPTIONS | 13513.11 | 13599.25 | (86.14) | 173467 | 12957.14 | 9.72 |
| Total | 206846.90 | 209099.34 | (2252.44) | 2527690 | 217485.53 | 6.31 |

Turnover on May 07, 2021

| Instrument | No. of Contracts | Turnover (in Cr.) | Change (%) |
|---------------|------------------|-------------------|------------|
| Index Futures | 2,53,985 | 23977.10 | -13.41 |
| Index Options | 1,86,66,508 | 17,81,668.63 | -77.00 |
| Stock Futures | 8,80,684 | 71540.85 | 11.53 |
| Stock Options | 20,31,456 | 1,71,848.69 | 27.42 |
| Total | 2,18,32,633 | 20,49,035.27 | -74.30 |

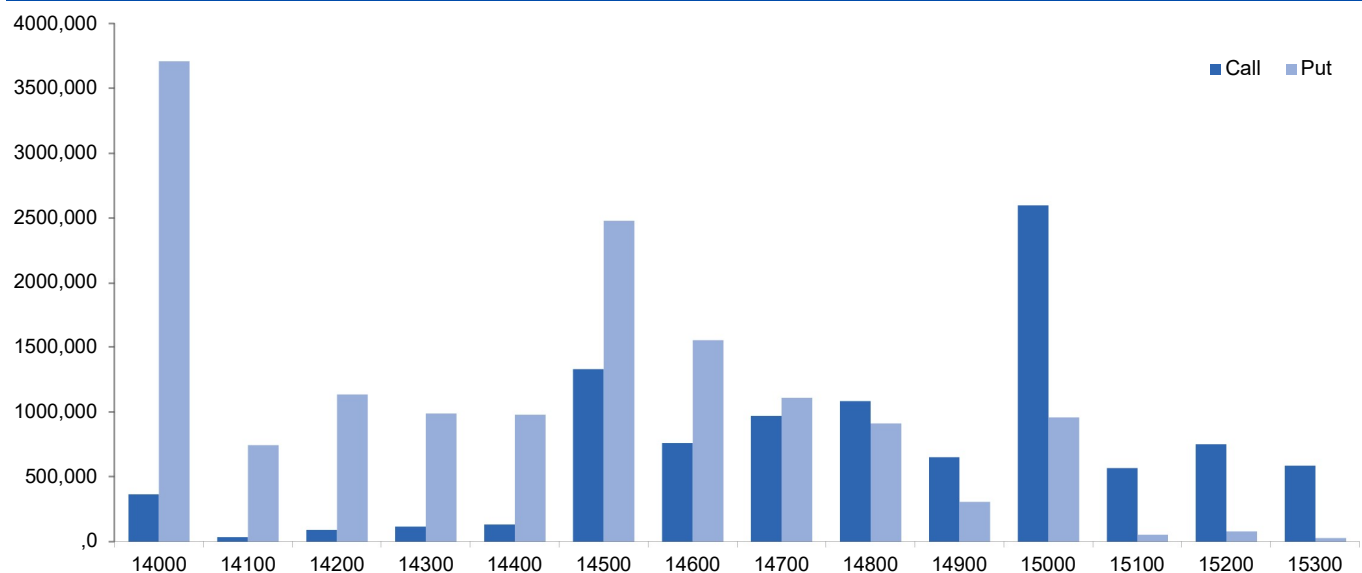
Nifty Spot = 14823.15
Bull-Call Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|--------|--------|----------|
| Buy | 14800 | 317.00 | 55.75 | 44.25 | 14855.75 |
| Sell | 14900 | 261.25 | | | |
| Buy | 14800 | 317.00 | 107.15 | 92.85 | 14907.15 |
| Sell | 15000 | 209.85 | | | |
| Buy | 14900 | 261.25 | 51.40 | 48.60 | 14951.40 |
| Sell | 15000 | 209.85 | | | |

Bear-Put Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|-------|--------|----------|
| Buy | 14800 | 249.20 | 38.30 | 61.70 | 14761.70 |
| Sell | 14700 | 210.90 | | | |
| Buy | 14800 | 249.20 | 70.70 | 129.30 | 14729.30 |
| Sell | 14600 | 178.50 | | | |
| Buy | 14700 | 210.90 | 32.40 | 67.60 | 14667.60 |
| Sell | 14600 | 178.50 | | | |

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

| Scripts | S2 | S1 | PIVOT | R1 | R2 |
|-------------|--------|--------|--------|--------|--------|
| ADANI PORTS | 731 | 749 | 764 | 782 | 796 |
| ASIAN PAINT | 2,513 | 2,532 | 2,561 | 2,581 | 2,610 |
| AXIS BANK | 706 | 712 | 719 | 724 | 732 |
| BAJAJ-AUTO | 3,782 | 3,825 | 3,896 | 3,938 | 4,010 |
| BAJFINANCE | 5,367 | 5,430 | 5,522 | 5,585 | 5,677 |
| BAJAJFINSV | 10,857 | 11,088 | 11,240 | 11,471 | 11,623 |
| BPCL | 420 | 432 | 439 | 451 | 458 |
| BHARTIARTL | 550 | 559 | 566 | 575 | 582 |
| BRITANNIA | 3,434 | 3,447 | 3,466 | 3,480 | 3,499 |
| CIPLA | 867 | 875 | 885 | 893 | 904 |
| COALINDIA | 134 | 135 | 137 | 138 | 140 |
| DIVISLAB | 3,977 | 4,003 | 4,045 | 4,071 | 4,114 |
| DRREDDY | 5,114 | 5,144 | 5,197 | 5,227 | 5,280 |
| EICHERMOT | 2,372 | 2,394 | 2,426 | 2,448 | 2,480 |
| GRASIM | 1,420 | 1,435 | 1,448 | 1,463 | 1,477 |
| HCLTECH | 909 | 913 | 917 | 921 | 925 |
| HDFCBANK | 1,402 | 1,408 | 1,417 | 1,423 | 1,431 |
| HDFCLIFE | 665 | 669 | 675 | 678 | 684 |
| HDFC | 2,412 | 2,454 | 2,481 | 2,523 | 2,550 |
| HEROMOTOCO | 2,717 | 2,789 | 2,892 | 2,964 | 3,067 |
| HINDALCO | 377 | 389 | 397 | 409 | 417 |
| HINDUNILVR | 2,384 | 2,398 | 2,411 | 2,424 | 2,438 |
| ICICIBANK | 597 | 602 | 609 | 613 | 620 |
| IOC | 91 | 93 | 94 | 96 | 97 |
| INDUSINDBK | 908 | 917 | 934 | 944 | 961 |
| INFY | 1,333 | 1,343 | 1,358 | 1,368 | 1,383 |
| ITC | 201 | 203 | 205 | 207 | 208 |
| JSW STEEL | 724 | 740 | 753 | 770 | 783 |
| KOTAKBANK | 1,749 | 1,765 | 1,789 | 1,804 | 1,828 |
| LT | 1,326 | 1,335 | 1,347 | 1,355 | 1,368 |
| M&M | 742 | 755 | 763 | 776 | 784 |
| MARUTI | 6,585 | 6,644 | 6,699 | 6,758 | 6,814 |
| NESTLEIND | 16,608 | 16,685 | 16,741 | 16,818 | 16,875 |
| NTPC | 102 | 104 | 105 | 106 | 107 |
| ONGC | 108 | 110 | 111 | 113 | 114 |
| POWERGRID | 212 | 213 | 215 | 216 | 218 |
| RELIANCE | 1,908 | 1,920 | 1,938 | 1,950 | 1,967 |
| SBILIFE | 936 | 968 | 1,006 | 1,039 | 1,077 |
| SHREECEM | 27,581 | 27,711 | 27,829 | 27,959 | 28,078 |
| SBIN | 349 | 354 | 358 | 363 | 367 |
| SUNPHARMA | 669 | 674 | 683 | 688 | 696 |
| TCS | 3,087 | 3,110 | 3,135 | 3,158 | 3,183 |
| TATA CONSUM | 600 | 615 | 628 | 643 | 656 |
| TATA MOTORS | 298 | 300 | 303 | 306 | 309 |
| TATA STEEL | 1,106 | 1,144 | 1,168 | 1,206 | 1,230 |
| TECHM | 967 | 974 | 979 | 986 | 991 |
| TITAN | 1,429 | 1,438 | 1,449 | 1,457 | 1,468 |
| ULTRACEMCO | 6,365 | 6,423 | 6,474 | 6,532 | 6,583 |
| UPL | 616 | 622 | 632 | 639 | 649 |
| WIPRO | 504 | 510 | 513 | 519 | 522 |

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