

DERIVATIVES ROLLOVER ANALYSIS

31-12-2021

JANUARY SERIES VIEW

The domestic benchmark index remained under pressure in the first half of the December series as concerns persisted about the spread of the Omicron COVID-19 variant in various countries and the global inflation outlook. Meanwhile, Fed signals three rate hikes in 2022 also dent the market sentiment. However, in second half of month preliminary researches indicating a lower risk of hospitalization in omicron cases have eased investors' concern. Finally, Nifty ended the F&O expiry at 17204 with loss of 332 points (EoE), indicating neutral to negative bias for the short term. Crude oil prices, inflation and higher bond yields will remain a concern for the markets. Thus, investors should remain cautious on the higher side. On the expiry day, the Nifty futures rollover stood at 79%, which is lower as compared with the last three series average rollover of 80%. Nifty will start the January series with an open interest of 1.04 Cr shares compared with an OI of 1.09 Cr shares at the beginning of the December series. Market-wide rollovers stood in line at 93% as compared with the average rollovers of 93% in the last three series. Going into January month, new variant of Covid-19 cases, the progress of the vaccine drive, monthly auto sales data, Rupee movement against the Dollar, Q3FY22 earnings, US Fed interest rate, Bond yield movement, Fiis flow, global cues, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX fell by 0.57% (EoE) and closed at 16.57% vs. 16.66% of the previous month, expecting volatility will remain high going ahead. Another leading derivatives indicator, Nifty PCR, opened on a higher note this month at 1.32 against last month's 1.30.

BANKNIFTY

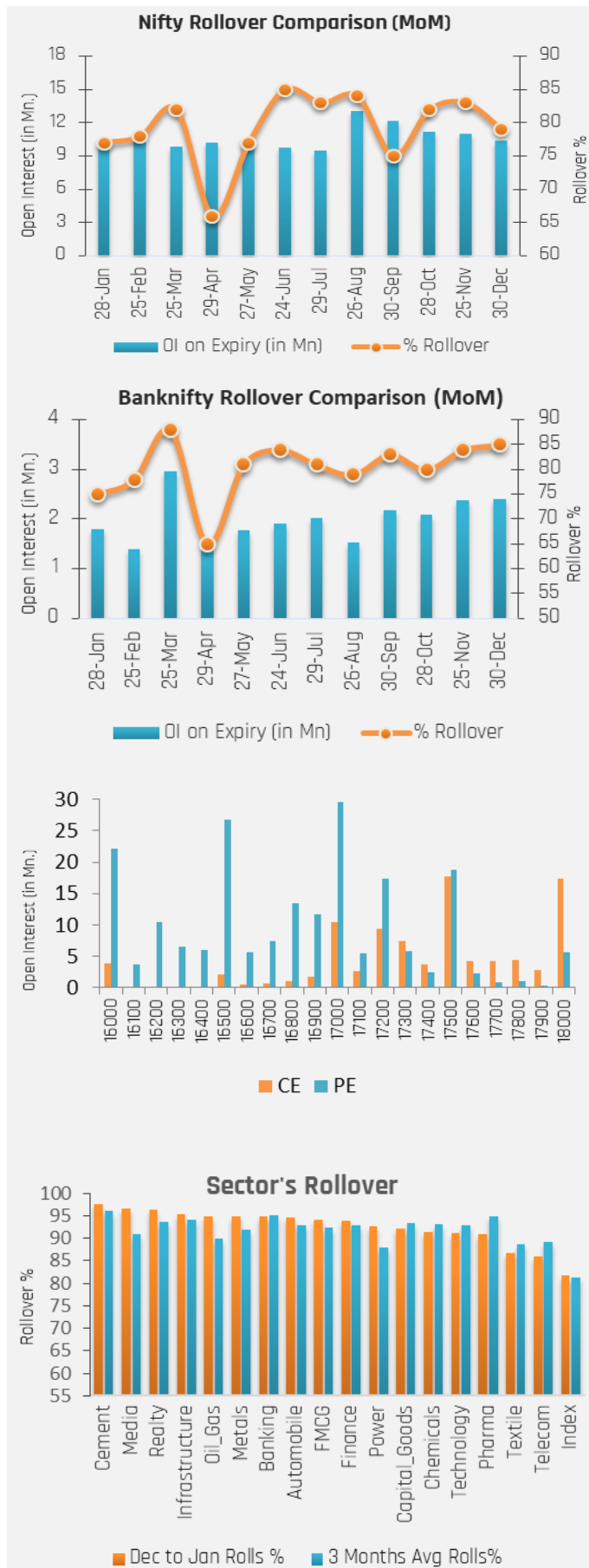
The index saw high rolls of 85% as compared with the 3M average of 83%. BankNifty will start the January series with an OI of 2.40 Mn shares as compared with OI of 2.37 Mn shares at the beginning of the December series. As per options data, support for the index stands around 34000 and 32000 whereas resistance stands at 37000 and 38000 for the short term.

OPTION ANALYSIS

From the OI Concentration (27-Jan Series), Maximum open Interest on the call options front exists at strike prices of 17500, and 18000 (with nearly 17.73 lacs, and 17.34 lacs shares outstanding respectively). This indicates 17500 and 18000 levels will act as the resistance zone on the upside for the short term. On the put options front, Maximum open Interest is at strike prices of 17000, 16500 and 16000 (with nearly, 29.50 lacs, 26.72 lacs and 22.21 lacs shares outstanding respectively) indicating these levels will be stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **CEMENT, MEDIA, REALTY, OIL&GAS, METALS, POWER, FMCG** and **INFRASTRUCTURE**, stocks on December expiry. However, low rollovers were seen in **TELECOM, TEXTILE, PHARMA** and **TECHNOLOGY** sector stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as **POWERGRID, ONGC, BHARTIARTL, NESTLEIND, and BAJAJFINSV** saw aggressive rollover in the January series while low rolls were seen in **DRREDDY, LT, HCLTECH, INFY, and WIPRO** compared with the 3M average.
- From the midcap space, **BALKRISIND, NMDC, ABFRL, SUNTV, and PETRONET** saw high rollovers whereas **IPCALAB, UBL, IBULHSGFIN, NAVINFLUOR, and ALKEM** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



Nifty-Daily chart

- Technically, the index on a daily scale has formed a lower top, lower bottom formation, indicating a short-term downtrend.
- The index is currently placed close to short-term trend line resistance (17300) and it has formed a doji candlestick pattern close to the resistance. If the index sustains above 17300, it may test the levels of 17500, where the medium-term trend line resistance is placed.
- The 34 DEMA is currently placed close to 17285 levels, and short-term trend line resistance is placed close to 17300. Thus, if the index fails to sustain above 17300, then the index could test 17000 to 16800 levels. 50 DSMA is placed close to 17534 levels, which will act as the next key hurdle.
- On the downside, 200 DSMA is placed close to 16337 levels, which will act as strong support for the medium term.
- The RSI on the daily scale is facing resistance near its center point, and the stochastic oscillator is on the verge of forming a bearish crossover, indicating weakness. Thus, a short-term pullback can be possible, but a sell or rise strategy needs to be adopted in Nifty.
- For the January series, 16800 and 16300 will act as support points, whereas 17500 and 18000 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty- Daily Chart

- Technically, the index on the daily scale has formed a lower top, lower bottom formation, indicating a downtrend. Moreover, the index has broken its 200 DSMA (35704), which was acting as strong support for the index. Thus, 35700 should act as immediate resistance now.
- The trend line resistance is placed close to 36000 and the 34 DEMA is placed close to 36316 levels. Thus, 36300 will act as strong resistance for the index in the short term. If the index sustains above 36300, then it may test the 37000-37200 levels. The 100 DSMA is placed close to the 37244 level, which will act as key resistance for the medium term.
- The RSI on the daily scale is placed below the center point and the stochastic oscillator is on the verge of forming a bearish crossover, indicating weakness. Thus, a short-term pullback can be possible, but a sell or rise strategy needs to be adopted in BankNifty.
- For the January series, 34000 and 32000 will act as support points, whereas 36000 and 37300 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
COLPAL	Strong Rollover of 98% compared with 3 months average of 89%.
POWERGRID	Strong Rollover of 93% compared with 3 months average of 78%.
PIIND	Strong Rollover of 99% compared with 3 months average of 95%.
NEGATIVE	
M&FIN	Rollover of 93% compared with 3 month average of 95%.
DLF	Rollover of 97% compared with 3 month average of 95%.

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Rollover Update (Sector Wise)

Sector	Company	Nov to Dec roll%	Dec to Jan roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Index	BANKNIFTY	84	85	83	2	0.52	-6.2%
	NIFTY	83	79	80	-1	0.39	-1.9%
Automobile	AMARAJABAT	92	96	88	8	0.41	-0.9%
	APOLLOTYRE	94	95	95	0	0.39	-2.4%
	ASHOKLEY	95	93	93	0	0.54	-9.8%
	BAJAJ-AUTO	95	96	95	1	0.34	-5.6%
	BALKRISIND	81	97	81	15	0.39	1.0%
	BHARATFORG	97	98	96	2	0.49	-5.6%
	BOSCHLTD	95	97	94	3	-0.35	0.0%
	EICHERMOT	93	98	91	7	0.34	1.5%
	ESCORTS	78	86	90	-4	0.37	5.2%
	EXIDEIND	97	92	96	-4	0.36	-2.9%
	HEROMOTOCO	94	95	95	0	0.35	-6.3%
	M&M	90	88	87	2	0.25	-6.9%
	MARUTI	95	95	95	0	0.35	-3.8%
	MOTHERSUMI	97	97	96	1	0.44	-7.0%
	MRF	98	98	97	1	0.31	-4.7%
	TATAMOTORS	98	93	95	-2	0.55	-4.5%
	TVSMOTOR	93	93	95	-2	-0.08	-12.2%
Banking	AUBANK	99	97	98	-1	-0.22	99
	AXISBANK	93	97	94	2	0.43	93
	BANDHANBNK	96	94	97	-3	0.06	96
	BANKBARODA	92	94	94	1	0.44	92
	CANBK	97	97	95	2	0.44	97
	CUB	95	96	97	-1	0.29	95
	FEDERALBNK	96	94	96	-1	0.43	96
	HDFCBANK	96	96	96	0	0.53	96
	ICICIBANK	96	92	95	-4	0.50	96
	IDFCFIRSTB	94	97	96	1	0.63	94
	INDUSINDBK	97	96	94	2	0.52	97
	KOTAKBANK	96	95	90	4	0.48	96
	PNB	90	96	94	2	0.54	90
	RBLBANK	96	85	95	-10	0.42	96
SBIN	95	95	94	1	0.32	95	
Capital Goods	ASTRAL	96	95	95	0	0.62	3.3%
	BEL	90	96	90	6	0.10	-0.8%
	BHEL	96	97	96	1	0.53	-9.0%
	CROMPTON	98	97	NA	NA	0.21	-3.2%
	CUMMINSIND	94	88	89	-1	0.31	4.1%
	DIXON	98	95	95	-1	0.58	6.4%
	HAL	97	91	95	-3	0.39	-10.5%
	HAVELLS	95	90	90	0	0.32	-0.2%
	LT	97	85	94	-9	0.24	1.9%
	POLYCAB	97	95	97	-2	0.45	2.7%
	SIEMENS	96	86	96	-9	0.24	9.3%
	VOLTAS	92	96	90	6	-0.03	-0.2%
WHIRLPOOL	95	95	NA	NA	0.64	-20.4%	

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Cement	ACC	95	95	96	-1	0.25	-9.3%
	AMBUJACEM	95	95	94	1	0.35	-5.0%
	DALBHARAT	97	96	NA	NA	0.21	-8.8%
	GRASIM	98	98	98	1	0.49	-9.8%
	INDIACEM	93	96	NA	NA	0.67	-3.2%
	JKCEMENT	97	98	NA	NA	-0.04	-1.4%
	RAMCOCEM	99	99	97	2	0.33	-0.6%
	SHREECEM	99	99	96	3	0.37	-1.0%
ULTRACEMCO	98	98	96	2	0.43	-2.8%	
Chemical	AARTIIND	96	95	93	2	0.42	3.6%
	ATUL	93	97	NA	NA	0.42	5.6%
	CHAMBLFERT	94	92	NA	NA	0.45	-3.2%
	COROMANDEL	94	97	95	2	0.41	-0.6%
	DEEPAKNTR	97	97	95	2	0.44	13.0%
	NAVINFLUOR	85	60	83	-22	0.21	16.0%
	PIIND	98	99	95	4	0.46	-0.3%
	TATACHEM	96	96	94	2	0.40	-1.8%
	UPL	96	95	97	-2	0.58	2.7%
Finance	BAJAJFINSV	84	94	85	9	0.16	-6.9%
	BAJFINANCE	96	97	96	2	0.47	-3.6%
	CANFINHOME	97	96	96	0	0.56	-9.8%
	CHOLAFIN	92	98	95	3	0.31	-12.9%
	HDFC	99	97	97	1	0.39	-10.6%
	HDFCAMC	98	97	96	2	0.34	-4.9%
	HDFCLIFE	97	94	96	-2	0.55	-7.0%
	IBULHSGFIN	96	67	89	-22	1.08	-6.1%
	ICICIGI	97	98	93	5	0.41	-8.0%
	ICICIPRULI	96	95	89	7	0.48	-7.9%
	L&TFH	96	97	96	1	0.46	-3.5%
	LICHSGFIN	95	94	94	0	0.33	-8.7%
	M&MFIN	95	93	95	-2	0.51	-12.1%
	MANAPPURAM	94	94	94	1	0.46	-6.4%
	MFSL	91	98	93	4	-0.95	2.9%
	MUTHOOTFIN	97	99	97	2	0.25	-0.1%
	NAM-INDIA	93	96	92	3	0.36	-10.9%
	PFC	92	93	89	4	0.47	-4.6%
	RECLTD	94	94	91	3	0.50	-2.0%
SBICARD	97	93	NA	NA	0.14	-8.1%	
SBILIFE	96	91	88	2	0.41	3.1%	
SRTRANSFIN	90	92	92	0	0.34	-23.7%	
FMCG	ASIANPAINT	96	95	92	2	0.42	7.0%
	BATAINDIA	93	94	90	4	0.48	-10.8%
	BERGEPAIN	94	98	95	2	0.16	0.3%
	BRITANNIA	97	95	94	1	0.27	0.0%
	COLPAL	96	98	89	9	0.40	0.3%
	DABUR	97	97	94	2	0.25	-5.7%
	GODREJCP	98	96	92	5	0.32	3.5%
	HINDUNILVR	96	96	94	2	0.36	-1.0%

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FMCG	INDIAMART	97	93	93	1	0.48	-13.1%
	ITC	96	95	92	3	0.35	-6.6%
	JUBLFOOD	96	96	93	3	0.37	-6.3%
	MARICO	98	89	91	-2	0.31	-7.6%
	MCDOWELL-N	96	98	95	3	0.40	-5.7%
	NESTLEIND	99	96	86	10	0.44	1.2%
	PIDILITIND	98	95	94	1	0.45	8.1%
	TATACONSUM	97	97	95	2	0.37	-9.9%
	TITAN	85	97	89	8	0.52	1.6%
	UBL	93	69	93	-24	0.52	-1.2%
Infrastructure	ADANIENT	99	99	98	1	0.52	-3.8%
	ADANIPTS	97	99	98	1	0.44	-5.0%
	CONCOR	96	92	95	-3	0.53	-2.8%
	GMRINFRA	96	97	95	2	0.43	18.4%
	INDHOTEL	94	93	91	2	0.51	-14.0%
	INDIGO	97	98	95	2	0.37	-4.4%
	IRCTC	92	90	87	4	0.31	-3.8%
Media	PVR	96	94	95	0	0.36	-18.4%
	SUNTV	95	98	85	13	0.19	-9.2%
	ZEEL	94	98	93	5	0.58	-6.7%
Metals	COALINDIA	93	93	86	7	0.34	-7.8%
	HINDALCO	97	86	86	0	0.32	0.6%
	JINDALSTEL	97	98	97	1	0.47	-3.0%
	JSWSTEEL	99	99	99	0	0.37	-5.2%
	NATIONALUM	96	98	94	3	0.55	0.7%
	NMDC	85	95	83	12	0.46	-8.1%
	SAIL	96	98	95	3	0.52	-4.4%
	TATASTEEL	98	98	97	1	0.51	-6.2%
	VEDL	77	90	90	0	0.48	-9.3%
Oil_Gas	BPCL	95	97	89	8	0.36	-5.5%
	GAIL	78	92	88	4	0.39	-9.8%
	GSPL	94	94	NA	NA	0.36	-6.4%
	GUJGASLTD	92	96	94	1	0.46	-5.6%
	HINDPETRO	88	93	87	6	0.49	-8.7%
	IGL	96	96	95	1	0.43	-6.3%
	IOC	95	93	89	4	0.54	-12.0%
	MGL	97	96	95	1	0.36	-8.3%
	ONGC	89	93	80	13	0.25	-9.4%
	PETRONET	94	97	88	9	0.40	-3.6%
	RELIANCE	96	96	94	2	0.29	-5.4%
Pharma	ABBOTINDIA	95	96	NA	NA	0.53	0.3%
	ALKEM	99	76	98	-22	0.23	8.7%
	APLLTD	98	90	98	-9	0.44	1.3%
	APOLLOHOSP	92	96	93	2	0.68	-12.8%
	AUROPHARMA	97	96	95	1	0.39	8.2%

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Pharma	BIOCON	95	96	96	1	0.33	-0.3%
	CADILAHC	97	96	96	-1	0.40	3.8%
	CIPLA	98	91	89	2	0.45	5.9%
	DIVISLAB	98	96	96	0	0.37	-3.6%
	DRREDDY	98	82	97	-15	0.49	6.8%
	GLENMARK	96	97	97	0	0.29	-0.8%
	GRANULES	97	95	97	-1	0.67	7.4%
	IPCALAB	92	65	95	-30	0.25	7.5%
	LALPATHLAB	91	96	93	4	0.62	9.0%
	LAURUSLABS	93	95	NA	NA	0.38	0.5%
	LUPIN	96	92	96	-3	0.41	4.3%
	METROPOLIS	75	84	88	-4	-0.20	16.6%
	PEL	98	98	97	0	0.42	-1.3%
	PFIZER	96	92	90	2	0.38	2.7%
	STAR	95	95	96	0	0.65	-11.5%
	SUNPHARMA	99	89	93	-3	0.55	6.6%
	SYNGENE	94	92	96	-3	0.49	4.3%
TORNTPHARM	92	91	95	-4	0.46	6.7%	
Power	IEX	82	94	88	6	0.44	-68.1%
	NTPC	94	90	84	6	-0.91	-6.1%
	POWERGRID	80	93	78	16	0.19	0.5%
	TATAPOWER	96	95	94	1	0.48	-10.1%
	TORNTPOWER	93	91	96	-5	-0.56	-0.6%
Realty	DELTACORP	97	95	NA	NA	0.42	-14.2%
	DLF	96	97	95	2	0.50	-6.9%
	GODREJPROP	92	96	92	4	0.58	-17.8%
	OBEROIRLTY	96	97	NA	NA	0.48	-3.8%
Technology	BSOFT	92	94	NA	NA	0.49	8.3%
	COFORGE	90	79	92	-13	0.56	6.5%
	FSL	95	96	NA	NA	0.52	6.5%
	HCLTECH	96	83	92	-9	-0.18	17.1%
	INFY	96	89	96	-8	0.44	9.9%
	LTI	96	80	89	-8	0.35	6.5%
	LTTS	93	97	90	7	0.45	4.3%
	MCX	97	94	85	9	0.40	-8.8%
	MINDTREE	97	97	95	2	0.38	-0.1%
	MPHASIS	96	95	97	-2	0.45	2.6%
	NAUKRI	93	97	88	9	0.45	-8.2%
	OFSS	98	99	97	2	0.61	-5.4%
	PERSISTENT	86	73	NA	NA	0.44	18.4%
	TCS	97	93	94	0	0.15	8.4%
	TECHM	97	92	96	-4	0.39	15.4%
WIPRO	95	89	95	-6	0.29	12.2%	
Telecom	BHARTIARTL	82	97	85	11	0.63	-11.2%
	IDEA	92	71	92	-20	1.43	20.2%
	INDUSTOWER	96	90	91	-1	0.37	-19.0%

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Textile	ABFRL	96	95	85	11	0.59	-5.5%
	PAGEIND	99	87	89	-2	0.35	-1.9%
	SRF	95	88	92	-5	0.39	10.0%
	TRENT	93	76	89	-13	0.11	-5.5%

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