

# DERIVATIVES ROLLOVER ANALYSIS

01-01-2021

## JANUARY SERIES VIEW

Last month, Bulls retained their hold on Dalal Street with broad-based buying and registered an all-time high of 14025, supported by consistent inflows of foreign institutional investors (FII), 900\$ billion stimulus package in the US, and positive development on the corona virus vaccine boosted the investor's sentiment. Finally, Nifty rally more than 7% (EoE) during the December series and settled at 13981 indicating neutral to positive bias for the short term. Thus, investors should remain cautious as the market continues to stay volatile in the near term due to an increased tariff on EU products by the United States, a lockdown in Europe, and its impact on the economy. On the expiry day, the Nifty futures rollover stood at 76%, which is inline as compare with the last three series average rollover of 76%. Nifty will start the January series with an open interest of 1.27 Cr shares compared with an OI of 1.20 Cr shares at the beginning of the December series. Market-wide rollovers stood in line at 92% compared with the average rollovers of 92% in the last three series. Going into January month, updates on new strains of corona virus and development on its vaccine, Monthly Auto sales data, PMI data and Rupee movement against the Dollar, Q3FY21 earnings, 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 up by 5.37% (EoE) and closed higher at 21.10% vs. 20.02% of the previous month indicating volatility going ahead. Another leading derivatives indicator, Nifty PCR, opened on higher note this month at 1.52 against last month's 1.48.

## BANKNIFTY

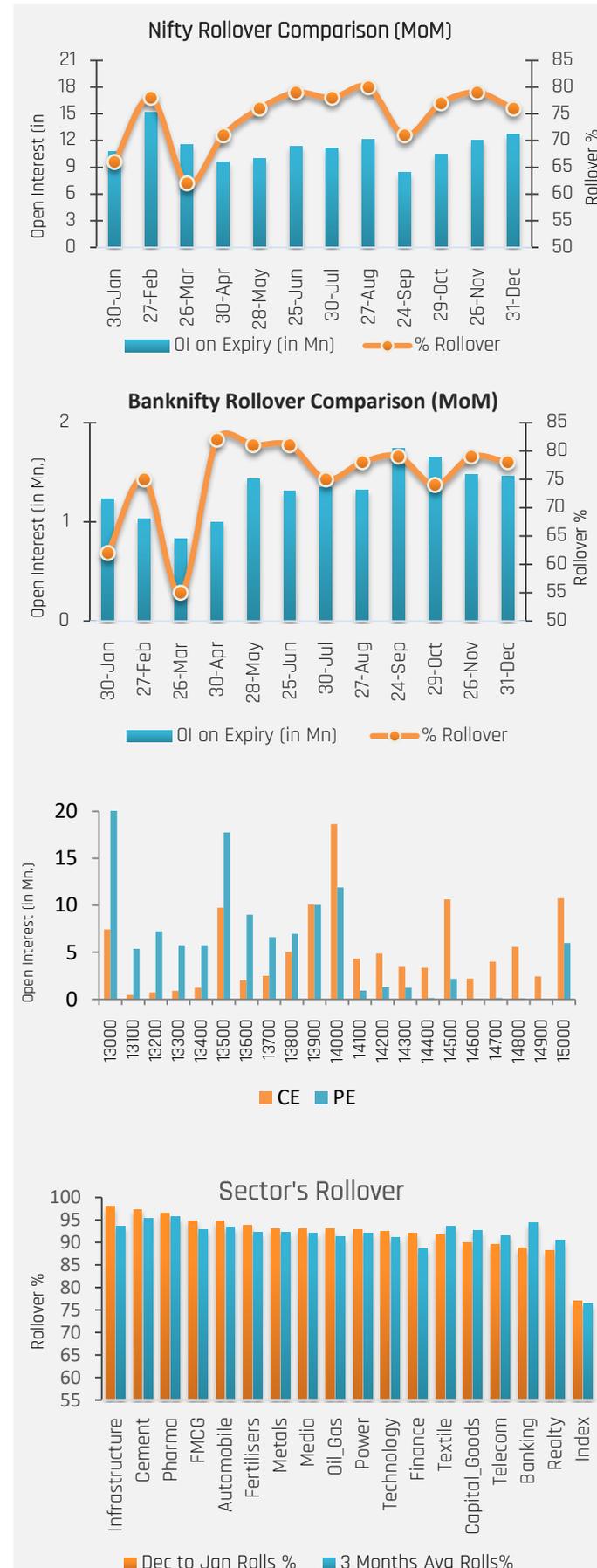
The index saw higher rolls of 78% compared with the 3M average of 77%. BankNifty will start the January series with an OI of 1.46 Mn shares compared with OI of 1.48 Mn shares at the beginning of the December series. As per options data, support for the index is around 30000 and 29000 whereas resistance stands at 31000 and 32000 for the short term.

## OPTION ANALYSIS

From the OI Concentration (28-January Series), Maximum open Interest on the call options front exists at strike prices of 14000, 14500 and 15000 (with nearly 18.62 lacs, 10.63 lacs and 10.74 lacs shares outstanding respectively). This indicates these 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 13500 and 13000 (with nearly 17.75 lacs and 23.69 lacs shares outstanding) indicating 13000 will be stronger support zone on the downside.

## SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **CEMENT, PHARMA, INFRASTRUCTURE, FMCG, and AUTOMOBILE**, stocks on expiry. However, low rollovers were seen in **REALTY, BANKING, TELECOM and TEXTILE** 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 **HINDUNILVR, TCS, NESTLEIND, TATAMOTORS, POWERGRID,** and **BRITANNIA** saw aggressive rollover in the January series while low rolls were seen in **ADANIPTS, INDUSTOWER, COALINDIA, HDFCLIFE** and **SBIN** compared with the 3M average.
- From the midcap space, **PETRONET, NATIONALUM, PVR, LUPIN,** and **IDEA** saw high rollovers whereas **PNB, SIEMENS, CANBK, DLF** and **PIDILITIND** saw lower rollover compared with the 3M average.



### TECHNICAL VIEW ON NIFTY



NIFTY 50 - 31-DEC 2020 WEEKLY CHART

#### Nifty-Daily chart

- The the index has crossed the major hurdle of 13000 in the first week of November series and witness a bullish breakout as highlighted in the above chart. On the back of that index has seen a strong rally and registered an all-time high of 14025 in December series.
- The index is currently placed close to the weekly trend line resistance. Thus, 14200 will act as a short-term hurdle for the index. If the index fails to cross the hurdle of 14200 then profit-booking expected.
- On the downside, 13100-13000 will act as strong support for the short term. 21 WEMA is currently placed close to 12455, which will act as medium support for the index.
- RSI and Stochastic oscillators on the weekly scale are placed close to the highly overbought zone. Thus, short-term profit booking could be possible but the trend remains up.
- For the January series, 13000 and 12500 will act as support points whereas 14200 and 14500 will act as resistance points.

## TECHNICAL VIEW ON BANKNIFTY



### Bank Nifty - Daily chart

- The index on the daily scale has continued its bullish momentum after giving a fresh breakout in the first week of the November series and which almost retested in December. On the back of that index has registered the high of 31510 in the December series.
- Moreover, the index on a daily scale has crossed the hurdle of 31000. If the index sustains above 31000 levels then 32000-32500 could be possible.
- 21 DEMA is currently placed close to 30283, which will act as short-term support for the index. 50 DEMA is placed close to 29557 which will act as strong support for the index in the medium-term.
- RSI on the daily scale is forming negative divergence which needs confirmation and the stochastic oscillator on the daily scale has witnessed bearish crossover. Thus, short-term profit booking could be possible but the trend remains up.
- For the January series, 30000 and 29500 will act as support points whereas 32000 and 32500 will act as resistance points.

### Stocks to watch out based on Rollover Analysis:

POSITIVE	
CUMMINSIND	Strong Rollover of 95% compared with 3 months average of 90%.
HINDUNILVR	Strong Rollover of 94% compared with 3 months average of 83%.
LUPIN	Strong Rollover of 96% compared with 3 months average of 89%.
NEGATIVE	
HINDALCO	Weak rollover of 90% compared with 3 month average of 95%.
AMBUJACEM	Rollover of 97% compared with 3 month average of 94% .

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## Rollover Update (Sector Wise)

Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Automobile</b>					
AMARAJABAT	93	92	88	4	-0.44
APOLLLOTYRE	90	93	88	6	0.56
ASHOKLEY	91	93	91	2	0.42
BAJAJ-AUTO	97	96	98	-1	0.28
BALKRISIND	90	98	94	4	0.33
BHARATFORG	95	97	93	4	0.40
BOSCHLTD	97	95	99	-4	0.47
EICHERMOT	95	99	97	2	0.30
ESCORTS	86	96	91	5	0.70
EXIDEIND	97	98	94	3	0.37
HEROMOTOCO	98	98	96	1	-0.50
M&M	94	88	96	-8	0.37
MARUTI	99	95	96	-2	0.37
MOTHERSUMI	91	90	93	-3	0.30
MRF	95	90	95	-5	0.29
TATAMOTORS	76	97	89	7	0.38
TVSMOTOR	96	96	90	5	0.32
<b>Banking</b>					
AXISBANK	94	93	96	-3	0.32
BANDHANBNK	89	93	91	2	0.44
BANKBARODA	95	90	94	-4	-0.49
CANBK	90	81	91	-10	1.28
FEDERALBNK	95	98	96	2	0.52
HDFCBANK	94	93	96	-3	0.17
ICICIBANK	97	93	98	-5	0.35
IDFCFIRSTB	96	97	96	0	-0.54
INDUSINDBK	93	95	96	0	0.42
KOTAKBANK	93	96	94	2	-0.24
PNB	95	44	92	-48	0.91
RBLBANK	93	96	93	3	-0.65
SBIN	90	84	94	-10	0.27
<b>Capital_Goods</b>					
BEL	93	96	94	2	0.38
BHEL	96	96	93	3	0.14
CUMMINSIND	93	95	90	6	0.48
LT	96	96	94	1	0.39
SIEMENS	90	62	95	-33	0.32
VOLTAS	91	94	89	5	0.31

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Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Cement</b>					
ACC	96	97	92	5	0.35
AMBUJACEM	97	97	94	3	0.44
GRASIM	98	99	99	0	0.57
RAMCOCEM	97	97	94	3	0.48
SHREECEM	98	99	96	2	0.43
ULTRACEMCO	95	95	97	-1	0.54
<b>Fertilisers</b>					
TATACHEM	88	91	91	0	0.55
UPL	97	96	94	3	0.46
<b>Finance</b>					
BAJAJFINSV	89	84	93	-8	0.35
BAJFINANCE	92	91	94	-3	-0.17
CHOLAFIN	86	89	88	0	0.32
HDFC	97	90	98	-7	0.37
HDFCLIFE	95	87	97	-10	0.60
IBULHSGFIN	89	97	86	10	0.57
ICICIPRULI	89	95	94	1	0.31
L&TFH	79	88	83	5	-0.53
LICHSGFIN	95	94	94	0	0.53
M&MFIN	93	95	93	2	0.51
MANAPPURAM	97	96	92	4	0.58
MFSL	96	96	96	1	0.46
MUTHOOTFIN	97	95	96	-1	0.41
PFC	68	85	86	-1	0.39
SBILIFE	97	93	96	-3	0.43
SRTRANSFIN	92	92	90	2	0.51
<b>FMCG</b>					
ASIANPAINT	98	93	92	1	0.23
BATAINDIA	87	95	92	3	0.40
BERGEPAIN	81	91	90	1	0.36
BRITANNIA	98	98	93	5	0.43
COLPAL	91	92	94	-2	0.45
DABUR	97	97	97	-1	0.39
GODREJCP	96	99	90	8	0.49
HINDUNILVR	99	94	83	11	0.44
ITC	94	95	94	2	0.57
MARICO	94	95	97	-2	0.40
MCDOWELL-N	98	98	97	1	0.42
NESTLEIND	70	98	88	10	0.51
PIDILITIND	98	89	97	-8	0.24
TATACONSUM	96	96	95	0	0.49
TITAN	96	94	96	-2	0.17
UBL	88	93	90	3	-1.10

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Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Index</b>					
BANKNIFTY	79	78	77	1	0.07
NIFTY	79	76	76	0	0.16
<b>Infrastructure</b>					
GMRINFRA	96	98	94	4	0.75
<b>Media</b>					
PVR	76	92	85	7	-2.22
SUNTV	96	94	95	-1	0.65
ZEEL	98	93	97	-3	0.36
<b>Metals</b>					
HINDALCO	92	90	95	-5	0.10
JINDALSTEL	94	97	95	2	0.41
JSWSTEEL	98	96	98	-2	0.31
NATIONALUM	69	95	84	11	0.46
NMDC	93	86	85	1	0.39
SAIL	84	90	91	-1	0.27
TATASTEEL	96	97	96	0	0.44
VEDL	96	95	94	1	0.50
<b>Oil_Gas</b>					
BPCL	91	91	93	-2	0.38
GAIL	80	87	87	0	0.16
HINDPETRO	93	97	95	2	0.53
IGL	94	97	95	2	0.49
IOC	89	89	93	-3	0.44
MGL	94	91	94	-3	0.50
ONGC	85	89	89	1	0.21
PETRONET	92	99	84	15	0.44
RELIANCE	96	96	94	2	0.53
<b>Others</b>					
ADANIENT	98	98	97	1	0.61
ADANIPTS	98	78	99	-21	0.15
APOLLOHOSP	91	91	89	2	0.19
COALINDIA	90	77	90	-13	0.26
CONCOR	96	98	96	2	0.44
HAVELLS	83	89	93	-4	0.31
INDIGO	92	88	92	-4	-1.11
JUBLFOOD	95	92	93	0	0.26

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Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Pharma</b>					
AUROPHARMA	98	98	97	2	0.36
BIOCON	98	96	96	0	0.34
CADILAHC	96	96	96	1	0.44
CIPLA	96	96	97	-1	0.53
DIVISLAB	96	91	97	-5	0.26
DRREDDY	98	97	96	0	0.44
GLENMARK	96	97	96	1	0.27
LUPIN	95	96	89	7	0.41
PEL	95	99	96	3	0.44
SUNPHARMA	98	97	97	0	0.53
TORNTPHARM	98	97	97	0	0.44
<b>Power</b>					
NTPC	94	87	90	-3	-0.20
POWERGRID	85	93	86	7	0.48
RECLTD	93	94	93	1	0.45
TATAPOWER	97	92	97	-5	0.40
TORNTPOWER	97	97	94	3	0.51
<b>Realty</b>					
DLF	96	88	96	-9	0.28
GODREJPROP	88	89	85	4	-0.22
<b>Technology</b>					
HCLTECH	99	97	96	1	0.13
INFY	97	96	92	4	0.42
MINDTREE	93	87	90	-3	0.18
NAUKRI	96	89	96	-7	0.46
COFORGE	90	91	85	7	0.55
TCS	96	97	83	13	0.29
TECHM	96	92	96	-5	0.30
WIPRO	92	91	91	0	0.16
<b>Telecom</b>					
BHARTIARTL	98	99	97	1	0.38
IDEA	96	92	86	6	0.94
INDUSTOWER	88	78	91	-14	0.09
<b>Textile</b>					
PAGEIND	95	90	92	-3	0.49
SRF	92	94	95	-1	0.42

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