

DERIVATIVES ROLLOVER ANALYSIS

01-10-2021

OCTOBER SERIES VIEW

Last month, the Bulls extended their grip on Dalal Street and registered an all-time high of 17947, supported by unlocking economic activities, government reforms in telecom and banking sectors, as well as a production-linked incentive (PLI) for the automobile sector. Meanwhile, easing concern about the Evergrande crisis after an injection of funds by China's central bank into the banking system and positive global cues also boosted the sentiments. Finally, Nifty railed 5.9% during the September series and closed at 17618 with a gain of 981 points (EoE), indicating neutral to positive bias for the short term. However, rising crude oil price and higher bond yield 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 75%, which is lower as compared with the last three series average rollover of 84%. Nifty will start the October series with an open interest of 1.22 Cr shares compared with an OI of 1.30 Cr shares at the beginning of the September series. Market-wide rollovers stood higher at 92% compared with the average rollovers of 91% in the last three series. Going into October month, Covid-19 cases, progress of the vaccine drive, monthly auto sales data, Q2FY22 earnings, Rupee movement against the Dollar, Bond yield movement, Fiis flow, progress of monsoon, global cues, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX spiked by 35.91% (EoE) and closed at 18.54% vs. 13.54% of the previous month, indicating high volatility going ahead. Another leading derivatives indicator, Nifty PCR, opened on a lower note this month at 1.03 against last month's 1.23.

BANKNIFTY

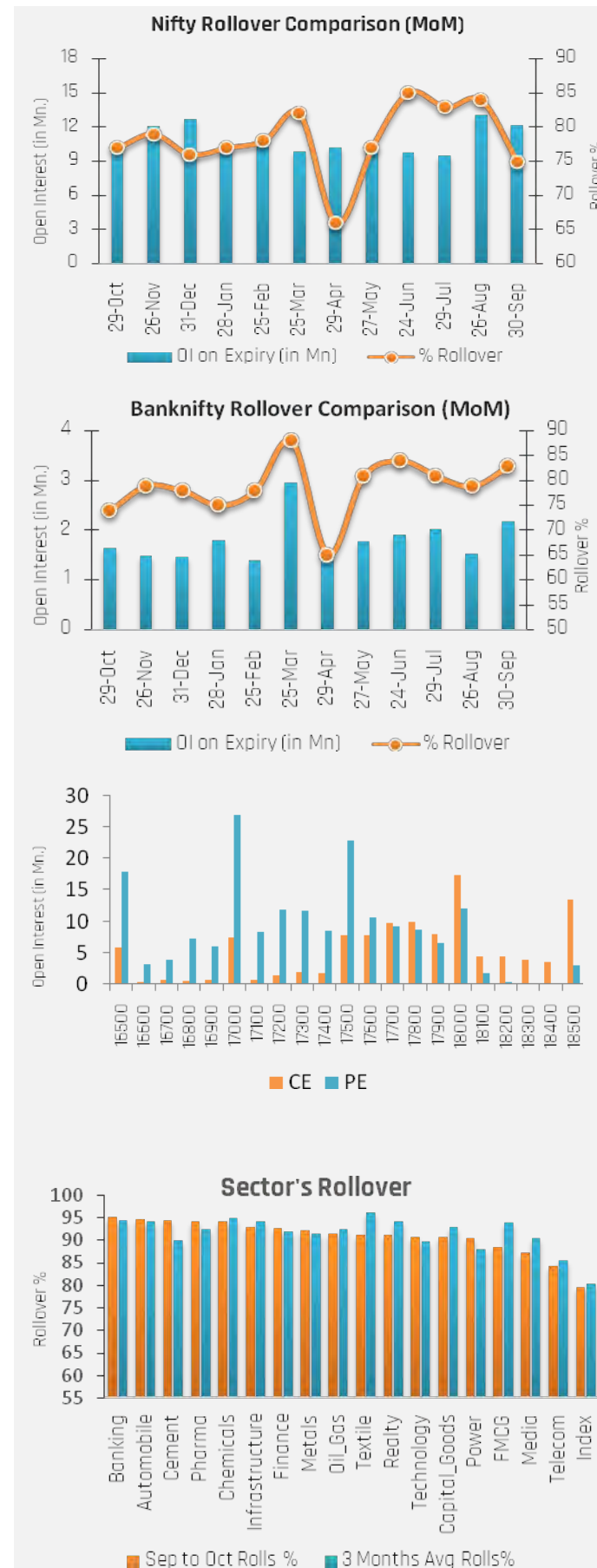
The index saw high rolls of 83% compared with the 3M average of 81%. BankNifty will start the October series with an OI of 2.17 Mn shares compared with OI of 1.52 Mn shares at the beginning of the September series. As per options data, support for the index is around 36000 and 35000 whereas resistance stands at 39000 and 40000 for the short term.

OPTION ANALYSIS

From the OI Concentration (28-Oct Series), Maximum open Interest on the call options front exists at strike prices of 18000 and 18500 (with nearly 17.35 lacs and 13.42 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 17500 and 17000 (with nearly, 22.77 lacs and 26.99 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 **BANKING, CEMENT, PHARMA, TECHNOLOGY, METALS, and POWER**, stocks on expiry. However, low rollovers were seen in **TELECOM, TEXTILE, REALTY, FMCG, MEDIA and INFRASTRUCTURE** 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, BAJAJ-AUTO, BRITANNIA, TECHM, and GRASIM** saw aggressive rollover in the October series while low rolls were seen in **NESTLEIND, HINDALCO, CIPLA, BHARTIARTL, and ONGC** compared with the 3M average.
- From the midcap space, **IDEA, MPHASIS, NMDC, APLTD, and AMBUJACEM** saw high rollovers whereas **ICICIPRULI, COLPAL, CUMMINSIND, LTI, and MARICO** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



Nifty-Daily chart

- In the September series, the index has registered a new all-time high of 17947. Technically, the index is consolidating following a robust run up. As a result, the index is encountering resistance in the 17950-18000 range.
- Moreover, the index has witnessed trend line breakdown as highlighted in the above chart. If the index stays below 17700, then 17400 and 17000 could be feasible targets.
- On the downside, 21 DEMA is placed close to 17454 levels and 50 DEMA is placed close to 16939 levels. Thus, 17400 will act as the first key support for the index, followed by 16900.
- The RSI on the daily scale is positively placed but it has formed a negative divergence. Thus, for the short term, profit booking could be possible.
- For the October series, 17400 and 16900 will act as support points, whereas 18000 and 18200 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty- Daily Chart

- Technically, the index on a daily scale has seen a trend line breakout in the September series. As a result, the index has surpassed its previous resistance and registered a high of 38377.
- However, the index is struggling to sustain above 38000. Moreover, the index has formed a hanging man candlestick pattern on a daily scale. As per this pattern, if the index sustains below 38000, then 36500 and 36000 could be possible.
- On the upside, the index will find the hurdle around 38380, where the high of hanging man candle is placed. On the downside, 50 DEMA is currently placed close to 36432 levels, which is acting as strong support for the index.
- The RSI on a daily scale is positively placed but it is on the verge of forming negative divergence.
- For the October series, 36400 and 36000 will act as support points, whereas 38500 and 40000 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
HDFCBANK	Strong Rollover of 97% compared with 3 months average of 92%.
TATAMOTORS	Strong Rollover of 95% compared with 3 months average of 93%.
POWERGRID	Strong Rollover of 89% compared with 3 months average of 73%.
SUNPHARMA	Rollover of 83% compared with 3 months average of 94%.
NEGATIVE	
M&FIN	Rollover of 92% compared with 3 month average of 95%.
SAIL	Rollover of 97% compared with 3 month average of 90%.

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Rollover Update (Sector Wise)

Sector	Company	Aug to Sept roll%	Sept to Oct roll%	3 Avg Months Roll	Divergence	Roll cost	Price % (E to E)
Index	BANKNIFTY	79	83	81	2	0.51	5.1%
	FINNIFTY	68	80	76	5	0.92	4.9%
	NIFTY	84	75	84	-9	0.01	5.9%
Automobile	AMARAJABAT	94	97	92	5	0.55	12.5%
	APOLLOTYRE	95	97	96	1	0.55	8.1%
	ASHOKLEY	93	96	90	5	0.64	13.8%
	BAJAJ-AUTO	95	97	90	7	0.33	3.8%
	BALKRISIND	95	85	95	-10	0.53	11.5%
	BHARATFORG	96	97	95	2	0.50	1.4%
	BOSCHLTD	95	96	97	-1	0.56	13.4%
	EICHERMOT	96	91	95	-4	-0.06	8.2%
	ESCORTS	95	95	96	-1	0.53	10.2%
	EXIDEIND	93	95	94	1	0.62	13.3%
	HEROMOTOCO	95	97	95	2	0.46	7.0%
	M&M	95	84	95	-11	0.55	2.8%
	MARUTI	97	93	95	-2	0.26	11.0%
	MOTHERSUMI	91	97	92	5	0.42	5.9%
	MRF	98	97	98	-1	0.32	3.7%
	TATAMOTORS	97	95	93	2	0.54	17.3%
TVSMOTOR	91	96	91	4	0.22	7.9%	
Banking	AUBANK	95	97	94	2	0.42	-14.0%
	AXISBANK	99	93	96	-3	0.35	2.7%
	BANDHANBNK	90	97	89	9	0.46	6.8%
	BANKBARODA	94	96	96	0	0.61	10.3%
	CANBK	83	97	90	7	0.55	13.2%
	CUB	96	98	97	1	0.41	9.1%
	FEDERALBNK	96	97	96	0	0.53	7.8%
	HDFCBANK	89	97	92	4	0.44	2.6%
	ICICIBANK	95	99	95	4	0.32	0.3%
	IDFCFIRSTB	94	96	94	2	0.42	12.9%
	INDUSINDBK	97	91	97	-5	0.53	11.0%
	KOTAKBANK	96	83	96	-13	0.28	18.1%
	PNB	94	98	96	2	0.63	12.0%
RBLBANK	91	93	93	0	0.39	17.4%	
SBIN	94	93	95	-1	0.33	10.3%	
Capital_Goods	ASTRAL	NA	96	NA	NA	0.36	9.6%
	BEL	90	95	90	5	0.45	11.9%
	BHEL	96	96	96	0	0.62	24.3%
	CUMMINSIND	71	77	88	-12	0.32	1.1%
	DIXON	NA	93	NA	NA	0.39	14.1%
	HAL	NA	96	NA	NA	0.49	5.0%
	HAVELLS	98	87	96	-10	0.43	13.0%
	LT	98	95	93	2	0.42	6.7%
	POLYCAB	NA	96	NA	NA	0.58	28.6%
	SIEMENS	93	95	96	0	0.28	-3.7%
VOLTAS	92	90	92	-2	0.47	27.2%	
Cement	ACC	96	96	91	5	0.36	-0.9%
	AMBUJACEM	85	91	80	11	0.41	0.5%

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Cement	GRASIM	93	96	91	5	0.46	16.0%
	RAMCOCEM	98	98	97	1	0.42	1.7%
	SHREECEM	98	93	91	1	0.28	8.8%
	ULTRACEMCO	91	92	89	4	0.28	1.2%
Chemical	AARTIIND	87	92	91	2	0.59	2.5%
	COROMANDEL	80	97	NA	NA	0.55	3.5%
	DEEPAKNTR	97	96	95	0	0.35	15.3%
	NAVINFLUOR	95	93	95	-2	0.60	2.3%
	PIIND	96	90	98	-8	0.32	1.3%
	TATACHEM	95	96	95	0	0.52	11.2%
	UPL	96	98	95	3	0.42	-1.7%
Finance	BAJAJFINSV	84	81	85	-5	0.30	11.5%
	BAJFINANCE	93	94	94	0	0.30	10.6%
	CANFINHOME	NA	95	NA	NA	0.54	33.0%
	CHOLAFIN	98	98	93	5	0.34	6.3%
	HDFC	96	98	95	4	0.21	2.0%
	HDFCAMC	98	96	96	1	0.54	-2.3%
	HDFCLIFE	96	95	93	2	0.58	3.4%
	IBULHSGFIN	87	98	91	7	0.54	5.8%
	ICICIGI	98	97	93	5	0.15	8.0%
	ICICIPRULI	96	73	93	-21	0.30	3.1%
	L&TFH	95	96	95	1	0.49	12.0%
	LICHSGFIN	94	95	92	2	0.49	10.6%
	M&MFIN	95	92	95	-2	0.46	19.4%
	MANAPPURAM	92	96	90	6	0.32	4.8%
	MFSL	98	96	97	-1	0.30	-1.0%
	MUTHOOTFIN	94	97	94	3	0.36	-2.4%
	NAM-INDIA	98	88	96	-8	0.65	4.3%
	PFC	90	91	94	-3	0.53	14.0%
	RECLTD	88	96	89	7	0.47	9.5%
	SBILIFE	61	79	74	5	0.34	5.5%
SRTRANSFIN	97	94	91	3	0.31	2.6%	
FMCG	ASIANPAINT	95	91	96	-5	0.19	6.7%
	BATAINDIA	94	92	93	-1	0.30	4.2%
	BERGEPAIN	97	97	93	5	0.32	2.9%
	BRITANNIA	84	91	85	6	0.47	0.5%
	COLPAL	97	76	96	-20	0.16	0.9%
	DABUR	97	93	94	-1	0.42	1.9%
	GODREJCP	97	84	94	-10	0.52	-1.2%
	HINDUNILVR	97	91	96	-5	-0.20	1.3%
	INDIAMART	NA	88	NA	NA	0.35	18.4%
	ITC	95	84	95	-11	0.57	15.4%
	JUBLFOOD	73	90	86	5	0.22	5.5%
	MARICO	95	84	94	-11	0.40	4.9%
	MCDOWELL-N	98	92	97	-5	0.24	24.6%
	NESTLEIND	97	64	98	-33	-0.03	-3.0%
	PIDILITIND	97	92	92	1	0.32	6.9%
TATACONSUM	95	94	94	0	0.35	-4.7%	

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FMCG	TITAN	96	91	95	-5	0.28	19.1%
	UBL	92	93	95	-2	0.27	9.5%
Infrastructure	ADANIENT	97	98	97	1	0.47	-0.5%
	ADANIPOINTS	99	99	98	0	0.48	2.2%
	CONCOR	93	92	90	1	0.36	7.8%
	GMRINFRA	91	92	93	-1	0.39	33.4%
	INDHOTEL	91	85	NA	NA	0.50	31.8%
	INDIGO	97	93	95	-2	0.32	15.7%
	IRCTC	91	84	92	-7	0.38	44.9%
Media	PVR	96	93	92	1	0.53	23.0%
	SUNTV	94	79	87	-8	0.99	6.3%
	ZEEL	95	89	92	-3	0.56	80.4%
Metals	COALINDIA	93	86	90	-4	0.46	34.8%
	HINDALCO	87	67	87	-20	0.47	15.1%
	JINDALSTEL	95	98	97	1	0.31	4.8%
	JSWSTEEL	98	99	97	3	0.39	-0.6%
	NATIONALUM	76	96	88	8	0.48	18.5%
	NMDC	63	96	82	13	0.45	-3.7%
	SAIL	85	97	90	7	0.44	-1.4%
	TATASTEEL	97	97	95	2	0.37	-6.3%
Oil_Gas	VEDL	95	94	97	-3	0.44	0.0%
	BPCL	93	91	95	-4	0.42	-7.4%
	GAIL	97	96	95	1	0.44	11.4%
	GUJGASLTD	89	97	86	11	0.54	-10.1%
	HINDPETRO	97	94	95	-1	0.45	17.4%
	IGL	91	97	88	8	0.54	1.7%
	IOC	95	86	92	-7	0.48	18.7%
	MGL	97	98	96	1	0.50	-3.2%
	ONGC	91	69	84	-15	0.59	25.1%
Pharma	PETRONET	97	95	97	-1	0.52	4.8%
	RELIANCE	92	91	94	-4	0.14	12.9%
	ALKEM	94	96	89	7	0.69	3.1%
	APLLTD	90	98	86	12	0.55	7.2%
	APOLLOHOSP	86	92	85	8	0.37	-4.7%
	AUROPHARMA	94	96	96	1	0.50	3.7%
	BIOCON	92	97	94	3	0.36	6.4%
	CADILAHC	92	97	95	2	0.49	2.1%
	CIPLA	96	75	95	-20	0.23	7.9%
	DIVISLAB	96	95	93	2	0.34	-1.0%
	DRREDDY	96	97	97	0	0.26	8.4%
	GLENMARK	93	97	94	4	0.40	-0.5%
	GRANULES	90	96	86	10	0.47	-1.8%
	IPCALAB	NA	98	NA	NA	0.56	-4.0%
LALPATHLAB	92	95	91	4	-0.16	-3.3%	
LUPIN	94	96	91	5	0.42	1.5%	
METROPOLIS	95	96	NA	NA	0.18	0.5%	

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Pharma	PEL	97	97	96	1	0.50	1.1%
	PFIZER	97	95	93	3	0.59	-2.0%
	STAR	NA	97	NA	NA	0.45	1.3%
	SUNPHARMA	96	83	94	-12	0.52	7.6%
	SYNGENE	NA	97	NA	NA	0.55	-2.5%
	TORNTPHARM	99	95	97	-2	0.50	1.1%
Power	IEX	NA	92	NA	NA	0.56	46.6%
	NTPC	90	79	83	-4	0.28	25.8%
	POWERGRID	79	89	77	12	0.48	9.7%
	TATAPOWER	94	95	95	1	0.44	26.3%
	TORNTPOWER	98	98	97	1	0.43	6.7%
Realty	DLF	96	92	93	-1	0.47	35.7%
	GODREJPROP	95	90	95	-5	0.01	57.8%
Technology	COFORGE	88	96	86	11	0.35	5.5%
	HCLTECH	85	84	90	-6	0.01	9.6%
	INFY	87	95	90	5	-0.47	-3.0%
	LTI	95	78	95	-18	0.10	12.2%
	LTTS	95	84	87	-3	0.17	21.9%
	MCX	NA	66	NA	NA	0.69	10.7%
	MINDTREE	88	93	90	3	0.48	20.2%
	MPHASIS	75	98	81	17	0.57	13.2%
	NAUKRI	91	86	88	-2	0.36	11.0%
	OFSS	NA	98	NA	NA	0.63	-3.9%
	TCS	87	90	92	-3	-0.06	2.8%
	TECHM	84	97	91	6	0.26	-4.8%
	WIPRO	97	96	95	0	0.39	0.8%
Telecom	BHARTIARTL	92	78	95	-17	0.57	17.3%
	IDEA	63	89	71	18	0.84	101.7%
	INDUSTOWER	93	86	91	-5	-0.13	43.4%
Textile	ABFRL	94	73	NA	NA	0.24	23.0%
	PAGEIND	99	96	99	-3	0.39	4.0%
	SRF	94	88	93	-6	0.14	24.5%
	TRENT	97	90	97	-7	0.39	9.0%

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