

DERIVATIVES ROLLOVER ANALYSIS

27-11-2020

DECEMBER SERIES VIEW

In November series, Bulls continue to dominate the Dalal Street with broad-based buying and Nifty registered all time high of 13146, supported by consistent inflows of foreign institutional investors (FII), positive development news on the COVID-19 vaccine, Joe Biden's US presidential election win, and decent Q2FY21 earnings boosted the investor sentiment. Finally, Nifty rally more than 11% (EoE) during the November series and settled above the 13000 marks at 13023 indicating positive bias for the short term. Thus, investors should remain cautious as the market continues to stay volatile in the near term due to fear of lockdown, the second wave of COVID-19 cases globally and its impact on the economy. On the expiry day, the Nifty futures rollover stood at 79%, which is higher than the last three series average rollover of 76%. Nifty will start the December series with open interest of 1.20 Cr shares compared with OI of 1.05 Cr shares at the beginning of the November series. Market-wide rollovers stood higher at 93% compared with the average rollovers of 92% in the last three series. Going into December month, rise in coronavirus infections globally and development on its vaccine, RBI monetary policy, update on US stimulus package and Rupee movement against the Dollar, Fii flow, global cues, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX cool off by 16.64% (EoE) and closed lower at 20.02% vs. 24.02% of the previous month. Another leading derivatives indicator, Nifty PCR, opened on lower note this month at 1.48 against last month's 1.65.

BANKNIFTY

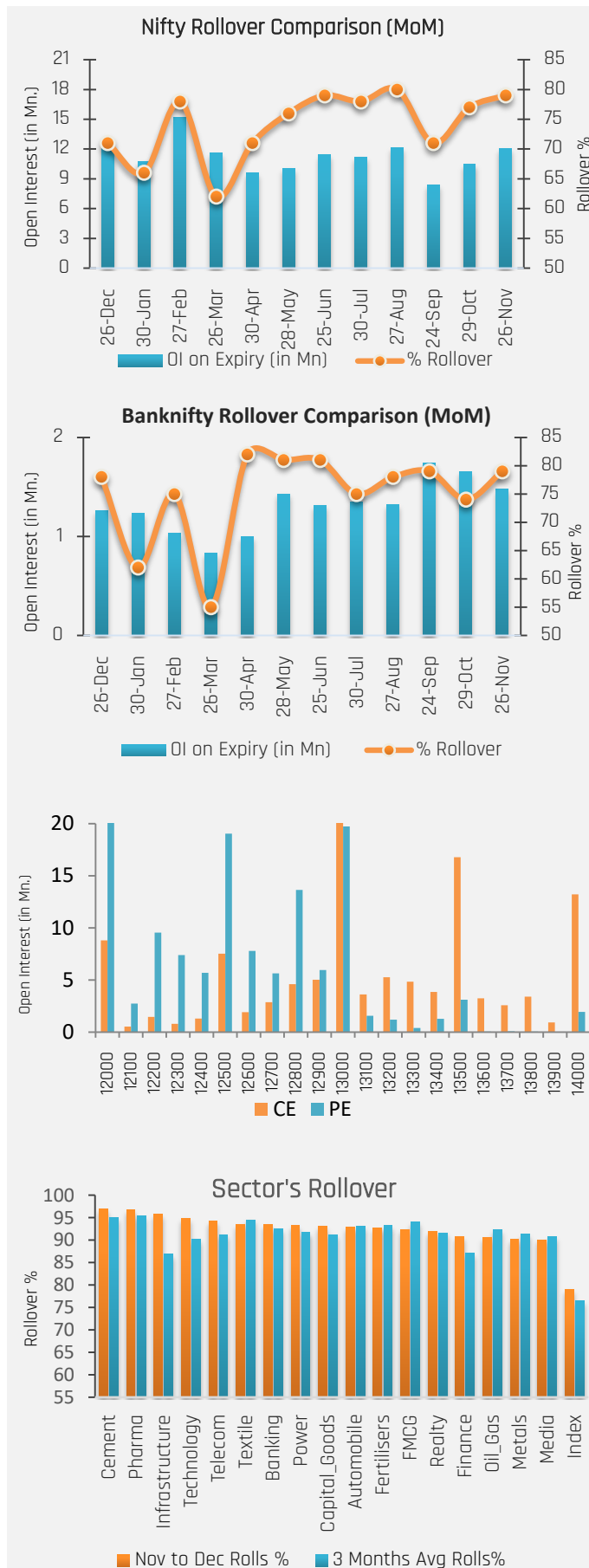
The index saw higher rolls of 79% compared with the 3M average of 77%. BankNifty will start the December series with an OI of 1.47 Mn shares compared with OI of 1.65 Mn shares at the beginning of the November series. As per options data, support for the index is around 28000 and 25000 whereas resistance stands at 31000 and 32000 for the short term.

OPTION ANALYSIS

From the OI Concentration (31-December Series), Maximum open Interest on the call options front exists at strike prices of 13000 and 13500 (with nearly 25.12 lacs and 16.78 lacs shares outstanding). This indicates 13500 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 13000 and 12000 (with nearly 19.72 lacs and 25.41 lacs shares outstanding) indicating 12000 will be stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **CEMENT, PHARMA, INFRASTRUCTURE, TECHNOLOGY, and TELECOM**, stocks on expiry. However, low rollovers were seen in **METALS, FMCG, OIL&GAS** 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, INFY, ASIANKPAINT, BRITANNIA,** and **HCLTECH** saw aggressive rollover in the December series while low rolls were seen in **NESTLEIND, TATAMOTORS, GAIL, ONGC** and **SBIN** compared with the 3M average.
- From the midcap space, **IDEA, PNB, BHEL, VEDL,** and **ASHOKLEY** saw high rollovers whereas **PFC, NATIONALUM, PVR, HAVELLS** and **BERGEPAINT** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY

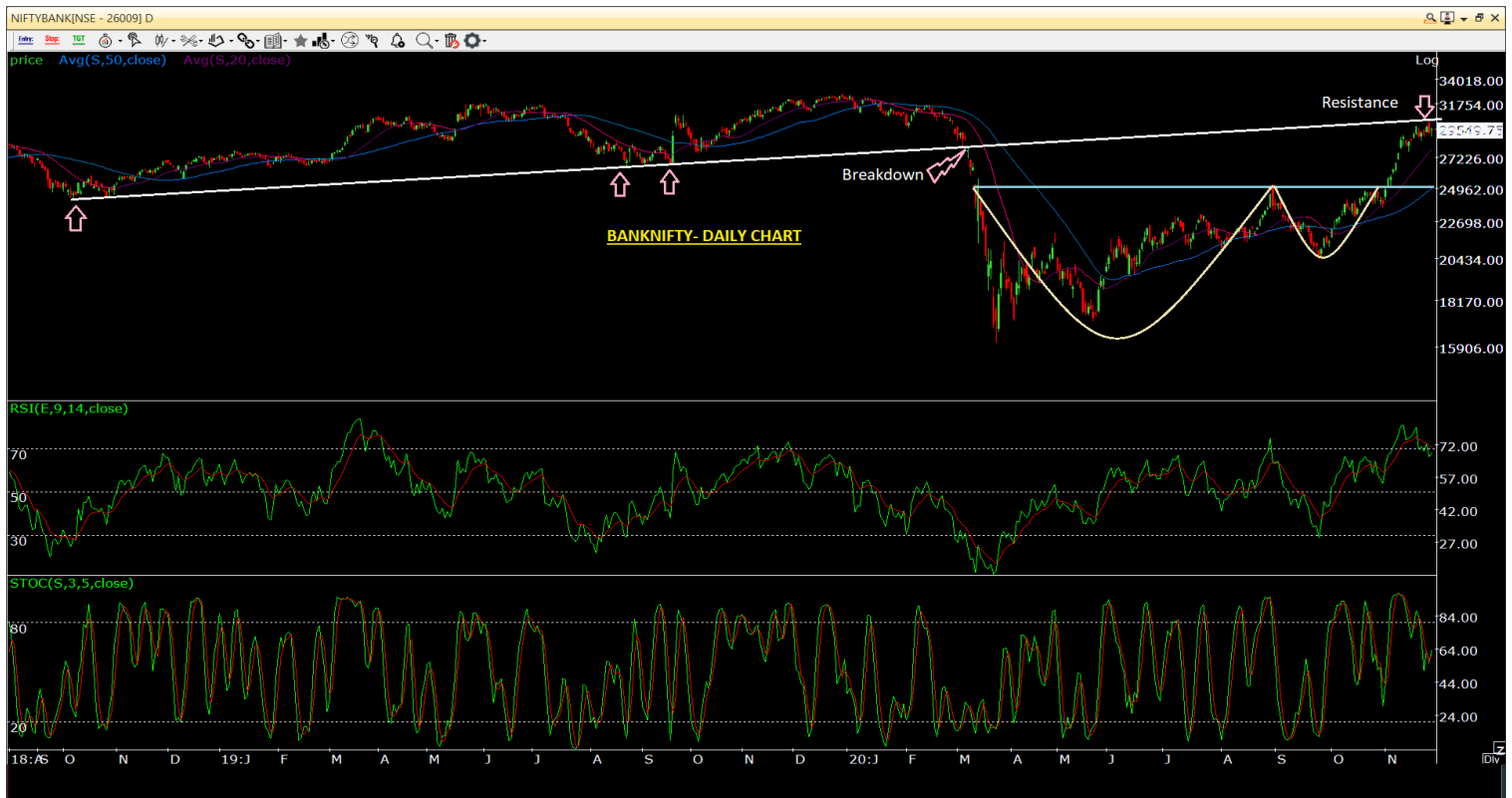


NIFTY 50 - 26-NOV 2020 DAILY CHART

Nifty-Daily chart

- The index has crossed the major hurdle of 12000 in the first week of November series and witness bullish breakout as highlighted in the above chart. On the back of that index has seen a strong rally and registered the high of 13146 in November series. However, the index has formed a bearish engulfing candlestick pattern close to trend line resistance suggesting short-term weakness.
- Short term trend line resistance is placed close to 13200 levels. If the index sustains above that then the index can test the levels of 13450-13500.
- 20 DSMA is currently placed close to 12536, which will act as short-term support for the index. 50 DSMA and previous breakout are placed close to 12000 levels. Thus, 12000 will act as strong support for the index in the medium-term.
- RSI on the daily scale is forming negative divergence and the stochastic oscillator on a daily scale has witnessed bearish crossover. Thus, short-term profit booking could be possible but the trend remains up.
- For the December series, 12500 and 12000 will act as support points whereas 13200 and 13500 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty - Daily chart

- The index on the daily scale has witnessed cup and handle pattern breakout in the first week of November series and witness a strong rally. On the back of that index has registered the high of 30198 in November series. However, the index has formed a bearish engulfing candlestick pattern close to trend line resistance suggesting short-term weakness.
- Trend line resistance is currently placed close to 30200 levels as highlighted in the above chart. If the index sustains above that then the index can test the levels of 31000-31500.
- 20 DSMA is currently placed close to 27913, which will act as short-term support for the index. 50 DSMA is placed close to 24935 and breakout of cup and handle pattern is placed close to 25200. Thus, 25000 will act as strong support for the index in the medium-term.
- RSI on the daily scale is placed close to the overbought zone 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 December series, 28000 and 25000 will act as support points whereas 30200 and 31500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
TORNTPOWER	Strong Rollover of 97% compared with 3 months average of 93%.
HINDUNILVR	Strong Rollover of 99% compared with 3 months average of 83%.
BHARATFORG	Strong Rollover of 95% compared with 3 months average of 89%.
NEGATIVE	
BALKRISIND	Weak rollover of 90% compared with 3 month average of 95%.
HAVELLS	Weak rollover of 83% compared with 3 month average of 98%.

Rollover Update (Sector Wise)

Company	Oct to Nov roll%	Nov to Dec roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	87	93	89	3	-0.22
APOLLOTYRE	95	90	89	0	0.46
ASHOKLEY	93	91	81	9	0.56
BAJAJ-AUTO	99	97	98	-1	0.50
BALKRISIND	96	90	95	-5	0.47
BHARATFORG	90	95	89	5	0.48
BOSCHLTD	100	97	99	-1	-1.96
EICHERMOT	98	95	96	0	0.56
ESCORTS	96	86	95	-9	0.36
EXIDEIND	91	97	94	2	0.43
HEROMOTOCO	96	98	93	4	0.08
M&M	98	94	96	-2	0.25
MARUTI	96	99	94	5	0.55
MOTHERSUMI	95	91	93	-3	0.31
MRF	95	95	96	-1	-0.16
TATAMOTORS	98	76	95	-19	1.09
TVSMOTOR	90	96	89	7	0.49
Banking					
AXISBANK	98	94	95	-1	0.26
BANDHANBNK	95	89	86	3	0.57
BANKBARODA	97	95	95	0	0.78
CANBK	96	90	89	1	0.45
FEDERALBNK	98	95	87	8	0.50
HDFCBANK	96	94	96	-1	-0.21
ICICIBANK	99	97	97	0	0.44
IDFCFIRSTB	98	96	96	0	-0.98
INDUSINDBK	98	93	97	-4	0.27
KOTAKBANK	96	93	96	-2	-0.27
PNB	94	95	82	13	0.62
RBLBANK	94	93	93	0	0.45
SBIN	97	90	95	-5	0.14

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Company	Oct to Nov roll%	Nov to Dec roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Capital_Goods					
BEL	95	93	92	2	0.55
BHEL	92	96	86	10	0.48
CUMMINSIND	84	93	90	3	0.09
LT	94	96	94	2	0.37
SIEMENS	98	90	97	-7	0.41
VOLTAS	89	91	89	2	0.33
Cement					
ACC	86	96	93	2	0.27
AMBUJACEM	88	97	92	4	0.60
GRASIM	99	98	99	0	0.23
RAMCOCEM	98	97	94	2	0.57
SHREECEM	95	98	95	3	0.32
ULTRACEMCO	98	95	96	-1	0.39
Fertilisers					
TATACHEM	93	88	93	-5	0.41
UPL	96	97	93	4	0.49
Finance					
BAJAJFINSV	98	89	93	-4	0.26
BAJFINANCE	96	92	95	-3	-0.19
CHOLAFIN	83	86	90	-3	0.15
HDFC	99	97	97	0	0.38
HDFCLIFE	99	95	97	-2	0.29
IBULHSGFIN	96	89	88	1	0.84
ICICIPRULI	99	89	97	-7	0.30
L&TFH	85	79	87	-9	-0.13
LICHSGFIN	95	95	90	5	0.43
M&MFIN	96	93	91	2	0.36
MANAPPURAM	84	97	91	7	0.75
MFSL	95	96	88	8	0.56
MUTHOOTFIN	95	97	94	2	0.53
PFC	96	68	96	-28	0.32
SBILIFE	96	97	95	1	0.36
SRTRANSFIN	84	92	92	0	-0.19
FMCG					
ASIANPAINT	92	98	91	7	0.45
BATAINDIA	96	87	94	-7	0.47
BERGEPAIN	91	81	95	-14	0.37
BRITANNIA	84	98	91	7	0.36
COLPAL	92	91	96	-6	0.29
DABUR	98	97	98	-1	0.58
GODREJCP	84	96	91	4	0.49
HINDUNILVR	97	99	83	16	0.36
ITC	94	94	94	0	0.62
MARICO	98	94	97	-4	0.41
MCDOWELL-N	98	98	97	1	0.52
NESTLEIND	96	70	97	-28	-0.18
PIDILITIND	95	98	97	1	0.41
TATACONSUM	96	96	94	2	0.46
TITAN	97	96	95	0	0.39
UBL	92	88	92	-4	0.43

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Company	Oct to Nov roll%	Nov to Dec roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	74	79	77	2	0.19
NIFTY	77	79	76	3	0.35
BANKNIFTY					
GMRINFRA	98	96	87	9	0.58
Media					
PVR	94	76	87	-11	-0.65
SUNTV	96	96	92	4	0.44
ZEEL	97	98	94	4	0.45
Metals					
HINDALCO	96	92	94	-1	0.46
JINDALSTEL	98	94	95	-1	0.42
JSWSTEEL	97	98	98	0	0.39
NATIONALUM	90	69	93	-24	-0.27
NMDC	73	93	86	7	0.62
SAIL	97	84	86	-1	0.86
TATASTEEL	97	96	96	0	0.43
VEDL	90	96	84	11	0.63
Oil_Gas					
BPCL	92	91	94	-2	0.33
GAIL	94	80	90	-10	0.24
HINDPETRO	97	93	96	-3	0.49
IGL	95	94	92	3	0.47
IOC	95	89	94	-5	0.35
MGL	96	94	93	1	0.63
ONGC	89	85	93	-8	0.31
PETRONET	63	92	85	7	0.49
RELIANCE	93	96	95	1	0.48
Others					
ADANIENIT	98	98	96	1	0.54
ADANI PORTS	99	98	98	0	0.45
APOLLOHOSP	86	91	90	2	0.03
COALINDIA	87	90	91	-1	0.60
CONCOR	98	96	93	3	0.45
HAVELLS	98	83	98	-15	0.48
INDIGO	97	92	91	1	0.07
JUBLFOOD	90	95	88	7	0.37

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Company	Oct to Nov roll%	Nov to Dec roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Pharma					
AUROPHARMA	94	98	96	3	0.41
BIOCON	96	98	96	2	0.50
CADILAHG	96	96	95	1	0.42
CIPLA	98	96	96	0	0.53
DIVISLAB	98	96	96	0	0.22
DRREDDY	97	98	96	3	0.50
GLENMARK	97	96	94	2	0.45
LUPIN	74	95	89	7	0.37
PEL	96	95	97	-2	0.51
SUNPHARMA	96	98	97	1	0.58
TORNTPHARM	98	98	97	1	0.43
Power					
NTPC	87	94	89	5	0.32
POWERGRID	85	85	86	-1	-1.84
RECLTD	93	93	94	-1	0.25
TATAPOWER	97	97	97	1	0.64
TORNTPOWER	91	97	93	4	0.60
Realty					
DLF	96	96	95	1	0.62
GODREJPROP	86	88	88	-1	-0.17
Technology					
HCLTECH	97	99	93	6	0.26
INFY	97	97	91	6	0.45
MINDTREE	84	93	91	2	0.51
NAUKRI	93	96	93	3	0.17
COFORGE	74	90	84	5	0.63
TCS	79	96	84	12	0.39
TECHM	96	96	95	1	0.54
WIPRO	86	92	90	2	-0.25
Telecom					
BHARTIARTL	97	98	97	1	0.51
IDEA	77	96	82	14	0.50
INFRATEL	96	88	94	-6	-2.94
Textile					
PAGEIND	86	95	94	1	0.34
SRF	96	92	95	-3	0.43

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