

AUGUST SERIES VIEW

Last month, the benchmark indices faced heavy selling pressure, which dragged the Nifty down by 589 points (EoE) as the sentiment was hurt after Finance Minister quashed hopes of any relief to overseas investors from the higher tax surcharge and Budget declarations about raising public holdings. Meanwhile, continuous heavy foreign fund outflow, concerns over an economic slowdown, weak corporate earnings, and weak monsoon would continue to weigh on market sentiment. Finally, Nifty Spot settled on a weaker note at 11252, down 4.97% (EoE) indicating weakness for the short term. On the expiry day, Nifty Futures rollover stood at 74%, which is lower than the average rollover of 78% of the last three series. Nifty will start the August series with an OI of 1.79 Cr shares compared with OI of 1.92 Cr shares at the beginning of the July series. Market-wide rollovers stood higher at 92% compared with the average rollovers of 90% in the last three series. Going into August, key events that would act as market triggers would include GST meeting to reduce tax, global markets trends, Q1FY20 earnings, FII inflows, progress of monsoon, the movement of Rupee against the Dollar, and crude oil price movement will dictate the trend on the bourses in the near term.

DERIVATIVES INDICATORS

India VIX closed lower at 12.63 vs. 14.64 of the previous month indicating low volatility in market. Another leading derivative indicator, Nifty PCR, opened on a lower note this month at 1.37 against last month's 1.51

BANKNIFTY

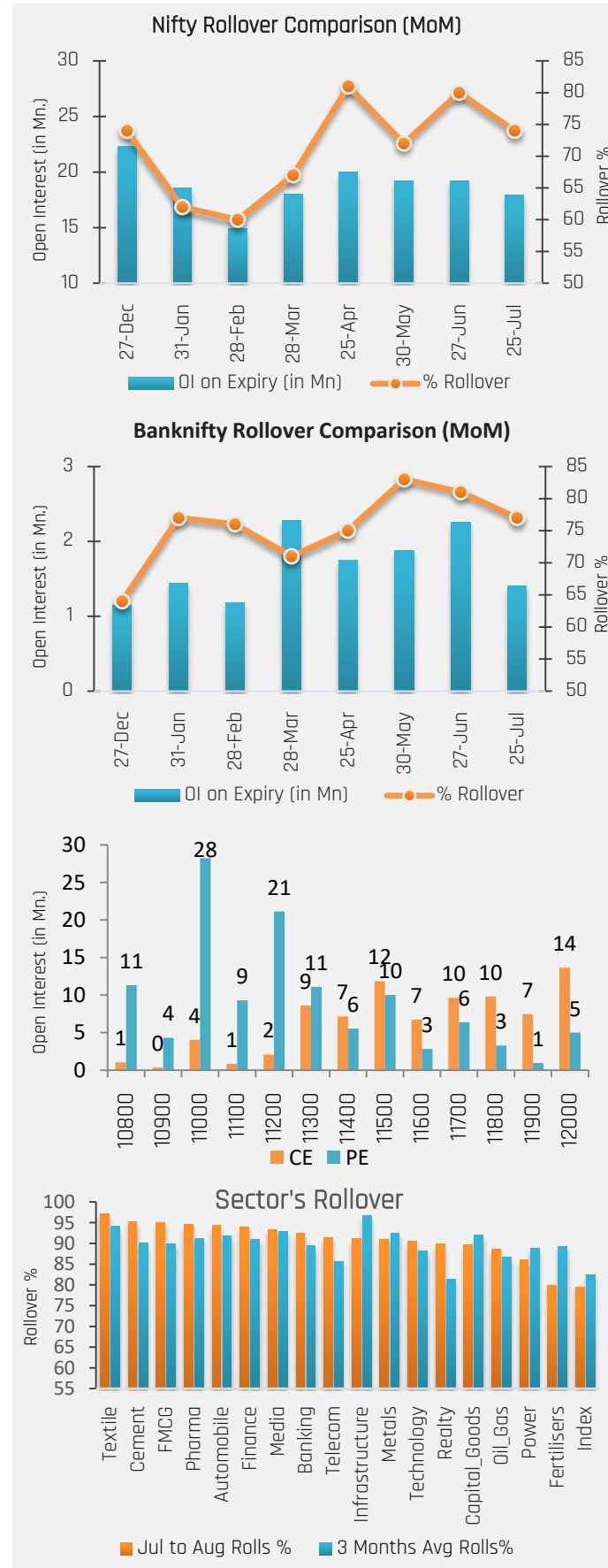
The index saw lower rolls of 77% compared with the 3M average of 80%. BankNifty will start the August series with an OI of 1.40 Mn shares compared with OI of 2.26 Mn shares at the beginning of the Jul series. As per options data, support for the index is around 28500 and 28000 whereas resistance stands at 30000 and 30500 for the short term.

OPTION ANALYSIS

From the OI Concentration (29-Aug Series), maximum addition of Open Interest on the call options front exists at strike prices of 11500 and 12000 (with nearly 11.84 lacs and 13.64 lacs shares outstanding). This indicates that these levels will act as the resistance zone on the upside for the short term. On the put options front, addition of Open Interest is at strike prices of 11200 and 11000 (with nearly 21.14 lacs and 28.23 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Textile, Cement, Banking, FMCG, Pharma, Automobile, and Telecom stocks on expiry. However, low rollovers were seen in Fertilizers, Infrastructure, Power, and Capital Goods stocks.
- Within the Nifty50 space, index heavyweights such as HINDPETRO, ADANI PORTS, COALINDIA, IOC, GAIL, TCS, and NTPC saw aggressive rollover in the August series while low rolls were seen in UPL, POWERGRID, HEROMOTOCO, SUNPHARMA, and VEDL compared with the 3M average.
- From the midcap space, TATAGLOBAL, ICICIPRULI, HAVELLS, BANKBARODA, LUPIN, and BIOCON saw high rollovers whereas CONCOR, MCX, INDIGO, CASTROLIND, and IGL saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY

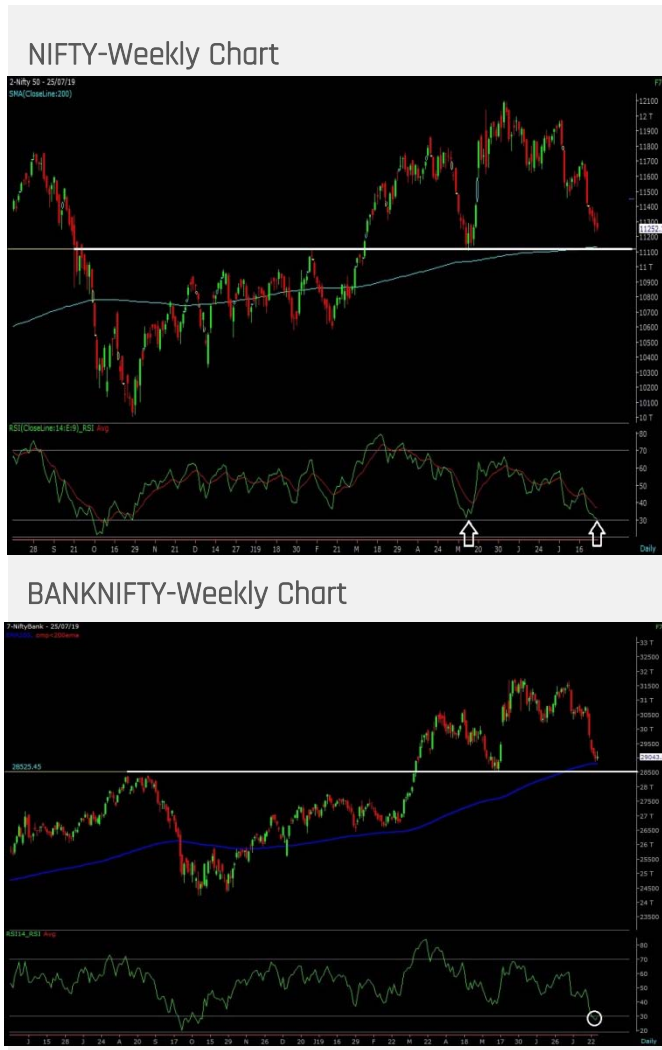
Last month, the index has witnessed strong selling pressure due to which it has broken the key support of 11500 and witnessed trendline breakdown indicating weakness. On the lower side, previous swing low is placed close to 11120 and 200 DSMA is placed close to 11130. Thus, 11100 will act as strong support for Nifty. On the higher side, recent breakdown point of 11500 will act as the first hurdle followed by 11800 where the bearish gap is placed.

RSI on daily scale is placed in the oversold zone. Thus, for the short term, due to oversold condition, pullback can be possible but it should be used for selling purpose.

TECHNICAL VIEW ON BANKNIFTY

Last month, the index has seen strong sell-off and has broken the key support of 30200, witnessing trendline breakdown indicating weakness. On the lower side, the previous swing low is placed close to 28500 and 200 DEMA is placed close to 28800. Thus, 28000-28500 will act as strong support for BankNifty. On the higher side, 29700 will act as the first hurdle where the bearish gap is placed followed by 30200 where recent breakdown point is placed. Sell-on-rise strategy needs to be adopted.

For the Aug series, 28500 and 28000 will act as support whereas 29700 and 30200 will act as resistance points.



Stocks to watch out based on Rollover Analysis:

POSITIVE	
TCS	Strong rollover of 93% compared with 3 month avg of 80% indicating long position carried forward
AMARAJABAT	Strong rollover of 98% compared with 3 month avg of 95% indicating long position carried forward
COLPAL	Strong rollover of 97% compared with 3 month avg of 92% indicating long position carried forward
KOTAKBANK	Strong rollover of 86% compared with 3 month avg of 83% indicating long position carried forward
NEGATIVE	
TATAGLOBAL	Strong rollover of 97% compared with 3 month avg of 76% indicating short position carried forward.
ADANI PORTS	Strong rollover of 94% compared with 3 month avg of 78% indicating short position carried forward.
WIPRO	Strong rollover of 90% compared with 3 month avg of 81% indicating short position carried forward.

DERIVATIVES ROLLOVER ANALYSIS

26-07-2019

Rollover Update (Sector Wise)

Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	95	98	95	2	-0.74
APOLLOTYRE	72	87	89	-2	0.65
ASHOKLEY	95	97	90	7	0.41
BAJAJ-AUTO	84	89	84	5	0.60
BALKRISIND	99	97	97	0	-0.31
BHARATFORG	94	98	93	5	-0.06
BOSCHLTD	98	99	93	6	-0.27
EICHERMOT	93	91	89	2	0.53
ESCORTS	99	98	97	0	0.55
EXIDEIND	99	97	99	-2	0.66
HEROMOTOCO	91	85	88	-3	0.58
M&M	92	93	91	2	0.47
MARUTI	92	95	87	8	-0.78
MOTHERSUMI	91	94	92	3	-0.85
MRF	94	97	94	4	0.08
TATAMOTORS	98	98	94	4	0.35
TATAMTRDVR	98	98	95	3	0.14
TVSMOTOR	88	86	88	-1	0.45
Banking					
AXISBANK	91	89	89	0	0.62
BANKBARODA	78	95	84	11	0.41
BANKINDIA	97	95	96	-1	-0.20
CANBK	95	93	96	-3	0.38
FEDERALBNK	81	94	89	5	0.59
HDFCBANK	88	85	84	1	0.37
ICICIBANK	91	92	86	6	0.59
IDBI	96	96	96	0	-1.79
IDFCFIRSTB	97	97	95	1	-0.13
INDUSINDBK	90	85	83	1	0.10
KOTAKBANK	85	86	83	3	0.61
PNB	94	98	92	6	0.68
RBLBANK	87	90	89	0	0.63
SBIN	92	91	84	8	0.66
UNIONBANK	98	97	98	-1	0.00
YESBANK	96	96	88	8	0.63
Capital_Goods					
BEL	97	94	96	-2	-1.36
BHEL	90	75	83	-8	0.41
CUMMINSIND	91	96	92	4	-4.22
LT	88	90	86	4	0.66
SIEMENS	99	96	97	-1	0.50
VOLTAS	96	87	97	-10	-0.22

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Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	86	97	88	9	-0.24
AMBUJACEM	87	97	90	7	0.51
GRASIM	94	94	92	2	0.26
RAMCOCEM	98	94	98	-4	0.32
SHREECEM	79	95	85	10	0.21
ULTRACEMCO	94	94	87	7	0.52
ACC	86	97	88	9	-0.24
Fertilisers					
TATACHEM	89	91	95	-4	-0.05
UPL	76	69	83	-15	0.65
Finance					
BAJAJFINSV	88	83	81	2	0.64
BAJFINANCE	94	92	91	1	0.36
CHOLAFIN	95	88	95	-6	-1.16
DHFL	85	94	93	1	-4.89
EQUITAS	97	98	96	2	0.44
HDFC	93	96	91	6	0.39
IBULHSGFIN	98	98	87	10	-0.64
ICICIPRULI	81	94	78	16	-0.50
L&TFH	88	91	89	2	0.15
LICHSGFIN	95	98	91	7	-1.04
M&MFIN	97	98	92	6	0.44
MANAPPURAM	98	87	95	-7	-0.56
MFSL	99	96	97	-1	0.53
MUTHOOTFIN	97	97	97	0	0.29
PFC	86	94	85	9	0.45
RELCAPITAL	91	90	93	-3	-8.78
SRTRANSFIN	96	99	93	6	0.21
UJJIVAN	96	97	96	1	-3.32
FMCG					
ASIANPAINT	91	90	87	3	0.33
BATAINDIA	93	97	95	2	0.64
BERGEPAIN	96	99	96	3	-0.52
BRITANNIA	85	84	87	-3	-0.28
COLPAL	92	97	92	5	0.54
DABUR	97	95	93	3	0.26
GODREJCP	95	95	85	9	0.18
HINDUNILVR	93	95	91	4	0.60
ITC	87	90	86	4	0.63
MARICO	97	99	93	6	0.39
MCDOWELL-N	88	99	91	8	0.53
NESTLEIND	96	95	92	3	0.37
PIDILITIND	94	99	91	8	-0.15
TATAGLOBAL	68	97	76	21	0.74
TITAN	90	89	87	2	0.06
UBL	99	98	97	1	-0.02

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Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	81	77	80	-3	0.54
NIFTY	80	74	78	-4	0.43
NIFTYIT	90	88	90	-2	0.61
Infrastructure					
ENGINERSIN	98	84	98	-13	0.34
GMRINFRA	98	93	96	-3	0.00
NBCC	96	93	97	-3	0.52
NCC	96	94	96	-2	-0.81
Media					
DISHTV	96	96	95	1	1.24
PVR	93	95	92	2	-1.53
SUNTV	88	84	91	-6	0.15
ZEEL	98	98	93	5	0.10
Metals					
HINDALCO	88	91	87	4	-0.58
HINDZINC	94	86	94	-8	0.64
JINDALSTEL	95	98	92	6	0.30
JSWSTEEL	96	97	94	3	0.66
NATIONALUM	92	80	94	-14	0.44
NMDC	94	96	90	6	0.55
SAIL	98	82	96	-14	-0.12
TATASTEEL	91	97	92	5	0.41
VEDL	95	91	93	-1	0.58
Oil_Gas					
BPCL	83	91	81	10	-1.67
CASTROLIND	98	83	98	-15	-1.36
GAIL	85	91	76	15	0.07
HINDPETRO	93	98	81	17	0.64
IGL	96	81	94	-13	-2.43
IOC	79	90	75	15	-1.88
MGL	99	97	97	0	-0.74
OIL	95	73	96	-22	-0.58
ONGC	78	83	76	7	0.38
PETRONET	94	95	92	2	-1.31
RELIANCE	91	92	87	5	0.13
Others					
ADANIENIT	98	99	98	1	-0.04
ADANI PORTS	76	94	78	17	0.59
APOLLOHOSP	96	98	97	1	0.64
COALINDIA	79	87	71	16	0.60
CONCOR	90	57	86	-29	-0.98
HAVELLS	87	98	86	13	0.10
INDIGO	92	64	89	-25	0.15
JUBLFOOD	94	97	97	0	-2.72
JUSTDIAL	92	88	93	-5	-5.88
KAJARIACER	95	75	96	-21	-0.50
MCX	99	72	98	-27	0.35

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Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Pharma					
AUROPHARMA	91	96	91	5	0.50
BIOCON	90	97	87	10	0.52
CADILAHC	94	97	93	4	0.65
CIPLA	91	99	90	10	-0.15
DIVISLAB	93	99	92	7	-0.44
DRREDDY	98	99	93	6	0.32
GLENMARK	95	88	97	-9	-0.15
LUPIN	88	98	87	11	-0.67
PEL	90	87	87	1	0.57
STAR	98	95	96	-1	-0.46
SUNPHARMA	94	91	94	-2	0.06
TORNTPHARM	93	87	86	1	-0.33
Power					
ADANIPOWER	98	96	95	1	0.08
CESC	97	98	94	4	0.37
NTPC	74	85	72	13	-1.43
POWERGRID	87	76	82	-6	-0.52
RECLTD	92	69	92	-23	-1.26
RELINFRA	94	91	94	-3	-5.41
TATAPOWER	93	92	93	0	0.32
TORNTPOWER	84	81	88	-7	0.72
Realty					
DLF	86	90	81	9	0.68
Technology					
HCLTECH	90	86	87	0	0.19
HEXAWARE	93	82	92	-10	-2.16
INFY	89	94	88	6	0.63
BSOFT	83	91	91	0	-2.33
MINDTREE	93	95	87	8	0.51
NIITTECH	64	88	82	5	-8.56
OFSS	99	99	99	1	0.54
TATAELXSI	98	86	97	-11	0.65
TCS	88	93	80	13	0.63
TECHM	91	92	88	4	0.44
WIPRO	85	90	81	9	0.59
Telecom					
BHARTIARTL	89	90	88	2	0.44
IDEA	83	88	85	3	0.52
INFRATEL	85	97	84	13	0.55
Textile					
ARVIND	83	95	89	6	-3.08
CENTURYTEX	99	98	99	-1	0.39
PAGEIND	96	96	89	7	-2.30
RAYMOND	97	98	97	1	0.03
SRF	95	98	97	1	0.47

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