

DERIVATIVES ROLLOVER ANALYSIS

31-07-2020

AUGUST SERIES VIEW

Last Expiry, Bulls continue to shine on Dalal Street for the second straight month and strong rally has been seen across all the sectors, supported by positive global cues, better-than-expected corporate earnings, progress in Covid-19 vaccine, globally announcement of COVID-19 stimulus package and expectation of faster economy recovery. Nifty gained more than 8% during the July series due to rally in index heavyweight stocks, and finally index ended the series at 11102.15 with a gain of 856 points (EoE) indicating positive bias for short term. However, investors should remain cautious as the market continues to stay volatile in the near term due to increasing number of COVID-19 cases and its impact on economy. On the expiry day, Nifty Futures rollover stood at 78%, which is higher than the last three series average rollover of 75%, indicating long position carry forward. Nifty will start the August series with open interest of 1.11 Cr shares compared with OI of 1.14 Cr shares at the beginning of the July series. Market-wide rollovers stood lower at 88% compared with the average rollovers of 92% in the last three series. Going into August month rise in corona-virus infections and development in vaccine, progress of monsoon, US-China tension, and Rupee movement against the Dollar, Fiis flow, quarterly results, global cues, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

India VIX cool off sharply by 16.82% (EoE) and closed lower at 24.73% vs. 29.73% of the previous month indicating low volatility in market. Another leading derivatives indicator, Nifty PCR, opened on flat note this month at 1.49 against last month's 1.50.

BANKNIFTY

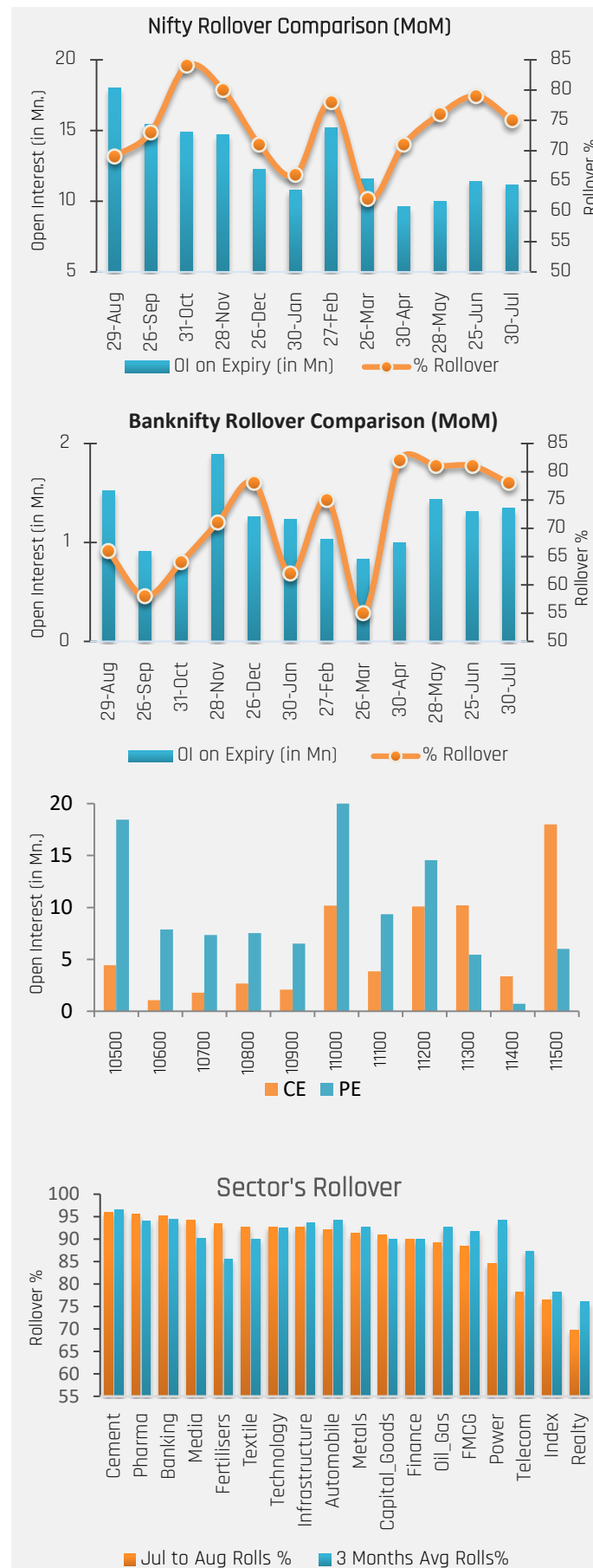
The index saw lower rolls of 75% compared with the 3M average of 81%. BankNifty will start the August series with an OI of 1.35 Mn shares compared with OI of 1.30 Mn shares at the beginning of the July series. As per options data, support for the index is around 21000 and 19000 whereas resistance stands at 23000 and 25000 for the short term.

OPTION ANALYSIS

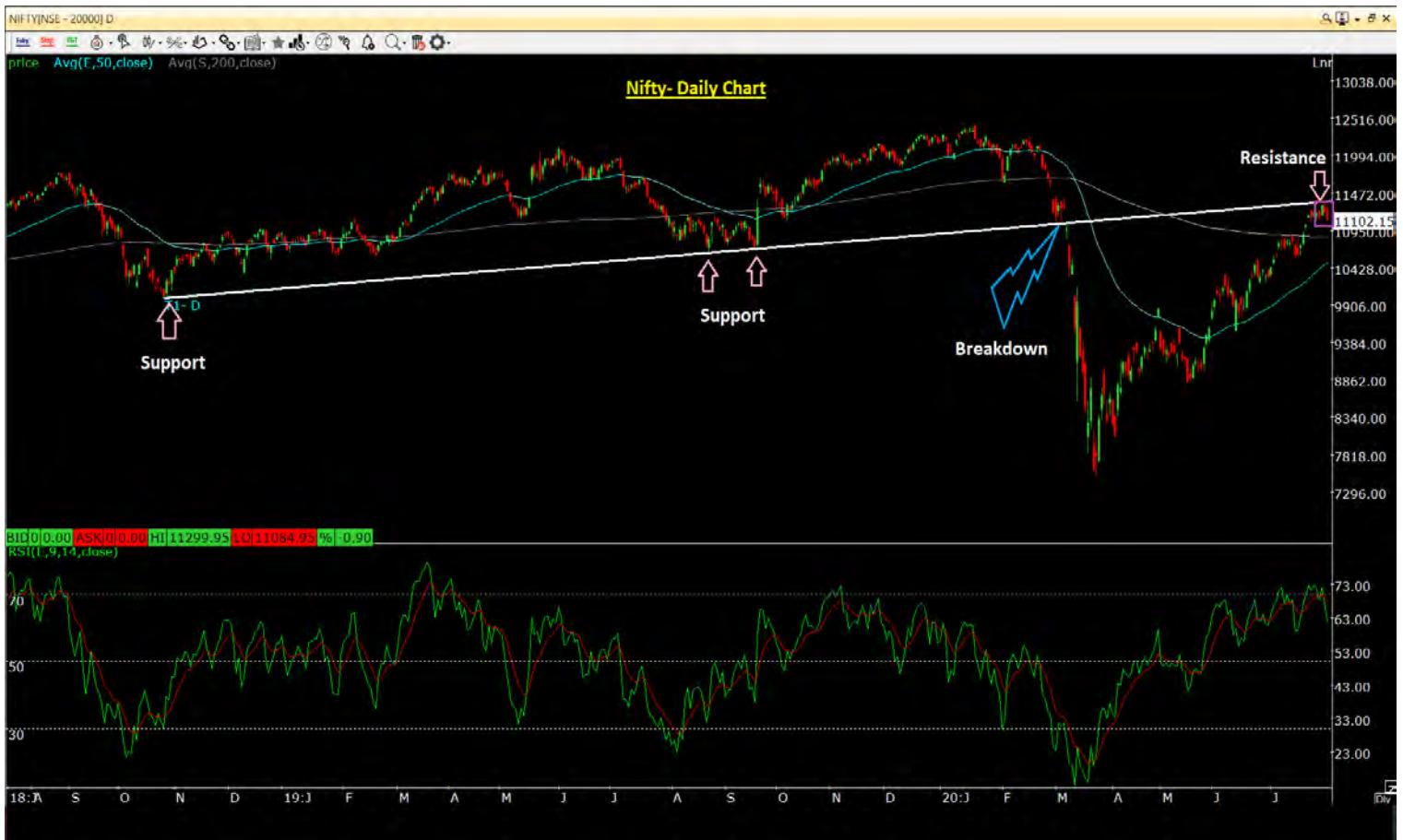
From the OI Concentration (27-August Series), Open Interest on the call options front exists at strike prices of 11300 and 11500 (with nearly 10.20 lacs and 17.98 lacs shares outstanding). This indicates that these levels will act as the resistance zone on the upside for the short term. On the put options front, addition of Open Interest is at strike prices of 11000 and 10500 (with nearly 31.04 lacs and 18.44 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for PHARMA, MEDIA, BANKING, TEXTILE, and FERTILISERES, stocks on expiry. However, low rollovers were seen in REALTY, POWER, FMCG and TELECOM 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 ITC, TCS, UPL, LT, CIPLA, and RELIANCE saw aggressive rollover in the August series while low rolls were seen in POWERGRID, NTPC, ONGC, HINDALCO and COALINDIA compared with the 3M average.
- From the midcap space, PVR, COLPAL, INDIGO, RBLBANK, and BALKRISIND saw high rollovers whereas DLF, IDEA, GODREJCP, CONCOR and UBL saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



NIFTY 50 - 30-JULY 2020 DAILY CHART

Nifty-Daily chart

- The index has witnessed sharp upmove in the July series. On the back of that the index has tested the trend line resistance point of 11350 as highlighted in the above chart.
- Technically, the index on the daily scale has formed **bearish harami candlestick pattern**. As per this pattern, as long as index remains below 11350, weakness can be possible.
- On the downside, 200 DMA is currently placed close to 10862, which will act as short-term support and 50 DEMA is placed close to 10496, which will act as strong support for the medium-term.
- On the upside, if index sustains above 11350, then it can test the levels of 11500-11600.
- RSI on the daily scale has taken resistance close to its previous high and coming down from the overbought zone.
- For the August series, 10800 and 10500 will act as support point whereas 11350 and 11600 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty - Daily chart

- The index on the daily scale has taken resistance around its recent swing high and witnessed selling pressure. Technically, the index is consolidating in a rising channel pattern. Currently, the index is placed close to the lower end of the channel pattern.
- 50 DEMA is placed close to 21640, which will act as the key support for the index in the short term. Moreover, Trend line support is placed close to 21600 levels. If the index sustains below 21600, then it can test the levels of 21000-20500.
- Previous swing low is placed close to 21000, which will act as short-term support followed by 19500.
- Upper trend line resistance is currently placed close to 24000, which will act as a strong hurdle.
- RSI on the daily scale has formed negative divergence indicating weakness.
- For the August series, 21000 and 19500 will act as support points whereas 22600 and 24000 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
ITC	Strong Rollover of 91% compared with 3 months average of 74%.
BALKRISIND	Strong Rollover of 95% compared with 3 months average of 86%.
HINDUNILVR	Strong Rollover of 95% compared with 3 months average of 91%.
NEGATIVE	
DLF	Weak rollover of 65% compared with 3 month average of 94%.
LICHSGFIN	Rollover of 93% compared with 3 month average of 87%.

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Rollover Update (Sector Wise)

Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	97	84	98	-14	-0.03
APOLLITYRE	95	95	94	2	0.18
ASHOKLEY	84	95	92	3	0.41
BAJAJ-AUTO	97	92	97	-5	0.28
BALKRISIND	74	95	86	9	0.40
BHARATFORG	97	94	95	-2	0.36
BOSCHLTD	99	97	99	-1	-0.54
EICHERMOT	95	94	96	-2	-0.11
ESCORTS	90	82	91	-9	0.31
EXIDEIND	80	98	92	6	0.36
HEROMOTOCO	96	85	93	-8	0.00
M&M	96	91	97	-5	0.20
MARUTI	97	98	96	2	-0.80
MOTHERSUMI	98	92	95	-3	0.21
MRF	99	90	93	-3	0.30
TATAMOTORS	89	94	93	1	0.05
TVSMOTOR	94	90	94	-4	-1.68
Banking					
AXISBANK	96	96	98	-1	0.28
BANDHANBNK	96	94	96	-2	-0.37
BANKBARODA	91	95	93	1	0.33
CANBK	93	95	94	2	-0.90
FEDERALBNK	92	97	95	2	0.28
HDFCBANK	96	95	95	0	-0.06
ICICIBANK	97	96	97	-1	0.30
IDFCFIRSTB	93	96	95	1	-0.93
INDUSINDBK	96	98	96	2	0.15
KOTAKBANK	90	94	93	1	-0.34
PNB	94	96	96	0	0.32
RBLBANK	90	93	83	9	-1.80
SBIN	97	92	96	-4	0.48
Capital_Goods					
BEL	94	76	87	-12	-0.37
BHEL	91	95	91	4	0.27
CUMMINSIND	97	97	89	8	-2.88
LT	72	96	88	9	-0.70
SIEMENS	98	97	94	3	0.26
VOLTAS	90	84	90	-6	-1.26

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Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	99	95	95	0	-0.10
AMBUJACEM	99	98	97	1	0.25
GRASIM	98	96	98	-2	0.17
RAMCOCEM	97	97	96	0	-0.22
SHREECEM	98	94	97	-3	0.34
ULTRACEMCO	94	96	96	0	0.08
Fertilisers					
TATACHEM	92	96	89	7	0.45
UPL	87	91	82	9	-0.08
Finance					
BAJAJFINSV	93	95	94	0	0.31
BAJFINANCE	91	93	94	0	-0.53
CHOLAFIN	88	75	89	-14	-1.70
EQUITAS	81	90	89	1	0.40
HDFC	99	99	98	1	0.28
HDFCLIFE	71	92	84	8	0.12
IBULHSGFIN	83	82	91	-9	0.55
ICICIPRULI	94	91	95	-4	0.43
L&TFH	79	94	90	4	0.42
LICHSGFIN	85	93	87	6	-2.01
M&MFIN	90	73	92	-19	-6.29
MANAPPURAM	92	95	94	1	0.12
MFSL	90	85	90	-5	0.64
MUTHOOTFIN	86	94	88	6	0.27
PFC	98	98	98	1	0.43
SBILIFE	97	93	65	28	0.25
SRTRANSFIN	88	91	90	1	0.23
UJJIVAN	90	87	91	-4	-0.86
FMCG					
ASIANPAINT	97	99	96	3	0.12
BATAINDIA	96	91	95	-4	0.14
BERGEPAIN	98	87	94	-7	-0.07
BRITANNIA	87	88	86	2	0.30
COLPAL	97	98	86	12	0.38
DABUR	88	80	92	-13	-0.03
GODREJCP	99	63	89	-27	0.18
HINDUNILVR	92	95	91	4	0.33
ITC	86	91	74	17	0.08
MARICO	99	95	98	-3	0.14
MCDOWELL-N	98	95	98	-3	0.53
NESTLEIND	99	82	89	-7	0.02
PIDILITIND	99	98	98	0	0.37
TATACONSUM	97	89	92	-2	0.31
TITAN	97	91	96	-6	-0.19
UBL	95	74	94	-20	0.18

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Company	Jun to Jul roll%	Jul to Aug roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	81	75	81	-6	-0.11
NIFTY	79	78	75	2	-0.13
Infrastructure					
GMRINFRA	91	93	94	-1	0.57
Media					
PVR	89	96	86	10	-2.23
SUNTV	98	93	95	-2	0.03
ZEEL	76	94	90	4	0.36
Metals					
HINDALCO	94	74	92	-18	-0.25
JINDALSTEL	83	96	90	6	-0.08
JSWSTEEL	99	94	97	-3	0.16
NATIONALUM	95	94	94	0	0.62
NMDC	97	97	97	0	0.23
SAIL	91	92	88	3	0.58
TATASTEEL	82	88	89	0	-2.72
VEDL	94	96	94	2	0.54
Oil_Gas					
BPCL	96	92	96	-5	0.17
GAIL	94	92	93	-1	0.36
HINDPETRO	96	90	82	8	0.11
IGL	90	91	92	-1	0.16
IOC	97	89	96	-6	0.28
MGL	94	89	97	-7	0.11
ONGC	98	73	96	-23	0.13
PETRONET	85	92	93	-2	0.35
RELIANCE	94	94	89	5	0.20
Others					
ADANIENT	97	96	95	1	0.49
ADANI PORTS	99	98	98	0	0.22
APOLLOHOSP	95	80	96	-15	-2.22
COALINDIA	91	84	95	-11	0.27
CONCOR	97	73	98	-24	-0.20
HAVELLS	97	98	97	1	-0.04
INDIGO	83	96	86	11	0.35
JUBLFOOD	87	85	84	1	-0.23
Pharma					
AUROPHARMA	99	98	96	2	0.31
BIOCON	96	98	91	6	0.32
CADILAHC	77	98	90	8	0.38
CIPLA	95	93	87	6	0.40
DIVISLAB	99	96	98	-2	0.32
DRREDDY	98	97	97	0	0.18
GLENMARK	83	91	92	-1	0.49
LUPIN	91	87	94	-8	-0.19
PEL	95	98	97	0	0.08
SUNPHARMA	97	97	96	1	0.11
TORNTPHARM	98	99	96	2	0.46

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Power					
NTPC	97	78	96	-18	0.17
POWERGRID	95	60	96	-37	-1.58
RECLTD	92	96	95	1	0.35
TATAPOWER	84	97	90	7	0.42
TORNTPOWER	93	92	93	-1	0.30
NTPC	97	78	96	-18	0.17
Realty					
DLF	94	65	94	-29	-0.04
GODREJPROP	83	74	58	16	-0.06
Technology					
HCLTECH	92	90	91	-1	0.07
INFY	97	96	97	-1	0.26
MINDTREE	93	93	90	4	-0.15
NAUKRI	91	95	95	-1	0.21
NIITTECH	93	83	92	-9	0.09
TCS	58	96	84	12	0.25
TECHM	99	95	98	-2	0.23
WIPRO	93	93	94	0	0.12
Telecom					
BHARTIARTL	97	96	94	2	-0.23
IDEA	83	48	76	-28	1.25
INFRATEL	95	90	91	-1	-0.88
Textile					
CENTURYTEX	72	97	90	7	-0.58
PAGEIND	80	84	84	0	-0.03
SRF	97	97	96	1	0.10

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