

DERIVATIVES ROLLOVER ANALYSIS

26-08-2022

SEPTEMBER SERIES VIEW

Bulls extended their grip on Dalal Street in August expiry and closed with healthy gains. Positive global cues, fresh buying by foreign institutional investors (FIIs), and lower crude oil boosted investor confidence. The benchmark indices have slightly corrected from their recent peak, which was on expected lines. Finally, Nifty settled the expiry (EoE) on a positive note at 17522 with a gains of 593 points (EoE), indicating favorable bias for the short term. However, any uncertain move from the US Federal Reserve front, inflation risk, economy slowdown, and higher Dollar index 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 82%, which is higher as compared with the last three series average rollover of 76%. Nifty will start the September series with an open interest of 1.14 Cr shares compared with an OI of 0.99 Cr shares at the beginning of the August series. Market-wide rollovers stood at 92% as compared with the average rollovers of 92% in the last three series. Going into September month, Covid-19 cases, monthly auto sales data, Rupee movement against the Dollar, the US Fed policy, Fiis flow, economic data, progress of monsoon and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX shoot up by 15.05% (EoE) and closed at 19.57% vs. 17.01% of the previous month, expecting market to remain volatile due to increasing fears of economic slowdown, geopolitical issues and Fed policy. Another leading derivatives indicator, Nifty PCR, opened on a lower note this month at 1.05 against last month's 1.43.

BANKNIFTY

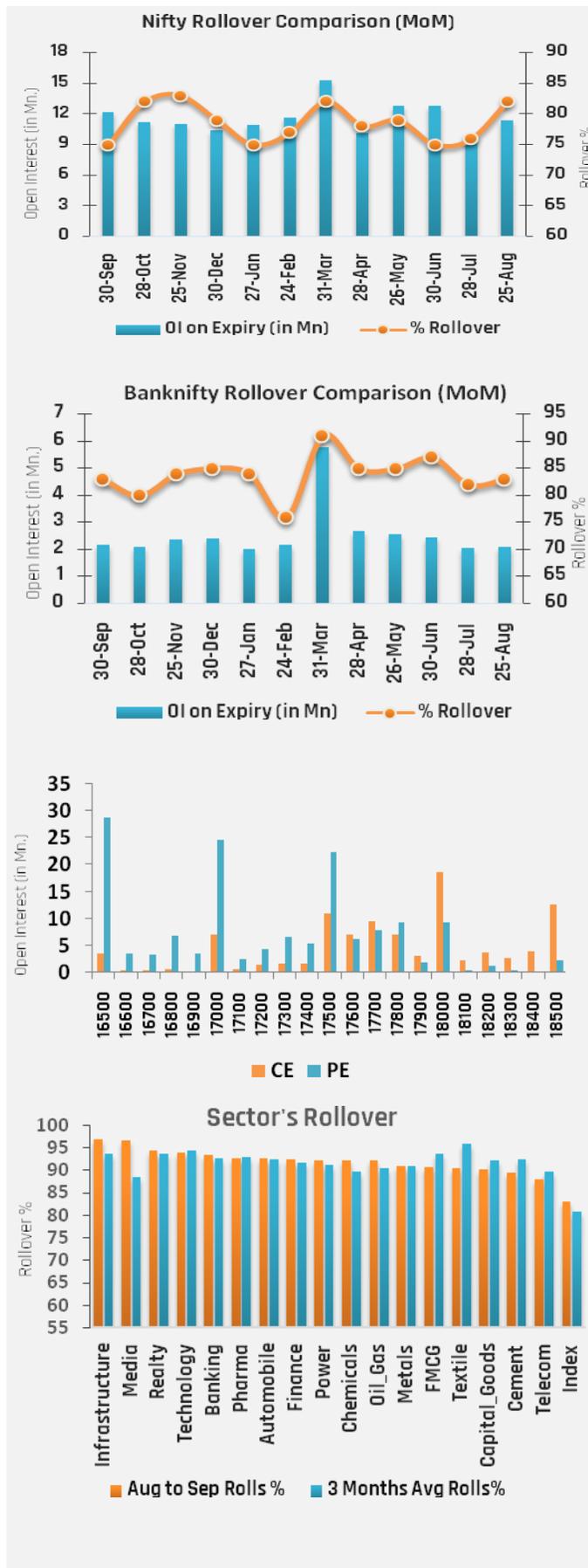
The index saw lower rolls of 83% as compared with the 3M average of 85%. BankNifty will start the September series with higher OI of 2.20 Mn shares as compared with OI of 2.05 Mn shares at the beginning of the August series. As per options data, support for the index stands around 37000 and 36000 whereas resistance stands at 40000 and 41000 for the short term.

OPTION ANALYSIS

From the OI Concentration (29-Sep Series), Maximum open Interest on the call options front exists at strike prices of 18000 and 18500 (with nearly 18.57 lacs and 12.59 lacs shares outstanding respectively). This indicates 18000 and 18500 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, 17000 and 16500 (with nearly, 22.33 lacs, 24.70 lacs and 28.72 lacs shares outstanding respectively) indicating 17000 and 16500 levels will be stronger support zone.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **INFRASTRUCTURE, METALS, CHEMICALS, OIL&GAS, POWER** and **REALTY**, sectors in September expiry. However, low rollovers were seen in **TELECOM, CAPITAL GOODS, CEMENT, TEXTILE** and **FMCG** sectors stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as **ONGC, UPL, BPCL, M&M, and COALINDIA** saw aggressive rollover in the September series while low rolls were seen in **NESTLEIND, BHARTIARTL, BAJAJFINSV, HDFCLIFE** and **TATACONSUM** compared with the 3M average rollover.
- From the midcap space, **SUNTV, CUB, IBULHSGFIN, DELTACORP, and CONCOR** saw high rollovers whereas **CROMPTON, SRF, RAMCOCEM, TVSMOTOR, and MPHASIS** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



Nifty-Daily chart

- The index had witnessed a strong rally in August expiry. On the back of that, the index settled the August series on a positive note at 17522. Technically, the index has formed a bearish engulfing candlestick pattern as highlighted in the above chart. As per this pattern, 18000 will act as a strong hurdle for the index. As long as the index remains below 18000 on a daily closing basis, profit booking could occur, causing the index to fall to 17350-17000 levels.
- On the downside, the 21-days exponential moving average is placed close to 17380 and recent swing support is placed close to 17345. Thus, 17345-17380 will act as a strong demand zone. If the index sustains below 17345 on a closing basis, then the index could test the levels of 17100-17000.
- The 200-days simple moving average is near 16982. Thus, 17000-16980 will act as a strong demand zone for the index in the medium term.
- The RSI on the daily scale is coming down from the overbought zone.
- In the short term, 17345 and 16980 will act as support points, whereas 17730 and 18000 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty- Daily Chart

- Technically, the index on a daily scale has formed a bearish shark pattern. Moreover, the index has formed a bearish engulfing candle close to the PRZ of shark pattern, which indicates short term weakness. As per this pattern, 39760 will act as a strong hurdle for the index. If the index remains below 39760 on a daily closing basis, then profit booking could occur, causing the index to fall to 38000 in the short term and 36500 level in the medium term.
- On the downside, the 21-days exponential moving average is placed close to 38175 which will act as first key support followed by 37477, where the 34-days exponential moving average is situated.
- In the short term, the index will find support in the range of 38000-38200 levels. Once the index breaks and sustains below 38000 on a closing basis, then it could test 34 DEMA(37447) in the short term and 36500 in the medium term.
- The RSI on the daily scale coming down from the overbought zone.
- In the short term, 38000 and 37000 will act as support points, whereas 39800 and 40500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
DELTACORP	Strong Rollover of 95% compared with 3 months average of 85%.
MCDOWELL-N	Strong Rollover of 97% compared with 3 months average of 97%.
COLPAL	Strong Rollover of 99% compared with 3 months average of 97%.
NEGATIVE	
IPCALAB	Rollover of 96% compared with 3 month average of 93%.
INDUSTOWER	Rollover of 90% compared with 3 month average of 86%.

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Rollover Update (Sector Wise)

Sector	Company	Jul to Aug roll%	Aug to Sep roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Index	BANKNIFTY	82	83	85	-2	0.29	4.2%
Index	NIFTY	76	82	76	6	0.32	3.5%
Automobile	AMARAJABAT	97	97	97	0	0.64	8.0%
Automobile	APOLLOTYRE	92	89	91	-2	0.61	13.1%
Automobile	ASHOKLEY	95	94	92	2	0.78	1.4%
Automobile	BAJAJ-AUTO	90	95	92	3	-0.21	5.3%
Automobile	BALKRISIND	89	98	92	6	0.31	-9.1%
Automobile	BHARATFORG	88	95	92	2	0.45	-0.6%
Automobile	BOSCHLTD	93	94	92	3	0.67	3.8%
Automobile	EICHERMOT	94	91	96	-4	0.00	14.0%
Automobile	ESCORTS	85	88	88	0	-1.02	1.9%
Automobile	EXIDEIND	95	94	96	-2	0.67	1.3%
Automobile	HEROMOTOCO	93	90	94	-3	0.42	0.7%
Automobile	M&M	76	88	81	8	0.54	9.6%
Automobile	MARUTI	95	97	94	3	0.52	0.2%
Automobile	MOTHERSON	93	97	95	2	0.52	-2.7%
Automobile	MRF	94	98	97	1	-1.03	2.9%
Automobile	TATAMOTORS	96	94	95	-1	0.41	3.8%
Automobile	TVSMOTOR	88	76	90	-14	-0.58	9.0%
Banking	AUBANK	97	87	96	-9	0.52	9.8%
Banking	AXISBANK	85	97	92	5	0.42	2.4%
Banking	BANDHANBNK	94	86	96	-10	0.54	5.9%
Banking	BANKBARODA	96	96	92	4	0.56	7.5%
Banking	CANBK	93	97	92	5	0.56	5.5%
Banking	CUB	62	94	83	11	0.00	17.6%
Banking	FEDERALBNK	94	94	88	5	0.31	6.2%
Banking	HDFCBANK	96	98	96	2	0.49	3.4%
Banking	ICICIBANK	89	98	94	3	0.48	7.1%
Banking	IDFCFIRSTB	97	93	94	-1	0.72	33.7%
Banking	INDUSINDBK	96	87	93	-6	0.52	7.1%
Banking	KOTAKBANK	96	94	96	-2	0.04	2.2%
Banking	PNB	95	95	93	2	0.85	8.0%
Banking	RBLBANK	94	86	92	-6	0.66	38.8%
Banking	SBIN	87	97	91	6	0.57	-2.3%
Capital_Goods	ABB	93	94	86	9	0.29	15.5%
Capital_Goods	ASTRAL	96	92	94	-2	-0.01	17.0%
Capital_Goods	BEL	85	85	91	-5	0.52	8.9%
Capital_Goods	BHEL	93	96	93	3	0.09	7.9%
Capital_Goods	CROMPTON	93	68	94	-26	0.77	7.0%
Capital_Goods	CUMMINSIND	92	95	93	2	0.79	-0.8%
Capital_Goods	DIXON	96	93	91	2	0.20	13.9%
Capital_Goods	HAL	94	96	91	6	0.64	9.7%
Capital_Goods	HAVELLS	92	88	96	-7	0.52	7.0%
Capital_Goods	HONAUT	94	94	94	0	0.67	8.1%
Capital_Goods	LT	74	87	87	0	0.65	4.3%
Capital_Goods	POLYCAB	92	92	91	0	-0.33	5.8%
Capital_Goods	SIEMENS	91	89	95	-6	0.58	7.5%
Capital_Goods	VOLTAS	92	91	91	0	0.42	2.6%

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Rollover Update (Sector Wise)

Sector	Company	Jul to Aug roll%	Aug to Sep roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Capital_Goods	WHIRLPOOL	93	93	95	-2	0.69	3.2%
Cement	ACC	73	77	82	-5	0.55	4.7%
Cement	AMBUJACEM	83	90	87	2	0.83	7.1%
Cement	DALBHARAT	95	98	96	2	0.73	-3.0%
Cement	GRASIM	94	95	96	-1	0.54	4.8%
Cement	INDIACEM	94	92	95	-3	0.19	11.3%
Cement	JKCEMENT	95	89	90	-1	0.74	7.8%
Cement	RAMCOCEM	93	72	95	-22	-3.59	5.7%
Cement	SHREECEM	97	95	96	-1	-2.23	6.4%
Cement	ULTRACEMCO	92	96	95	1	0.60	0.1%
Chemicals	AARTIIND	93	95	92	2	0.58	3.7%
Chemicals	ATUL	88	88	94	-6	0.75	4.2%
Chemicals	CHAMBLFERT	81	93	87	7	0.77	1.9%
Chemicals	COROMANDEL	90	88	78	9	0.39	-4.6%
Chemicals	DEEPAKNTN	97	90	92	-2	0.60	2.9%
Chemicals	GNFC	91	89	87	2	-0.84	1.1%
Chemicals	NAVINFLUOR	83	93	88	5	0.63	-1.4%
Chemicals	PIIND	94	94	97	-3	0.49	10.9%
Chemicals	RAIN	86	97	90	7	0.73	19.6%
Chemicals	TATACHEM	94	89	92	-2	0.67	23.6%
Chemicals	UPL	97	98	88	9	0.63	4.8%
Finance	ABCAPITAL	94	96	94	2	0.87	11.0%
Finance	BAJAJFINSV	91	85	94	-9	0.43	11.0%
Finance	BAJFINANCE	90	94	93	0	0.47	-0.4%
Finance	CANFINHOME	81	92	89	2	0.49	8.1%
Finance	CHOLAFIN	89	88	93	-6	0.40	13.9%
Finance	HDFC	94	95	95	0	0.60	3.5%
Finance	HDFCAMC	98	97	97	0	0.58	8.7%
Finance	HDFCLIFE	98	89	98	-9	0.53	7.4%
Finance	IBULHSGFIN	68	93	82	11	0.80	19.1%
Finance	ICICIGI	97	95	89	6	0.60	6.0%
Finance	ICICIPRULI	96	95	94	1	-0.45	11.2%
Finance	IDFC	98	94	95	-1	0.61	22.0%
Finance	L&TFH	96	96	96	0	0.62	8.1%
Finance	LICHSGFIN	80	96	90	6	-1.69	5.0%
Finance	M&MFIN	94	85	89	-4	0.81	0.7%
Finance	MANAPPURAM	95	93	94	0	0.62	8.2%
Finance	MFSL	90	95	91	4	0.53	-1.9%
Finance	MUTHOOTFIN	96	97	97	0	-1.23	-1.2%
Finance	PFC	85	95	89	6	-1.41	4.8%
Finance	RECLTD	82	86	77	9	0.51	-16.8%
Finance	SBICARD	96	95	96	-1	0.47	-1.3%
Finance	SBILIFE	70	93	87	6	0.47	8.9%
Finance	SRTRANSFIN	81	85	88	-3	0.51	-9.3%
FMCG	ASIANPAINT	95	91	96	-6	0.49	2.8%
FMCG	BALRAMCHIN	95	91	92	-1	0.78	-8.4%
FMCG	BATAINDIA	97	96	94	2	0.54	-0.7%
FMCG	BERGEPAIN	96	90	95	-5	0.44	6.3%
FMCG	BRITANNIA	84	94	87	7	0.51	-5.8%

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FMCG	COLPAL	98	99	97	2	0.60	1.4%
FMCG	DABUR	94	84	94	-10	0.53	1.2%
FMCG	GODREJCP	92	84	94	-10	0.60	6.5%
FMCG	HINDUNILVR	92	93	94	-1	0.53	-1.8%
FMCG	INDIAMART	83	92	87	5	0.25	3.1%
FMCG	ITC	75	92	87	5	0.69	2.9%
FMCG	JUBLFOOD	96	95	96	-1	0.57	3.5%
FMCG	MARICO	89	83	94	-12	0.51	0.6%
FMCG	MCDOWELL-N	96	97	97	0	0.80	4.5%
FMCG	NESTLEIND	91	83	95	-12	0.49	2.2%
FMCG	PIDILITIND	97	95	97	-2	0.49	11.0%
FMCG	TATACONSUM	94	89	95	-7	0.66	-0.6%
FMCG	TITAN	91	90	93	-3	0.51	5.6%
FMCG	UBL	91	85	93	-8	0.40	-0.4%
Infrastructure	ADANIENT	98	96	98	-2	0.62	20.2%
Infrastructure	ADANIPTS	99	98	98	0	0.59	6.7%
Infrastructure	CONCOR	73	97	88	10	0.41	2.1%
Infrastructure	GMRINFRA	95	97	93	5	0.72	-2.4%
Infrastructure	INDHOTEL	84	97	90	7	0.66	3.9%
Infrastructure	INDIGO	89	96	94	3	0.52	7.1%
Infrastructure	IRCTC	98	96	96	0	0.01	19.0%
Media	PVR	96	96	94	2	0.31	-9.9%
Media	SUNTV	82	97	75	22	0.79	7.4%
Media	ZEEL	97	96	96	0	-0.30	5.8%
Metals	COALINDIA	65	86	79	7	0.44	10.9%
Metals	HINDALCO	75	83	88	-6	0.64	10.3%
Metals	HINDCOPPER	91	90	90	-1	-0.04	15.0%
Metals	JINDALSTEL	93	93	94	-2	0.14	6.8%
Metals	JSWSTEEL	99	95	96	-1	0.52	5.2%
Metals	NATIONALUM	96	94	94	0	-1.38	5.6%
Metals	NMDC	93	91	91	0	0.61	15.6%
Metals	SAIL	88	95	88	6	0.63	8.1%
Metals	TATASTEEL	89	90	94	-4	0.66	5.9%
Metals	VEDL	88	93	93	0	0.68	8.1%
Oil_Gas	BPCL	77	91	81	10	0.44	1.2%
Oil_Gas	GAIL	95	87	92	-5	0.60	-9.1%
Oil_Gas	GSPL	95	97	96	0	-0.21	4.8%
Oil_Gas	GUJGASLTD	94	94	88	6	-1.02	5.9%
Oil_Gas	HINDPETRO	97	95	95	0	0.71	3.3%
Oil_Gas	IGL	93	90	94	-4	-0.50	20.6%
Oil_Gas	IOC	95	88	87	0	0.49	-0.8%
Oil_Gas	MGL	97	96	95	1	0.68	14.5%
Oil_Gas	ONGC	66	93	78	16	0.59	4.8%
Oil_Gas	PETRONET	89	86	90	-4	0.58	-2.4%
Oil_Gas	RELIANCE	95	96	96	0	0.50	7.1%

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Rollover Update (Sector Wise)

Sector	Company	Jul to Aug roll%	Aug to Sep roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Pharma	ABBOTINDIA	96	92	93	-1	0.49	-4.7%
Pharma	ALKEM	91	92	90	2	0.54	-9.5%
Pharma	APOLLOHOSP	95	92	96	-4	0.55	-0.5%
Pharma	AUROPHARMA	92	95	95	0	0.59	2.1%
Pharma	BIOCON	96	93	94	-1	0.62	-0.1%
Pharma	CIPLA	96	95	96	-1	0.27	6.0%
Pharma	DIVISLAB	98	97	96	0	0.49	-8.2%
Pharma	DRREDDY	96	92	93	-1	0.36	-0.5%
Pharma	GLENMARK	97	97	97	0	-0.25	0.2%
Pharma	GRANULES	94	96	95	0	0.75	2.0%
Pharma	IPCALAB	96	96	93	3	-0.62	-8.1%
Pharma	LALPATHLAB	96	89	95	-5	-7.85	20.6%
Pharma	LAURUSLABS	98	93	97	-4	0.74	9.2%
Pharma	LUPIN	95	90	91	-1	0.31	3.6%
Pharma	METROPOLIS	92	96	87	9	0.78	-6.8%
Pharma	PEL	90	83	88	-5	0.04	10.5%
Pharma	SUNPHARMA	86	96	93	3	0.76	-2.0%
Pharma	SYNGENE	89	92	92	0	-0.97	5.4%
Pharma	TORNTPHARM	92	91	94	-3	0.44	2.0%
Pharma	ZYDUSLIFE	96	89	85	4	0.86	10.1%
Power	IEX	96	97	95	3	0.69	2.7%
Power	NTPC	79	83	87	-4	0.76	5.7%
Power	POWERGRID	90	92	87	5	0.55	5.6%
Power	TATAPOWER	95	95	94	1	0.63	5.1%
Power	TORNTPOWER	96	93	93	0	0.59	13.7%
Realty	DELTACORP	85	95	85	10	0.71	9.1%
Realty	DLF	96	94	96	-2	0.56	-1.4%
Realty	GODREJPROP	96	91	96	-5	0.60	-5.3%
Realty	OBEROIRLTY	97	97	97	0	0.80	8.4%
Technology	BSOFT	94	96	90	6	0.57	-1.6%
Technology	COFORGE	92	93	89	4	-3.02	-4.2%
Technology	FSL	97	95	94	0	0.75	-2.8%
Technology	HCLTECH	93	95	94	1	0.56	-0.2%
Technology	INFY	96	96	97	-1	0.48	0.0%
Technology	INTELLECT	95	95	94	0	0.50	-11.4%
Technology	LTI	92	96	94	3	0.55	-0.4%
Technology	LTTS	94	94	95	-1	0.62	7.1%
Technology	MCX	75	95	88	7	-0.52	-7.1%
Technology	MINDTREE	95	93	96	-2	0.62	-0.7%
Technology	MPHASIS	97	86	97	-12	0.57	-1.9%
Technology	NAUKRI	98	97	96	1	0.63	10.2%
Technology	OFSS	96	93	97	-4	0.73	3.8%
Technology	PERSISTENT	95	94	95	-1	0.48	0.6%
Technology	TCS	97	92	96	-4	0.55	-1.3%
Technology	TECHM	94	93	96	-3	0.54	3.1%
Technology	WIPRO	97	96	95	1	0.59	-0.2%

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Telecom	BHARTIARTL	98	87	97	-10	0.43	11.1%
Telecom	IDEA	95	86	91	-5	0.55	5.2%
Telecom	INDUSTOWER	81	90	86	4	0.58	-11.0%
Telecom	TATACOMM	96	89	85	4	0.67	11.9%
Textile	ABFRL	94	96	95	1	0.45	11.8%
Textile	PAGEIND	91	92	95	-3	0.37	4.0%
Textile	SRF	94	83	96	-13	0.54	-2.0%
Textile	TRENT	96	90	97	-7	0.52	8.0%

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