

DERIVATIVES ROLLOVER ANALYSIS

27-12-2019

JANUARY SERIES VIEW

In December expiry, the benchmark index registered a new all-time high of 12,294 due to foreign investors buying, positive development between the US and China, weakness in crude oil. Meanwhile, the country's economic growth outlook for this fiscal, US-China trade war, concerns over global economic slowdown, and weakness in Rupees against Dollar would continue to cap the upside. Finally, the index kept its head above the 12100 mark on the F&O expiry day and ended flat (EoE) indicating neutral to positive for the short term. On the expiry day, Nifty Futures rollover stood at 70%, which is lower than the average rollover of 75% of the last three series. Nifty will start the January series with an OI of 1.23 Cr shares compared with OI of 1.46 Cr shares at the beginning of the December series. Market-wide rollovers stood in line at 91% compared with the average rollovers of 91% in the last three series. Going into January, key events that would act as market triggers would include global markets trends, FII inflows, US-China trade war progress, 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 11.12% vs. 13.98% of the previous month indicating low volatility in market. Another leading derivative indicator, Nifty PCR, opened on lower note this month at 1.31 against last month's 1.71.

BANKNIFTY

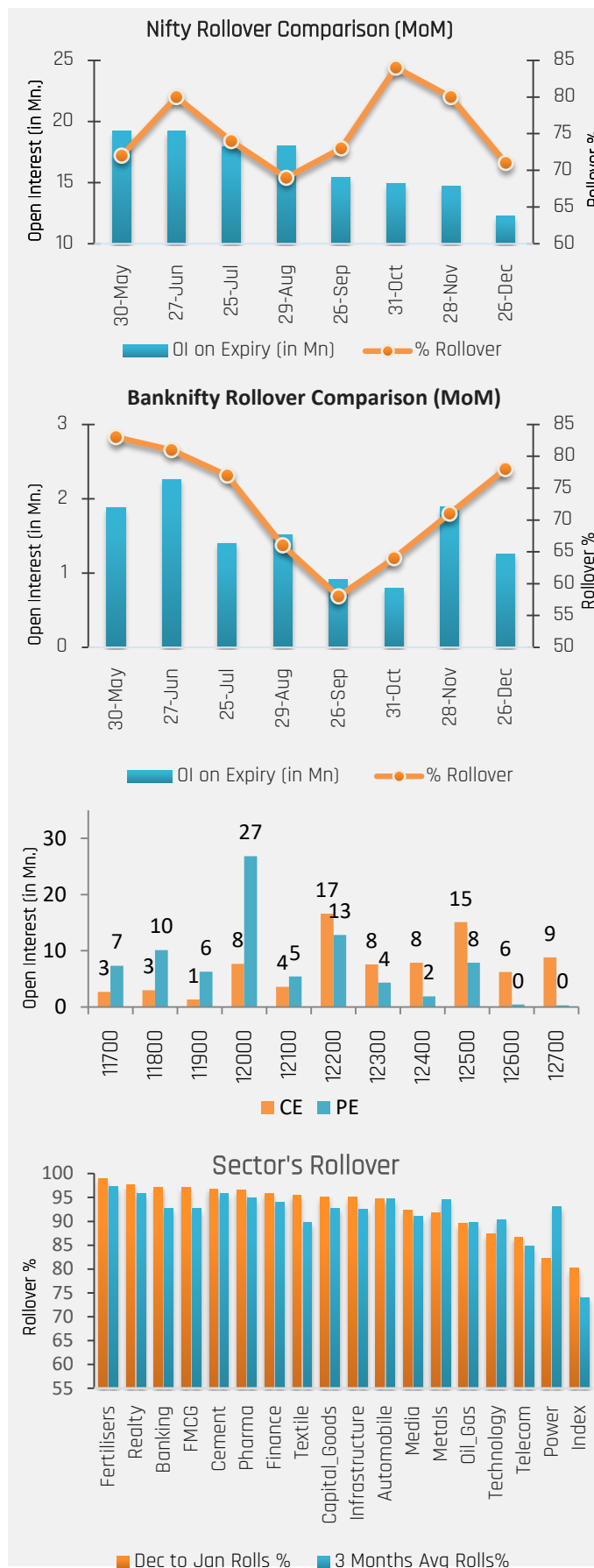
The index saw higher rolls of 78% compared with the 3M average of 63%. BankNifty will start the January series with an OI of 1.26 Mn shares compared with OI of 1.89 Mn shares at the beginning of the December series. As per options data, support for the index is around 31500 and 31000 whereas resistance stands at 32500 and 33000 for the short term.

OPTION ANALYSIS

From the OI Concentration (30-Jan Series), Open Interest on the call options front exists at strike prices of 12200 and 12500 (with nearly 16.58 lacs and 15.09 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 12000 and 11800 (with nearly 26.79 lacs and 10.13 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for FERTILISERS, REALTY, BANKING, FMCG, CEMENT, FINANCE, and TEXTILE stocks on expiry. However, low rollovers were seen in POWER, TECHNOLOGY, METALS, and OIL & GAS stocks.
- Within the Nifty50 space, index heavyweights such as IOC, ONGC, ICICIBANK, COALINDIA, INFRATEL, VEDL, YESBANK, and HDFCBANK saw aggressive rollover in the January series while low rolls were seen in POWERGRID, INFY, NTPC, HINDPETRO, GAIL, and WIPRO compared with the 3M average.
- From the midcap space, TORNTPHARM, CENTURYTEX, NIITTECH, GODREJCP, APOLLOHOSP, and UBL saw high rollovers whereas RECLTD, NMDC, OIL, NATIONALUM, INDIGO, and IDEA saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



The index has seen continuation of its upward bias in December series and registered an all-time high of 12294. However, in the last week of the December series, the index witnessed profit-booking, closing the series on a marginally negative note at 12127. On daily scale, the index has formed a **bearish engulfing candle stick** pattern close to all-time high, indicating selling pressure on the higher side. For the short term, the index is consolidating in a rising channel pattern. As per this pattern, 12350 will act as short-term resistance zone followed by 12500. On the downside, psychological level of 12000 will act as crucial first support followed by 11740 where the 21WEMA is placed. RSI on a weekly scale has witnessed breakout as highlighted in the above chart.

For the December series, 12000 and 11700 will act as the support points whereas 12350 and 12500 will act as the resistance points.

TECHNICAL VIEW ON BANKNIFTY



In December series, BankNifty has seen continuation of uptrend. With the help of that, the index has registered all-time high of 32503 and closed the December series on a positive note at 31998. Trendline support is placed close to 31000 and 21 WEMA is placed close to 30420. As long as index holds 31000, bullish momentum can be continued in Banknifty. The 161.8 retracement of current swing is placed close to 32800 will act as primary hurdle for Banknifty followed by 33500, where trendline resistance is placed.

For the December series, 31000 and 30400 will act as the support points whereas 32800 and 33500 will act as the resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE

POWERGRID	Rollover of 52% compared with 3 month avg of 92% indicating cut down the short position.
NTPC	Rollover of 64% compared with 3 month avg of 85% indicating cut down the short position.
UBL	Strong rollover of 97% compared with 3 month avg of 87% indicating long position carried forward.
CENTURYTEX	Strong rollover of 99% compared with 3 month avg of 82% indicating long position carried forward.

NEGATIVE

VEDL	Strong rollover of 97% compared with 3 month avg of 88% indicating short position carried forward.
SBIN	Rollover of 97% compared with 3 month avg of 90% indicating short position carried forward.

DERIVATIVES ROLLOVER ANALYSIS

27-12-2019

Rollover Update (Sector Wise)

Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	89	92	92	0	0.83
APOLLTYRE	86	94	89	5	0.65
ASHOKLEY	96	96	97	-1	0.82
BAJAJ-AUTO	89	98	91	7	0.61
BALKRISIND	99	97	95	2	-0.16
BHARATFORG	92	98	96	2	0.28
BOSCHLTD	99	86	97	-11	0.74
EICHERMOT	98	94	96	-1	0.71
ESCORTS	98	94	97	-3	0.61
EXIDEIND	93	93	96	-4	0.84
HEROMOTOCO	99	96	94	2	0.79
M&M	99	97	96	1	0.76
MARUTI	94	95	89	6	0.51
MOTHERSUMI	91	97	96	1	0.78
MRF	96	99	97	3	0.56
TATAMOTORS	96	96	95	0	0.60
TATAMTRDVR	96	92	96	-4	0.76
TVSMOTOR	96	90	96	-6	-1.46
Banking					
AXISBANK	92	97	93	4	0.65
BANKBARODA	98	98	98	0	0.71
CANBK	96	98	97	1	0.73
FEDERALBNK	96	97	96	1	0.64
HDFCBANK	96	98	90	8	0.55
ICICIBANK	98	99	87	12	0.58
IDFCFIRSTB	96	97	97	0	0.57
INDUSINDBK	95	98	92	6	0.61
KOTAKBANK	94	97	89	8	0.49
PNB	97	98	98	0	0.80
RBLBANK	88	93	90	3	0.12
SBIN	91	97	90	7	0.82
YESBANK	94	97	89	9	-4.62
Capital_Goods					
BEL	97	94	96	-2	0.61
BHEL	83	95	90	5	0.59
CUMMINSIND	95	96	94	2	0.72
LT	97	97	93	4	0.67
SIEMENS	90	93	93	0	0.08
VOLTAS	95	95	90	5	0.63

DERIVATIVES ROLLOVER ANALYSIS

27-12-2019

Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	98	98	98	1	0.58
AMBUJACEM	98	98	98	1	0.80
GRASIM	99	99	99	0	0.69
RAMCOCEM	89	94	92	3	0.71
SHREECEM	88	92	95	-3	0.68
ULTRACEMCO	94	99	94	5	0.65
Fertilisers					
TATACHEM	98	98	96	2	0.54
UPL	99	99	98	1	0.58
Finance					
BAJAJFINSV	99	99	95	4	0.69
BAJFINANCE	97	98	95	3	0.71
CHOLAFIN	85	96	86	10	0.68
EQUITAS	96	91	97	-6	0.49
HDFC	99	98	96	2	0.82
IBULHSGFIN	93	98	95	2	-1.75
ICICIPRULI	94	94	93	1	0.67
L&TFH	98	94	96	-2	-0.52
LICHSGFIN	98	97	93	5	0.89
M&MFIN	95	98	98	0	0.79
MANAPPURAM	95	96	96	0	0.64
MFSL	94	98	89	9	0.95
MUTHOOTFIN	96	97	93	4	0.47
PFC	94	93	94	-1	0.58
SRTRANSFIN	99	96	97	-1	0.65
UJJIVAN	87	91	89	2	0.80
FMCG					
ASIANPAINT	97	97	93	4	0.69
BATAINDIA	94	96	95	1	0.73
BERGEPAIN	89	95	92	3	-0.60
BRITANNIA	98	99	94	6	0.73
COLPAL	96	97	92	6	0.76
DABUR	96	97	95	2	0.70
GODREJCP	61	97	85	12	0.80
HINDUNILVR	97	93	87	6	0.81
ITC	97	97	94	4	0.80
MARICO	97	99	98	1	0.58
MCDOWELL-N	97	99	97	2	0.59
NESTLEIND	86	97	89	8	0.68
PIDILITIND	99	99	98	1	0.58
TATAGLOBAL	95	97	95	3	0.65
TITAN	96	96	95	1	0.79
UBL	98	97	87	10	0.58

DERIVATIVES ROLLOVER ANALYSIS

27-12-2019

Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	64	78	63	16	0.57
NIFTY	84	70	75	-5	0.50
NIFTYIT	95	92	84	8	0.25
Infrastructure					
GMRINFRA	82	96	89	7	0.71
NBCC	93	96	93	3	0.89
NCC	97	94	96	-2	0.66
Media					
DISHTV	87	94	94	0	1.14
PVR	76	91	86	5	0.55
SUNTV	85	92	92	0	0.80
ZEEL	98	92	92	0	0.86
Metals					
HINDALCO	91	91	95	-4	0.60
JINDALSTEL	93	94	96	-1	0.86
JSWSTEEL	99	98	98	0	0.89
NATIONALUM	90	85	94	-9	0.46
NMDC	92	79	95	-17	0.44
SAIL	97	97	96	1	0.83
TATASTEEL	92	93	94	-1	0.67
VEDL	91	97	88	9	0.86
Oil_Gas					
BPCL	89	90	91	0	0.44
CASTROLIND	94	94	97	-3	0.85
GAIL	95	83	94	-11	0.47
HINDPETRO	81	76	92	-15	0.48
IGL	94	95	92	3	-0.57
IOC	61	92	74	18	-1.08
MGL	98	90	92	-2	0.60
OIL	96	80	95	-15	0.40
ONGC	39	87	71	17	-0.71
PETRONET	96	98	97	1	0.72
RELIANCE	96	99	94	5	0.57
Others					
ADANIANT	98	99	98	1	0.67
ADANIPOINTS	98	99	92	7	0.71
APOLLOHOSP	98	97	84	13	0.62
COALINDIA	63	88	79	10	-1.22
CONCOR	89	90	94	-4	0.55
HAVELLS	98	96	95	1	0.84
INDIGO	82	77	85	-8	0.80
JUBLFOOD	81	94	87	8	0.33
JUSTDIAL	89	86	89	-3	0.28
ADANIANT	98	99	98	1	0.67
ADANIPOINTS	98	99	92	7	0.71

DERIVATIVES ROLLOVER ANALYSIS

27-12-2019

Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Others					
AUROPHARMA	96	99	92	7	0.36
BIOCON	97	96	90	7	0.37
CADILAHC	97	99	94	5	0.43
CIPLA	99	96	94	2	0.54
DIVISLAB	99	95	94	1	-0.14
DRREDDY	99	98	98	-1	0.52
GLENMARK	88	95	94	1	-0.60
LUPIN	98	88	92	-4	0.54
PEL	87	99	85	14	0.40
STAR	95	89	95	-6	0.61
SUNPHARMA	91	96	93	3	0.34
TORNTPHARM	87	75	89	-14	0.50
Pharma					
AUROPHARMA	86	99	94	5	0.69
BIOCON	93	97	96	1	0.60
CADILAHC	98	98	99	-1	0.93
CIPLA	96	94	97	-3	0.81
DIVISLAB	99	96	98	-1	0.75
DRREDDY	99	99	97	2	0.68
GLENMARK	98	96	97	-1	0.84
LUPIN	91	98	93	5	0.71
Power					
ADANIPOWER	96	96	96	0	0.58
CESC	94	99	95	4	0.57
NTPC	90	64	85	-20	-0.39
POWERGRID	92	52	92	-40	0.35
RECLTD	86	72	91	-19	0.36
TATAPOWER	97	95	95	0	0.63
TORNTPOWER	98	98	98	0	0.61
ADANIPOWER	96	96	96	0	0.58
CESC	94	99	95	4	0.57
Realty					
DLF	92	98	96	2	0.86
Technology					
HCLTECH	94	99	94	4	0.54
INFY	87	56	87	-31	0.20
MINDTREE	88	93	89	4	-1.00
NIITTECH	76	90	76	14	-0.13
TCS	98	95	96	-1	0.27
TECHM	98	96	96	1	0.79
WIPRO	96	83	94	-10	-0.32

Company	Nov to Dec roll%	Dec to Jan roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Telecom					
BHARTIARTL	82	95	91	4	0.74
IDEA	74	74	82	-8	0.83
INFRATEL	77	91	82	9	-2.63
Textile					
CENTURYTEX	58	99	82	16	0.54
PAGEIND	93	91	95	-4	0.23
SRF	87	97	92	5	0.15

Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Akhil Rathi	D: 91 22 2858 3210
Hrishikesh Yedve	D: 91 22 2858 3207
Neeraj Sharma	D: 91 22 2858 3208
Rohan Gawale	D: 91 22 2858 3213
Karan Desai	D: 91 22 2858 3221

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000002483

C IN: U65990MH1993PLC075388

An ISO 2001:2015 Certified

Company

Follow us on:



Information pertaining to Asit C. Mehta Investment Intermediates Limited (ACMIIL):

ACMIIL is a SEBI registered Stock Broker, Merchant Banker and Depository Participant. It is also an AMFI registered Mutual Fund Distributor. It does not have any disciplinary history. Its associate/group companies are Asit C. Mehta Commodity Services Limited, Asit C. Mehta Realty Services Pvt. Ltd, Asit C. Mehta Forex Pvt. Ltd, Nucleus IT Enabled Services, Asit C. Mehta Financial Services Limited (all providing services other than stock broking and merchant banking).

Disclosures

ACMIIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/ benefits for any reason (including investment banking/merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIIL/its associates and research analysts have neither managed nor co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have not served as an officer/director or employee of the companies being covered

Disclaimer:

This report is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon such. ACMIIL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any error in the information contained in the report. To enhance transparency, we have incorporated a Disclosure of Interest Statement in this document. This Follow us on: should however not be treated as endorsement of the views expressed in the report