

OCTOBER SERIES VIEW

Indian benchmark indices witnessed the biggest fall of the year during the Sept series on the back of weakness in Rupee against Dollar and strength in crude oil prices. News of debt defaults, concerns relating to liquidity tightening and its cascading impact on the economy added fuel to the fire. In the expiry week, across-the-board selling was witnessed in all the major sectoral indices with Nifty Spot closing below 11000. Nifty Oct Futures started the new series marginally above the 11000-mark. On the expiry day, market-wide rollovers stood lower at 83% compared with the average rollovers of 86% in the last three series. Nifty Futures rollover stood at 63%, which is lower than the average rollover of 69% of the last three series. Nifty will start the Oct series with an OI of 1.71 Cr shares compared with OI of 2.42 Cr shares at the beginning of the Sep series. Going into October 2018, key events that would act as near-term market triggers would include RBI Policy, trade war issue between the US and China, the movement of Rupee against the Dollar, crude oil price movement, and trend of Indian financial sector. On the downside, support for Nifty is around 10800 and 10500 whereas resistance stands at 11200 and 11500. We expect Nifty to face profit-booking around 11500.

DERIVATIVES INDICATORS

India VIX closed higher at 16.92 vs. 12.41 of the previous month indicating increasing in volatility. Another leading derivative indicator, Nifty PCR, opened on a lower note this month at 1.35 against last month's 1.58.

BANKNIFTY

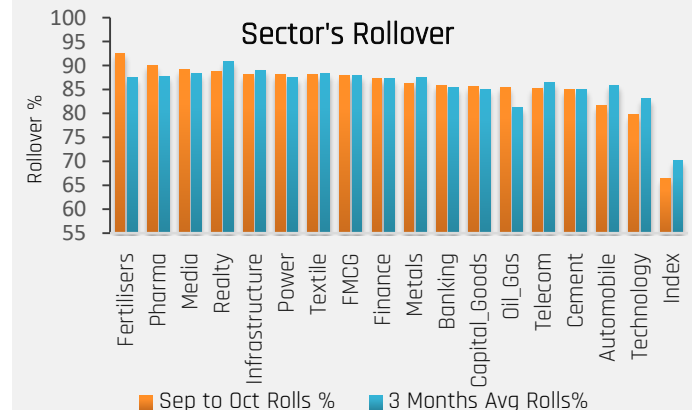
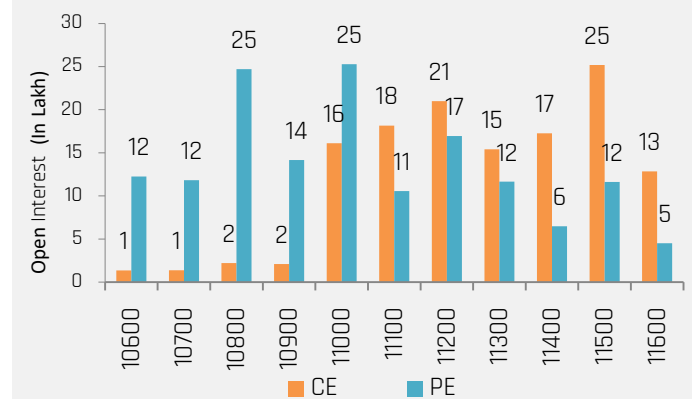
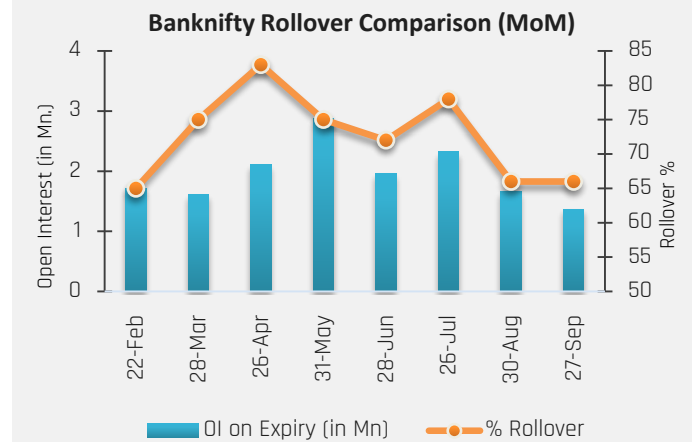
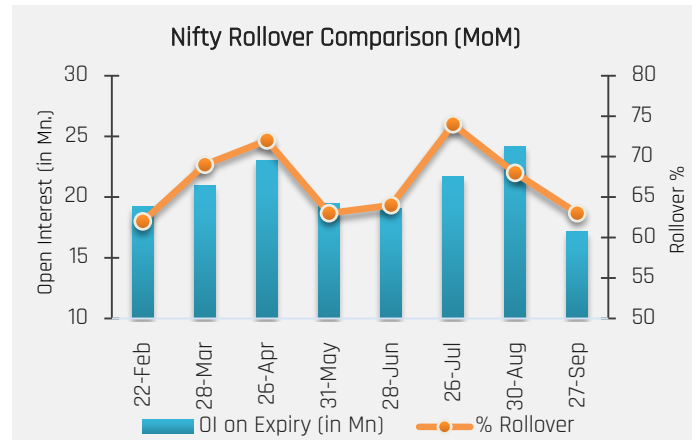
The index saw lower rolls of 66% compared with the 3M average of 72%. BankNifty will start the October series with an OI of 1.37 Mn shares compared with OI of 1.66 Mn shares at the beginning of the September series. As per options data, support for the index is around 25000 and 24500 whereas resistance stands at 25500 and 26000 for the short term.

OPTION ANALYSIS

From the OI Concentration (October Series), maximum addition of Open Interest on the call options front exists at strike prices of 11200 and 11500 (with nearly 20.98 lacs and 25.19 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, maximum addition of Open Interest is at strike prices of 11000 and 10800 (with nearly 25.28 lacs and 24.71 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Fertilizers, Power, Media, Oil & Gas, Pharma, and Capital Goods stocks on expiry day. However, low rollovers were seen in Realty, Metals, Automobile, and Telecom stocks.
- Within the Nifty50 space, index heavyweights such as ADANI PORTS, ONGC, GAIL, TITAN, HINDALCO, and POWERGRID saw aggressive rollover in the Oct series while low rolls were seen in HEROMOTOCO, INFY, INFRATEL, WIPRO, TCS, LT, and RELIANCE compared with the 3M average.
- From the midcap space, INDIANB, ACC, DIVISLAB, APOLLOTYRE, NIITTECH, and PVR saw high rollovers whereas BOSCHLTD, ENGINEERSIN, JSWSTEEL, BALKRISIND, OFSS, and ARVIND saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY

In September series, Nifty spot has seen strong weakness and closed around 10978 with negative bias. Technically, the index has taken resistance around 11800 and formed a **bearish engulfing candlestick** pattern on weekly scale as highlighted in the above chart. Due to this sell-off, the index has broken its 20 WSMA pegged at 11200, which will act as the primary hurdle now followed by 11500, which is the major resistance. Weekly trendline support is placed close to 10850 and 50 WSMA is placed close to 10706. Thus, 10850 and 10700 will act as support points for the short term. Stochastic oscillator has witnessed bearish crossover and it is approaching the oversold zone. If the index holds 10850-10800 support, then a short-term pull back can be witnessed. However, the trend remains down. Sell-on-bounce strategy needs to be adopted for the medium term.

For the September series, 10850 and 10700 will act as support point whereas 11200 and 11500 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY

In September series, Bank Nifty spot has seen strong weakness and closed around 25042 levels. Technically, the index has taken resistance around 28400 and formed a **bearish engulfing candlestick** pattern on the weekly scale, which has triggered a sell-off. Due to this sell-off, the index has broken its 50 WSMA as well as trendline support, indicating weakness. Thus, a bounce around 26000 could be used for selling. The 100 WSMA is placed close to 23900 and the previous swing low is placed close to 23600, which will act as strong support points. Stochastic oscillator is placed close to the oversold zone and it is on verge of forming a **bullish crossover**.

Thus, short-term pull back can be possible due to an oversold condition but the trend remains down. Sell-on-bounce strategy needs to be adopted for the medium term.



Stocks to watch out based on Rollover Analysis:

POSITIVE

DIVISLAB	Strong rollover of 87% compared with 3 month avg of 78% indicating long position carried forward
HEROMOTOCO	Weak rollover of 57% compared with 3 month avg of 77% indicating cut down of short position
INFRADEL	Weak rollover of 55% compared with 3 month avg of 69% indicating cut down of short position
HDFCBANK	Weak rollover of 65% compared with 3 month avg of 75% indicating cut down of short position

NEGATIVE

ADANI PORTS	Strong rollover of 80% compared with 3 month avg of 68% indicating short position carried forward
JSWSTEEL	Weak rollover of 82% compared with 3 month avg of 95% indicating cut down of long position

DERIVATIVES ROLLOVER ANALYSIS

28-09-2018

Rollover Update (Sector Wise)

Company	Sector	Aug to Sep roll%	Sep to Oct roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
ACC	Cement	79	89	78	11	0.54	No
ADANIENT	Others	76	95	84	10	0.56	No
ADANIPOWER	Power	99	97	95	2	0.39	Yes
AJANTPHARM	Pharma	98	95	90	6	0.39	Yes
ALBK	Banking	96	97	91	6	-1.78	Yes
AMARAJABAT	Automobile	81	66	76	-11	0.74	No
AMBUJACEM	Cement	76	87	81	5	0.00	No
APOLLOHOSP	Others	79	91	81	10	0.72	No
APOLLOTYRE	Automobile	89	85	78	7	0.72	No
ARVIND	Textile	88	79	87	-8	0.56	No
ASHOKLEY	Automobile	88	95	88	7	0.62	No
ASIANPAINT	FMCG	84	67	82	-15	0.32	No
AUROPHARMA	Pharma	94	95	93	1	0.72	No
AXISBANK	Banking	82	84	85	-1	0.60	No
BAJAJ-AUTO	Automobile	88	86	88	-2	0.68	No
BAJAJFINSV	Finance	82	77	83	-5	0.73	No
BAJFINANCE	Finance	87	88	84	4	0.61	No
BALKRISIND	Automobile	83	74	84	-11	0.59	No
BANKBARODA	Banking	93	91	89	2	0.67	No
BANKINDIA	Banking	81	87	83	4	0.50	No
BANKNIFTY	Index	66	66	72	-6	0.63	No
BATAINDIA	FMCG	77	75	85	-10	0.57	No
BEL	Capital_Goods	86	86	87	-2	0.79	No
BEML	Infrastructure	91	97	90	7	0.60	Yes
BERGEPAIN	FMCG	97	95	87	8	-0.14	Yes
BHARATFIN	Finance	88	89	88	1	0.68	No
BHARATFORG	Automobile	94	88	92	-4	0.78	No
BHARTIARTL	Telecom	88	92	90	2	0.63	No
BHEL	Capital_Goods	83	87	85	2	0.14	No
BIOCON	Pharma	88	91	89	2	0.25	No
BOSCHLTD	Automobile	94	80	95	-15	0.85	No
BPCL	Oil_Gas	81	73	71	2	0.63	No
BRITANNIA	FMCG	94	92	93	-1	0.42	No
CADILAHC	Pharma	83	88	89	-1	0.39	No
CANBK	Banking	91	88	89	-1	0.70	No
CANFINHOME	Finance	98	97	92	4	0.59	Yes

DERIVATIVES ROLLOVER ANALYSIS

28-09-2018

Rollover Update (Sector Wise)

Company	Sector	Aug to Sep roll%	Sep to Oct roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
CAPF	Finance	86	94	88	6	0.25	No
CASTROLIND	Oil_Gas	88	83	83	0	-0.92	No
CEATLTD	Automobile	85	78	85	-7	0.69	No
CENTURYTEX	Textile	96	90	94	-5	0.69	No
CESC	Power	96	93	94	-1	0.52	No
CGPOWER	Power	99	92	93	0	-0.11	Yes
CHENNPETRO	Oil_Gas	80	89	78	11	0.14	Yes
CHOLAFIN	Finance	88	88	78	10	0.61	No
CIPLA	Pharma	87	76	79	-3	0.02	No
COALINDIA	Others	82	79	81	-2	0.51	No
COLPAL	FMCG	88	87	88	0	-0.22	No
CONCOR	Others	93	90	81	9	0.53	No
CUMMINSIND	Capital_Goods	70	82	74	8	0.64	No
DABUR	FMCG	92	90	95	-5	0.59	No
DALMIABHA	Cement	93	88	88	1	-0.31	No
DCBBANK	Banking	98	98	92	6	-4.36	Yes
DHFL	Finance	91	88	91	-3	0.57	No
DISHTV	Media	90	90	86	4	0.61	No
DIVISLAB	Pharma	85	91	81	10	0.78	No
DLF	Realty	87	90	89	2	0.79	No
DRREDDY	Pharma	85	91	87	4	0.76	No
EICHERMOT	Automobile	88	79	86	-8	0.65	No
ENGINEERSIN	Infrastructure	90	69	82	-14	0.33	No
EQUITAS	Finance	92	89	92	-3	0.67	No
ESCORTS	Automobile	88	88	88	0	0.72	No
EXIDEIND	Automobile	76	77	80	-4	0.71	No
FEDERALBNK	Banking	86	86	86	0	0.43	No
GAIL	Oil_Gas	73	81	76	6	0.61	No
GLENMARK	Pharma	82	91	87	4	0.54	No
GMRINFRA	Infrastructure	93	89	89	0	0.30	No
GODFRYPHLP	FMCG	93	95	91	4	0.05	Yes
GODREJCP	FMCG	89	84	86	-2	0.98	No
GODREJIND	FMCG	98	99	90	8	-0.28	Yes
GRANULES	Pharma	95	91	90	1	0.46	Yes
GRASIM	Cement	80	79	81	-2	0.62	No
GSFC	Fertilisers	96	95	88	7	0.48	Yes

DERIVATIVES ROLLOVER ANALYSIS

28-09-2018

Rollover Update (Sector Wise)

Company	Sector	Aug to Sep roll%	Sep to Oct roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
HAVELLS	Others	83	87	86	1	0.53	No
HCC	Infrastructure	95	95	91	5	0.43	Yes
HCLTECH	Technology	82	76	77	-1	0.68	No
HDFC	Finance	88	83	87	-4	0.71	No
HDFCBANK	Banking	73	65	75	-10	0.36	No
HEROMOTOCO	Automobile	78	57	77	-21	0.67	No
HEXAWARE	Technology	70	88	85	3	0.71	Yes
HINDALCO	Metals	83	88	83	5	0.64	No
HINDPETRO	Oil_Gas	85	87	85	2	0.58	No
HINDUNILVR	FMCG	86	79	84	-5	0.65	No
HINDZINC	Metals	79	84	82	3	-4.13	No
IBULHSGFIN	Finance	90	88	82	6	0.46	No
ICICIBANK	Banking	78	80	82	-2	0.75	No
ICICIPRULI	Finance	91	89	83	5	0.49	No
IDBI	Banking	96	88	94	-5	0.72	Yes
IDEA	Telecom	91	92	92	-1	0.78	No
IDFC	Finance	93	92	88	4	0.62	No
IDFCBANK	Banking	90	90	87	3	0.68	No
IFCI	Finance	96	94	89	5	-0.40	Yes
IGL	Oil_Gas	78	81	75	6	0.29	No
INDIACEM	Cement	94	84	86	-2	0.48	No
INDIANB	Banking	83	87	75	12	0.64	No
INDIGO	Others	82	90	87	2	0.45	No
INDUSINDBK	Banking	76	69	75	-6	0.62	No
INFIBEAM	Technology	73	76	80	-5	0.97	No
INFRATEL	Telecom	69	55	69	-14	0.93	No
INFY	Technology	81	62	84	-22	-0.23	No
IOC	Oil_Gas	83	77	76	0	0.79	No
IRB	Infrastructure	91	87	89	-3	0.62	No
ITC	FMCG	82	77	81	-4	0.58	No
JETAIRWAYS	Others	88	92	86	6	-7.77	No
JINDALSTEL	Metals	91	93	89	4	0.72	No
JISLJALEQS	Others	94	89	90	-2	0.49	No
JPASSOCIAT	Realty	91	87	93	-6	0.67	Yes
JSWSTEEL	Metals	92	82	95	-13	0.42	No

DERIVATIVES ROLLOVER ANALYSIS

28-09-2018

Rollover Update (Sector Wise)

Company	Sector	Aug to Sep roll%	Sep to Oct roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
JISLJALEQS	Others	94	89	90	-2	0.49	No
JPASSOCIAT	Realty	91	87	93	-6	0.67	Yes
JSWSTEEL	Metals	92	82	95	-13	0.42	No
JUBLFOOD	Others	81	82	82	0	0.73	No
JUSTDIAL	Others	97	98	92	5	0.70	Yes
KAJARIACER	Others	87	87	86	1	0.66	No
KOTAKBANK	Banking	68	74	69	4	0.79	No
KPIT	Technology	97	94	87	6	0.79	Yes
KSCL	Others	85	92	85	7	0.56	Yes
KTKBANK	Banking	92	91	91	0	0.65	No
L&TFH	Finance	92	89	88	1	0.60	No
LICHSGFIN	Finance	87	84	90	-6	0.59	No
LT	Capital_Goods	79	68	81	-12	0.21	No
LUPIN	Pharma	88	79	84	-5	0.81	No
M&M	Automobile	85	83	86	-3	0.47	No
M&MFIN	Finance	90	92	92	0	0.85	No
MANAPPURAM	Finance	92	86	87	-1	0.66	No
MARICO	FMCG	91	94	90	4	0.36	No
MARUTI	Automobile	84	80	86	-6	0.73	No
MCDOWELL-N	FMCG	94	95	91	4	0.75	No
MCX	Others	94	94	93	1	0.74	No
MFSL	Finance	90	82	92	-10	0.75	No
MGL	Oil_Gas	96	94	92	2	0.00	Yes
MINDTREE	Technology	85	89	82	6	0.76	No
MOTHERSUMI	Automobile	92	87	89	-2	0.46	No
MRF	Automobile	86	85	87	-2	0.92	No
MRPL	Oil_Gas	97	94	87	7	0.20	Yes
MUTHOOTFIN	Finance	91	83	84	-1	-2.14	No
NATIONALUM	Metals	87	85	83	2	0.54	No
NBCC	Infrastructure	92	90	90	0	0.73	No
NCC	Infrastructure	88	87	86	0	0.51	No
NESTLEIND	FMCG	87	90	89	1	0.54	No
NHPC	Power	93	83	88	-5	0.66	Yes
NIFTY	Index	68	63	69	-6	0.48	No
NIFTYIT	Index	65	71	70	1	0.50	No

DERIVATIVES ROLLOVER ANALYSIS

28-09-2018

Rollover Update (Sector Wise)

Company	Sector	Aug to Sep roll%	Sep to Oct roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
NIITTECH	Technology	93	97	87	10	0.79	Yes
NMDC	Metals	89	80	88	-8	0.34	No
NTPC	Power	77	78	80	-2	0.60	No
OFSS	Technology	84	62	78	-16	-0.45	Yes
OIL	Oil_Gas	95	94	84	11	0.67	Yes
ONGC	Oil_Gas	81	86	78	8	0.71	No
ORIENTBANK	Banking	98	96	93	3	0.24	Yes
PAGEIND	Textile	73	89	80	9	-0.18	No
PCJEWELLER	Others	83	76	81	-5	0.37	No
PEL	Pharma	94	94	94	0	0.73	No
PETRONET	Oil_Gas	87	95	88	7	0.64	No
PFC	Finance	94	89	90	-1	0.63	No
PIDILITIND	FMCG	91	93	90	3	0.51	No
PNB	Banking	90	89	90	-1	0.80	No
POWERGRID	Power	81	87	83	4	0.46	No
PTC	Power	63	90	72	17	0.51	Yes
PVR	Media	96	97	87	9	0.30	Yes
RAMCOCEM	Cement	97	76	89	-13	-0.08	Yes
RAYMOND	Textile	94	90	94	-3	0.55	No
RBLBANK	Banking	84	83	81	1	0.74	No
RCOM	Telecom	96	95	91	4	-0.40	Yes
RECLTD	Power	90	88	87	1	0.87	No
RELCAPITAL	Finance	84	79	78	1	0.63	No
RELIANCE	Oil_Gas	85	77	85	-8	0.65	No
RELINFRA	Power	86	81	87	-6	0.61	No
REPCOHOME	Finance	94	94	90	5	-3.81	Yes
RPOWER	Power	97	94	93	1	-0.57	Yes
SAIL	Metals	90	88	89	-1	0.61	No
SBIN	Banking	81	82	80	2	0.34	No
SHREECEM	Cement	94	93	90	2	0.55	No
SIEMENS	Capital_Goods	99	100	96	3	-0.18	Yes
SOUTHBANK	Banking	87	84	89	-5	1.11	No
SREINFRA	Infrastructure	98	91	94	-3	-0.30	Yes
SRF	Textile	98	92	87	5	0.30	Yes
SRTRANSFIN	Finance	95	84	92	-7	0.93	No
STAR	Pharma	91	94	86	9	0.38	No

DERIVATIVES ROLLOVER ANALYSIS

28-09-2018

Rollover Update (Sector Wise)

Company	Sector	Aug to Sep roll%	Sep to Oct roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
SUNPHARMA	Pharma	89	89	91	-2	0.29	No
SUNTV	Media	89	85	88	-3	0.65	No
SUZLON	Power	92	87	90	-2	1.68	No
SYNDIBANK	Banking	98	95	95	0	-0.16	Yes
TATACHEM	Fertilisers	89	93	89	5	0.80	No
TATACOMM	Telecom	90	93	90	3	0.65	No
TATAELXSI	Technology	85	88	84	4	0.81	No
TATAGLOBAL	FMCG	88	88	86	3	0.32	No
TATAMOTORS	Automobile	90	87	90	-2	0.82	No
TATAMTRDVR	Automobile	94	94	93	1	0.72	No
TATAPOWER	Power	93	90	91	-1	0.73	No
TATASTEEL	Metals	94	92	92	1	0.21	No
TCS	Technology	71	65	78	-13	0.58	No
TECHM	Technology	86	87	87	0	0.58	No
TITAN	FMCG	92	88	83	5	0.37	No
TORNTPHARM	Pharma	84	89	83	7	0.78	No
TORNTPOWER	Power	93	84	85	-1	0.56	Yes
TV18BRDCST	Media	99	94	94	0	0.00	Yes
TVSMOTOR	Automobile	66	82	82	0	-2.33	No
UBL	FMCG	98	95	93	3	0.30	Yes
UJJIVAN	Finance	91	79	88	-9	0.67	No
ULTRACEMCO	Cement	90	84	86	-2	0.14	No
UNIONBANK	Banking	91	87	91	-4	0.67	No
UPL	Fertilisers	92	89	86	3	0.64	No
VEDL	Metals	84	84	87	-4	0.37	No
VGUARD	Capital_Goods	96	99	90	9	0.73	Yes
VOLTAS	Capital_Goods	81	78	81	-3	-0.83	No
WIPRO	Technology	89	74	88	-14	0.71	No
WOCKPHARMA	Pharma	99	96	93	3	0.13	Yes
YESBANK	Banking	84	84	85	-1	0.76	No
ZEEL	Media	87	80	87	-7	0.76	No

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