

DERIVATIVES ROLLOVER ANALYSIS

28-12-2018

JANUARY SERIES VIEW

In December expiry, the benchmark indices saw high volatility owing to assembly election outcome, Fed tightness, and negative global cues. Meanwhile, weakness in crude oil prices and strong Rupee against Dollar boosted the market sentiment. Nifty spot has taken support of 200 DSMA and settled at 10780 indicating positive bias. On the expiry day, market-wide rollovers stood lower at 84% compared with the average rollovers of 86% in the last three series. Nifty Futures rollover stood at 74%, which is higher than the average rollover of 70% of the last three series. Nifty will start the Jan series with an OI of 2.23 Cr shares compared with OI of 1.96 Cr shares at the beginning of the Dec series. Going into January, key events that would act as market triggers would include global markets trends, trade war tensions, Q3FY19 earning, the movement of Rupee against the Dollar, bond yield, and crude oil price movement will dictate the trend on the bourses in the near term. On the downside, support for Nifty is around 10500 and 10400 whereas resistance stands at 11000 and 11200. We expect Nifty to remain volatile during the January series.

DERIVATIVES INDICATORS

India VIX closed lower at 16.07 vs. 18.69 of the previous month indicating low volatility in market. Another leading derivative indicator, Nifty PCR, opened on a lower note this month at 1.54 against last month's 1.75.

BANKNIFTY

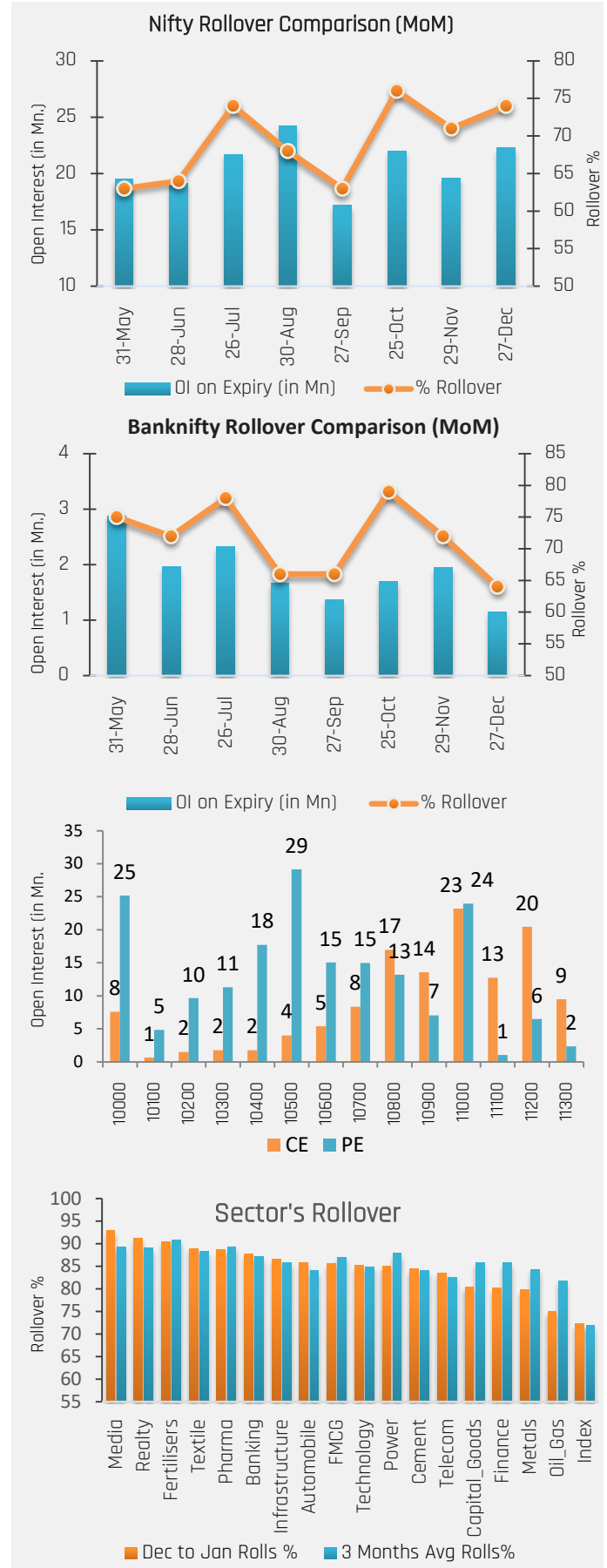
The index saw lower rolls of 64% compared with the 3M average of 72%. BankNifty will start the January series with an OI of 1.14 Mn shares compared with OI of 1.95 Mn shares at the beginning of the December series. As per options data, support for the index is around 25500 and 26000 whereas resistance stands at 27500 and 28000 for the short term.

OPTION ANALYSIS

From the OI Concentration (January Series), maximum addition of Open Interest on the call options front exists at strike prices of 11000 and 11200 (with nearly 23.11 lacs and 20.44 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 10500 and 10000 (with nearly 29.14 lacs and 25.19 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Media, Realty, Textile, Automobile, and Banking stocks on expiry. However, low rollovers were seen in Metals, FMCG, Finance, Oil & Gas, and Power stocks.
- Within the Nifty50 space, index heavyweights such as HEROMOTOCO, LT, CIPLA, TCS, RELIANCE, and HINDUNILVR saw aggressive rollover in the Jan series while low rolls were seen in GAIL, POWERGRID, BPCL, IOC, ONGC, IBULHSGFIN, and HINDPETRO compared with the 3M average.
- From the midcap space, PCJEWELLER, INDIACEM, INFIBEAM, JUBLFOOD, OIL, and CASTROLIND saw high rollovers whereas SHREECEM, MGL, CONCOR, TVSMOTOR, and UJJIVAN saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY

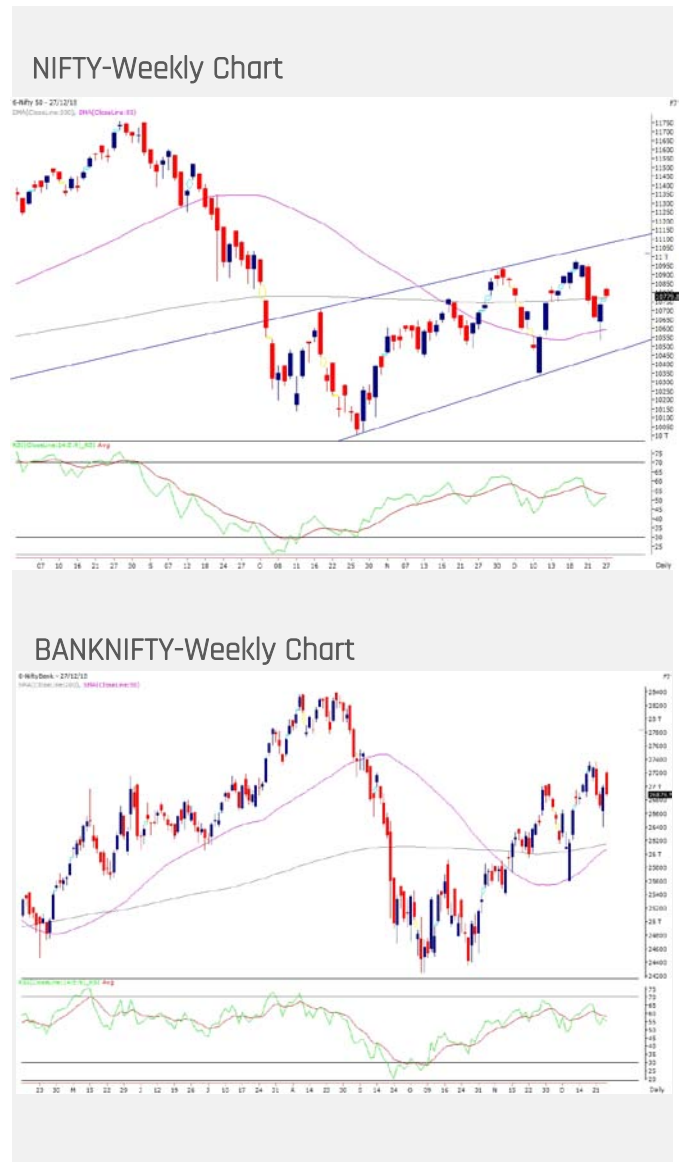
In the December series, Nifty has seen high volatility. However, despite that, the index managed to close above its 200 DSMA and settled the expiry at 10780. Technically, the index has taken support of its 20 DSMA (10595) and closed above 10772 where 200 DSMA is placed indicating bullish bias for the short term. RSI oscillator is placed above the center point suggesting strength. As long as the index holds the support of 10500, an up-move until 11000-11100 levels can be possible, but it should be used for profit-booking.

For the January series, 10700 and 10500 will act as support point whereas 11000 and 11200 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY

In the December series, BankNifty has taken support close to 20 DSMA and seen has seen a strong rally. With the help of this rally, the index has made a high of 27369 and settled the expiry around 26878. RSI is positively poised above the center line indicating strength. If the index sustains above 27000, then 27400-27500 can be possible where the recent high is placed. The 200 DSMA is placed close to 26150, and 20 DSMA is placed close to 26070. Thus, 26100 will act as strong support followed by 25500.

For the December series, 26100 and 25500 will act as support points whereas 27500 and 28000 will act as resistance points.



Stocks to watch out based on Rollover Analysis:

POSITIVE

RELIANCE	Strong rollover of 90% compared with 3 month avg of 79% indicating long position carried forward
AMARAJABAT	Strong rollover of 84% compared with 3 month avg of 78% indicating long position carried forward
ITC	Strong rollover of 89% compared with 3 month avg of 83% indicating long position carried forward
TVSMOTOR	Weak rollover of 64% compared with 3 month avg of 82% indicating cut down short position.

NEGATIVE

HEROMOTOCO	Strong rollover of 88% compared with 3 month avg of 70% indicating short position carried forward.
COLPAL	Weak rollover of 71% compared with 3 month avg of 83% indicating long position unwinding.

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Rollover Update (Sector Wise)

Company	Sector	Nov to Dec roll%	Dec to Jan roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
ACC	Cement	79	85	79	6	0.56	No
ADANIENT	Others	91	87	92	-5	0.49	No
ADANIPOINTS	Others	90	87	86	1	0.65	No
ADANIPOWER	Power	98	99	97	1	1.27	Yes
AJANTPHARM	Pharma	99	97	97	0	0.65	Yes
ALBK	Banking	88	95	94	1	0.75	Yes
AMARAJABAT	Automobile	89	84	78	6	0.52	No
AMBUJACEM	Cement	89	88	86	2	0.51	No
APOLLOHOSP	Others	85	75	83	-8	0.49	No
APOLLOTYRE	Automobile	79	89	81	8	0.65	No
ARVIND	Textile	80	81	79	1	0.62	No
ASHOKLEY	Automobile	88	89	90	-1	0.78	No
ASIANPAINT	FMCG	69	79	73	6	0.37	No
AUROPHARMA	Pharma	86	85	91	-5	0.61	No
AXISBANK	Banking	90	82	87	-5	0.62	No
BAJAJ-AUTO	Automobile	89	87	82	5	0.60	No
BAJAJFINSV	Finance	86	85	83	2	0.34	No
BAJFINANCE	Finance	87	91	87	4	0.25	No
BALKRISIND	Automobile	90	87	84	4	0.70	No
BANKBARODA	Banking	87	81	91	-10	0.39	No
BANKINDIA	Banking	89	90	88	2	0.54	No
BANKNIFTY	Index	72	64	72	-8	0.57	No
BATAINDIA	FMCG	79	84	79	5	-0.86	No
BEL	Capital_Goods	76	73	82	-10	-0.64	No
BEML	Infrastructure	95	95	96	-1	0.62	Yes
BERGEPAIN	FMCG	91	92	93	-1	0.35	Yes
BHARATFIN	Finance	77	73	87	-14	0.08	No
BHARATFORG	Automobile	91	93	88	4	0.68	No
BHARTIARTL	Telecom	81	82	82	0	0.32	No
BHEL	Capital_Goods	82	73	81	-8	0.29	No
BIOCON	Pharma	89	83	89	-5	0.65	No
BOSCHLTD	Automobile	79	88	85	3	0.61	No
BPCL	Oil_Gas	75	68	75	-7	-2.67	No
BRITANNIA	FMCG	80	82	89	-7	0.66	No
CADILAHC	Pharma	87	91	87	4	0.53	No
CANBK	Banking	90	88	89	-1	0.61	No

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Company	Sector	Nov to Dec roll%	Dec to Jan roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
CANFINHOME	Finance	94	97	87	10	0.66	Yes
CASTROLIND	Oil_Gas	70	91	77	14	0.68	No
CEATLTD	Automobile	84	86	83	3	0.60	No
CENTURYTEX	Textile	93	92	91	1	0.64	No
CESC	Power	80	86	80	6	0.41	No
CGPOWER	Power	99	96	96	-1	0.80	Yes
CHENNPETRO	Oil_Gas	98	87	94	-6	-0.50	Yes
CHOLAFIN	Finance	75	85	83	2	0.70	No
CIPLA	Pharma	81	89	76	12	0.66	No
COALINDIA	Others	77	80	77	3	-4.22	No
COLPAL	FMCG	76	71	83	-12	0.36	No
CONCOR	Others	93	50	77	-26	0.22	No
CUMMINSIND	Capital_Goods	91	69	85	-16	-0.22	No
DABUR	FMCG	88	86	90	-4	0.66	No
DCBBANK	Banking	92	98	92	5	0.71	Yes
DHFL	Finance	82	82	87	-5	-0.77	No
DISHTV	Media	75	86	81	5	0.67	No
DIVISLAB	Pharma	78	81	86	-5	0.59	No
DLF	Realty	92	91	91	0	0.54	No
DRREDDY	Pharma	91	93	89	3	0.64	No
EICHERMOT	Automobile	92	86	83	3	0.55	No
ENGINEERSIN	Infrastructure	86	70	72	-2	-0.87	No
EQUITAS	Finance	74	83	85	-1	0.60	No
ESCORTS	Automobile	93	87	90	-3	0.42	No
EXIDEIND	Automobile	89	80	83	-3	0.07	No
FEDERALBNK	Banking	87	82	87	-5	0.69	No
GAIL	Oil_Gas	73	42	73	-31	-0.69	No
GLENMARK	Pharma	89	82	91	-9	0.57	No
GMRINFRA	Infrastructure	87	92	86	6	0.94	No
GODFRYPHLP	FMCG	90	95	94	2	0.48	Yes
GODREJCP	FMCG	87	85	85	0	0.34	No
GODREJIND	FMCG	88	90	94	-4	0.48	Yes
GRASIM	Cement	88	91	85	6	0.66	No
GSFC	Fertilisers	98	98	96	2	0.69	Yes
HAVELLS	Others	82	87	87	0	0.40	No
HCLTECH	Technology	86	84	83	0	0.37	No

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Company	Sector	Nov to Dec roll%	Dec to Jan roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
HDFC	Finance	90	88	87	1	0.42	No
HDFCBANK	Banking	78	69	73	-4	0.61	No
HEROMOTOCO	Automobile	78	88	70	18	0.45	No
HEXAWARE	Technology	96	93	91	2	0.43	Yes
HINDALCO	Metals	88	86	88	-2	0.54	No
HINDPETRO	Oil_Gas	87	59	86	-28	-2.67	No
HINDUNILVR	FMCG	87	89	80	9	0.52	No
HINDZINC	Metals	92	80	82	-2	-0.13	No
IBULHSGFIN	Finance	93	65	89	-25	-0.34	No
ICICIBANK	Banking	79	85	81	4	0.42	No
ICICIPRULI	Finance	87	84	87	-3	0.70	No
IDBI	Banking	92	85	90	-5	0.49	Yes
IDEA	Telecom	82	82	89	-7	0.67	No
IDFC	Finance	95	90	94	-4	0.58	No
IDFCBANK	Banking	92	90	91	-1	-0.23	No
IFCI	Finance	93	97	93	4	1.01	Yes
IGL	Oil_Gas	77	82	74	9	0.30	No
INDIACEM	Cement	85	98	84	14	0.59	No
INDIANB	Banking	88	98	90	8	0.69	No
INDIGO	Others	56	79	77	2	0.27	No
INDUSINDBK	Banking	82	80	75	5	0.64	No
INFIBEAM	Technology	88	88	77	11	0.64	No
INFRATEL	Telecom	70	65	61	5	0.54	No
INFY	Technology	85	84	76	8	0.28	No
IOC	Oil_Gas	89	70	83	-13	0.15	No
IRB	Infrastructure	81	84	85	0	0.66	No
ITC	FMCG	87	89	83	6	0.37	No
JETAIRWAYS	Others	93	97	91	6	-1.26	No
JINDALSTEL	Metals	92	82	90	-8	0.44	No
JISLJALEQS	Others	83	85	86	-2	0.52	No
JPASSOCIAT	Realty	91	92	87	4	0.65	Yes
JSWSTEEL	Metals	90	79	83	-3	0.67	No
JUBLFOOD	Others	84	92	81	10	0.54	No
JUSTDIAL	Others	95	91	96	-5	-0.66	Yes
KAJARIACER	Others	88	90	84	6	0.66	No
KOTAKBANK	Banking	81	74	75	-1	0.60	No
KPIT	Technology	96	98	95	3	0.73	Yes

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KSCL	Others	97	96	94	2	-1.38	Yes
KTKBANK	Banking	93	97	92	5	0.36	No
L&TFH	Finance	80	83	84	-1	-0.19	No
LICHSGFIN	Finance	86	94	86	8	0.63	No
LT	Capital_Goods	79	87	74	13	0.54	No
LUPIN	Pharma	86	91	84	7	0.47	No
M&M	Automobile	84	89	84	5	0.15	No
M&MFIN	Finance	87	74	90	-16	0.71	No
MANAPPURAM	Finance	78	77	79	-1	0.67	No
MARICO	FMCG	89	89	81	8	0.28	No
MARUTI	Automobile	86	92	84	7	0.49	No
MCDOWELL-N	FMCG	86	92	91	0	0.43	No
MCX	Others	81	94	89	5	0.73	No
MFSL	Finance	75	79	81	-2	0.50	No
MGL	Oil_Gas	95	72	96	-24	0.32	Yes
MINDTREE	Technology	72	78	83	-5	0.33	No
MOTHERSUMI	Automobile	85	86	88	-1	0.62	No
MRF	Automobile	86	84	84	0	0.69	No
MRPL	Oil_Gas	83	79	88	-10	0.20	Yes
MUTHOOTFIN	Finance	79	66	79	-13	0.23	No
NATIONALUM	Metals	86	66	84	-18	-0.88	No
NBCC	Infrastructure	86	88	85	3	0.65	No
NCC	Infrastructure	89	90	86	4	0.66	No
NESTLEIND	FMCG	72	87	86	1	0.63	No
NHPC	Power	76	80	85	-5	-1.53	Yes
NIFTY	Index	71	74	70	4	0.28	No
NIFTYIT	Index	72	79	74	4	0.32	No
NIITTECH	Technology	97	96	96	-1	0.44	Yes
NMDC	Metals	81	68	77	-9	-0.43	No
NTPC	Power	81	74	75	-1	-1.75	No
OFSS	Technology	96	62	79	-17	0.59	Yes
OIL	Oil_Gas	73	92	83	9	-1.32	Yes
ONGC	Oil_Gas	79	67	75	-8	-2.71	No
ORIENTBANK	Banking	95	97	96	2	0.53	Yes
PAGEIND	Textile	79	88	85	2	0.54	No
PCJEWELLER	Others	66	91	75	16	0.65	No
PEL	Pharma	91	90	93	-2	0.52	No

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PETRONET	Oil_Gas	82	76	80	-4	0.56	No
PFC	Finance	81	70	70	0	-1.09	No
PIDILITIND	FMCG	91	84	93	-9	0.53	No
PNB	Banking	92	92	91	2	0.64	No
POWERGRID	Power	81	54	86	-33	-0.92	No
PTC	Power	95	93	94	-1	0.50	Yes
PVR	Media	98	99	98	1	0.30	Yes
RAMCOCEM	Cement	95	88	81	6	0.63	Yes
RAYMOND	Textile	92	87	92	-5	0.55	No
RBLBANK	Banking	91	75	88	-13	-0.13	No
RCOM	Telecom	87	97	88	9	0.69	Yes
RECLTD	Power	75	78	85	-7	-0.77	No
RELCAPITAL	Finance	87	91	83	9	0.61	No
RELIANCE	Oil_Gas	81	90	79	11	0.32	No
RELINFRA	Power	90	90	86	4	0.64	No
REPCOHOME	Finance	97	95	92	3	0.68	Yes
RPOWER	Power	97	98	96	3	0.70	Yes
SAIL	Metals	85	77	86	-9	0.39	No
SBIN	Banking	82	87	82	5	0.48	No
SHREECEM	Cement	82	59	87	-29	0.33	No
SIEMENS	Capital_Goods	99	94	98	-4	0.00	Yes
SOUTHBANK	Banking	90	99	86	13	0.66	No
SREINFRA	Infrastructure	90	87	92	-5	0.71	Yes
SRF	Textile	92	97	94	3	0.67	Yes
SRTRANSFIN	Finance	93	93	89	4	0.46	No
STAR	Pharma	96	99	93	6	0.66	No
SUNPHARMA	Pharma	94	92	90	1	0.66	No
SUNTV	Media	90	94	87	6	0.75	No
SUZLON	Power	91	85	89	-4	0.92	No
SYNDIBANK	Banking	88	98	93	5	0.53	Yes
TATACHEM	Fertilisers	86	87	89	-2	0.58	No
TATACOMM	Telecom	92	92	93	-1	0.68	No
TATAELXSI	Technology	84	89	85	4	0.67	No
TATAGLOBAL	FMCG	87	59	87	-28	0.70	No
TATAMOTORS	Automobile	90	88	89	-1	0.68	No
TATAMTRDVR	Automobile	83	83	88	-5	0.66	No

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TATAPOWER	Power	77	79	85	-6	0.45	No
TATASTEEL	Metals	83	92	88	3	0.63	No
TCS	Technology	88	87	78	9	0.22	No
TECHM	Technology	92	85	89	-4	0.57	No
TITAN	FMCG	90	88	89	-1	0.69	No
TORNTPHARM	Pharma	84	69	87	-18	0.35	No
TORNTPOWER	Power	90	94	88	7	0.37	Yes
TV18BRDCST	Media	92	98	95	3	0.67	Yes
TVSMOTOR	Automobile	82	64	82	-18	0.41	No
UBL	FMCG	96	99	97	2	0.63	Yes
UJJIVAN	Finance	84	68	84	-17	0.57	No
ULTRACEMCO	Cement	89	83	86	-3	0.26	No
UNIONBANK	Banking	92	92	88	4	0.60	No
UPL	Fertilisers	88	87	87	-1	0.59	No
VEDL	Metals	85	89	80	9	0.69	No
VGUARD	Capital_Goods	98	95	98	-3	-3.65	Yes
VOLTAS	Capital_Goods	91	73	82	-9	0.33	No
WIPRO	Technology	93	80	85	-6	-0.09	No
WOCKPHARMA	Pharma	98	100	98	2	0.61	Yes
YESBANK	Banking	94	87	88	-1	0.62	No
ZEEL	Media	87	89	86	3	0.39	No

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