

DERIVATIVES ROLLOVER ANALYSIS

30-11-2018

DECEMBER SERIES VIEW

In November, key benchmark indices saw a strong up-move in the expiry despite heavy volatility, US-China trade disputes, and crisis in the NBFC sector. Meanwhile, the weakness in crude oil prices and strong Rupee against Dollar boosted the sentiment. Nifty spot surged 7.24% (EoE) and closed at 10859 with a high rollover indicating positive bias. On the expiry day, market-wide rollovers stood in line at 86% compared with the average rollovers of 86% in the last three series. Nifty Futures rollover stood at 71%, which is higher than the average rollover of 70% of the last three series. Nifty will start the Dec series with an OI of 1.96 Cr shares compared with OI of 2.20 Cr shares at the beginning of the Nov series. Going into November, key events that would act as near-term market triggers would include global markets trends, trade war tensions, RBI Monetary Policy, RBI board meeting with government, OPEC meeting, assembly elections outcome, the movement of Rupee against the dollar, bond yield, and crude oil price movement. On the downside, support for Nifty is around 10750 and 10500 whereas resistance stands at 11000 and 11200. We expect Nifty to remain volatile during the December series.

DERIVATIVES INDICATORS

India VIX closed lower at 18.69 vs. 18.96 of the previous month indicating low volatility in market. Another leading derivative indicator, Nifty PCR, opened on a higher note this month at 1.75 against last month's 1.49.

BANKNIFTY

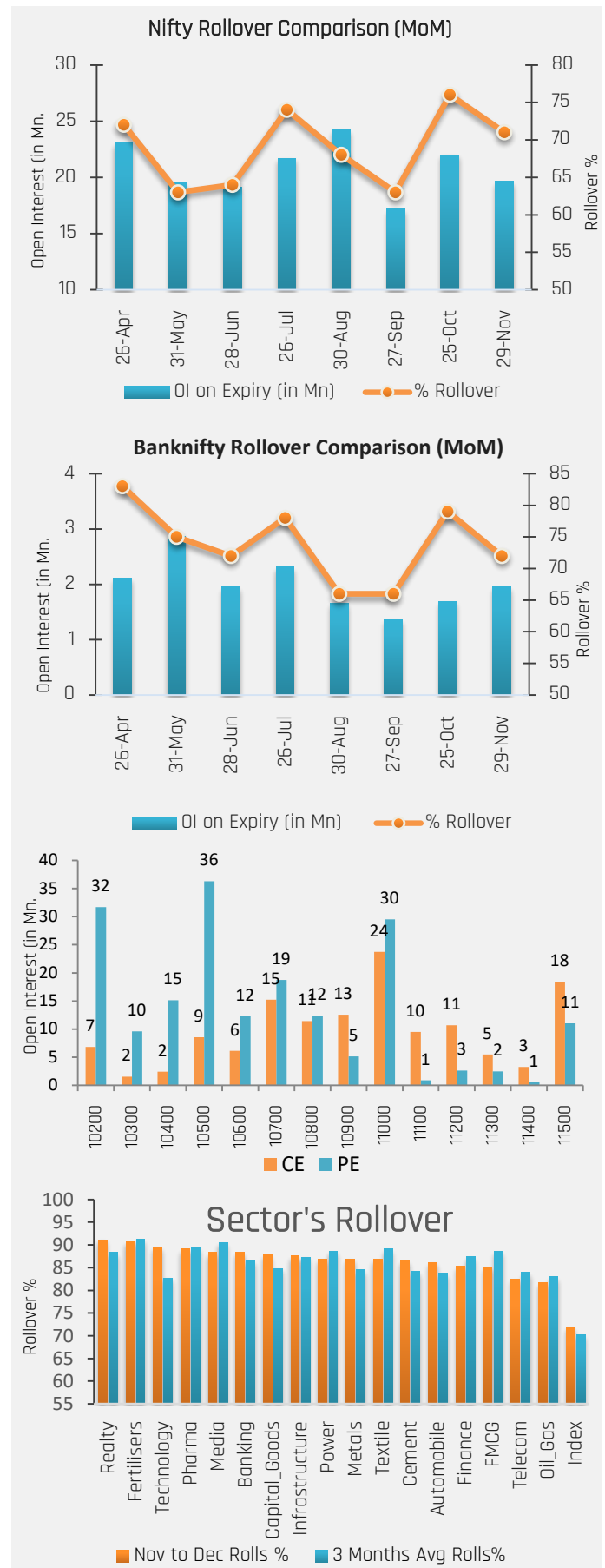
The index saw higher rolls of 72% compared with the 3M average of 70%. BankNifty will start the December series with an OI of 1.95 Mn shares compared with OI of 1.69 Mn shares at the beginning of the November series. As per options data, support for the index is around 25500 and 26000 whereas resistance stands at 27500 and 28000 for the short term.

OPTION ANALYSIS

From the OI Concentration (December Series), maximum addition of Open Interest on the call options front exists at strike prices of 11000 and 11500 (with nearly 23.72 lacs and 18.46 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 10200 (with nearly 36.29 lacs and 37.70 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Realty, Banking, Capital Goods, Automobile, and Technology stocks on expiry. However, low rollovers were seen in Telecom, FMCG, Finance, Oil & Gas, and Power stocks.
- Within the Nifty50 space, index heavyweights such as TCS, INFY, YESBANK, INFRATEL, KOTAKBANK, and HEROMOTOCO saw aggressive rollover in the Dec series while low rolls were seen in TATASTEEL, POWERGRID, BPCL, COALINDIA, UPL, ICICIBANK, and M&M compared with the 3M average.
- From the midcap space, CONCOR, OFSS, HINDZINC, AMARAJABAT, VOLTAS, and EXIDEIND saw high rollovers whereas INDIGO, EQUITASD, and TATAPOWER saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY

In the November series, Nifty has seen a strong up-move and closed around 10859 with a positive bias. Technically, the index has crossed its 50 WEMA as well as previous swing high and also filled the bearish gap placed at 10850 indicating bullishness. The 20 WEMA is placed close to 10965, which will act as short-term hurdle followed by 11200. The 200 DSMA is placed close to 10750, which will act as strong support now. Stochastic oscillator is placed close to the overbought zone. As long as the index holds the support of 10750, up-move until 11000-11090 levels can be possible, but it should be used for profit-booking.

For the December series, 10750 and 10500 will act as support point whereas 11000 and 11500 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY

In the November series, Bank Nifty has taken support close to 100 WEMA and has seen a strong rally. With the help of this rally, the index has closed around 26940. Technically, the index has crossed its 20 WEMA of 26485, and has sustained above it indicating strength. If the index sustains above 27000, then 27400-27500 can be possible where the trendline resistance is placed. The 20 WSMA is placed close to 26500, which will act as the short-term support followed by 25980 where the 20 DSMA is placed. Stochastic oscillator is placed close to overbought zone.

For the December series, 26500 and 26000 will act as support points whereas 27500 and 28000 will act as resistance points.

NIFTY-Weekly Chart



BANKNIFTY-Weekly Chart



Stocks to watch out based on Rollover Analysis:

POSITIVE

KOTAKBANK	Strong rollover of 81% compared with 3 month avg of 71% indicating long position carried forward.
INFY	Strong rollover of 85% compared with 3 month avg of 71% indicating long position carried forward.
EXIDEIND	Strong rollover of 89% compared with 3 month avg of 76% indicating long position carried forward.
BAJAJ-AUTO	Strong rollover of 89% compared with 3 month avg of 82% indicating long position carried forward.

NEGATIVE

HINDZINC	Strong rollover of 92% compared with 3 month avg of 77% indicating short position carried forward.
SUNPHARMA	Strong rollover of 94% compared with 3 month avg of 89% indicating short position carried forward.

Rollover Update (Sector Wise)

Company	Sector	Oct to Nov roll%	Nov to Dec roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
ACC	Cement	70	79	79	-1	0.44	No
ADANIENIT	Others	90	91	87	4	0.15	No
ADANIPOWER	Power	88	90	80	10	0.45	No
ADANIPOWER	Power	97	98	98	0	1.17	Yes
AJANTPHARM	Pharma	97	99	97	2	0.49	Yes
ALBK	Banking	97	88	97	-9	0.63	Yes
AMARAJABAT	Automobile	80	89	76	13	0.40	No
AMBUJACEM	Cement	82	89	82	7	0.32	No
APOLLOHOSP	Others	72	85	81	4	0.24	No
APOLLOTYRE	Automobile	79	79	85	-5	0.28	No
ARVIND	Textile	79	80	82	-2	0.44	No
ASHOKLEY	Automobile	88	88	90	-2	0.23	No
ASIANPAINT	FMCG	82	69	78	-8	0.48	No
AUROPHARMA	Pharma	91	86	93	-7	0.42	No
AXISBANK	Banking	88	90	85	5	0.12	No
BAJAJ-AUTO	Automobile	71	89	82	8	0.20	No
BAJAJFINSV	Finance	85	86	81	5	0.42	No
BAJFINANCE	Finance	86	87	87	0	0.43	No
BALKRISIND	Automobile	87	90	81	8	0.44	No
BANKBARODA	Banking	94	87	93	-6	0.29	No
BANKINDIA	Banking	87	89	85	3	0.00	No
BANKNIFTY	Index	79	72	70	2	-0.14	No
BATAINDIA	FMCG	82	79	78	1	0.27	No
BEL	Capital_Goods	86	76	86	-10	-0.06	No
BEML	Infrastructure	97	95	95	0	0.46	Yes
BERGEPAIN	FMCG	94	91	96	-5	0.30	Yes
BHARATFIN	Finance	94	77	90	-13	0.00	No
BHARATFORG	Automobile	86	91	89	2	0.51	No
BHARTIARTL	Telecom	74	81	85	-4	0.54	No
BHEL	Capital_Goods	76	82	82	0	-0.59	No
BIOCON	Pharma	86	89	88	1	0.36	No
BOSCHLTD	Automobile	94	79	89	-10	0.24	No
BPCL	Oil_Gas	78	75	77	-2	0.27	No
BRITANNIA	FMCG	93	80	93	-13	-0.16	No
CADILAH	Pharma	86	87	86	1	0.39	No

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Company	Sector	Oct to Nov roll%	Nov to Dec roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
CANFINHOME	Finance	71	94	89	5	0.49	Yes
CAPF	Finance	95	87	92	-5	0.46	No
CASTROLIND	Oil_Gas	76	70	82	-12	0.45	No
CEATLTD	Automobile	85	84	83	2	0.24	No
CENTURYTEX	Textile	91	93	92	1	0.49	No
CESC	Power	67	80	86	-5	0.32	No
CGPOWER	Power	98	99	96	3	0.52	Yes
CHENNPETRO	Oil_Gas	94	98	88	10	0.47	Yes
CHOLAFIN	Finance	88	75	88	-13	0.04	No
CIPLA	Pharma	71	81	78	3	0.46	No
COALINDIA	Others	76	77	79	-2	-0.32	No
COLPAL	FMCG	86	76	87	-11	0.25	No
CONCOR	Others	47	93	77	17	0.40	No
CUMMINSIND	Capital_Goods	82	91	78	13	0.77	No
DABUR	FMCG	93	88	92	-4	0.37	No
DCBBANK	Banking	87	92	94	-2	0.58	Yes
DHFL	Finance	91	82	90	-7	-0.33	No
DISHTV	Media	78	75	86	-11	-0.38	No
DIVISLAB	Pharma	90	78	89	-11	0.27	No
DLF	Realty	90	92	89	3	0.47	No
DRREDDY	Pharma	86	91	87	3	-0.02	No
EICHERMOT	Automobile	80	92	82	10	0.42	No
ENGINEERSIN	Infrastructure	61	86	73	13	0.30	No
EQUITAS	Finance	91	74	91	-17	0.47	No
ESCORTS	Automobile	90	93	88	4	0.53	No
EXIDEIND	Automobile	83	89	79	10	0.54	No
FEDERALBNK	Banking	87	87	86	1	0.06	No
GAIL	Oil_Gas	66	73	73	0	0.31	No
GLENMARK	Pharma	92	89	88	1	0.25	No
GMRINFRA	Infrastructure	81	87	88	-1	0.63	No
GODFRYPHLP	FMCG	97	90	95	-5	0.65	Yes
GODREJCP	FMCG	83	87	85	1	0.47	No
GODREJIND	FMCG	97	88	98	-10	0.35	Yes
GRASIM	Cement	87	88	82	6	0.52	No
GSFC	Fertilisers	93	98	95	4	0.43	Yes
HAVELLS	Others	91	82	87	-5	0.36	No

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Company	Sector	Oct to Nov roll%	Nov to Dec roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
HCLTECH	Technology	87	86	82	5	0.48	No
HDFC	Finance	88	90	86	3	0.45	No
HDFCBANK	Banking	76	78	71	6	-0.27	No
HEROMOTOCO	Automobile	74	78	70	9	0.44	No
HEXAWARE	Technology	89	96	82	14	0.51	Yes
HINDALCO	Metals	89	88	87	1	0.27	No
HINDPETRO	Oil_Gas	85	87	86	1	0.37	No
HINDUNILVR	FMCG	73	87	79	8	0.50	No
HINDZINC	Metals	69	92	77	14	-0.19	No
IBULHSGFIN	Finance	87	93	89	5	0.46	No
ICICIBANK	Banking	83	79	80	-2	-0.12	No
ICICIPRULI	Finance	86	87	88	-1	0.55	No
IDBI	Banking	90	92	91	0	0.42	Yes
IDEA	Telecom	92	82	92	-9	0.26	No
IDFC	Finance	95	95	94	2	0.00	No
IDFCBANK	Banking	92	92	91	1	0.00	No
IFCI	Finance	92	93	94	-2	0.37	Yes
IGL	Oil_Gas	63	77	74	3	0.36	No
INDIACEM	Cement	82	85	87	-1	0.61	No
INDIANB	Banking	95	88	88	-1	0.38	No
INDIGO	Others	85	56	86	-30	0.28	No
INDUSINDBK	Banking	74	82	73	9	-0.23	No
INFIBEAM	Technology	67	88	72	16	-0.11	No
INFRATEL	Telecom	57	70	60	10	0.41	No
INFY	Technology	82	85	75	11	0.36	No
IOC	Oil_Gas	84	89	81	8	-0.52	No
IRB	Infrastructure	87	81	88	-7	0.47	No
ITC	FMCG	84	87	81	6	0.47	No
JETAIRWAYS	Others	89	93	90	4	-1.06	No
JINDALSTEL	Metals	85	92	90	2	0.48	No
JISLJALEQS	Others	88	83	90	-7	0.45	No
JPASSOCIAT	Realty	84	91	87	3	2.26	Yes
JSWSTEEL	Metals	76	90	83	6	0.50	No
JUBLFOOD	Others	78	84	81	4	0.45	No

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JUSTDIAL	Others	96	95	97	-2	0.33	Yes
KAJARIACER	Others	76	88	83	5	0.31	No
KOTAKBANK	Banking	70	81	70	11	-0.24	No
KPIT	Technology	96	96	96	0	0.00	Yes
KSCL	Others	93	97	90	7	-1.84	Yes
KTKBANK	Banking	92	93	92	1	0.58	No
L&TFH	Finance	83	80	88	-8	0.07	No
LICHSGFIN	Finance	87	86	86	0	-0.15	No
LT	Capital_Goods	75	79	74	5	0.44	No
LUPIN	Pharma	86	86	84	2	-0.09	No
M&M	Automobile	84	84	84	0	0.43	No
M&MFIN	Finance	90	87	91	-4	0.40	No
MANAPPURAM	Finance	72	78	83	-5	0.41	No
MARICO	FMCG	61	89	82	7	0.42	No
MARUTI	Automobile	87	86	84	3	0.46	No
MCDOWELL-N	FMCG	94	86	94	-8	0.50	No
MCX	Others	91	81	93	-11	0.30	No
MFSL	Finance	85	75	86	-10	0.39	No
MGL	Oil_Gas	99	95	96	-1	-0.18	Yes
MINDTREE	Technology	89	72	88	-16	0.45	No
MOTHERSUMI	Automobile	91	85	90	-5	0.52	No
MRF	Automobile	81	86	84	2	0.30	No
MRPL	Oil_Gas	89	83	93	-11	0.67	Yes
MUTHOOTFIN	Finance	74	79	83	-4	0.26	No
NATIONALUM	Metals	82	86	85	1	0.30	No
NBCC	Infrastructure	79	86	87	-1	0.46	No
NCC	Infrastructure	82	89	86	4	0.68	No
NESTLEIND	FMCG	95	72	91	-19	0.16	No
NHPC	Power	96	76	91	-14	0.58	Yes
NIFTY	Index	76	71	69	2	0.29	No
NIFTYIT	Index	79	72	72	1	0.43	No
NIITTECH	Technology	96	97	95	1	0.25	Yes
NMDC	Metals	69	81	79	2	0.53	No
NTPC	Power	67	81	74	7	-0.46	No

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Company	Sector	Oct to Nov roll%	Nov to Dec roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
OFSS	Technology	79	96	75	21	0.25	Yes
OIL	Oil_Gas	81	73	90	-17	-8.22	Yes
ONGC	Oil_Gas	61	79	76	3	0.25	No
ORIENTBANK	Banking	96	95	97	-2	0.57	Yes
PAGEIND	Textile	88	79	84	-5	0.32	No
PCJEWELLER	Others	83	66	81	-14	-0.36	No
PEL	Pharma	93	91	94	-3	0.35	No
PETRONET	Oil_Gas	63	82	82	1	0.49	No
PFC	Finance	40	81	75	6	-0.92	No
PIDILITIND	FMCG	95	91	93	-2	-1.03	No
PNB	Banking	90	92	90	2	0.50	No
POWERGRID	Power	91	81	86	-5	0.28	No
PTC	Power	97	95	83	12	0.62	Yes
PVR	Media	99	98	97	0	0.52	Yes
RAMCOCEM	Cement	73	95	82	13	0.38	Yes
RAYMOND	Textile	93	92	93	-1	-0.17	No
RBLBANK	Banking	90	91	86	6	-0.72	No
RCOM	Telecom	83	87	91	-4	0.78	Yes
RECLTD	Power	90	75	90	-14	0.33	No
RELCAPITAL	Finance	82	87	82	5	0.44	No
RELIANCE	Oil_Gas	79	81	80	1	0.41	No
RELINFRA	Power	87	90	85	5	0.47	No
REPCOHOME	Finance	85	97	91	6	0.43	Yes
RPOWER	Power	95	97	95	2	0.34	Yes
SAIL	Metals	85	85	88	-2	0.55	No
SBIN	Banking	82	82	82	1	0.47	No
SHREECEM	Cement	88	82	91	-10	0.22	No
SIEMENS	Capital_Goods	96	99	98	1	-0.36	Yes
SOUTHBANK	Banking	83	90	85	6	0.31	No
SREINFRA	Infrastructure	94	90	94	-4	0.31	Yes
SRF	Textile	98	92	96	-4	0.19	Yes
SRTRANSFIN	Finance	88	93	89	4	0.33	No
STAR	Pharma	89	96	92	4	0.43	No
SUNPHARMA	Pharma	89	94	89	5	0.43	No
SUNTV	Media	87	90	87	3	0.30	No

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Company	Sector	Oct to Nov roll%	Nov to Dec roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
SUZLON	Power	89	91	89	1	0.98	No
SYNDIBANK	Banking	95	88	96	-8	0.57	Yes
TATACHEM	Fertilisers	88	86	90	-4	0.51	No
TATACOMM	Telecom	94	92	92	0	0.42	No
TATAELXSI	Technology	84	84	86	-2	0.51	No
TATAGLOBAL	FMCG	86	87	87	0	-0.18	No
TATAMOTORS	Automobile	88	90	88	2	0.48	No
TATAMTRDVR	Automobile	87	83	92	-9	0.47	No
TATAPOWER	Power	89	77	90	-13	0.40	No
TATASTEEL	Metals	89	83	92	-8	0.14	No
TCS	Technology	80	88	72	16	0.46	No
TECHM	Technology	88	92	87	5	0.46	No
TITAN	FMCG	89	90	90	0	0.45	No
TORNTPHARM	Pharma	88	84	87	-3	-0.01	No
TORNTPOWER	Power	89	90	89	1	0.29	Yes
TV18BRDCST	Media	99	92	97	-5	0.28	Yes
TVSMOTOR	Automobile	82	82	77	5	-0.27	No
UBL	FMCG	99	96	97	-1	0.17	Yes
UJJIVAN	Finance	90	84	87	-3	0.55	No
ULTRACEMCO	Cement	85	89	86	3	0.24	No
UNIONBANK	Banking	85	92	87	4	0.50	No
UPL	Fertilisers	86	88	89	-1	0.66	No
VEDL	Metals	72	85	80	5	0.25	No
VGUARD	Capital_Goods	96	98	97	1	-0.67	Yes
VOLTAS	Capital_Goods	78	91	79	12	-0.39	No
WIPRO	Technology	89	93	84	9	0.43	No
WOCKPHARMA	Pharma	98	98	98	0	0.43	Yes
YESBANK	Banking	85	94	84	10	0.56	No
ZEEL	Media	90	87	86	2	0.47	No

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