

DERIVATIVES ROLLOVER ANALYSIS

27-01-2023

FEBRUARY SERIES VIEW

Domestic equity benchmark indices Sensex and Nifty fell more than 1% on expiry day due to selling pressure in heavy weight stocks, concerns about economic recovery, continued Fiis outflow, and global market uncertainty. Nifty plunged more than 1.5% during the January series and closed below the psychological 18,000 mark at 17892 with a loss of 299 points (EoE) indicating neutral to negative bias for the short term. Meanwhile, Geopolitical issues, economic slowdown risk, and higher inflation numbers 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 79%, which is in line as compared to the last three series average rollover of 79%. Nifty will start the February series with an open interest of 1.04 Cr shares compared to OI of 1.15 Cr shares at the beginning of the January series. Market-wide rollovers stood at 92% as compared to the average rollovers of 93% in the last three series. Going forward, monthly auto sales data, Rupee movement against the Dollar, Union budget, bond yields, the Q3FY23 earnings, Fiis flow, Federal monetary policy, global cues, tensions between Russia and Ukraine, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

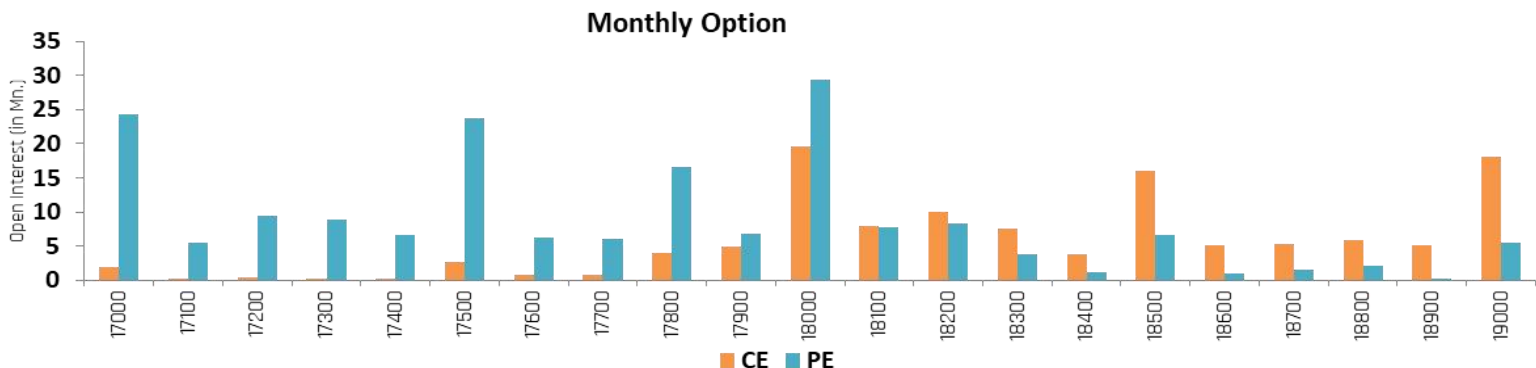
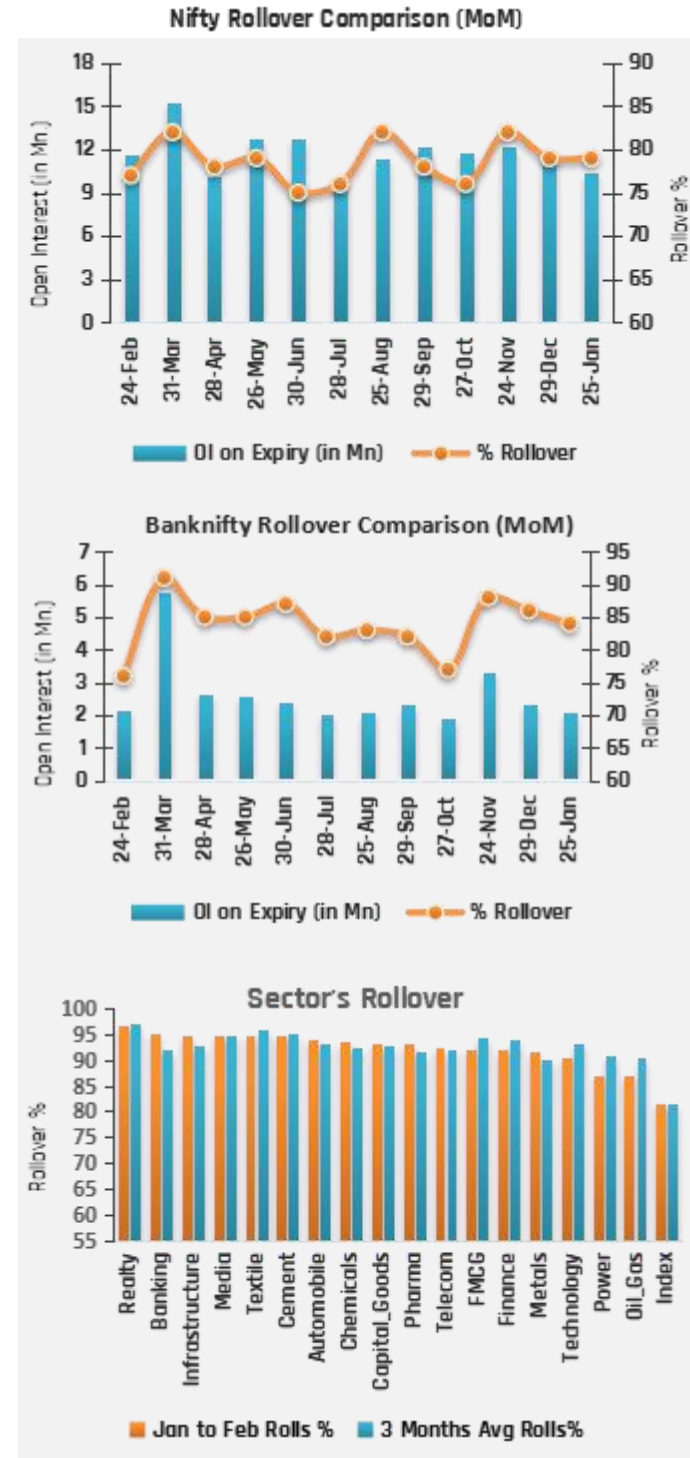
The volatility index, India VIX, is still below the 15 mark and closed at 14.66 vs. 14.81 of the previous month. We expect markets to remain volatile before the Union Budget, slated to be announced on 1st February 2023. Another leading derivatives indicator, Nifty PCR, opened on a lower note this month at 0.91 against last month's 1.41.

BANKNIFTY

The index saw inline rolls of 84% as compared with the 3M average of 84%. BankNifty will start the February series with lower OI of 2.07 Mn shares as compared with OI of 2.36 Mn shares at the beginning of the January series. As per options data, support for the index stands around 40,000 and 37,000 whereas resistance stands at 44,000 and 46,000 for the short term.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **REALTY, BANKING, INFRASTRUCTURE, AUTOMOBILE, CAPITAL GOODS** and **CHEMICALS**, sectors in February expiry. However, low rollovers were seen in **TECHNOLOGY, FINANCE, FMCG, OIL&GAS**, and **POWER** 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 **AXISBANK, BHARTIARTL, DIVISLAB, INFY, and SBIN** saw aggressive rollover in the February series while low rolls were seen in **ONGC, POWERGRID, HCLTECH, LT and M&M** compared with the 3M average rollover.
- From the midcap space, **NMDC, ALKEM, NAVINFLUOR, METROPOLIS, and PNB** saw high rollovers whereas **MARICO, HDFCAMC, PERSISTENT, RECLTD, and TORNTPHARM** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



Nifty-Weekly chart

- The index started the January series on a weaker note and remained in narrow range throughout. On the back of that, the index settled the January expiry on a negative note at 17892.
- Technically, the index on a weekly scale had retested the breakout of an inverted head and shoulder pattern. According to this pattern, the index might test the levels of 19000-19200 in the near term and 21000 in the longer term as long as it holds the support at 16747 on a weekly closing basis.
- Moreover, the 21-Weekly exponential moving average (WEMA) is placed close to 17860, whereas trend line support is placed close to 17700. Thus, 17700 will act as short-term support for the index followed by 16857, where the 100 WSMA is placed.
- On the higher side, short term trend line resistance and recent high is placed close to 18200 level, which will act as first key hurdle for the index followed by 19000.
- The RSI on the weekly scale is positively placed. Thus, a "buy on dips" strategy needs to be adopted in Nifty for the medium term.
- For the short term, 17700 and 16850 will act as support points, whereas 18200 and 19000 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty- Weekly Chart

- The index began the January series on a positive note but due to consistent selling on higher levels index dragged to lower levels. Finally, the index settled the January expiry on a negative note at 41648.
- Technically, the index has retested the breakout of a cup and handle pattern on a weekly scale, as highlighted in the above chart. As per the cup and handle pattern, the index might test 45000 in the short term and 50000-51000 in the medium term.
- On the downside, 21-Weekly exponential moving average (WEMA) is placed close to 41300 levels, which will act as first key support for the index followed by 37138, where 100 WSMA is placed.
- The RSI on the weekly scale is positively placed. Thus, a "buy on dips" strategy needs to be adopted in BankNifty for the medium term.
- For the short term, 41300 and 37138 will act as support points, whereas 45000 and 46000 will act as resistance points.

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27-01-2023

Stocks to watch out based on Rollover Analysis:

POSITIVE

SIEMENS	Strong Rollover of 95% compared with 3 months average of 93%.
MARUTI	Strong Rollover of 94% compared with 3 months average of 89%.
INFY	Strong Rollover of 96% compared with 3 months average of 90%.
ATUL	Rollover of 89% compared with 3 months average of 92%.
VOLTAS	Rollover of 95% compared with 3 months average of 93%.

Rollover Update (Sector Wise)

Sector	Company	Dec to Jan Roll%	Jan to Feb Roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Index	BANKNIFTY	86	84	84	0	0.53	-3.7%
Index	NIFTY	79	79	79	0	0.54	-1.6%
Automobile	APOLLOTYRE	86	92	91	1	0.61	-1.3%
Automobile	ASHOKLEY	90	98	94	4	0.62	1.4%
Automobile	BAJAJ-AUTO	92	90	90	1	0.97	4.2%
Automobile	BALKRISIND	97	96	97	-2	0.14	6.7%
Automobile	BHARATFORG	95	98	94	4	0.67	-1.7%
Automobile	BOSCHLTD	94	99	96	3	0.16	-2.1%
Automobile	EICHERMOT	94	99	92	6	0.70	-2.1%
Automobile	ESCORTS	88	95	89	6	0.14	-2.4%
Automobile	EXIDEIND	97	98	95	3	0.60	2.8%
Automobile	HEROMOTOCO	92	91	93	-2	0.32	2.3%
Automobile	M&M	94	81	94	-13	0.85	3.9%
Automobile	MARUTI	91	94	89	5	0.75	4.1%
Automobile	MOTHERSON	93	83	92	-9	0.76	-2.4%
Automobile	MRF	95	97	96	1	-0.24	2.3%
Automobile	TATAMOTORS	94	96	95	1	0.54	8.6%
Automobile	TVSMOTOR	95	95	92	4	0.11	-5.7%
Banking	AUBANK	95	94	92	2	-1.25	-7.4%
Banking	AXISBANK	89	97	89	8	0.65	-4.5%
Banking	BANDHANBNK	96	96	94	2	0.65	3.8%
Banking	BANKBARODA	83	95	92	3	0.50	-8.4%
Banking	CANBK	93	95	93	3	0.70	-4.7%
Banking	CUB	81	92	88	4	0.69	-14.4%
Banking	FEDERALBNK	80	91	89	1	0.30	-3.9%
Banking	HDFCBANK	98	95	96	-1	0.66	0.4%
Banking	ICICIBANK	96	97	94	4	0.69	-5.8%
Banking	IDFCFIRSTB	96	94	96	-2	0.70	0.3%
Banking	INDUSINDBK	97	98	93	5	0.66	-6.1%
Banking	KOTAKBANK	94	98	97	1	0.64	-3.8%
Banking	PNB	94	97	89	8	0.74	-3.1%
Banking	RBLBANK	87	92	92	0	0.63	-10.5%
Banking	SBIN	92	93	87	6	0.74	-7.0%
Capital_Goods	ABB	94	93	92	1	0.63	7.0%
Capital_Goods	ASTRAL	95	95	96	-1	0.62	0.7%
Capital_Goods	BEL	93	90	94	-4	0.10	0.3%

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27-01-2023

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Capital_Goods	BHEL	94	96	94	2	0.65	-2.7%
Capital_Goods	CROMPTON	97	97	94	3	0.63	-3.1%
Capital_Goods	CUMMINSIND	91	93	95	-3	0.32	-1.0%
Capital_Goods	DIXON	91	94	87	7	0.53	-14.2%
Capital_Goods	HAL	92	91	89	2	0.61	0.6%
Capital_Goods	HAVELLS	88	97	93	4	0.53	7.0%
Capital_Goods	HONAUT	97	98	97	1	0.46	-2.8%
Capital_Goods	LT	96	80	92	-12	0.73	3.0%
Capital_Goods	POLYCAB	80	88	83	4	0.80	9.7%
Capital_Goods	SIEMENS	87	95	93	1	0.21	6.1%
Capital_Goods	VOLTAS	96	95	93	2	0.65	-5.5%
Capital_Goods	WHIRLPOOL	98	97	96	1	0.37	-5.1%
Cement	ACC	95	93	93	0	0.59	-11.5%
Cement	AMBUJACEM	94	96	96	-1	1.06	-12.0%
Cement	DALBHARAT	91	86	95	-9	0.62	-6.9%
Cement	GRASIM	98	97	97	0	0.56	-9.1%
Cement	INDIACEM	95	96	92	4	0.62	-11.3%
Cement	JKCEMENT	95	96	94	2	0.24	-9.9%
Cement	RAMCOCEM	98	98	92	6	-0.34	-4.2%
Cement	SHREECEM	99	95	97	-2	-1.57	-4.8%
Cement	ULTRACEMCO	97	93	97	-4	0.73	-4.0%
Chemicals	AARTIIND	91	89	85	4	0.68	-12.8%
Chemicals	ATUL	96	89	92	-3	-0.22	-16.2%
Chemicals	CHAMBLFERT	95	86	96	-9	-0.39	-2.8%
Chemicals	COROMANDEL	93	93	96	-2	0.23	-3.3%
Chemicals	DEEPAKNTR	94	93	93	0	0.05	-7.0%
Chemicals	GNFC	92	95	91	4	0.73	0.0%
Chemicals	NAVINFLUOR	86	97	87	10	0.69	-6.0%
Chemicals	PIIND	98	97	96	0	0.40	-12.9%
Chemicals	RAIN	96	96	93	3	0.56	0.0%
Chemicals	TATACHEM	93	97	93	4	0.65	2.4%
Chemicals	UPL	95	96	94	1	0.66	2.1%
Finance	ABCAPITAL	95	97	96	2	0.61	-7.0%
Finance	BAJAJFINSV	91	90	93	-3	0.79	-13.1%
Finance	BAJFINANCE	96	88	96	-8	0.80	-11.0%
Finance	CANFINHOME	94	93	95	-1	0.62	4.9%
Finance	CHOLAFIN	94	92	95	-2	0.34	0.5%
Finance	HDFC	99	94	98	-4	0.65	1.3%
Finance	HDFCAME	94	77	95	-17	0.77	-11.4%
Finance	HDFCLIFE	96	86	93	-7	0.73	2.5%
Finance	IBULHSGFIN	92	96	94	2	0.32	-20.1%
Finance	ICICIGI	93	94	96	-1	0.80	-8.0%
Finance	ICICIPRULI	95	94	95	-1	0.58	3.6%
Finance	IDFC	97	96	97	-1	0.54	5.7%
Finance	L&TFH	95	93	96	-2	0.73	4.2%
Finance	LICHSGFIN	93	92	90	2	0.41	-6.2%
Finance	M&MFIN	90	97	92	5	0.54	0.2%
Finance	MANAPPURAM	95	96	95	1	0.31	3.4%
Finance	MFSL	97	90	96	-6	0.33	25.8%
Finance	MUTHOOTFIN	94	89	93	-5	-0.08	-1.6%

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27-01-2023

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Finance	PFC	92	93	87	6	0.63	3.6%
Finance	RECLTD	90	83	94	-11	0.42	5.8%
Finance	SBICARD	98	96	95	1	0.73	-8.9%
Finance	SBILIFE	97	93	97	-4	0.68	-0.1%
Finance	SHRIRAMFIN	74	96	88	8	0.43	-4.4%
FMCG	ASIANPAINT	97	93	97	-4	0.69	-10.9%
FMCG	BALRAMCHIN	85	92	92	0	0.22	-7.8%
FMCG	BATAINDIA	96	95	95	0	0.60	-6.1%
FMCG	BERGEPAIN	95	96	95	2	0.48	-6.1%
FMCG	BRITANNIA	91	94	90	4	0.67	0.9%
FMCG	COLPAL	96	95	94	1	0.60	-6.1%
FMCG	DABUR	92	95	94	0	0.62	0.4%
FMCG	GODREJCP	98	97	96	1	0.56	3.2%
FMCG	HINDUNILVR	97	95	96	-2	0.57	2.1%
FMCG	INDIAMART	88	92	90	2	-1.75	9.4%
FMCG	ITC	95	86	95	-10	-0.65	1.2%
FMCG	JUBLFOOD	96	96	95	0	0.56	-3.2%
FMCG	MARICO	95	60	94	-34	0.17	-1.9%
FMCG	MCDOWELL-N	96	95	96	-2	0.54	-12.5%
FMCG	NESTLEIND	98	99	96	2	0.69	-2.9%
FMCG	PIDILITIND	95	88	97	-8	0.60	-11.0%
FMCG	TATACONSUM	96	96	95	0	0.70	-4.6%
FMCG	TITAN	93	93	94	-1	0.62	-7.7%
FMCG	UBL	92	94	92	2	-0.29	-7.2%
Infrastructure	ADANIEN	73	91	89	2	0.58	-11.1%
Infrastructure	ADANIPTS	95	98	97	1	0.65	-13.0%
Infrastructure	CONCOR	91	94	93	1	0.05	-10.8%
Infrastructure	GMRINFRA	93	97	95	2	0.52	-1.3%
Infrastructure	INDHOTEL	96	95	94	1	0.76	-7.1%
Infrastructure	INDIGO	90	97	92	4	0.65	4.6%
Infrastructure	IRCTC	75	92	89	3	0.43	-0.9%
Media	PVR	94	93	94	-1	0.53	-2.4%
Media	SUNTV	94	96	95	1	-0.25	-3.9%
Media	ZEEL	95	96	95	0	0.71	-8.0%
Metals	COALINDIA	85	87	83	4	0.58	2.0%
Metals	HINDALCO	94	84	86	-2	0.58	4.1%
Metals	HINDCOPPER	92	90	95	-5	0.79	16.9%
Metals	JINDALSTEL	95	97	94	4	0.79	1.0%
Metals	JSWSTEEL	95	90	96	-6	0.84	-5.8%
Metals	NATIONALUM	95	97	93	3	0.79	4.6%
Metals	NMDC	91	91	71	20	0.81	3.4%
Metals	SAIL	94	96	92	4	0.61	10.9%
Metals	TATASTEEL	97	92	95	-3	0.74	8.3%
Metals	VEDL	95	93	95	-3	0.63	6.2%
Oil_Gas	BPCL	90	90	89	1	0.75	6.0%
Oil_Gas	GAIL	93	93	91	3	0.74	5.2%
Oil_Gas	GUJGASLTD	64	70	77	-7	0.66	-2.5%
Oil_Gas	HINDPETRO	93	95	93	2	0.56	6.4%
Oil_Gas	IGL	86	89	93	-4	-0.16	1.6%
Oil_Gas	IOC	86	96	91	5	0.67	10.4%

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27-01-2023

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Oil_Gas	MGL	93	88	94	-6	-0.27	3.4%
Oil_Gas	ONGC	85	58	84	-26	0.49	5.4%
Oil_Gas	PETRONET	95	94	95	-1	0.67	5.0%
Oil_Gas	RELIANCE	96	95	97	-2	0.71	-6.3%
Pharma	ABBOTINDIA	83	90	92	-2	0.77	-2.0%
Pharma	ALKEM	95	91	80	11	-1.89	0.6%
Pharma	APOLLOHOSP	92	92	93	-2	0.60	-6.6%
Pharma	AUROPHARMA	94	93	92	1	0.55	-4.4%
Pharma	BIOCON	95	93	94	-1	0.64	-9.8%
Pharma	CIPLA	96	92	95	-2	0.64	-4.8%
Pharma	DIVISLAB	96	97	91	7	0.58	-2.2%
Pharma	DRREDDY	95	98	94	4	0.60	-1.4%
Pharma	GLENMARK	95	94	96	-2	0.61	-5.4%
Pharma	GRANULES	91	94	91	4	0.69	-10.1%
Pharma	IPCALAB	92	92	93	-1	-1.03	1.2%
Pharma	LALPATHLAB	96	95	95	-1	-0.58	-9.4%
Pharma	LAURUSLABS	87	92	87	5	0.79	-8.2%
Pharma	LUPIN	92	95	92	3	0.58	1.5%
Pharma	METROPOLIS	80	95	86	9	0.38	-1.4%
Pharma	PEL	96	96	94	3	0.64	0.0%
Pharma	SUNPHARMA	95	81	91	-10	0.12	3.9%
Pharma	SYNGENE	90	94	89	6	0.41	-1.0%
Pharma	TORNTPHARM	98	86	97	-11	-0.20	-0.3%
Pharma	ZYDUSLIFE	94	96	93	4	0.65	2.2%
Power	IEX	91	97	94	2	0.62	-1.9%
Power	NTPC	93	92	91	2	0.66	-0.5%
Power	POWERGRID	86	65	85	-21	0.34	1.7%
Power	TATAPOWER	94	96	95	1	0.65	-2.1%
Power	TORNTPOWER	97	85	88	-3	0.37	-6.4%
Realty	DELTACORP	96	93	96	-4	0.83	-3.6%
Realty	DLF	95	98	96	2	0.61	-5.7%
Realty	GODREJPROP	96	98	97	1	0.52	-1.6%
Realty	OBEROIRLTY	96	98	98	0	0.46	-4.8%
Technology	BSOFT	94	97	96	1	0.63	1.0%
Technology	COFORGE	84	88	89	-1	-0.21	9.1%
Technology	FSL	93	97	94	3	0.62	2.8%
Technology	HCLTECH	91	63	83	-21	0.73	7.5%
Technology	INFY	97	96	90	6	0.73	1.7%
Technology	INTELLECT	97	97	97	0	0.59	-7.0%
Technology	LTIM	90	88	94	-6	0.16	0.2%
Technology	LTTS	90	88	94	-6	0.28	-9.6%
Technology	MCX	97	90	95	-5	0.50	-0.6%
Technology	MPHASIS	97	96	97	-1	0.40	7.2%
Technology	NAUKRI	95	96	93	3	0.20	-6.4%
Technology	OFSS	91	95	94	1	0.59	3.0%
Technology	PERSISTENT	91	77	94	-17	-0.88	20.0%
Technology	TCS	97	92	97	-5	0.73	4.9%
Technology	TECHM	93	91	90	1	0.76	3.7%
Technology	WIPRO	94	95	95	0	0.75	2.8%
Telecom	BHARTIARTL	98	96	89	7	0.66	-5.4%

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Telecom	IDEA	86	87	87	1	0.00	-14.6%
Telecom	INDUSTOWER	96	95	96	-1	0.47	-16.8%
Telecom	TATACOMM	94	92	96	-5	0.81	2.0%
Textile	ABFRL	95	95	95	0	0.65	-11.2%
Textile	PAGEIND	94	97	95	2	0.40	-7.9%
Textile	SRF	97	94	97	-3	0.49	-6.5%
Textile	TRENT	98	92	97	-5	0.69	-10.1%

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