

Weekly Derivatives Synopsis

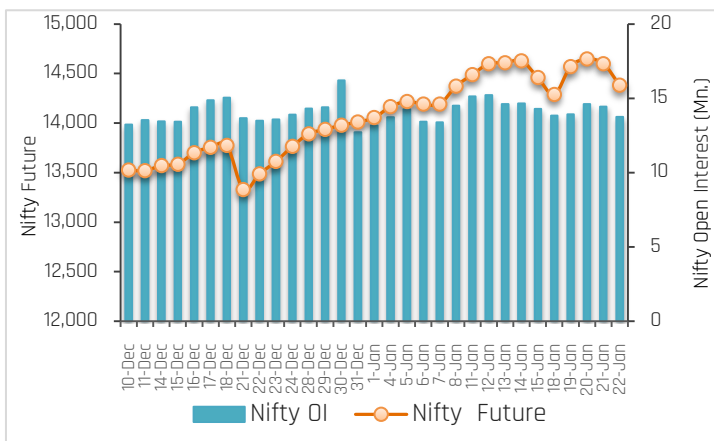
25 January 2021

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	14372	14434	-0.43
NIFTY FUTURES	14380	14459	-0.54
BANKNIFTY SPOT	31167	32247	-3.35
BANKNIFTY FUTURES	31198	32314	-3.45
NIFTY PCR	1.14	1.19	-4.20
NIFTY PCR-VOL	1.05	1.06	-0.94
NIFTY OI(In Mn)	13.74	14.70	-6.53
BANKNIFTY OI(In Mn)	1.94	1.59	22.01
INDIA VIX	22.42	24.01	-6.62
NIFTY BASIS POINTS	8.25	24.80	-66.73

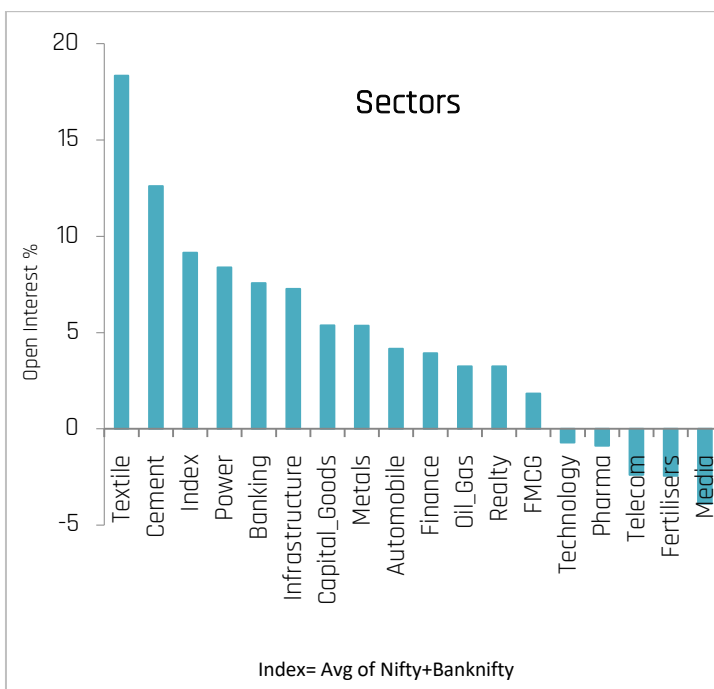
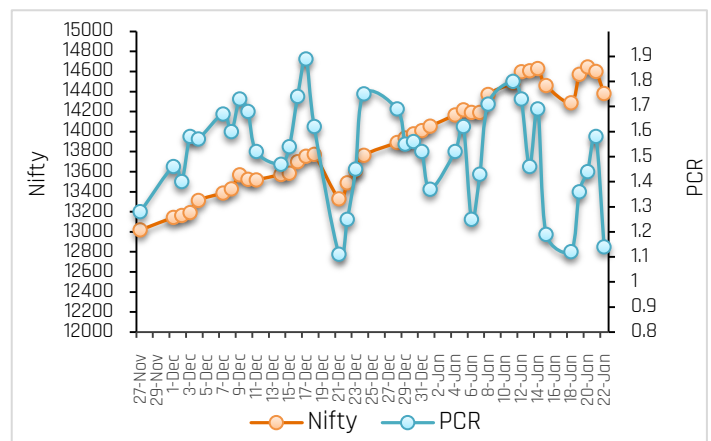
Index Outlook

Last week Domestic market started on a disappointing note, but the market rebounded in a good spirit to touch fresh record highs with the BSE Sensex climbing 50,000 marks for the first time amid good earnings and positive global cues. However, traders turned cautious and prefer to book profits ahead of Union Budget 2021-22. On the back of that the index ended the week on marginal negative note at 14372 down by 0.43% (WoW) with an unwinding in open interest of 6.53% (WoW) indicating neutral bias for short term. The India VIX cool off by 6.62% and closed at 22.42% during the week, expecting volatility remains high going ahead due to Budget and January F&O expiry. Technically, the index on the weekly scale has reversed from trend line resistance which is placed close to 14700 levels. 21 DEMA is currently placed close to 14240 and short term trend line support is placed close to 14200. Thus, 14200 will act as strong support for the index in short term. A daily close below 14200 will open the doors for 14000-13800. Going forward, Coronavirus cases and Vaccination, Q3FY21 earnings, F&O expiry, Rupee movement against the Dollar, Budget Expectations, Fiis flow, global cues, and crude oil price movement will dictate the trend on the bourses next week.

Nifty OI Trend



Nifty Fut Vs Pcr



Sectoral Activity

- Last week, **Textile, Cement, Power, Infrastructure, and Capital Goods** sectors saw Open Interest addition. Top names included **SRF, ULTRACEMCO, ACC, TATAPOWER, TORNTPOWER, GMRINFRA, VOLTAS, and SIEMENS**.
- Media, Telecom and Pharma** sectors saw Open Interest unwinding on the back of profit booking in the stocks.
- In the **Banking** space, **BANDHANBNK, RBLBANK, PNB, KOTAKBANK, ICICIBANK, and SBIN** saw short build-up, while long unwinding seen in **HDFCBANK, AXISBANK, CANBK and BANKBARODA**.
- This week, some buying can be seen in **TVSMOTOR, VOLTAS, GODREJCP, CUMMINSIND, and HINDUNILVR** while selling pressure can be seen in **BANDHANBNK, INDUSTOWER, JINDALSTEL, and ZEEL**.
- From sector space, **Textile, Banking, Automobile, Metals, Telecom and Fertilisers** stocks are likely to remain in focus in the forthcoming week.

25 January 2021

Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
APOLLOTYRE	232.60	52%	26%
HAVELLS	1,121.75	43%	14%
BAJAJ-AUTO	4,086.30	20%	14%
VOLTAS	935.95	19%	5%

Long Unwinding			
Symbol	Price	OI Change	Price Change
SAIL	58.15	-23%	-18%
IDEA	12.75	-22%	-7%
PEL	1,488.25	-21%	-9%
GAIL	131.70	-12%	-3%

Short Build-up			
Symbol	Price	OI Change	Price Change
ICICIGI	1,440.00	50%	-7%
BIOCON	394.90	50%	-14%
SRF	5,421.45	43%	-7%
AARTIIND	1,142.60	38%	-9%

Short covering			
Symbol	Price	OI Change	Price Change
BOSCHLTD	15,680.60	-29%	6%
BAJAJFINSV	9,063.05	-20%	5%
RELIANCE	2,054.00	-18%	6%
CUMMINSIND	616.30	-11%	2%

Weekly Recommendation

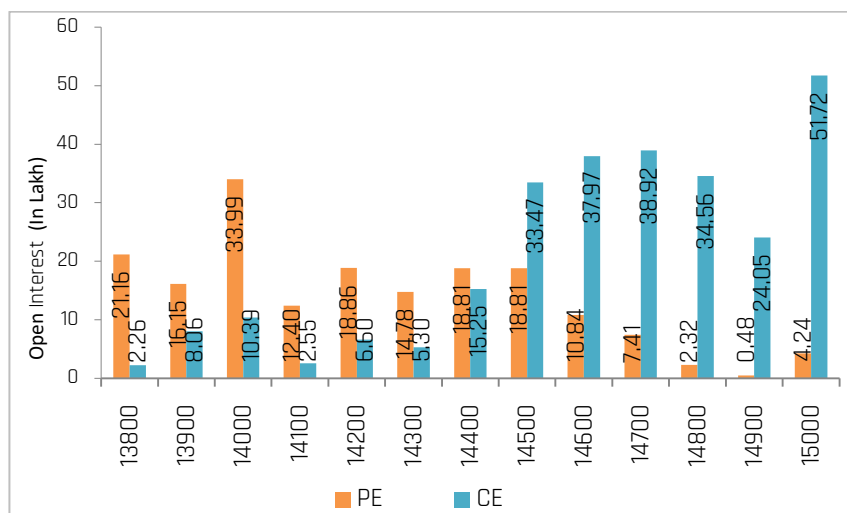
VOLTAS (935.95) - The stock has seen Open Interest addition of 19.40% along with positive price action indicating long build up. The stock can be bought in the range of 920-925 with a stop loss of 895 on closing basis for a target of 960-970.

Target: 970 Stop Loss: 895

JINDALSTEL (281.50) - The stock has seen Open Interest addition of 19.67% along with negative price action indicating short build-up. The stock can be sold in the range of 285-287 with a stop loss of 293 on closing basis for a target of 270.

Target: 270 Stop Loss: 293

Nifty Options Snapshot



From the OI Concentration (28-Jan Series), Maximum addition of open interest on the call options front exists at the strike prices of 14700, and 15000 (with nearly 38.92 lacs, and 51.72 lacs, shares outstanding respectively). This indicates that 15000 level would act as the resistance zone on the upside. On the Put options front, maximum addition of open interest is at the strike prices of 14000 and 13800 (with nearly 33.99 lacs and 21.16 lacs shares outstanding respectively), indicating that these levels would act as the stronger support zone on the downside.

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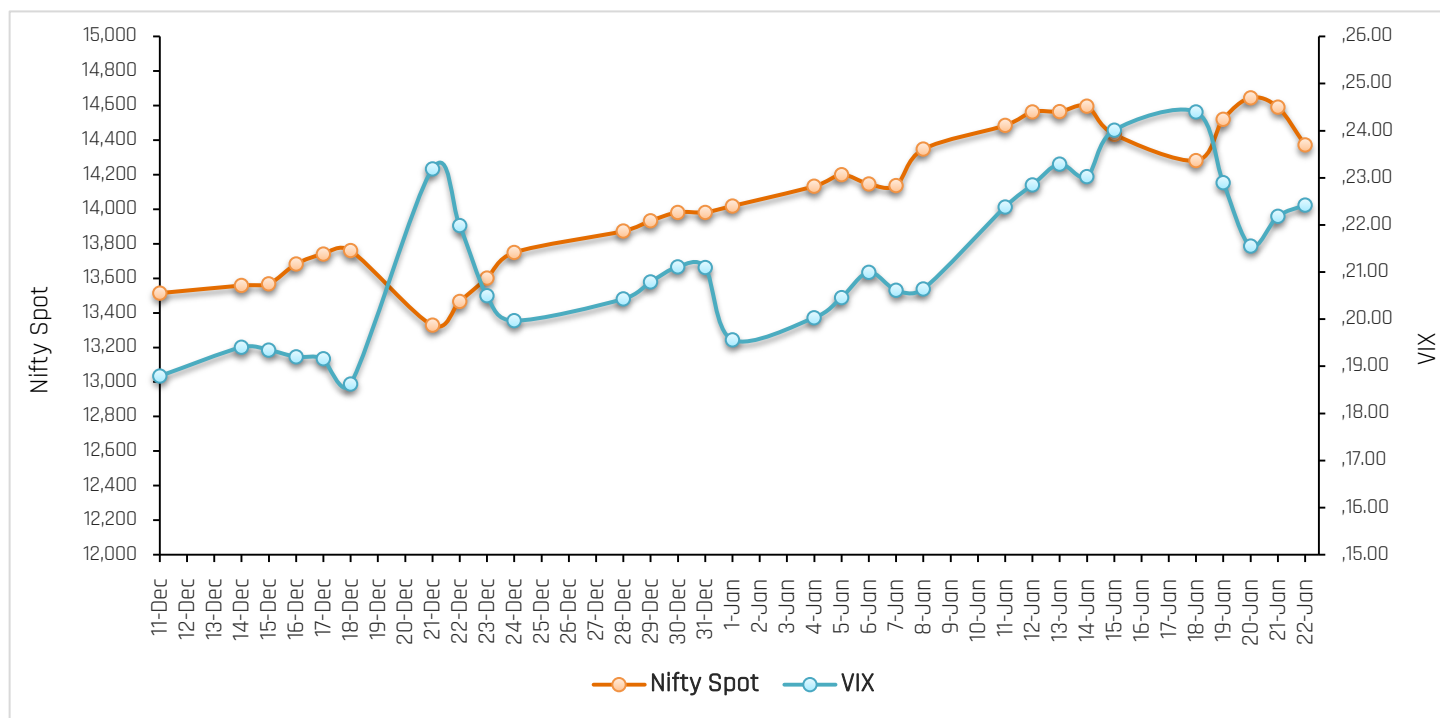
FII Stats (5 Days Trend)

(Rs. Cr.)	22-Jan	21-Jan	20-Jan	19-Jan	18-Jan
INDEX FUTURES	-1471	1102.18	-1313.48	509	-267
INDEX OPTIONS	-1492	2048.63	-660.69	14	1109
STOCK FUTURES	-467	-195.36	-332.57	977	1327
STOCK OPTIONS	-158	77.21	-41.61	312	-134

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
15-Jan	2.07	1.28	1.66	1.25
18-Jan	2.02	1.31	1.66	1.30
19-Jan	2.05	1.48	1.52	1.32
20-Jan	1.75	1.34	1.57	1.31
21-Jan	2.00	1.70	1.49	1.30
22-Jan	1.47	1.19	1.59	1.28

NIFTY VS INDIA VIX (Last 30 Days Trend)



Observation: Any rise in India Vix this week would lead to either side movement in the Index. As per the above chart, India Vix has strong support at around 21.00 and resistance stands at 25.00.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	14
Declines	30
Unchanged	06

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