

# Weekly Derivatives Synopsis

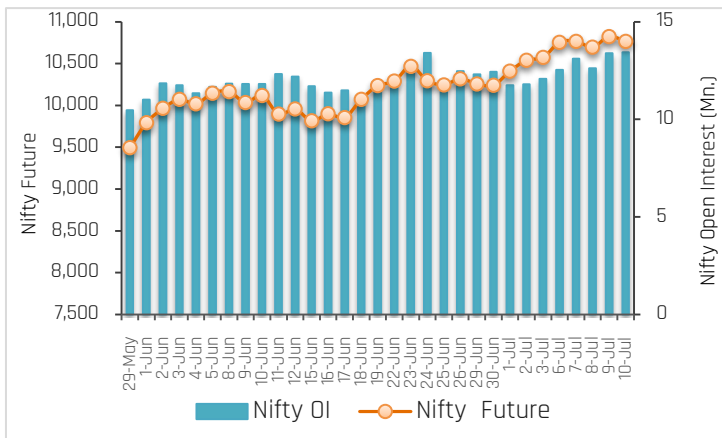
13-07-2020

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	10768	10607	1.51
NIFTY FUTURES	10767	10572	1.84
BANKNIFTY SPOT	22398	21852	2.50
BANKNIFTY FUTURES	22436	21844	2.71
NIFTY PCR	1.47	1.50	-2.00
NIFTY PCR-VOL	0.82	0.89	-7.87
NIFTY OI(In Mn)	13.43	12.07	11.27
BANKNIFTY OI(In Mn)	1.76	1.47	19.73
INDIA VIX	24.94	25.77	-3.22
NIFTY BASIS POINTS	-1.40	-34.90	33.50 Points

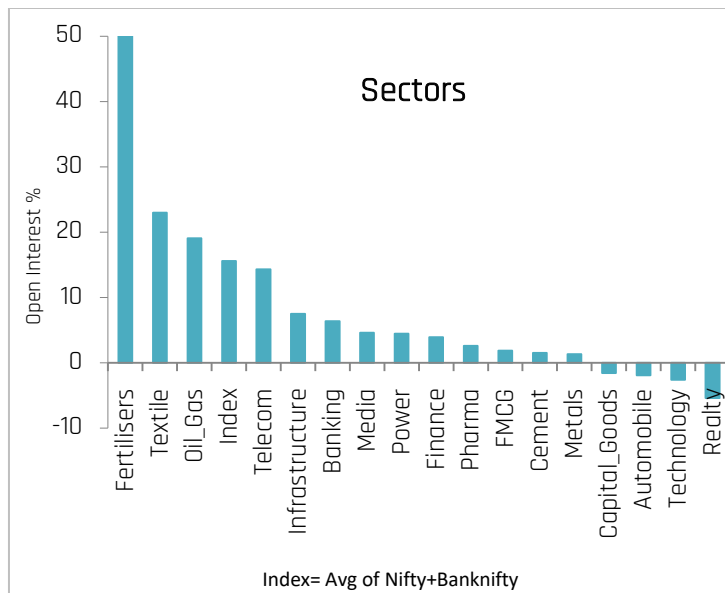
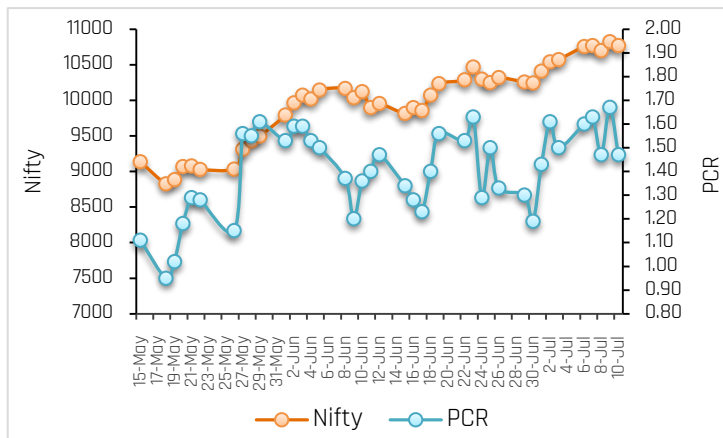
## Index Outlook

Last week, Bulls continue to dominate the domestic market and extended their gains for the fourth week, supported by positive global cues, progress in Covid-19 vaccine, and expectation of recovery in economic activity. Finally, the Nifty futures settled at 10767, up 1.84% (WoW) with addition in open interest of 11.27% (WoW) indicating neutral to positive bias for short term. The India VIX cool off by 3.22% and closed at 24.94% during the week, which indicating low volatility going ahead. Nifty Put call ratio currently stands at 1.47, down 2.00% (WoW). Technically, the index continues its upward rally but unable to cross the levels of 10850. The index has found resistance around its previous weekly bearish gap. On a daily scale, the index has formed Dragonfly Doji, which was followed by a red candle suggesting strong resistance around 10850. Moreover, the 200 DMA is placed close to 10885 levels. Thus, 10900 will act as a strong supply zone followed by 11000. On the downside, 10550 will act as first support followed by 10200. Oscillators on a daily scale are placed close to the overbought zone. Thus, the trend will remain upward, but traders should remain cautious on the higher side. Going forward, rise in corona-virus infections and development in vaccine, progress of monsoon, and Rupee movement against the Dollar, Fiis flow, quarterly results, global cues, macroeconomic data, and crude oil price movement will dictate the trend on the bourses next week.

## Nifty OI Trend



## Nifty FutVsPcr



## Sectoral Activity

- Last week, **Fertilisers, Textile, Oil&Gas, Telecom, and Infrastructure**, stocks saw Open Interest addition. Top names included **TATACHEM, UPL, CENTURYTEX, SRF, MGL, IGL, INFRATEL, IDEA, GMRINFRA** and **NCC**.
- Capital Goods and Technology**, sector saw Open Interest unwinding on the back of short covering in the stocks.
- In the **Banking** space, **CANBK, HDFCBANK, FEDERALBNK, SBIN** and **INDUSINDBK** saw long build-up while short covering seen in **BANKBARODA, AXISBANK, and RBLBANK**.
- This week, some buying can be seen in **CENTURYTEX, NESTLEIND, TECHM, EXIDEIND, and RAMCOCEM**, while selling pressure can be seen in **TATACHEM, and MGL**.
- From sector space, **Banking, Infrastructure, Capital Goods, Fertilisers, Realty, and Automobile**, stocks are likely to remain in focus in the forthcoming week.

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## Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
CENTURYTEX	315.50	53%	3%
BAJFINANCE	3,301.55	16%	13%
SBIN	195.95	16%	6%
EQUITAS	59.70	15%	12%

Long Unwinding			
Symbol	Price	OI Change	Price Change
MARICO	344.65	-15%	-4%
MRF	65,174.50	-14%	-2%
GLENMARK	428.50	-12%	-2%
PETRONET	255.40	-9%	-4%

Short Build-up			
Symbol	Price	OI Change	Price Change
TATACHEM	301.00	132%	-2%
MGL	973.60	96%	-9%
IGL	409.45	38%	-9%
BALKRISIND	1,270.75	33%	-4%

Short covering			
Symbol	Price	OI Change	Price Change
BHEL	41.65	-23%	7%
M&MFIN	203.15	-21%	11%
NIITTECH	1,592.95	-20%	12%
SAIL	37.10	-17%	20%

## Weekly Recommendation

**CENTURYTEX (315.50)** -The stock has seen Open Interest addition of 53.04% along with positive price action indicating long buildup. The stock can be bought in the range of 305-310 with a stop loss of 290 on closing basis for a target of 340

**Target: 340 Stop Loss: 290**

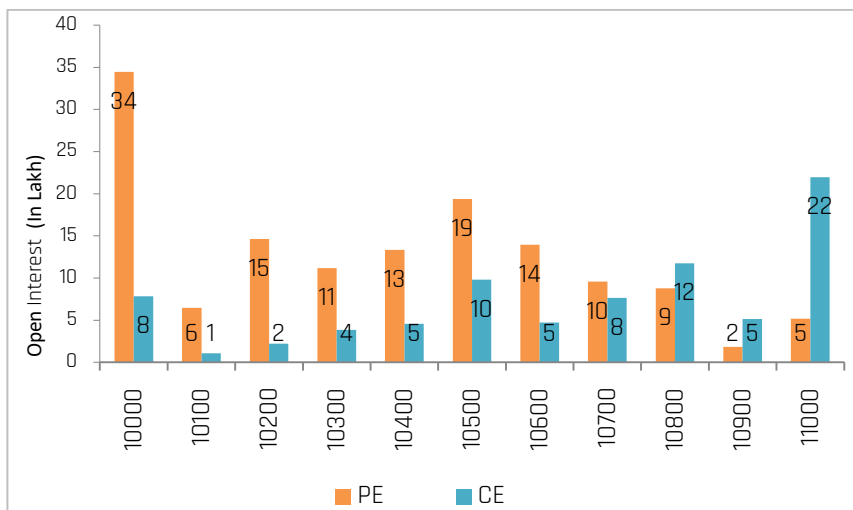
**SBIN (195.95)** -The stock has seen Open Interest addition of 15.98% along with positive price action indicating long buildup. The stock can be bought in the range of 189-191 with a stop loss of 183 on closing basis for a target of 205

**Target: 205 Stop Loss:183**

**TATACHEM (301)**- The stock has seen Open Interest addition of 132.08% along with negative price action indicating short build-up. The stock can be sold in the range of 305-308 with a stop loss of 325 on closing basis for a target of 270-265.

**Target: 265 Stop Loss: 325**

## Nifty Options Snapshot



From the OI Concentration (30-July Series), addition of open interest on the call options front exists at the strike prices of 10800 and 11000 (with nearly 11.74 lacs and 21.96 lacs shares outstanding). This indicates that 11000 level would act as the resistance zone on the upside. On the Put options front, addition of open interest is at the strike prices of 10500 and 10000 (with nearly 19.38 lacs and 34.44 lacs shares outstanding respectively), indicating 10000 stronger support zone on the downside.

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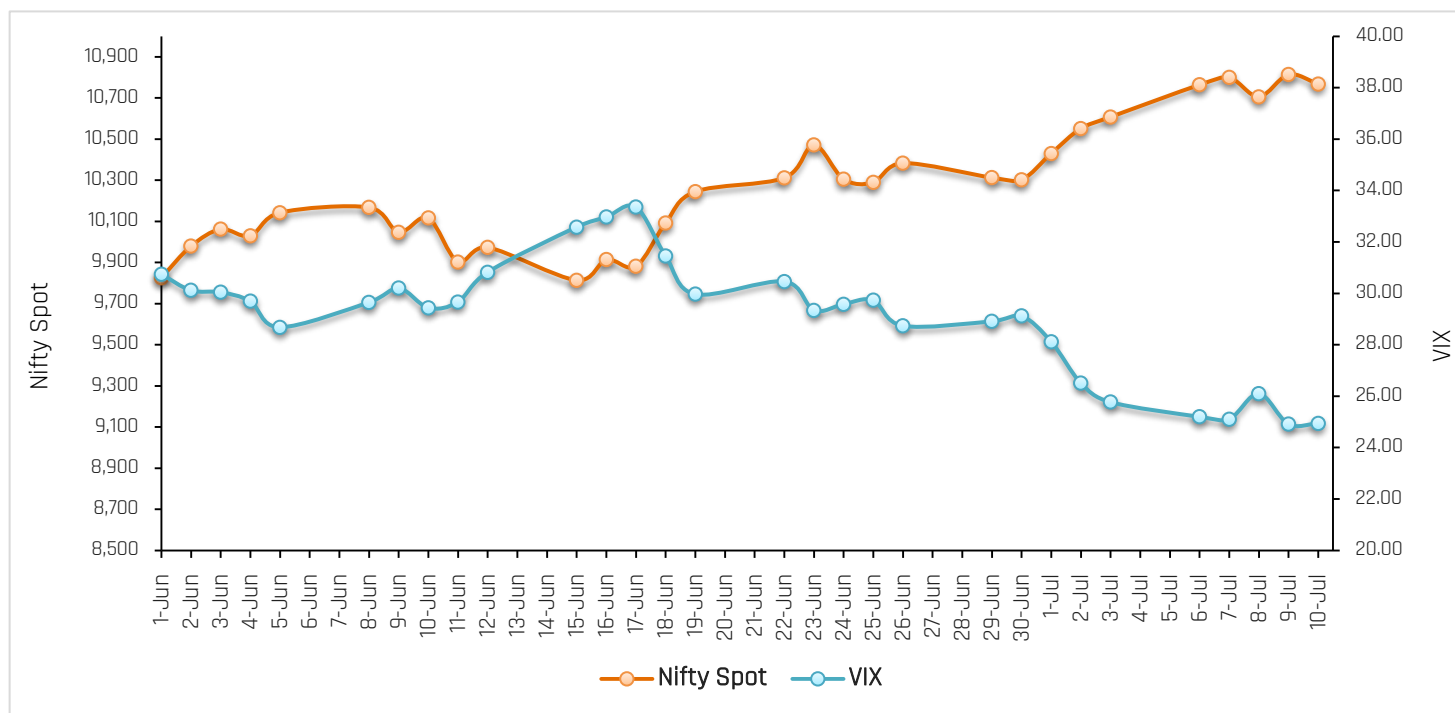
## FII Stats (5 Days Trend)

(Rs. Cr.)	10-Jul	09-Jul	08-Jul	07-Jul	06-Jul
INDEX FUTURES	-1610	1331	1002	-409	704
INDEX OPTIONS	1029	1199	922	435	806
STOCK FUTURES	-938	-751	-1176	-638	408
STOCK OPTIONS	-1	11	-19	45	-16

## FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
3-Jul	1.08	1.28	1.50	2.32
6-Jul	1.26	1.36	1.38	2.34
7-Jul	1.16	1.38	1.35	2.29
8-Jul	1.50	1.44	1.36	2.22
9-Jul	1.91	1.51	1.40	2.18
10-Jul	1.34	1.34	1.54	2.10

## 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 23.00 and resistance stands at 30.00.

## Weekly Advance Decline Ratio (Nifty Stocks)

Advances	24
Declines	22
Unchanged	04

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