

Weekly Derivatives Synopsis

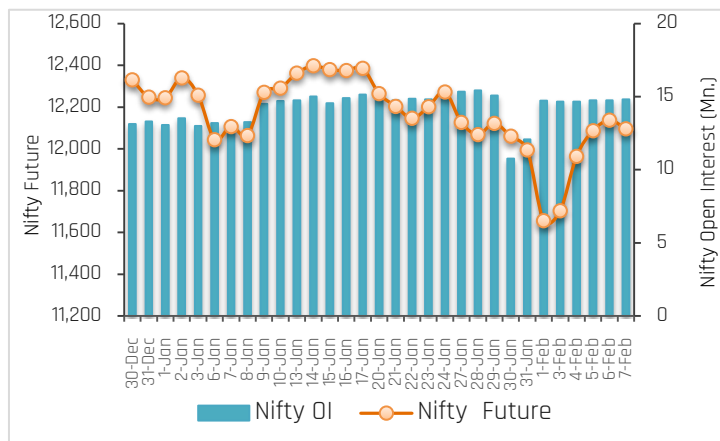
10-02-2020

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	12098	11662	3.74
NIFTY FUTURES	12096	11655	3.78
BANKNIFTY SPOT	31202	29821	4.63
BANKNIFTY FUTURES	31240	29873	4.58
NIFTY PCR	1.40	0.86	62.79
NIFTY PCR-VOL	0.92	0.60	53.33
NIFTY OI(In Mn)	14.8	14.7	0.68
BANKNIFTY OI(In Mn)	1.21	1.44	-15.97
INDIA VIX	13.74	16.83	-18.36
NIFTY HV	19.19	18.48	3.84
Nifty Basis Points	-2.45	-6.95	64.75

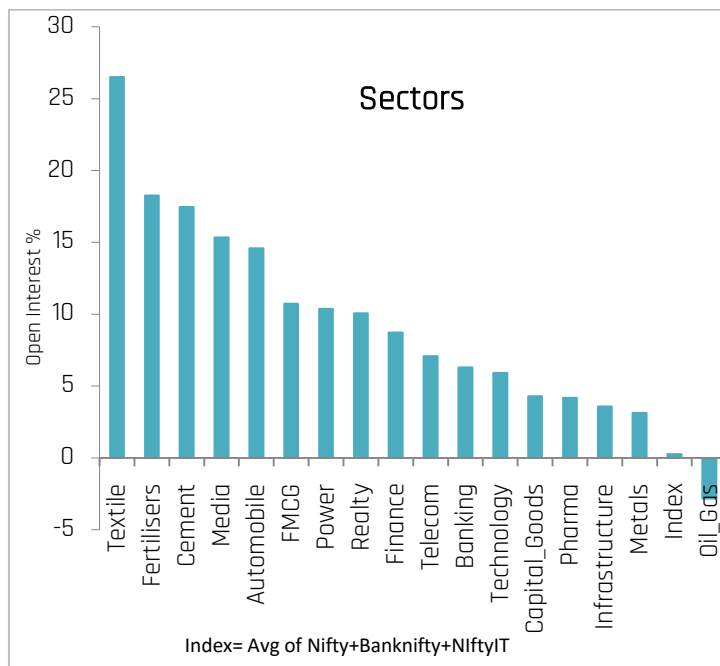
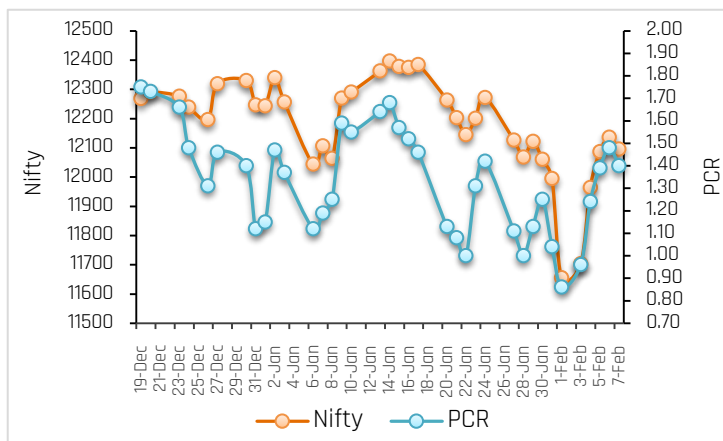
Index Outlook

Last week, Indian stock markets strongly recovered after heavy selling in special budget trading session on Saturday, 1 February 2020. The market saw a boost on the back of weakness in oil prices, positive global cues, positive policy decisions from the Reserve Bank of India, and decent Q3 earnings. Finally, the Nifty Futures kept its head above the 12000 mark at 12096, up 3.78% (WoW) with addition in OI of 0.68% (WoW) indicating neutral to positive for the short term. The India VIX closed on weaker note at 13.74%, down 18.36% during the week, indicating low volatility in market. Nifty Put call ratio currently stands at 1.40, up 62.79% (WoW). Technically, the index on the daily scale has taken resistance around 61.8% of recent fall and has formed a **bearish engulfing candlestick** pattern. The index has failed to close above its 20 DMA and 50 DMA, which indicates weakness. On the downside, 11800-11750 will act as a demand zone. Close above 12165 could resume the next leg of the up-move. Going forward, Delhi assembly poll outcome, the movement of Rupee against the Dollar, last leg of Q3FY20 earnings, US-China trade deal, FII 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, Fertilisers, Cement, Media, Automobile, and FMCG** stocks saw Open Interest addition. Top names included **SRF, CENTURYTEX, TATACHEM, UPL, AMBUJACEM, ACC, ZEEL, PVR, HEROMOTOCO, APOLLTYRE, UBL, and GODREJCP.**
- Oil & Gas** sector saw Open Interest unwinding on the back of short covering in the stocks.
- In the **Banking** space, **FEDERALBNK, YESBANK, KOTAKBANK, AXISBANK, ICICIBANK, and BANKBARODA** saw long build-up while short covering was seen in **RBLBANK, INDUSINDBK, HDFCBANK, and IDFCFIRSTB.**
- This week, some buying can be seen in **TATACHEM, APOLLOHOSP, MARUTI, COLPAL, and HDFCBANK** while selling pressure can be seen in **BAJAJ-AUTO and ZEEL.**
- From sector space, **Banking, Automobile, FMCG, Technology, Oil & Gas, and Cement** stocks are likely to remain in focus in the forthcoming week.

10-02-2020

Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
AMBUJACEM	210.50	70%	8%
CHOLAFIN	340.70	51%	7%
SRF	4,098.30	40%	11%
RECLTD	155.50	32%	12%

Short Build-up			
Symbol	Price	OI Change	Price Change
MANAPPURAM	167.60	97%	-9%
GODREJCP	649.65	36%	-3%
JUSTDIAL	535.95	30%	-2%
EXIDEIND	182.40	9%	-5%

Short covering			
Symbol	Price	OI Change	Price Change
MFSL	481.35	-30%	10%
IOC	117.25	-26%	10%
RBLBANK	339.35	-16%	12%
L&TFH	132.00	-13%	22%

Weekly Recommendation

COLPAL (1376.55) - The stock has seen Open Interest unwinding of 9.42% along with positive price action indicating short covering. The stock can be bought in the range of 1365-1370 with a stop loss of 1346 on closing basis for a target of 1400-1410.

Target: 1410 Stop Loss: 1346

APOLLOHOSP (1669.45) - The stock has seen Open Interest addition of 16.31% along with positive price action indicating long build-up. The stock can be bought in the range of 1650-1655 with a stop loss of 1630 on closing basis for a target of 1700.

Target: 1700 Stop Loss: 1630

BAJAJ-AUTO (3138.35) - The stock has seen Open Interest addition of 15.08% along with negative price action indicating short build up. The stock can be sold in the range of 3160-3170 with a stop loss of 3220 on closing basis for a target of 3050.

Target: 3050 Stop Loss: 3220

Nifty Options Snapshot



From the OI Concentration (27-Feb Series), Open Interest on the call options front exists at the strike prices of 12400 and 12500 (with nearly 17.46 lacs and 26.68 lacs shares outstanding respectively). This indicates these levels 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 12000 and 11900 (with nearly 31.60 lacs and 18.73 lacs shares outstanding respectively), indicating a stronger support zone on the downside for the short term.

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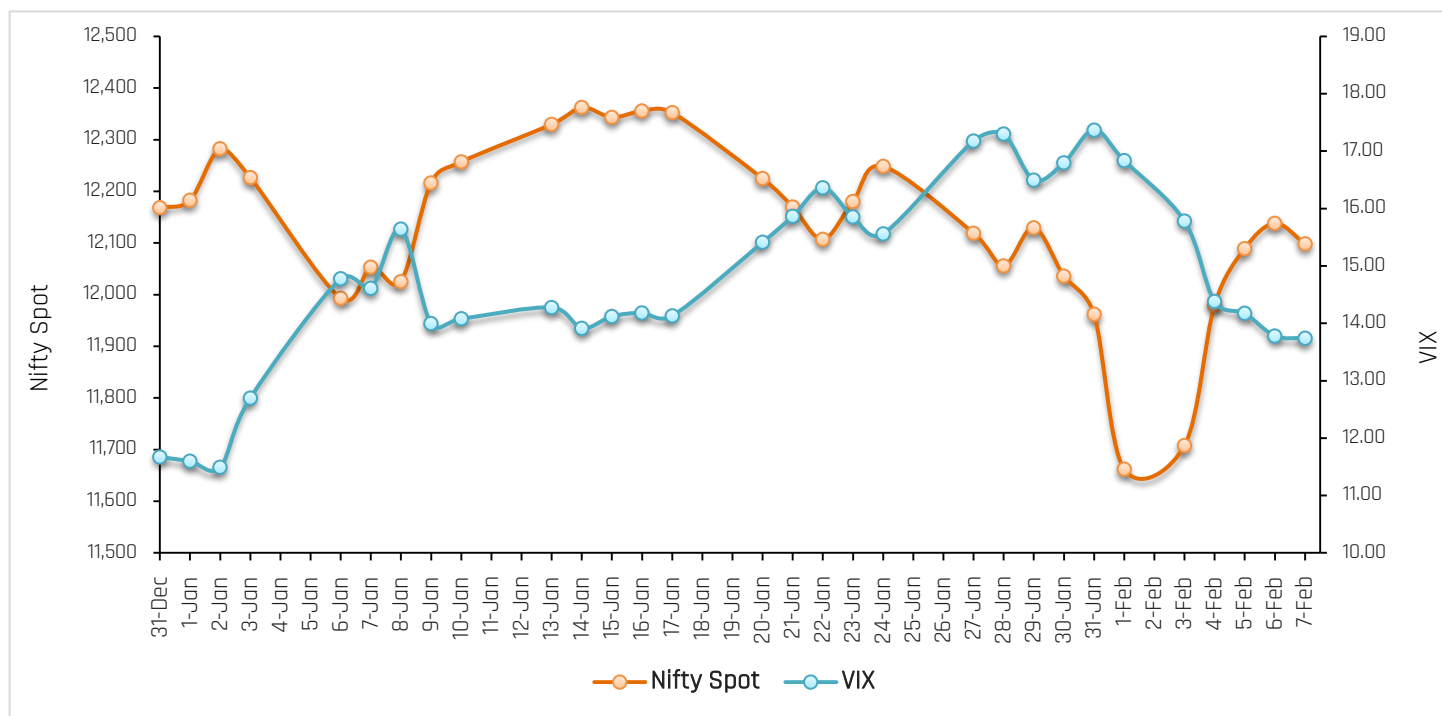
FII Stats (5 Days Trend)

(Rs. Cr.)	07-Feb	06-Feb	05-Feb	04-Feb	03-Feb
INDEX FUTURES	-428	219	-320	680	406
INDEX OPTIONS	1025	4548	856	1654	2908
STOCK FUTURES	273	596	482	1677	784
STOCK OPTIONS	-1	-5	120	118	-29

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
1-Feb	0.23	1.14	2.58	1.54
3-Feb	0.27	1.29	2.75	1.54
4-Feb	0.26	1.60	2.44	1.58
5-Feb	0.23	1.70	2.32	1.58
6-Feb	0.23	1.97	2.50	1.60
7-Feb	0.21	2.03	2.30	1.61

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 12.50 and resistance stands at 16.00.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	42
Declines	04
Unchanged	04

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