

DERIVATIVES MONTHLY ROLLOVER REPORT

July Expiry Derivatives Summary

For the July series NIFTY closed at around 16920 after Volume weighted average price (VWAP) based buying activity was witnessed through out the day.

Nifty August Futures contract started with around 89 lakh vs 112 lakh Open Interest in July. Banknifty futures have seen an Open Interest of around 18 lakh vs 22.3 lakh. At expiry, VIX was at around 17% levels implying around 695 odd points swing in the Nifty in next 30 days. The highest Nifty August monthly options Open Interest now is at 16000 PE and 17000 CE. Nifty 16000 Put Open Interest stands at around 42000 contracts and 17000 Call Open Interest at around 31700 contracts.

In July series, Technology and Pharma @ 94% are the sectors where highest rollover were witnessed, whereas Infrastructure @ 79% is the sector where lowest rollover was witnessed.

We expect Technology and FMCG Sector to outperform the Index this Series.

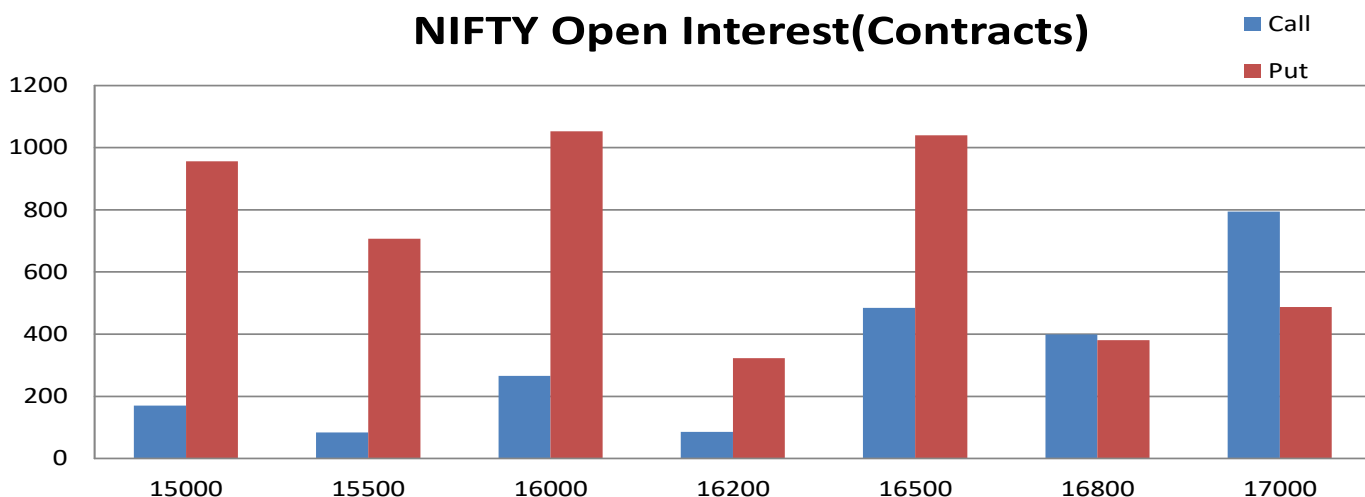
HDFCBANK @ 1400 and ITC @ 300 are our top preferred picks.

TOP 5 - HIGHEST ROLLS	Expiry-to-Expiry
STOCK NAME	% ROLL
ADANI PORTS	99
JSW STEEL	99
ADANI ENT	98
BHARTIARTL	98
COLPAL	98

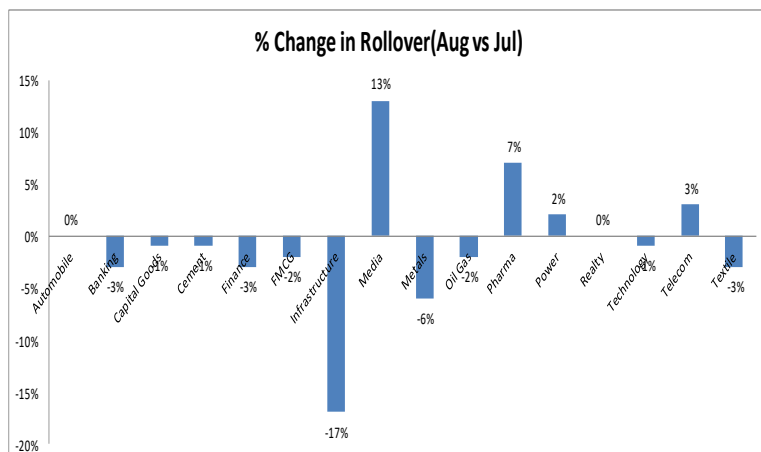
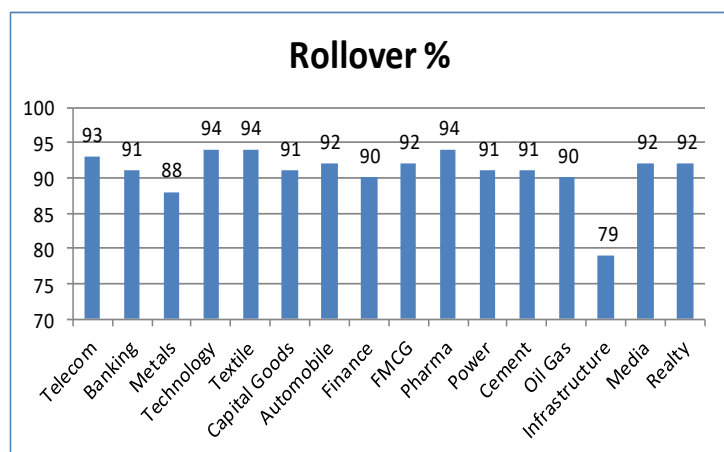
TOP 5 - LOWEST ROLLS	Expiry-to-Expiry
STOCK NAME	% ROLL
SBILIFE	70
IBULHSGFIN	68
ONGC	66
COALINDIA	65
CUB	62

NIFTY August Series Option Data

NIFTY Open Interest(Contracts)



August Series Sector Outlook



Sector-wise, highest rollover was seen in Technology and Pharma, However price wise it was Banking that lead the month.

RAIN(CMP:167) :- The stock has seen long rollover in the last 3 days of expiry. The scrip has rolled around 85% with fresh long build up of around 28% in Open Interest vs July contract. We expect the scrip to trade in the 160-185 levels.



POWERGRID(CMP:214) :- The stock has rolled around 90% Month on Month. It has also seen short covering from 5.6 Cr to 3.6 Cr in Aug vs July Open Interest. We expect the scrip to be in 208 to 228 levels.



August Series Sector Outlook

Long Build up	Price (%)	OI (%)
SYNGENE	2.8	95.9
CUMMINSIND	19	91.9
SUNTV	14	87.2
PERSISTENT	3.5	85
INTELLECT	5.6	70.7

Short Build up	Price (%)	OI (%)
BSOFT	-5.5	69.3
HDFCLIFE	-3.5	44.7
ONGC	-12.5	34.4
IGL	-3.2	32.5
BIOCON	-0.7	31

HDFCBANK(CMP:1416) :- The stock surged 5.5% in July series with a short covering of around 5.5%. We expect the scrip to trade in a range of 1350-1550 in the August Series.



GNFC(CMP:714) :- The stock has seen long rollover in the last 3 days of expiry. The scrip has rolled around 91% with fresh long build up of around 25% in Open Interest vs July contract. We expect the scrip to trade in the 644-850 levels.



August Series Sector Outlook



Nifty futures has rolled around 76% vs 75% compared to the last month. The Open Interest for the new contract is lower by around 23lkhs w.r.t to the last month contract. Nifty futures in the last three day of expiry has seen good long rollovers at a weighted average price of around 16600.

Hedge ratio (Nifty fut value vs Market wide value) which is a good indicator of the risk prevailing in a derivative series shows that in August series the ratio is at 8.11 vs 10.18 in July.

A significantly lower positioning in the Nifty Index future followed by lower hedge ratio strongly implies that Vix has a possibility to fall towards 14% in this month from an average of 18.5%. So we believe 17500-16500 might be the range for Nifty for the next fortnight.

FII's have sold around Rs 9000 Cr in the cash market in July.



Banknifty futures rolled at around 82% vs 87% compared to the last month.

Banknifty futures have been outperforming Nifty in the last few days. For this series, ratio wise (Banknifty /Nifty) 2.24 is resistance and 2.17 the support. The ratio between Banknifty and Nifty currently at around 2.20. Below 2.14 the support for this ratio is around 2.10.

However the major support for Banknifty would be around 36000 levels. We expect Banknifty to be in 36300-38800 levels in the first fortnight of August series.

Strategy

- ◆ Sell Nifty 25 August 17100 CE @305 and Sell 17100 PE @285, Net Sell Premium at 590 and Buy 17700 CE @ 70 and 16300 PE @70 each, Net Buy Premium at 140 Strategy Net Premium at 450, STOPLOSS at 650, Target 150.

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Statements on ownership and material conflicts of interest , compensation– Research Analyst (RA)

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S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No

	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

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Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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