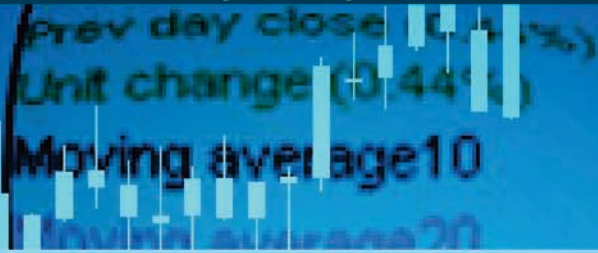


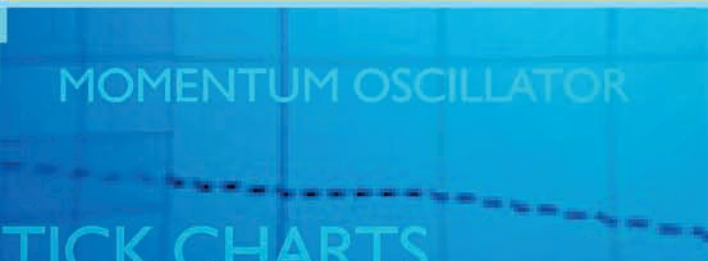
HEAD & SHOULDER

VOLUMES

PRICE PATTERN



Technical & Derivative ANALYSIS



BAR CHARTS

MOMENTUM OSCILLATOR

CANDLESTICK CHARTS

RELATIVE STRENGTH INDEX



STRANGLE

STRADDLE

CALL OPTION

FUT OPTION



Challenging task to decisively break through 8000

Sensex (26161) / Nifty (7963)

After an extended weekend, the Nifty opened on a flat note on Monday, in-line with mixed global cues. The index then managed to advance slowly and steadily through the remaining part of the day to close convincingly above the **7900** mark. Subsequently, during the remaining part of the week, the Nifty oscillated in a range of merely 90 points. Eventually, the index closed Friday at the highest point of the week, i.e. a tad above the **7950** mark. All the sectoral indices traded with a positive bias, amongst which, the Auto, Infrastructure, Realty, Oil & Gas and Banking stocks were among the major gainers. The index ended the week with a gain of 1.30% over the previous week's closing.

Pattern formation:

- The '89-day EMA' and the '89-week EMA' for the Sensex/Nifty are placed at **26251 / 7967** and **25975 / 7845** levels, respectively.
- The '20-day EMA' and the '20-week EMA' for the Sensex/Nifty are placed at **25829 / 7855** and **26280 / 7975** levels, respectively.

Future outlook

The last week of the calendar year 2015 ended in favor of the bulls. The overall intra-week movement was very narrow and lackluster due to lack of broader market participation owing to Christmas holidays across the globe. We have been mentioning about the key points of **7950 – 7970** on the Nifty since the past couple of weeks. The index has now reached these levels and is nearing its recent high of **7979**. This level coincides with the daily '89 EMA' and thus, can be considered as a strong hurdle in the near term. If the Nifty has to extend this up move, then it needs to break the psychological level of **8000** decisively. If it's able to do so, then we may witness an extension of the move towards **8080 – 8120** levels. On the flip side, the Nifty could slip towards **7890 – 7850** levels if investors resort to some amount of profit booking on lack of conviction in the market in the near term. Traders are advised to stay light on

Exhibit 1: Nifty Weekly chart



Source: Company, Angel Research

Exhibit 2: Nifty Daily chart



Source: Company, Angel Research

positions and wait for further developments on the charts. As of now, we expect the Nifty to remain within a small range of **7850 – 8000**. During the concluded week, a number of individual stocks performed favorably and we expect such outperformance to continue in the coming week as well. Traders should stick to stock centric approach with a proper exit strategy.

Weekly Pivot Levels For Nifty 50 Stocks

SCRIPS	S2	S1	PIVOT	R1	R2
SENSEX	25,731	25,946	26,072	26,286	26,412
NIFTY	7,823	7,893	7,933	8,003	8,042
NIFTY BANK	16,734	16,886	16,977	17,130	17,220
ACC	1,306	1,340	1,360	1,394	1,414
ADANI PORTS	253	260	264	272	276
AMBUJACEM	200	203	205	208	209
ASIANPAINT	868	874	880	885	892
AXISBANK	437	444	452	458	466
BAJAJ-AUTO	2,453	2,485	2,516	2,548	2,579
BANKBARODA	152	155	158	161	164
BHEL	163	167	170	174	178
BPCL	867	882	899	913	930
BHARTIARTL	324	332	338	346	352
BOSCH	17,866	18,533	18,916	19,583	19,966
CAIRN	134	136	138	141	143
CIPLA	641	648	654	661	667
COALINDIA	314	324	330	340	345
DRREDDY	2,942	3,025	3,099	3,182	3,256
GAIL	351	360	369	379	387
GRASIM	3,626	3,697	3,744	3,814	3,861
HCLTECH	815	831	852	868	889
HDFC	1,060	1,074	1,082	1,097	1,105
HDFCBANK	1,197	1,228	1,251	1,282	1,306
HEROMOTOCO	2,631	2,659	2,698	2,726	2,765
HINDALCO	82	83	85	86	88
HINDUNILVR	839	848	860	869	882
ICICIBANK	254	259	263	267	271
IDEA	136	140	142	146	149
INDUSINDBK	932	948	960	976	988
INFY	1,072	1,089	1,099	1,116	1,126
ITC	319	323	327	331	334
KOTAKBANK	687	707	719	739	750
LT	1,259	1,274	1,287	1,303	1,316
LUPIN	1,778	1,812	1,838	1,872	1,898
M&M	1,229	1,247	1,263	1,282	1,298
MARUTI	4,523	4,581	4,624	4,682	4,726
NTPC	135	140	144	149	154
ONGC	230	236	240	246	250
POWERGRID	138	139	141	143	144
PNB	112	115	118	121	124
RELIANCE	991	1,003	1,011	1,024	1,032
SBIN	221	225	227	231	233
SUNPHARMA	777	796	811	830	845
TCS	2,371	2,394	2,430	2,453	2,489
TATAMOTORS	363	382	393	412	423
TATAPOWER	66	67	68	70	71
TATASTEEL	247	252	258	263	270
TECHM	505	512	520	528	536
ULTRACEMCO	2,746	2,785	2,807	2,846	2,869
VEDL	88	90	92	93	95
WIPRO	545	551	560	565	574
YESBANK	717	725	731	739	745
ZEEL	397	415	427	445	457

Technical Research Team

Lighten up longs around 8100-8150 levels

Nifty spot closed at **7963.20** this week against a close of **7861.05** last week. The Put-Call Ratio has decreased from **0.83** to **0.77** levels and the annualized Cost of Carry is positive at **3.19%**. The Open Interest of Nifty Futures decreased by **3.30%**.

Put-Call Ratio Analysis

PCR-OI has decreased from 0.83 to 0.77 levels. In call options, 8100-8300 strikes added huge buildup, while in put options 7700-7900 added good amount of open interest. Maximum buildup in current series is seen in 8200 call & 7800 put options. Seeing the rollovers in Nifty, it seem most of the longs are still in system and Nifty may breach its resistance zone of 8100-8150 levels.

Put-Call Ratio Analysis

Implied Volatility (IV) for NIFTY has increased from 10.69% to 13.05%. Historical volatility (HV) of NIFTY is at 14.10% and that for BANKNIFTY is trading at 17.58%. Liquid counters having very high HV are RELINFRA, ADANIENIT, RELCAPITAL, INDIACEM and NTPC. Stocks where HV are on lower side are HINDALCO, TATACOMM, IDFC, SIEMENS and UPL.

Put-Call Ratio Analysis

Total open interest of market has decreased from ₹2,52,471/- cr. to ₹1,71,366/- cr. Stock futures open interest has decreased from ₹70,214/- cr. to ₹62,545/- cr. Liquid counters names which added significant positions last week are BIOCON, ABIRLANUVO, RELCAPITAL, AUROPHARMA and CENTURYTEX. On the other hand unwinding was visible in counters like BPCL, ACC, HEROMOTOCO, NTPC and AMBUJACEM.

Put-Call Ratio Analysis

Nifty current month futures closed at a premium of 18.80 points against a premium of 10.70 points to its spot. Next month future is trading with premium of 39.70 points. Liquid counters where CoC is high are VEDL, IDFC, AXISBANK, ASIANPAINT and DLF. Stocks with negative CoC are COALINDIA, NMDC, GAIL, ONGC and WIPRO.

Derivative Strategy

Scrip: SBIN
CMP : ₹228.80
Lot Size : 2000
Exercise Date (F & O) :
28th Jan 2016
View: Mildly Bearish
Strategy: Ratio Bear Put Spread
Expected Payoff

Buy/Sell	Qty	Scrip	Strike Price	Series	Option Type	Buy/Sell Rate (₹)
BUY	2000	SBIN	230	JAN	PE	6.50
SELL	4000	SBIN	220	JAN	PE	3.00

Closing Price (₹)	Expected Profit/Loss
205	(₹5.50)
212	₹1.50
219	₹8.50
226	₹3.50
233	(₹0.50)
240	(₹0.50)

LBEP - ₹210.50
UBEP - ₹229.50
Max. Risk: Unlimited

If SBIN continues to move below LBEP.

Max. Profit: ₹19,000

If SBIN closes at ₹220 level on expiry.

NOTE: Profit can be booked before expiry if SBIN moves in favorable direction and time value decays.

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