



Sensex (28290) / Nifty (8769)

A small dip on Tuesday was followed by a quiet start despite not so favorable cues from the Asian bourses. The dullness continued for the major part of the day, however, a sudden dip post the monetary policy led the index to slip towards the mentioned support level of **8707**. At the end, the Nifty managed to cover fair bit of lost ground and eventually closed almost at previous day's close to defend the **8750** mark on a closing basis.

Yesterday's session once again proved that the market is reluctant to correct as hawkish monetary policy by keeping rates unchanged even could not lead to a sustained correction. The Nifty recovered sharply and managed to close above the '5-day EMA', which is a sign of strength. Going forward, **8820** would act as an immediate hurdle and surpassing this point would extend the rally towards the next milestone of **8900**. On the downside, **8707 - 8685** would be seen as intraday support levels. Despite a small dip, we would interpret this as a part of a consolidation phase and hence, traders should keep following stock centric approach with a positive bias in order to fetch good returns.

Key Levels

Support 1 – 8707	Resistance 1 – 8820
Support 2 – 8685	Resistance 2 – 8900

Nifty Bank Outlook - (20245)

Awaiting RBI's monetary policy, the Nifty Bank index traded in a narrow range till 2.30 p.m. yesterday. However, unexpectedly the RBI kept the key rates unchanged and changed the monetary policy stance from accommodative to neutral. This surprise move led to a panic, and within few minutes, the Nifty Bank index corrected more than 200 points. Although, the index recovered some of the losses at the end of the session from our given support of **20070** and the index posted loss of only 0.40 percent over its previous session close.

As the indices are trading in an uptrend, any bad news generally leads to a very short lived selling pressure. A similar move was seen in yesterday's session wherein the traders seemed to have used decline in the index as buying opportunity, resulting in the recovery in last half hour. Hence, we continue to maintain our positive bias on the index and advise our readers to use declines as buying opportunities. The intraday supports for the Nifty Bank index are placed around **20070** and **19900** whereas resistances are seen around **20465** and **20575**.

Key Levels

Support 1 – 20070	Resistance 1 – 20465
Support 2 – 19900	Resistance 2 – 20575

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has increased by 1.25% BankNifty futures open interest has increased by 2.73% as market closed at 8769.05 levels.
- The Nifty February future closed with a premium of 27.30 points against the premium of 17.25 points in last trading session. The March series closed at a premium of 59.25 points.
- The Implied Volatility of at the money options has decreased from 11.65% to 11.37%. At the same time, the PCR-OI of Nifty has decreased from 1.12 to 1.11 levels.
- The total OI of the market is Rs. 3,07,976/- cr. and the stock futures OI is Rs. 87,817/- cr.
- Few of the liquid counters where we have seen high cost of carry are IBREALEST, HDFCBANK, JPASSOCIAT, CASTROLIND and ASHOKLEY.

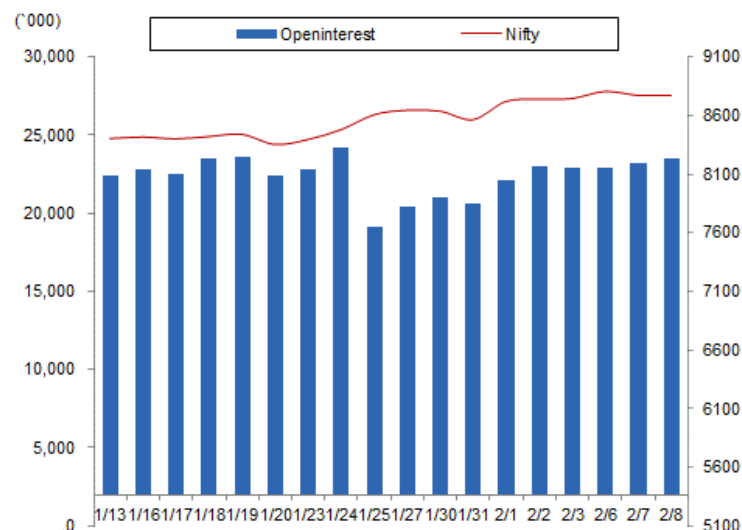
Views

- Yesterday, FIIs were seller in equity cash segment worth Rs. 128 crores. While, they bought index futures to the tune of Rs. 603 crores with some rise in open interest, indicating long build-up in previous trading session.
- In index options segment, FIIs were seller worth Rs. 258 crores with rise in open interest. In call options, except marginal build-up in 8950 - 9200 strikes, we didn't saw any meaningful activity in other strikes. On the other hand, in put options, some open interest addition was seen in 8500 and 8700 strikes. Highest open interest in current series is placed at 9000 call and 8500 put option.
- Yesterday, FIIs have formed fresh longs in index future; while, their longs formed in preceding weeks are also intact. Overall derivative data is positive and we are not seeing any sign of reversals at current juncture. Thus, we continue to maintain our bullish stance on the index. Hence, we advise traders to trade with positive bias and use declines as a buying opportunity with proper risk management.

Historical Volatility

SCRIP	HV
TITAN	54.65
MCLEODRUSS	44.54
ENGINEERSIN	49.12
TATACHEM	29.19
L&TFH	45.07

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
TITAN	8074500	20.16	427.05	8.31
SIEMENS	1148500	17.92	1223.85	-1.03
AMARAJABAT	949800	16.14	878.90	-1.25
TORNTPHARM	474800	10.32	1262.00	-1.59
SAIL	54312000	9.56	66.50	0.38
BATAINDIA	4153600	9.54	510.00	0.57
UNIONBANK	23244000	9.37	164.40	1.64
ENGINEERSIN	18613000	9.15	159.35	5.60

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
CEATLTD	2547300	-12.36	1157.85	1.12
NHPC	34641000	-7.56	30.65	-2.39
SOUTHBANK	48300000	-7.36	23.15	-0.22
ORIENTBANK	15060000	-6.52	128.35	-1.27
WOCKPHARMA	3855000	-6.27	689.35	-2.20
TORNTPOWER	3333000	-5.53	210.35	0.05
CENTURYTEX	7771500	-5.19	927.25	3.21
JUSTDIAL	3784800	-4.83	404.15	1.34

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.11	1.02
BANKNIFTY	0.87	0.76
INFY	0.55	0.44
ICICIBANK	0.58	0.61
RELIANCE	0.41	0.27



FII Statistics for February 08, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	2838.44	2235.05	603.39	299706	20461.04	1.58
INDEX OPTIONS	41492.87	41750.50	(257.63)	1117759	75778.75	2.70
STOCK FUTURES	7444.21	8240.89	(796.68)	1030194	68730.98	0.61
STOCK OPTIONS	4434.21	4480.90	(46.69)	92376	6517.90	6.10
TOTAL	56209.73	56707.34	(497.61)	2540035	171488.67	1.83

Turnover on February 08, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	235842	17263.49	57.64
INDEX OPTIONS	4577292	349557.42	87.05
STOCK FUTURES	578314	41375.27	-10.68
STOCK OPTIONS	348725	26000.86	-12.74
TOTAL	5740173	434197.04	58.50

Nifty Spot = 8767.05

Lot Size = 75

Bull-Call Spreads

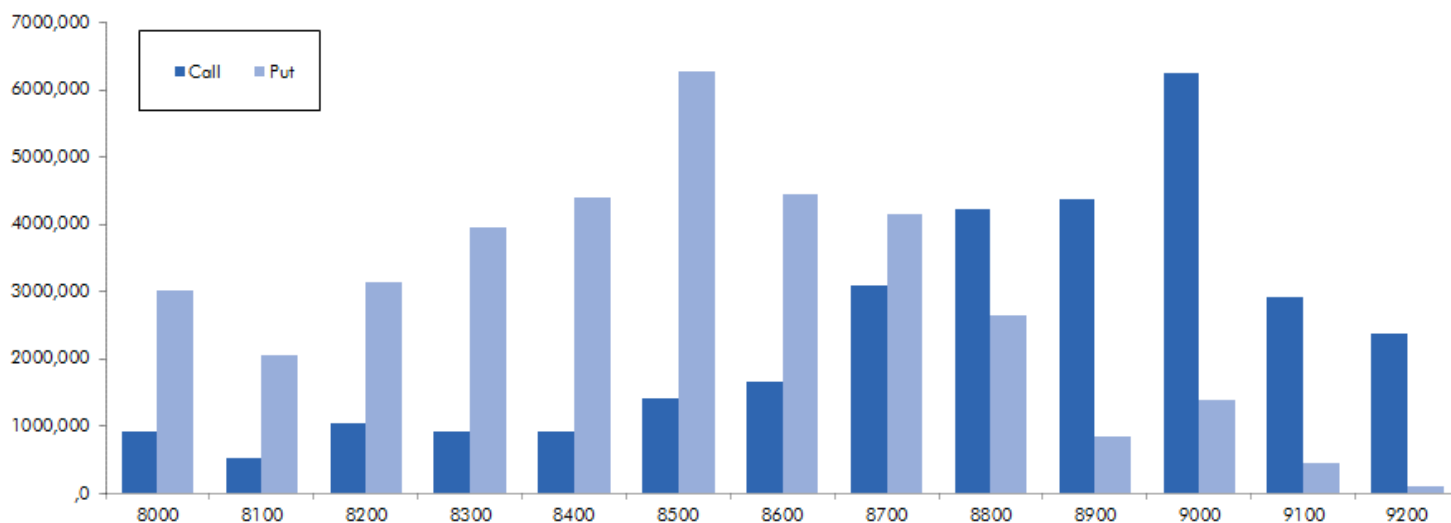
Action	Strike	Price	Risk	Reward	BEP
Buy	8800	77.70	40.55	59.45	8840.55
Sell	8900	37.15			
Buy	8800	77.70	62.45	137.55	8862.45
Sell	9000	15.25			
Buy	8900	37.15	21.90	78.10	8921.90
Sell	9000	15.25			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	8800	82.70	36.70	63.30	8763.30
Sell	8700	46.00			
Buy	8800	82.70	57.60	142.40	8742.40
Sell	8600	25.10			
Buy	8700	46.00	20.90	79.10	8679.10
Sell	8600	25.10			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (February Series) are given as an information and not as a recommendation.

Nifty Put-Call Analysis





Daily Pivot Levels for Nifty Constituents

Scripts	S2	S1	PIVOT	R1	R2
ACC	1,439	1,468	1,486	1,515	1,533
ADANI PORTS	296	301	304	309	312
AMBUJACEM	232	235	239	242	246
ASIANPAINT	967	983	996	1,011	1,025
AUROPHARMA	681	689	697	705	713
AXISBANK	477	482	487	493	498
BAJAJ-AUTO	2,749	2,765	2,777	2,793	2,805
BANKBARODA	180	183	186	190	192
BHEL	147	152	154	159	162
BPCL	708	714	721	727	733
BHARTIARTL	343	347	352	356	361
INFRA TEL	295	303	307	314	319
BOSCH	22,134	22,548	22,774	23,188	23,414
CIPLA	592	598	603	609	615
COALINDIA	310	316	319	325	329
DRREDDY	2,961	2,988	3,028	3,055	3,095
EICHERMOT	23,444	23,702	23,864	24,121	24,283
GAIL	470	478	483	490	495
GRASIM	936	956	968	988	999
HCLTECH	796	802	811	817	825
HDFCBANK	1,287	1,296	1,308	1,317	1,328
HDFC	1,372	1,387	1,398	1,413	1,425
HEROMOTOCO	3,168	3,195	3,237	3,264	3,306
HINDALCO	183	186	189	192	195
HINDUNILVR	841	847	853	859	866
ICICIBANK	280	283	286	289	291
IDEA	105	107	109	111	113
INDUSINDBK	1,287	1,303	1,316	1,333	1,346
INFY	926	931	938	943	949
ITC	268	272	275	279	282
KOTAKBANK	754	761	769	775	783
LT	1,481	1,494	1,502	1,515	1,524
LUPIN	1,458	1,472	1,482	1,496	1,506
M&M	1,252	1,265	1,273	1,286	1,294
MARUTI	6,129	6,162	6,198	6,231	6,267
NTPC	167	170	172	175	177
ONGC	191	193	194	196	198
POWERGRID	196	199	201	203	205
RELIANCE	1,012	1,019	1,028	1,035	1,045
SBIN	270	273	276	280	283
SUNPHARMA	648	655	666	673	684
TCS	2,227	2,249	2,266	2,288	2,304
TATAMTRDVR	316	318	321	323	326
TATAMOTORS	503	508	511	517	520
TATAPOWER	80	81	82	82	83
TATASTEEL	457	464	475	482	492
TECHM	461	468	476	483	491
ULTRACEMCO	3,649	3,683	3,715	3,749	3,781
WIPRO	453	457	461	465	469
YESBANK	1,358	1,384	1,404	1,430	1,449
ZEEL	495	504	509	517	523



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