



Sensex (27288) / Nifty (8413)

Trading for the week kicked off on a slightly weaker note owing to negative cues from the Asian bourses. Subsequently, the Nifty consolidated within a narrow range with a mildly negative bias for initial couple of hours. However, we saw strong buying emerging at lower levels (especially in banking conglomerates) and as a result, the index managed to regain the strength to conclude the session comfortably above the **8400** mark.

During yesterday's session, the Nifty recovered after precisely testing the '5 Day EMA' placed around **8370**. The hourly chart now looks a bit encouraging and thus, we expect the index to extend yesterday's rally at least towards the downside gap area of **8460 – 8510**. On the downside, **8370 – 8350** would be seen as an immediate support zone. Going forward, we continue with our optimistic stance and expect a good broad base rally in the market. Hence, traders are repeatedly advised to follow stock centric approach as they may fetch higher returns as compared to the index.

Key Levels

Support 1 – 8370	Resistance 1 – 8460
Support 2 – 8350	Resistance 2 – 8510

Nifty Bank Outlook - (19096)

Yesterday, the Nifty Bank index opened on a flat note and started moving higher from initial trades. The banking index continued to make 'Higher Highs' throughout the session and eventually outperformed the benchmark indices by posting a close with gains of 0.97 percent over its previous close.

After the lackluster move from last two trading sessions, the Nifty Bank index had shown tremendous resilience in yesterday's session. The up move was on our expected lines as we are already mentioning about a continuation in momentum towards its next resistance of 61.80% retracement level of previous down move from **20309.65** to **17606.90**, which is placed at **19275**. We continue to maintain our bullish stance on banking index and thus advice traders to trade with positive bias. On the flipside, immediate support for the index is placed at **18900** and **18781** levels.

Key Levels

Support 1 – 18900	Resistance 1 – 19275
Support 2 – 18781	Resistance 2 – 19400

Exhibit 1: Nifty Daily Chart

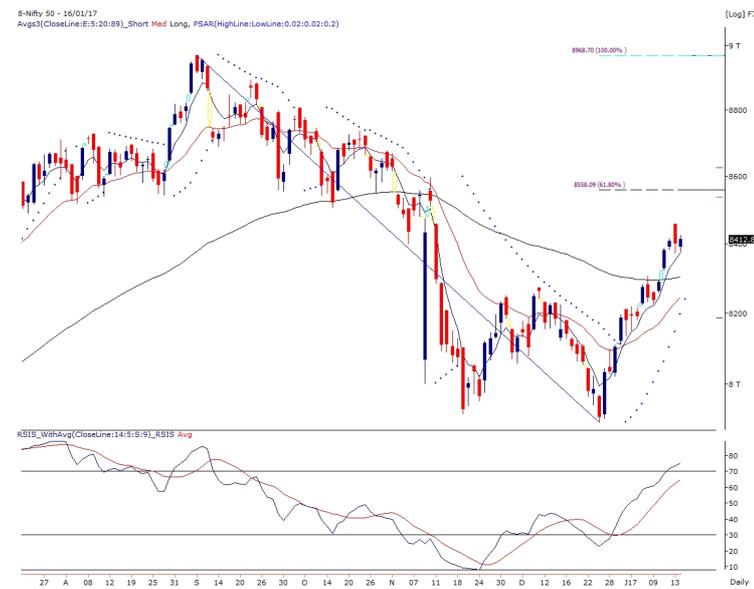


Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has increased by 1.48% BankNifty futures open interest has increased by 6.86% as market closed at 8412.80 levels.
- The Nifty January future closed with a premium of 18.90 points against the premium of 17.35 points in last trading session. The February series closed at a premium of 42.35 points.
- The Implied Volatility of at the money options has increased from 10.84% to 11.79%. At the same time, the PCR-OI of Nifty has increased from 1.23 to 1.27 levels.
- The total OI of the market is Rs. 2,84,025/- cr. and the stock futures OI is Rs. 78,856/- cr.
- Few of the liquid counters where we have seen high cost of carry are L&TFH, SRTRANSFIN, ADANIPOWER, JPASSOCIAT and KTKBANK.

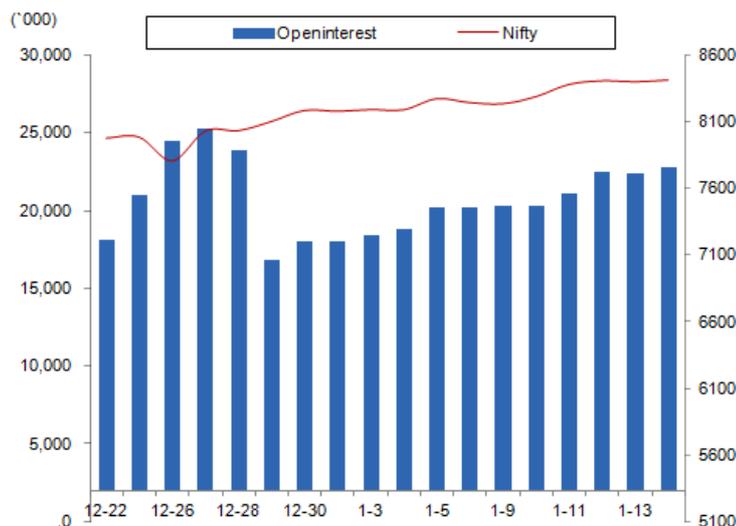
Views

- Yesterday, FII were net seller in both cash market and index futures segment. They sold equities worth Rs. 347 crores. While, in index futures, they sold to the tune of Rs. 119 crores with significant rise in open interest, indicating blend of long and short formation in yesterday's session.
- In Index options segment, FII sold worth Rs. 340 crores with rise in open interest. In call option, some build-up was seen in 8500-8600 strikes; followed by unwinding in 8500 strike. On the other hand, in put option, decent positions have been formed in 8300-8400 strikes. At current juncture, highest OI in current series is placed at 8400 call and 8000 put option.
- Though, FII had formed mixed positions in yesterday's session; their long positions in index and stock futures formed in last couple of weeks are still intact. Also, we witnessed decent amount of put writing from FII's desk, suggesting 8250-8300 to now act as a good support for market. Thus looking at the overall F&O data, we expect continuation of recent optimism in the market. Thus, any dip near 8300-8350 levels should be used as a buying opportunity.

Historical Volatility

SCRIP	HV
DHFL	50.43
ICIL	51.22
MCDOWELL-N	26.25
COLPAL	17.16
KTKBANK	38.57

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
HDIL	35264000	19.07	64.85	3.43
DHFL	18192000	15.35	288.95	6.35
KSCL	2836500	12.49	454.85	-1.27
HAVELLS	5498000	10.89	382.90	2.60
ORIENTBANK	16746000	8.51	116.00	0.56
COALINDIA	13567700	8.17	312.90	0.40
RCOM	137916000	7.73	31.70	0.63
SRF	406000	7.41	1631.05	0.41

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
AXISBANK	28641600	-5.33	477.35	0.96
TCS	5760500	-4.52	2260.45	0.46
POWERGRID	16960000	-4.25	199.25	1.09
JUSTDIAL	4999200	-3.74	372.95	0.95
IBREALEST	31170000	-3.14	79.40	0.51
ARVIND	6980000	-2.65	375.10	1.28
INFY	19109500	-2.32	957.90	-2.16
JPASSOCIAT	142324000	-2.29	9.85	-0.51

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.27	1.35
BANKNIFTY	1.11	0.94
INFY	0.47	0.39
TCS	0.41	0.55
RELIANCE	0.56	0.54



FII Statistics for January 16, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	1585.94	1704.86	(118.92)	259196	17048.58	8.16
INDEX OPTIONS	30448.46	30789.04	(340.58)	1122405	72646.45	4.81
STOCK FUTURES	6295.57	6495.51	(199.94)	898335	57038.39	0.09
STOCK OPTIONS	4133.00	4111.10	21.90	98147	6528.40	6.38
TOTAL	42462.97	43100.51	(637.54)	2378083	153261.82	3.38

Turnover on January 16, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	167988	11642.76	-7.71
INDEX OPTIONS	3493318	244506.51	22.58
STOCK FUTURES	481767	32523.24	-13.07
STOCK OPTIONS	396858	26838.93	-15.62
TOTAL	4539931	315511.45	12.16

Nifty Spot = 8412.80

Lot Size = 75

Bull-Call Spreads

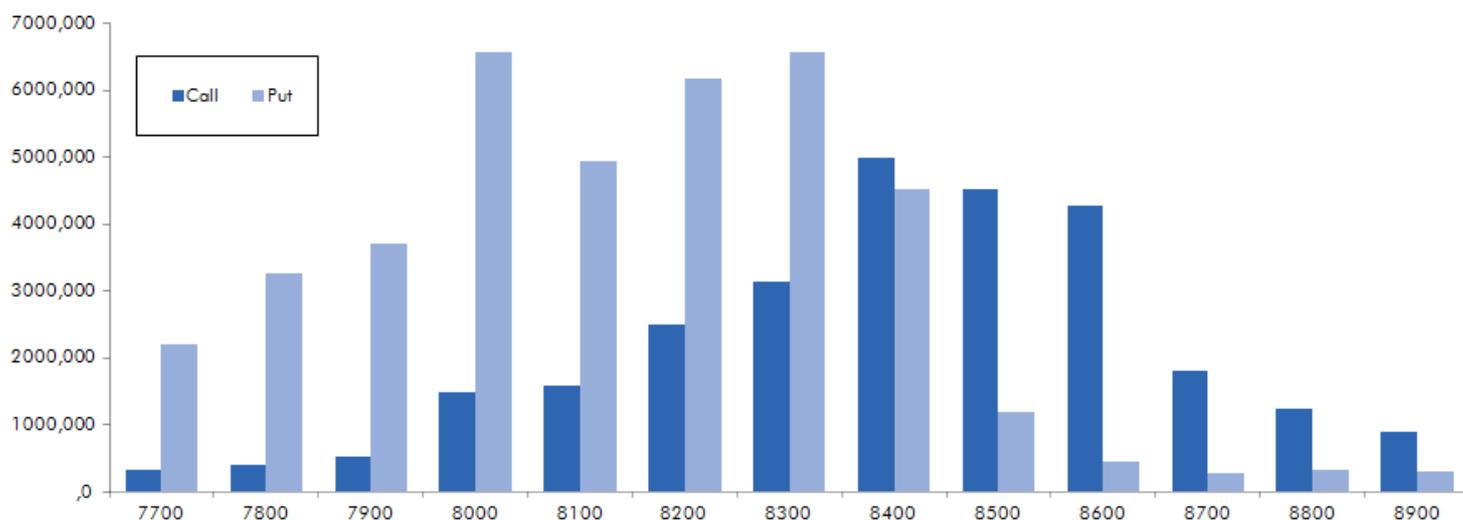
Action	Strike	Price	Risk	Reward	BEP
Buy	8400	77.90	47.60	52.40	8447.60
Sell	8500	30.30			
Buy	8400	77.90	69.40	130.60	8469.40
Sell	8600	8.50			
Buy	8500	30.30	21.80	78.20	8521.80
Sell	8600	8.50			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	8400	49.00	25.45	74.55	8374.55
Sell	8300	23.55			
Buy	8400	49.00	37.10	162.90	8362.90
Sell	8200	11.90			
Buy	8300	23.55	11.65	88.35	8288.35
Sell	8200	11.90			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (January 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	1,317	1,324	1,332	1,339	1,347
ADANI PORTS	288	294	299	305	309
AMBUJACEM	209	211	213	215	218
ASIANPAINT	920	928	935	942	949
AUROPHARMA	692	697	703	709	715
AXISBANK	463	470	475	482	488
BAJAJ-AUTO	2,669	2,696	2,713	2,739	2,756
BANKBARODA	156	158	159	161	162
BHEL	127	128	128	129	130
BPCL	649	659	665	674	680
BHARTIARTL	314	316	320	322	326
INFRA TEL	349	352	356	359	362
BOSCH	20,428	20,953	21,527	22,052	22,626
CIPLA	571	580	586	595	601
COALINDIA	306	310	314	318	323
DRREDDY	2,944	2,965	2,986	3,006	3,028
EICHERMOT	22,060	22,202	22,452	22,593	22,843
GAIL	441	444	450	454	459
GRASIM	825	840	852	866	878
HCLTECH	814	822	835	843	856
HDFCBANK	1,227	1,237	1,243	1,254	1,260
HDFC	1,230	1,243	1,254	1,267	1,277
HEROMOTOCO	3,001	3,046	3,072	3,118	3,143
HINDALCO	168	170	172	175	177
HINDUNILVR	818	823	827	832	836
ICICIBANK	262	266	268	272	274
IDEA	68	69	70	71	71
INDUSINDBK	1,192	1,205	1,215	1,228	1,238
INFY	945	950	958	963	971
ITC	245	247	249	251	253
KOTAKBANK	717	724	730	737	743
LT	1,424	1,433	1,442	1,451	1,459
LUPIN	1,485	1,497	1,505	1,517	1,525
M&M	1,196	1,203	1,215	1,223	1,234
MARUTI	5,624	5,650	5,688	5,714	5,752
NTPC	167	169	171	173	175
ONGC	196	197	199	201	203
POWERGRID	195	197	199	201	203
RELIANCE	1,061	1,069	1,081	1,089	1,101
SBIN	249	252	254	258	260
SUNPHARMA	634	639	647	652	660
TCS	2,208	2,233	2,253	2,279	2,299
TATAMTRDVR	322	326	328	332	335
TATAMOTORS	512	519	524	532	537
TATAPOWER	76	77	78	79	80
TATASTEEL	437	448	454	464	470
TECHM	474	481	486	492	497
ULTRACEMCO	3,283	3,312	3,328	3,357	3,373
WIPRO	476	480	484	488	492
YESBANK	1,301	1,315	1,325	1,339	1,350
ZEEL	473	477	482	486	490



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