



Sensex (27035) / Nifty (8349)

On Friday, a gap down opening was followed by a strong selling pressure in the second half, which led to a breakdown on intraday charts below the support zone of **8397-8370** level. In the process, the Nifty closed well below the '5-Day EMA' (placed at **8388**) for the first time since December 26, 2016.

Technically speaking, the weekly chart structure looks extremely strong as the index managed to traverse the '20 EMA' convincingly during the previous week. This is supported by the 'RSI-Smoothed' and 'Parabolic SAR', which are positively poised. Now, if we go back to smaller degree time frame (daily), we can see cluster of supports around **8300-8275** as daily '89 EMA', '200 SMA', and previous swing high of **8274.95** converging in the vicinity of mentioned levels. Thus, going by this hypothesis, any minor dip in the forthcoming week is likely to generate buying opportunities. On the upside, considering the 'January' series derivatives expiry week, it would be a daunting task for the Nifty to pass **8400-8460** level; but it's a matter of time as we expect a breakout to happen soon. With a near term perspective, we foresee levels of **8510-8600** for the Nifty. Hence, traders are advised to use any dip to create fresh longs with a directional view and refrain from shorting in the market.

Key Levels

Support 1 – 8300	Resistance 1 – 8400
Support 2 – 8275	Resistance 2 – 8460

Nifty Bank Outlook - (18821)

The Nifty Bank index opened with downside gap on Friday and traded in sideways direction in first half of the session. However, we witnessed sharp sell-off in the later half and as a result, the banking index ended the session with loss of 1.59 percent over its previous close.

From last few sessions, we have been mentioning about the crucial resistance at **19275**, which is the 61.80% retracement level of the previous down move from **20306** to **17608**. But, Friday's sharp fall was quite unexpected for us as we were expecting a more of a time correction rather than a price correction. At current juncture, strong support for the index is placed at **18630 – 18660** levels, which is a confluence zone of 38.20% retracement level, '89 EMA' and '20 EMA' on daily chart. Thus, we advise trader not to get carried away by the down move and use declines to form long positions. Going forward, immediate resistance for the Nifty Bank index is placed at **19070 – 19185** levels.

Key Levels

Support 1 – 18630	Resistance 1 – 19070
Support 2 – 18515	Resistance 2 – 19185

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has decreased by 5.11% BankNifty futures open interest has decreased by 6.84% as market closed at 8349.35 levels.
- The Nifty January future closed with a premium of 13.20 points against the premium of 7.85 points in last trading session. The February series closed at a premium of 37.95 points.
- The Implied Volatility of at the money options has increased from 12.31% to 13.14%. At the same time, the PCR-OI of Nifty has decreased from 1.25 to 1.19 levels.
- The total OI of the market is Rs. 2,90,905/- cr. and the stock futures OI is Rs. 81,877/- cr.
- Few of the liquid counters where we have seen high cost of carry are JPASSOCIAT, RCOM, SOUTHBANK, NHPC and IDFC.

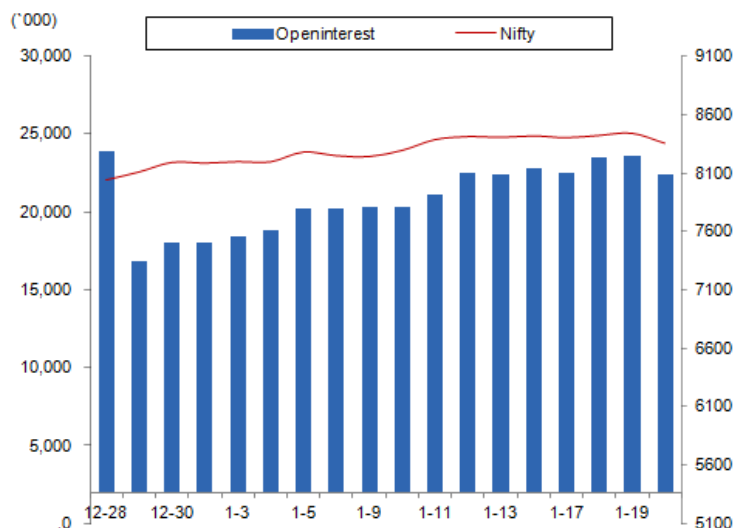
Views

- On Friday, FII activity in cash market segment was subdued. While in index futures, they were net buyers to the tune of Rs. 437 crores with fall in open interest, indicating covering of shorts formed earlier.
- In Index Options segment, FIIs bought worth Rs. 758 crores with rise in open interest. In call options, 8400 strike added good amount of open interest. On the other hand, in put options, 8000 strike added some positions; followed by good amount of unwinding in 8400 and 8100 put options. Highest open interest in current series has shifted from 8500 to 8400 call options and of puts remains intact at 8000 strike price.
- Last week, Nifty traded in a narrow range and closed with minor losses. We witnessed mixed activity in Index Futures from FIIs desk, wherein, majority of positions formed were on short side. But, at the same time, longs formed during start of January series are still intact. While, shorts formed in 8200-8300 puts are also in the system. Thus, 8300-8350 is an immediate support zone for Nifty. Unless we don't see any meaningful change in data, traders are suggested to trade with a positive bias and any dips in index should be used to add longs.

Historical Volatility

SCRIP	HV
ADANIPOWER	74.26
AXISBANK	44.05
JISLJALEQS	48.25
SINTEX	53.75
CANBK	41.04

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
CANBK	20655000	15.42	269.95	-5.69
PFC	23334000	15.33	130.85	-1.69
GMRINFRA	207180000	14.39	12.70	0.00
AXISBANK	30292800	11.86	450.65	-6.77
CESC	3507900	11.04	689.05	0.27
HAVELLS	5966000	10.56	398.85	3.02
LUPIN	5262800	10.38	1464.30	-1.17
HDFC	12825500	9.76	1239.15	-0.32

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
TORNTPOWER	3618000	-12.29	193.10	-3.16
SAIL	52860000	-11.85	58.25	-2.27
HDIL	25416000	-9.72	60.55	-4.42
JISLJALEQS	41715000	-9.21	88.90	-6.72
NIITTECH	654000	-8.40	443.00	0.75
AMBUJACEM	13717500	-7.60	217.50	-1.56
TITAN	9370500	-6.69	361.40	-2.93
MRF	34830	-6.52	51740.25	-0.87

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.19	1.12
BANKNIFTY	0.75	0.89
INFY	0.45	0.55
RELIANCE	0.33	0.38
AXISBANK	0.61	0.67



FII Statistics for January 20, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	3202.61	2765.76	436.85	277352	18019.65	(3.54)
INDEX OPTIONS	41037.19	40278.98	758.21	1199586	77166.60	2.36
STOCK FUTURES	13813.15	14469.00	(655.85)	949385	59964.24	2.43
STOCK OPTIONS	5813.64	6071.39	(257.76)	115983	7617.31	3.06
TOTAL	63866.59	63585.13	281.45	2542306	162767.80	1.74

Turnover on January 20, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	284216	19269.85	75.16
INDEX OPTIONS	4516883	305663.66	-33.11
STOCK FUTURES	842039	55990.51	27.92
STOCK OPTIONS	508967	35551.57	21.62
TOTAL	6152105	416475.59	-23.01

Nifty Spot = 8349.35

Lot Size = 75

Bull-Call Spreads

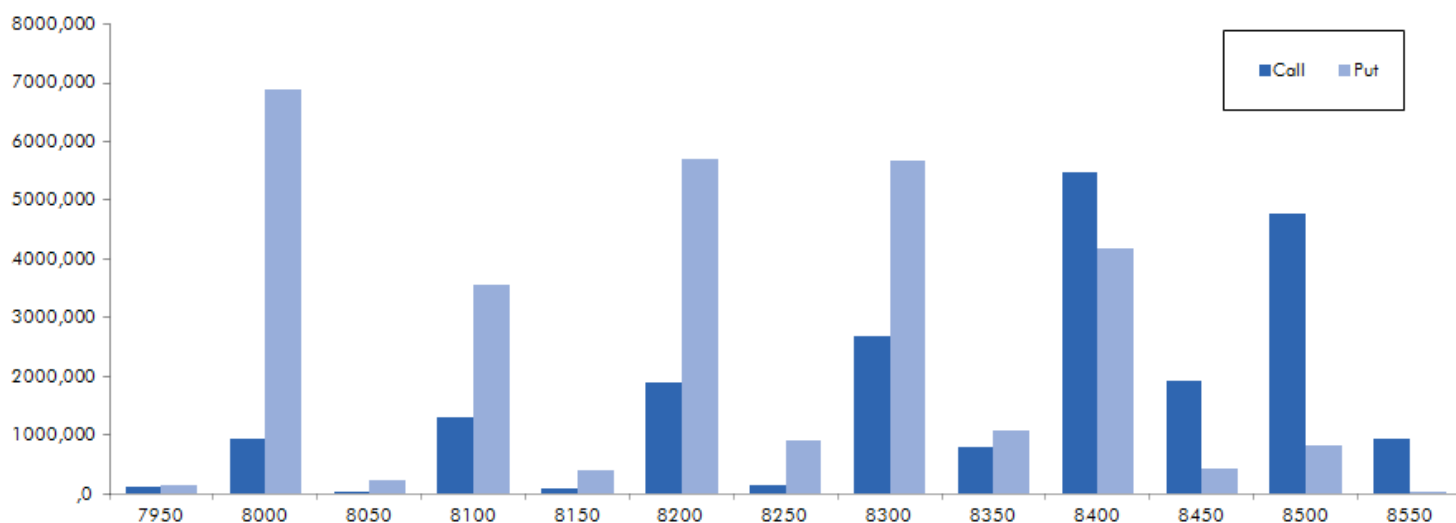
Action	Strike	Price	Risk	Reward	BEP
Buy	8300	85.60	56.25	43.75	8356.25
Sell	8400	29.35			
Buy	8300	85.60	78.90	121.10	8378.90
Sell	8500	6.70			
Buy	8400	29.35	22.65	77.35	8422.65
Sell	8500	6.70			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	8400	65.85	39.70	60.30	8360.30
Sell	8300	26.15			
Buy	8400	65.85	56.40	143.60	8343.60
Sell	8200	9.45			
Buy	8300	26.15	16.70	83.30	8283.30
Sell	8200	9.45			

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	1,285	1,306	1,335	1,356	1,385
ADANI PORTS	275	280	288	293	301
AMBUJACEM	213	216	218	220	223
ASIANPAINT	943	955	966	979	990
AUROPHARMA	680	689	704	713	728
AXISBANK	440	445	453	459	467
BAJAJ-AUTO	2,663	2,682	2,701	2,720	2,739
BANKBARODA	149	152	156	159	163
BHEL	126	127	130	132	135
BPCL	654	659	668	673	682
BHARTIARTL	307	314	321	327	334
INFRA TEL	346	350	354	357	361
BOSCH	20,683	20,992	21,300	21,609	21,917
CIPLA	563	571	582	589	600
COALINDIA	299	301	305	307	311
DRREDDY	2,903	2,925	2,942	2,965	2,982
EICHERMOT	22,350	22,570	22,820	23,039	23,290
GAIL	448	454	463	469	477
GRASIM	843	853	869	879	895
HCLTECH	828	833	839	845	850
HDFCBANK	1,222	1,229	1,237	1,244	1,252
HDFC	1,223	1,230	1,238	1,245	1,252
HEROMOTOCO	2,996	3,023	3,072	3,099	3,148
HINDALCO	164	168	173	177	182
HINDUNILVR	845	853	862	870	880
ICICIBANK	259	261	265	267	270
IDEA	68	70	71	73	74
INDUSINDBK	1,192	1,206	1,223	1,238	1,255
INFY	942	945	949	953	956
ITC	253	254	255	257	258
KOTAKBANK	710	716	725	731	740
LT	1,384	1,399	1,427	1,442	1,469
LUPIN	1,436	1,451	1,470	1,484	1,503
M&M	1,169	1,181	1,199	1,210	1,228
MARUTI	5,580	5,624	5,687	5,731	5,794
NTPC	167	169	171	173	176
ONGC	192	195	198	201	205
POWERGRID	195	197	200	202	205
RELIANCE	1,016	1,021	1,029	1,034	1,043
SBIN	244	247	254	258	264
SUNPHARMA	636	639	643	646	650
TCS	2,242	2,260	2,277	2,295	2,312
TATAMTRDVR	320	324	330	334	340
TATAMOTORS	517	520	525	528	533
TATAPOWER	76	77	78	79	80
TATASTEEL	443	449	458	464	474
TECHM	455	462	473	480	491
ULTRACEMCO	3,372	3,422	3,472	3,522	3,572
WIPRO	473	475	478	480	482
YESBANK	1,337	1,348	1,363	1,374	1,390
ZEEL	457	462	470	475	484



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