



Sensex (27117) / Nifty (8392)

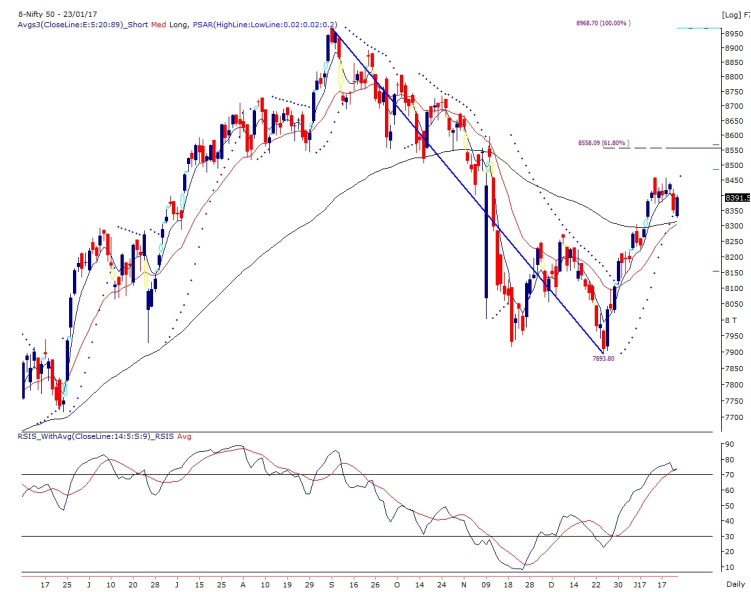
Trading for the week began with a marginal downside gap which was quite expected after a decent corrective move seen on Friday. However, we saw strong buying interest right from the word go and as a result, a small dip during the mid session was bought into. This led to a decent recovery of 0.50% from Friday's close.

With reference to our earlier article, despite strong booking on Friday and a close below '5-Day EMA', we shrugged off this negative development and stuck to our directional optimistic stance on the market. Very much on expected lines, **8340 – 8300** played a sheet anchor as we saw strong buyers getting attracted in the vicinity of this support zone. We continue with our 'buy on dips' strategy and expect levels of **8460** being retested in a short while. Traders are advised to use such dips to create fresh long positions and follow a stock specific approach in order to get better trading opportunities.

Key Levels

Support 1 – 8340	Resistance 1 – 8460
Support 2 – 8300	Resistance 2 – 8500

Exhibit 1: Nifty Daily Chart



Nifty Bank Outlook - (18843)

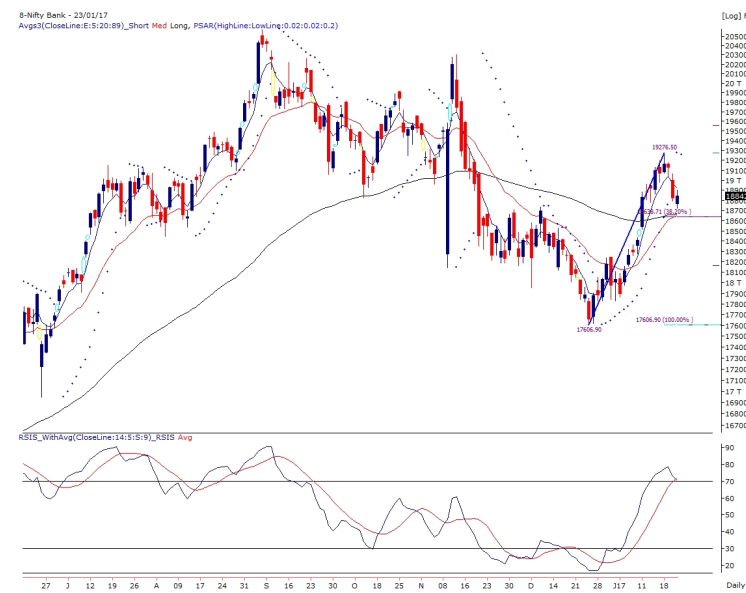
Post the negative opening in yesterday's session, the Nifty Bank index moved lower in initial trades. But, the correction was short lived as we witnessed decent recovery in the first half of the session. However, banking index traded in sideways direction in the later half to post a close with marginal gains of 0.12 percent over its previous close.

Technically, the Nifty Bank index is trading around its strong support of 38.20% retracement level of recent up move, which coincides with the '89 EMA' and '20 EMA' on daily chart. The confluence zone of the mentioned support is placed at **18630-18660** levels. At current juncture, traders are advised to use declines as buying opportunity and follow stock centric approach. Going forward, immediate resistance is placed at **19070-19185** levels.

Key Levels

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

Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has increased by 1.84% BankNifty futures open interest has decreased by 5.95% as market closed at 8391.50 levels.
- The Nifty January future closed with a premium of 10.90 points against the premium of 13.20 points in last trading session. The February series closed at a premium of 33.25 points.
- The Implied Volatility of at the money options has increased from 13.14% to 13.94%. At the same time, the PCR-OI of Nifty has increased from 1.19 to 1.24 levels.
- The total OI of the market is Rs. 2,99,460/- cr. and the stock futures OI is Rs. 86,156/- cr.
- Few of the liquid counters where we have seen high cost of carry are GMRINFRA, JPASSOCIAT, PCJEWELLER, L&TFH and CROMPGREAV.

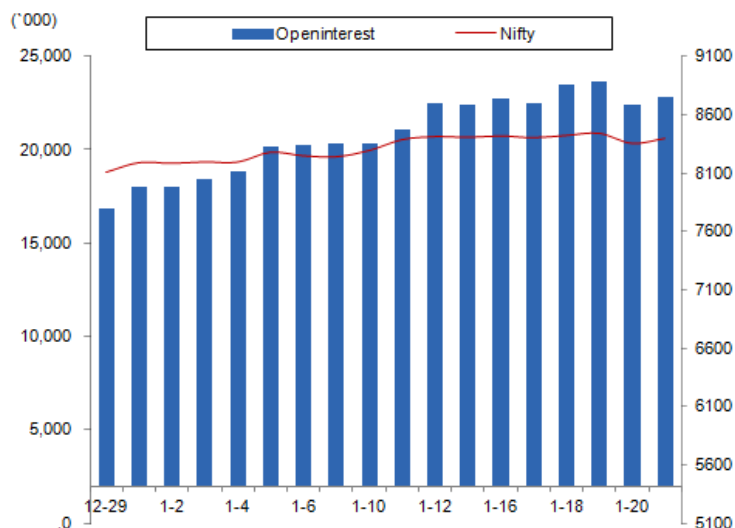
Views

- Yesterday, FIs were net sellers in cash market segment worth Rs. 289 crores. While in index futures, they were net buyers to the tune of Rs. 353 crores with rise in open interest, indicating fresh long formation in previous trading session.
- In Index Options segment, FIs sold worth Rs. 574 crores with fall in open interest. In call options, we hardly saw any strike adding fresh positions. However, decent amount of unwinding was visible in 8300, 8400 and 8600 call option. On the other hand, in put options, 8050 and 8350 strikes added good amount of positions; followed by unwinding in 8100 and 8200 put options. Highest open interest in current series is placed at 8400 call and 8000 put options.
- Yesterday, Nifty remained quite volatile and we witness strong up move in Nifty from the mentioned support zone of 8300-8350 levels. FIs too actively participated in this move; they formed fresh longs in Index Futures. While, in equities they remained net seller. Thus, considering yesterday's data, we believe that the Nifty may continue to show strength in near term. Thus, traders should strictly avoid shorting in index and use dips for adding fresh longs.

Historical Volatility

SCRIP	HV
MCDOWELL-N	46.39
SAIL	46.07
HINDALCO	53.92
ZEEL	32.06
HINDPETRO	37.89

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
IBREALEST	42880000	48.12	80.90	-0.49
BHARTIARTL	41464700	34.42	319.10	-0.55
ULTRACEMCO	3124800	24.83	3523.75	1.41
PCJEWELLER	1468500	23.46	388.10	3.83
PFC	28368000	21.57	134.00	2.41
AMARAJABAT	692400	21.22	869.65	-3.31
AMBUJACEM	16127500	17.57	220.20	1.24
NMDC	24834000	16.23	145.10	2.47

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
JUSTDIAL	4059600	-11.02	350.85	-1.75
IDBI	26504000	-8.76	76.30	2.55
BATAINDIA	3594800	-7.63	466.90	1.03
ABIRLANUVO	3417200	-7.54	1304.55	2.36
SYNDIBANK	16542000	-6.94	64.85	1.17
PNB	54446000	-6.93	129.80	1.41
LICHSGFIN	13017400	-6.50	526.10	1.61
MOTHERSUMI	12442500	-6.32	324.20	-0.83

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.24	1.11
BANKNIFTY	0.82	0.82
INFY	0.43	0.66
RELIANCE	0.29	0.43
AXISBANK	0.62	0.60



FII Statistics for January 23, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	6219.85	5867.19	352.66	286044	18638.36	3.13
INDEX OPTIONS	50457.83	51031.74	(573.91)	1152165	74507.78	(3.95)
STOCK FUTURES	26335.01	26361.04	(26.03)	1041350	66219.30	9.69
STOCK OPTIONS	4608.45	4696.81	(88.36)	113996	7517.39	(1.71)
TOTAL	87621.13	87956.77	(335.64)	2593555	166882.83	2.02

Turnover on January 23, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	325360	21803.23	13.15
INDEX OPTIONS	5805646	390402.42	27.72
STOCK FUTURES	1207385	78332.86	39.90
STOCK OPTIONS	434986	29803.91	-16.17
TOTAL	7773377	520342.42	24.94

Nifty Spot = 8391.50

Lot Size = 75

Bull-Call Spreads

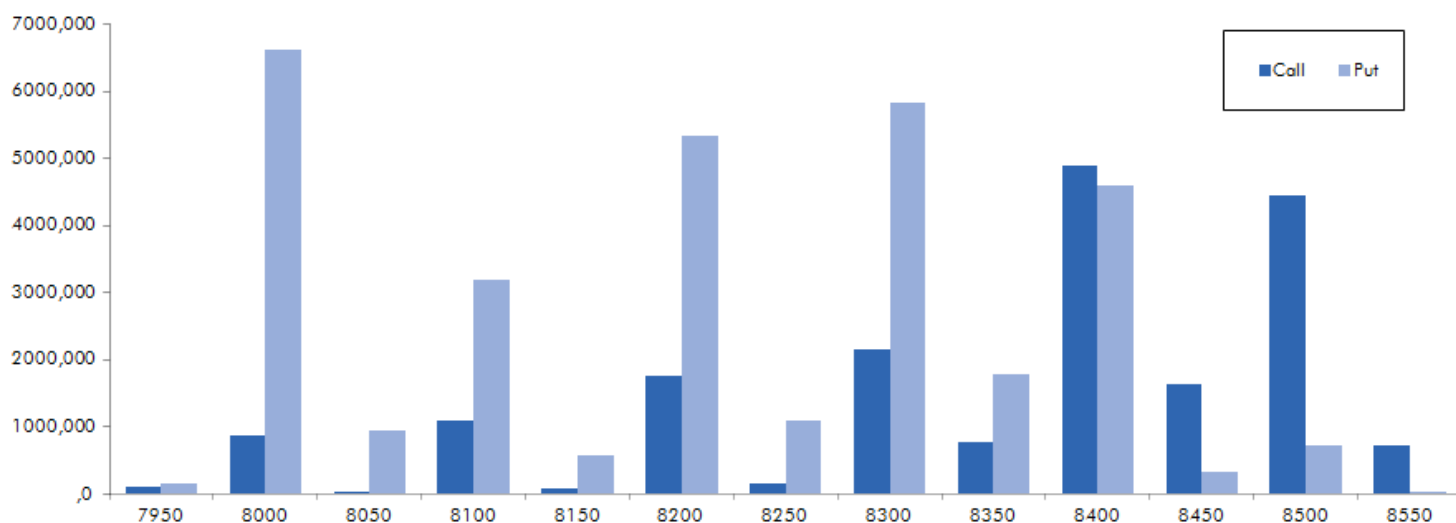
Action	Strike	Price	Risk	Reward	BEP
Buy	8300	104.95	71.85	28.15	8371.85
Sell	8400	33.10			
Buy	8300	104.95	100.15	99.85	8400.15
Sell	8500	4.80			
Buy	8400	33.10	28.30	71.70	8428.30
Sell	8500	4.80			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	8500	99.70	68.05	31.95	8431.95
Sell	8400	31.65			
Buy	8500	99.70	91.70	108.30	8408.30
Sell	8300	8.00			
Buy	8400	31.65	23.65	76.35	8376.35
Sell	8300	8.00			

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	1,326	1,335	1,343	1,352
ADANI PORTS	281	284	287	289	292
AMBUJACEM	215	218	220	222	224
ASIANPAINT	950	957	965	973	981
AUROPHARMA	674	683	690	699	706
AXISBANK	437	441	445	449	453
BAJAJ-AUTO	2,672	2,689	2,702	2,719	2,732
BANKBARODA	151	153	155	156	159
BHEL	126	127	128	130	131
BPCL	653	665	674	686	694
BHARTIARTL	312	316	319	323	326
INFRA TEL	342	344	349	351	355
BOSCH	20,857	21,061	21,227	21,432	21,598
CIPLA	567	571	577	582	588
COALINDIA	300	302	304	306	308
DRREDDY	2,873	2,898	2,929	2,954	2,985
EICHERMOT	22,369	22,553	22,734	22,918	23,099
GAIL	454	463	469	477	483
GRASIM	849	866	877	894	904
HCLTECH	816	837	849	869	881
HDFCBANK	1,229	1,237	1,243	1,251	1,258
HDFC	1,221	1,241	1,251	1,271	1,281
HEROMOTOCO	3,028	3,063	3,085	3,119	3,141
HINDALCO	169	175	179	185	189
HINDUNILVR	845	854	860	869	876
ICICIBANK	252	255	258	261	265
IDEA	69	71	72	75	76
INDUSINDBK	1,203	1,217	1,226	1,240	1,249
INFY	932	942	950	960	968
ITC	253	256	258	262	263
KOTAKBANK	714	723	732	741	749
LT	1,365	1,379	1,396	1,410	1,427
LUPIN	1,430	1,457	1,476	1,503	1,522
M&M	1,163	1,176	1,190	1,203	1,217
MARUTI	5,617	5,658	5,686	5,727	5,754
NTPC	167	168	170	172	174
ONGC	195	198	200	202	204
POWERGRID	197	199	200	202	204
RELIANCE	1,002	1,009	1,020	1,027	1,038
SBIN	248	251	253	256	258
SUNPHARMA	624	629	637	642	650
TCS	2,240	2,273	2,293	2,327	2,347
TATAMTRDVR	324	329	332	337	340
TATAMOTORS	518	525	530	537	542
TATAPOWER	77	77	78	78	79
TATASTEEL	445	454	459	467	472
TECHM	456	463	467	474	478
ULTRACEMCO	3,438	3,483	3,526	3,571	3,614
WIPRO	466	473	479	485	491
YESBANK	1,346	1,365	1,377	1,395	1,407
ZEEL	462	472	479	489	496



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