



Sensex (30365) / Nifty (9386)

Yesterday, despite having favorable cues, our markets opened flat and corrected sharply in the initial hour to retest Friday's low of **9390.75**. Subsequently, we witnessed a decent recovery in the midst of the session; however, once again a strong selling pressure at higher levels dragged the index lower to test the sub-**9400** levels on a closing basis.

If we look at the overall price movement in the index, it does not portray a clear picture of the market activity. Our market has been vacillating in a tight band 100 – 120 points since last few days but the overall stock specific damage has been so fierce. Now, the Nifty has closed tad above the important support level of **9372**, which we continue to consider as an important support level for the index. As long as it manages to hold this on a closing basis, a possibility of decent recovery to test the **9600** mark cannot be ruled out. On the higher side, intraday hurdles are seen at **9480 – 9510**.

Key Levels

Support 1 – 9372	Resistance 1 – 9480
Support 2 – 9340	Resistance 2 – 9510

Nifty Bank Outlook - (22583)

Although the Nifty Bank index too corrected in yesterday's session, the index was a relative outperformer as it corrected 0.31 percent owing to the range-bound activity in the index heavyweights. However, the correction within the midcap banking stocks continued in line with the broader market move. As we have been highlighting in our earlier reports, the Nifty Bank index has been trading in a range since last 14 trading sessions. The index is currently trading near the lower end of the range which coincides with the '20 DEMA' support. The support for the index is placed around **22450**, which is also the gap area formed during the upmove on 4th May. Since there is no directional move in the index, we continue with our advice to stay light on positions and be vigilant on market moves. The intraday supports for the Nifty bank index are placed around **22450** and **22325** whereas resistances are seen around **22740** and **22920**.

Key Levels

Support 1 – 22450	Resistance 1 – 22740
Support 2 – 22325	Resistance 2 – 22920

Exhibit 1: Nifty Daily Chart

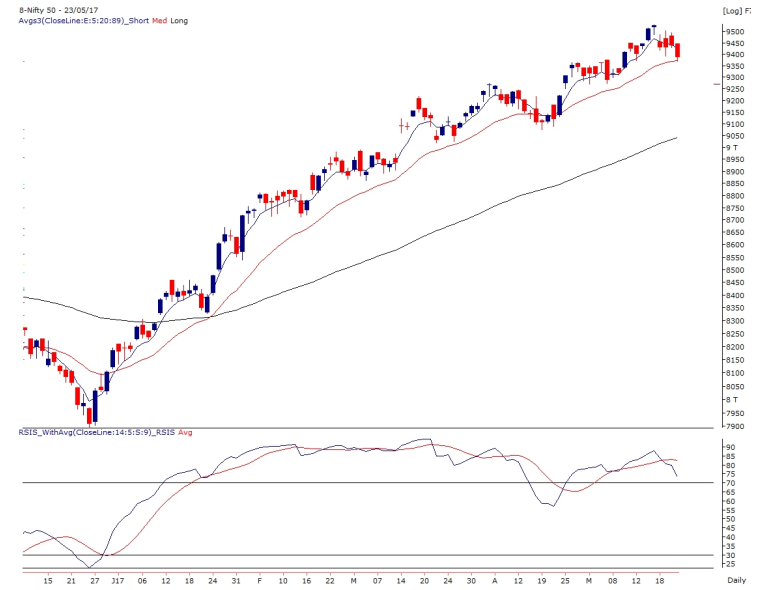
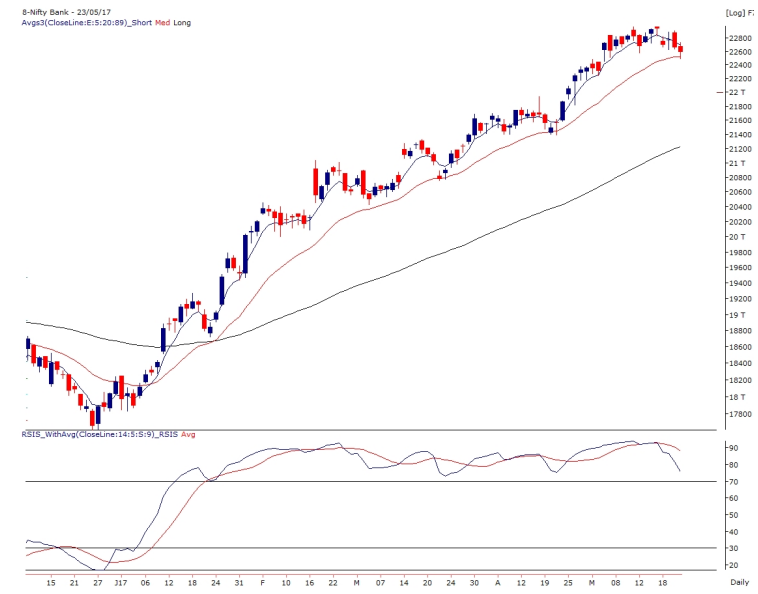


Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has increased by 5.99% BankNifty futures open interest has increased by 9.53% as market closed at 9386.15 levels.
- The Nifty May future closed with a premium of 4.30 points against the premium of 5.40 points in last trading session. The June series closed at a premium of 9.00 points.
- The Implied Volatility of at the money options has increased from 10.63% to 12.94%. At the same time, the PCR-OI of Nifty has decreased from 1.17 to 1.12 levels.
- The total OI of the market is Rs. 3,46,498/- cr. and the stock futures OI is Rs. 1,10,258/- cr.
- Few of the liquid counters where we have seen high cost of carry are UJJIVAN, RCOM, JPASSOCIAT, IDBI and TORNTPOWER.

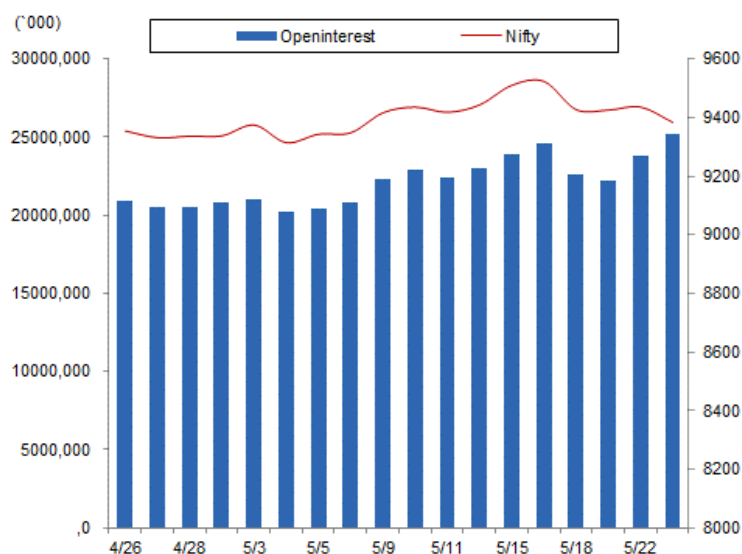
Views

- FII's were net seller in cash market segment to the tune of Rs. 401 crores. While they were net buyers worth Rs. 510 crores in index futures with fall in open interest, indicating covering of short positions took place in previous trading session.
- In index options front, they bought significantly of Rs. 1853 crores with rise in open interest. In Nifty options, 9400 call options added huge fresh positions. On the other hand, decent unwinding was seen in 9300, 9400, 9450 and 9500 put options. It seems that the put writers were in hurry to cover their shorts. However, highest open interest in May series remains intact in 9500 call and 9300 put options.
- Despite market being under pressure yesterday, no shorts were seen in index futures by stronger hands; infact, they covered their existing shorts. While, in stock futures they formed mixed positions but the quantum of longs was on higher side. Since, the Nifty is approaching its support zone of 9300 – 9350 and data is not indicating any significant sign of reversal in the market; traders are advised to remain with the broader trend and use intraday declines to initiate fresh longs in 9300 call option.

Historical Volatility

SCRIP	HV
CIPLA	28.81
ICIL	61.42
TATAELXSI	31.11
KPIT	35.94
SINTEX	50.07

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
LT	11310500	29.78	1743.60	-0.33
LUPIN	10286400	25.07	1249.60	-1.15
ADANI PORTS	13540000	23.17	332.60	-6.34
BAJAJ-AUTO	1656750	21.93	2832.75	-2.98
NHPC	30645000	20.49	29.80	-2.45
ICICIBANK	88655000	20.00	305.80	0.36
TCS	7139000	16.94	2525.55	-0.08
TORNTPOWER	4725000	16.67	189.60	-4.53

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
BANKINDIA	28020000	-25.45	145.85	-6.78
BERGEPAINT	818400	-21.68	243.15	-2.51
SINTEX	31093500	-17.13	104.60	-7.27
JINDALSTEL	37584000	-13.90	108.00	-4.97
ORIENTBANK	14262000	-13.15	147.15	-2.03
GSFC	7114500	-12.60	118.55	-3.03
IGL	2247850	-11.77	980.05	-0.33
DCBBANK	5674500	-11.26	189.30	-0.76

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.12	1.11
BANKNIFTY	1.10	1.10
RELIANCE	0.36	0.45
YESBANK	0.32	0.64
SBIN	0.39	0.43



FII Statistics for May 23, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	8729.51	8219.71	509.80	260511	19101.67	(3.05)
INDEX OPTIONS	76244.91	74392.09	1852.82	1049890	75662.49	2.67
STOCK FUTURES	33469.43	33006.32	463.11	1220995	78881.00	6.18
STOCK OPTIONS	9912.83	9988.49	(75.66)	115120	7971.28	2.37
TOTAL	128356.69	125606.62	2750.07	2646516	181616.45	3.64

Turnover on May 23, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	405025	30999.86	68.43
INDEX OPTIONS	7724327	598830.86	80.70
STOCK FUTURES	1659153	112229.19	43.49
STOCK OPTIONS	718829	54650.92	16.87
TOTAL	10507334	796710.83	67.81

Nifty Spot = 9386.15

Lot Size = 75

Bull-Call Spreads

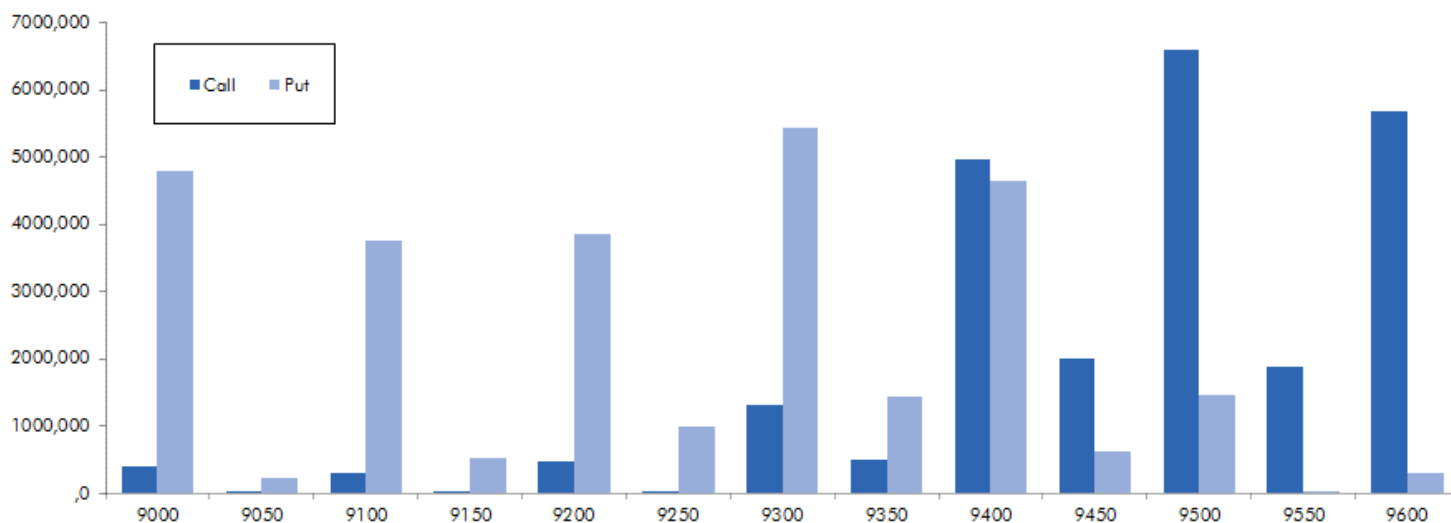
Action	Strike	Price	Risk	Reward	BEP
Buy	9400	36.80			
Sell	9500	7.20	29.60	70.40	9429.60
Buy	9400	36.80			
Sell	9600	1.45	35.35	164.65	9435.35
Buy	9500	7.20			
Sell	9600	1.45	5.75	94.25	9505.75

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	9400	49.85			
Sell	9300	22.15	27.70	72.30	9372.30
Buy	9400	49.85			
Sell	9200	9.45	40.40	159.60	9359.60
Buy	9300	22.15			
Sell	9200	9.45	12.70	87.30	9287.30

Note: Above mentioned Bullish or Bearish Spreads in Nifty (May 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	1,583	1,605	1,626	1,648	1,669
ADANI PORTS	311	322	339	349	366
AMBUJACEM	234	237	241	244	248
ASIANPAINT	1,071	1,085	1,106	1,120	1,141
AUROPHARMA	512	527	553	567	593
AXISBANK	490	495	501	506	512
BAJAJ-AUTO	2,739	2,782	2,855	2,898	2,971
BANKBARODA	174	178	182	186	190
BPCL	680	690	698	708	716
BHARTIARTL	368	370	373	375	378
INFRA TEL	371	376	383	387	394
BOSCH LTD	22,585	22,863	23,130	23,408	23,674
CIPLA	514	523	541	551	569
COALINDIA	262	265	270	273	278
DRREDDY	2,504	2,542	2,580	2,618	2,656
EICHERMOT	26,760	27,179	27,540	27,959	28,319
GAIL	356	368	377	389	398
GRASIM	1,069	1,083	1,099	1,113	1,129
HCLTECH	853	859	865	871	877
HDFCBANK	1,554	1,562	1,573	1,580	1,591
HDFC	1,484	1,498	1,517	1,531	1,551
HEROMOTOCO	3,516	3,550	3,585	3,619	3,654
HINDALCO	180	186	191	197	201
HINDUNILVR	1,006	1,015	1,024	1,033	1,042
IBULHSGFIN	993	1,022	1,042	1,070	1,090
ICICIBANK	299	303	306	310	313
IOC	412	418	425	431	437
INDUSINDBK	1,370	1,382	1,390	1,402	1,411
INFY	947	952	959	965	972
ITC	295	298	301	303	306
KOTAKBANK	930	935	941	946	951
LT	1,707	1,724	1,744	1,761	1,782
LUPIN	1,215	1,233	1,249	1,267	1,283
M&M	1,285	1,308	1,323	1,347	1,362
MARUTI	6,678	6,778	6,844	6,945	7,011
NTPC	154	155	157	159	160
ONGC	171	173	175	177	180
POWERGRID	195	198	201	204	207
RELIANCE	1,285	1,295	1,312	1,323	1,340
SBIN	282	285	291	294	299
SUNPHARMA	570	592	611	634	653
TCS	2,483	2,502	2,533	2,553	2,583
TATAMTRDVR	258	262	265	268	271
TATAMOTORS	438	444	450	457	463
TATAPOWER	79	80	81	82	83
TATASTEEL	469	480	488	499	508
TECHM	404	410	414	420	424
ULTRACEMCO	4,193	4,230	4,273	4,310	4,352
WIPRO	516	521	525	530	534
YESBANK	1,357	1,380	1,399	1,422	1,441
ZEEL	502	507	516	521	529



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