



Sensex (31627) / Nifty (9873)

Friday's massive sell off was followed by a flat opening in our markets. However, this was the only moment; bulls had their presence as once again we saw Nifty tumbling within five minutes of opening trade. Eventually, the Nifty ended yet another session on a weak note by shedding nearly a percent from previous close.

Last couple of day's price action certainly justifies our recent cautious stance on the index despite Nifty clocking fresh record high of **10178.95**. Yes, it's agreed that the similar corrective move was seen during the first half of August and in fact, the index went on to make fresh record high in the subsequent up move. But, we would like to highlight one interesting observation. Historically, it's observed that a strong trend takes a u-turn in the second attempt and we believe that the ongoing move is a beginning of that second attempt (Considering August correction as a First attempt). Hence, going forward, surpassing the immediate hurdle of **9950 – 10000** would be a daunting task for our markets. Any bounce back towards **9900 – 9940** is likely to get sold into. Traders are repeatedly advised to stay light on positions and look to exit longs in intraday rallies. We expect continuation of this downward move towards **9780** first and then to test recent low of **9685**.

Key Levels

Support 1 – 9804	Resistance 1 – 9900
Support 2 – 9780	Resistance 2 – 9940

Nifty Bank Outlook - (24165)

Post a sharp sell-off on Friday; the Nifty Bank index continued its selling streak in yesterday's session as well. The index corrected sharply in the first hour of the session and then traded in a narrow range to end the day with a loss of 0.84 percent.

As mentioned in our earlier report, the Nifty Bank index has formed a reversal pattern on the weekly chart after a significant up move in last few months. Hence, the index is likely to see a consolidation/corrective phase in the immediate term. Hence, traders should trade with cautious and avoid forming long positions. On pullback moves, the index is likely to face strong resistance around **24450**, while we are expecting the index to correct upto its '89 DMEA' support which is placed around **23850**. Any pullback move upto the mentioned resistance should be used as an opportunity to exit from long positions if any.

Key Levels

Support 1 – 24000	Resistance 1 – 24325
Support 2 – 23850	Resistance 2 – 24450

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Weekly Chart





Comments

- The Nifty futures open interest has increased by 3.80% BankNifty futures open interest has increased by 0.09% as market closed at 9872.60 levels.
- The Nifty September future closed with a premium of 6.05 points against the premium of 18.55 points in last trading session. The October series closed at a premium of 39.15 points.
- The Implied Volatility of at the money options has increased from 12.65 to 14.21. At the same time, the PCR-OI of Nifty is has decreased to 1.12 from 1.24 levels.
- Few of the liquid counters where we have seen high cost of carry are DHFL, JSWENERGY, JPASSOCIAT, RPOWER

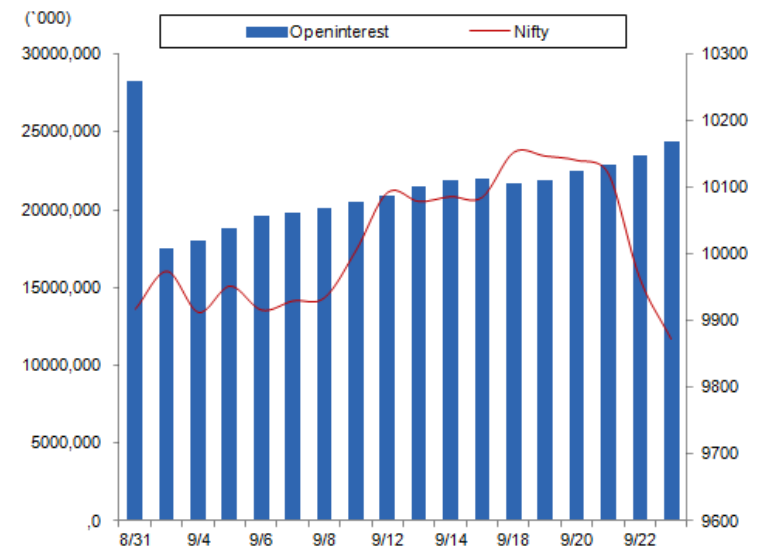
Views

- FII were net sellers in cash market segment and index futures. They sold equities to the tune of Rs. 1249 crores. While in index futures they were net sellers of Rs.722 crores with rise in open interest, suggesting fresh short formation in previous trading session.
- In index options front, they were net buyers of Rs. 787 crores with marginal change in open interest. In call option, we witnessed significant OI addition in 9900-10000 strikes, followed by some unwinding in 10200 and 10300 call options. As a result, highest concentration of OI in call option shifted lower to 10000 strike price. On the flip side, 9700-9850 put options added some fresh positions; while, good amount of short covering was seen in 10000 and 10100 puts. Thus, maximum open interest in put options remains intact at 9900.
- Throughout September series, we witnessed good amount of open interest addition, wherein FIIs were net sellers in index futures. In index options too, they formed bearish bets recently by adding fresh index puts and writing call options. The way options activity has shaped up, we believe 10000-10050 may now act as a strong hurdle. Hence, any bounce back beyond 9900 should be an opportunity to go short on index.

Historical Volatility

SCRIP	HV
INFIBEAM	100.15
UBL	32.99
INDIGO	40.35
DHFL	60.92
CASTROLIND	20.88

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
ADANIPOWER	119140000	16.83	30.80	0.82
JPASSOCIAT	183124000	16.43	17.15	-5.51
UBL	1038100	14.87	857.30	5.80
MOTHERSUMI	12386250	11.36	334.25	-0.42
CHENNPETRO	2596500	10.68	410.70	-1.48
AMBUJACEM	13970000	10.48	262.20	-2.62
GMRINFRA	356715000	9.31	16.50	-1.79
GODREJIND	3270000	8.51	577.10	-2.05

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
INFIBEAM	44684000	-16.13	119.55	-16.75
PAGEIND	24300	-11.80	18533.55	-2.54
INDIACEM	24069500	-9.68	167.35	-4.75
MFSL	4552000	-9.65	618.35	-2.41
BATAINDIA	2059200	-9.39	711.35	-1.95
ASIANPAINT	3270000	-9.17	1198.40	-1.53
NIITTECH	1120500	-8.90	505.35	-2.70
TORNTPHARM	296000	-8.64	1232.15	-2.45

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.12	0.95
BANKNIFTY	0.86	0.86
RELIANCE	0.50	0.59
INFY	0.33	0.37
SBIN	0.32	0.30



FII Statistics for September 25, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	3754.91	4476.68	(721.78)	295152	22226.76	3.44
INDEX OPTIONS	88851.11	88063.86	787.24	1126464	87291.85	0.26
STOCK FUTURES	14766.04	15004.46	(238.42)	832342	57261.90	(1.33)
STOCK OPTIONS	9706.04	9707.82	(1.78)	108197	7791.46	0.10
Total	117078.10	117252.83	(174.73)	2362155	174571.98	0.07

Turnover on September 25, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	315992	25437.80	5.15
INDEX OPTIONS	7628682	620968.34	12.40
STOCK FUTURES	1108058	79215.08	16.85
STOCK OPTIONS	631834	50950.56	-7.78
TOTAL	9684566	776571.78	10.98

Nifty Spot = 9872.60

Lot Size = 75

Bull-Call Spreads

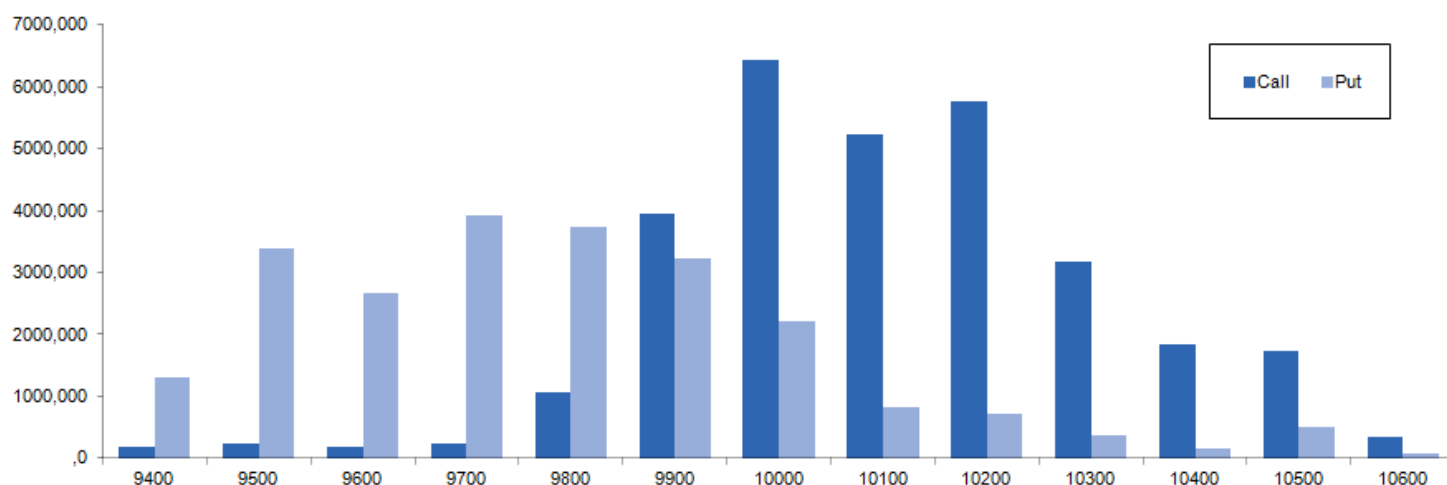
Action	Strike	Price	Risk	Reward	BEP
Buy	9900	40.25	26.95	73.05	9926.95
Sell	10000	13.30			
Buy	9900	40.25	36.10	163.90	9936.10
Sell	10100	4.15			
Buy	10000	13.30	9.15	90.85	10009.15
Sell	10100	4.15			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	9900	61.00	36.85	63.15	9863.15
Sell	9800	24.15			
Buy	9900	61.00	51.00	149.00	9849.00
Sell	9700	10.00			
Buy	9800	24.15	14.15	85.85	9785.85
Sell	9700	10.00			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (September 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	1,608	1,650	1,675	1,717
ADANI PORTS	373	381	391	399	409
AMBUJACEM	254	258	264	268	274
ASIANPAINT	1,179	1,188	1,201	1,210	1,222
AUROPHARMA	673	687	707	721	742
AXISBANK	482	492	498	508	515
BAJAJ-AUTO	2,982	3,013	3,036	3,067	3,089
BANKBARODA	136	139	141	145	146
BPCL	472	479	486	494	500
BHARTIARTL	382	386	391	395	401
INFRA TEL	382	387	392	397	402
BOSCH LTD	20,769	20,971	21,213	21,414	21,656
CIPLA	549	563	579	593	609
COALINDIA	248	252	255	260	262
DRREDDY	2,362	2,390	2,432	2,460	2,502
EICHERMOT	29,996	30,488	31,070	31,562	32,143
GAIL	391	394	399	403	408
HCLTECH	862	868	876	882	890
HDFCBANK	1,775	1,787	1,805	1,817	1,835
HDFC	1,718	1,737	1,757	1,776	1,796
HEROMOTOCO	3,663	3,709	3,768	3,814	3,872
HINDALCO	219	224	228	233	238
HINDUNILVR	1,226	1,237	1,248	1,258	1,269
IBULHSGFIN	1,114	1,159	1,200	1,245	1,287
ICICIBANK	273	276	279	282	284
IOC	390	395	401	406	412
INDUSINDBK	1,658	1,680	1,697	1,719	1,735
INFY	883	889	895	902	908
ITC	256	259	264	268	273
KOTAKBANK	979	989	1,005	1,016	1,032
LT	1,124	1,144	1,166	1,186	1,208
LUPIN	963	977	997	1,011	1,031
M&M	1,220	1,240	1,266	1,286	1,312
MARUTI	7,736	7,850	7,970	8,084	8,204
NTPC	163	165	166	168	169
ONGC	159	162	164	166	168
POWERGRID	204	207	211	213	217
RELIANCE	795	809	818	831	841
SBIN	251	255	258	262	266
SUNPHARMA	494	500	507	513	520
TCS	2,471	2,491	2,513	2,532	2,554
TATAMTRDVR	222	225	229	232	236
TATAMOTORS	399	403	409	414	420
TATAPOWER	79	81	82	83	84
TATASTEEL	607	624	639	656	671
TECHM	441	447	455	460	468
ULTRACEMCO	3,823	3,862	3,931	3,970	4,039
VEDANTA	290	299	305	313	320
WIPRO	288	290	292	294	297
YESBANK	343	351	357	366	372
ZEEL	512	519	524	531	536



Research Team Tel: 022 - 39357800

Website: www.angelbroking.com

For Technical Queries

E-mail: technicalresearch-cso@angelbroking.com

For Derivatives Queries

E-mail: derivatives.desk@angelbroking.com

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