



Sensex (27708) / Nifty (8603)

It's been a remarkable day for our markets; in fact, we should say last three days, as the Nifty eventually reached the **8600** mark in a blink of an eye. We saw a gap up opening on Wednesday around **8500** and the market then just took off right from the word go. A good broad based rally ended the cheerful session tad above **8600** by adding one and half a percent to its previous close.

The Nifty has now reached our recent target of **8600**; however the velocity of last three days move has been really spectacular. Now, as mentioned in our earlier articles, the overall technical structure is so strong on all time frame charts. Thus, undoubtedly, we would continue with our optimistic stance on the market and would use all minor dips to create fresh longs in the market. It's quite possible that we may see profit booking or breather in coming days, but traders shouldn't expect any major reversal soon. The trend is quite strong and one should look to ride this tide. For the coming session, **8560 – 8500** would now be seen as a strong support zone; whereas on the higher side, a move towards **8678 – 8737** is clearly visible now.

Key Levels

Support 1 – 8560	Resistance 1 – 8678
Support 2 – 8500	Resistance 2 – 8737

Nifty Bank Outlook - (19473)

The Nifty Bank index opened gap up on Wednesday and rallied throughout the session to post gains of 2.36 percent on the day of F&O expiry.

The bulls were on the charge right from the opening ticks on Wednesday, wherein the index rallied higher post a gap up opening led by Kotak Bank which rallied 6.98 percent. The index effortlessly breached the 61.8 retracement resistance if **19275** and closed higher. Our positive stance on the market has definitely worked well so far and unless any signs of reversal seen, we continue to advise traders to trade with positive bias. Any minor corrections are likely to get bought into and thus, traders should refrain to create short positions. The near term supports for the Nifty Bank index are placed around **19275** and **19055** whereas resistance is seen in the range of **19685-19728**.

Key Levels

Support 1 – 19275	Resistance 1 – 19685
Support 2 – 19055	Resistance 2 – 19728

Exhibit 1: Nifty Daily Chart

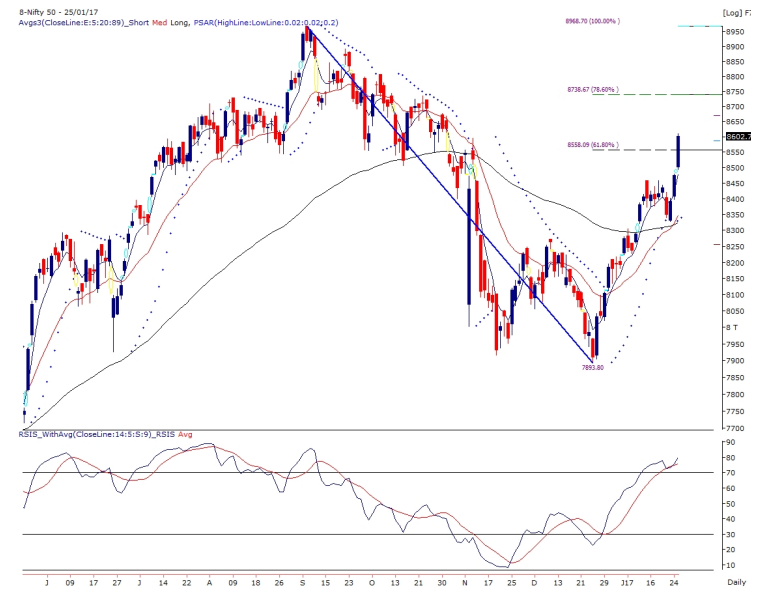


Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has decreased by 20.94% BankNifty futures open interest has decreased by 31.10% as market closed at 8602.75 levels.
- The Nifty February future closed with a premium of 12.10 points against the premium of 33.80 points in last trading session. The February series closed at a premium of 33.35 points.
- The Implied Volatility of at the money options has increased from 13.84% to 13.89%. At the same time, the PCR-OI of Nifty has decreased from 1.34 to 1.00 levels.
- The total OI of the market is Rs. 2,33,983/- cr. and the stock futures OI is Rs. 1,04,672/- cr.
- Few of the liquid counters where we have seen high cost of carry are JINDALSTEL, SOUTHBANK, JPASSOCIAT, EXIDEIND and IBREALEST.

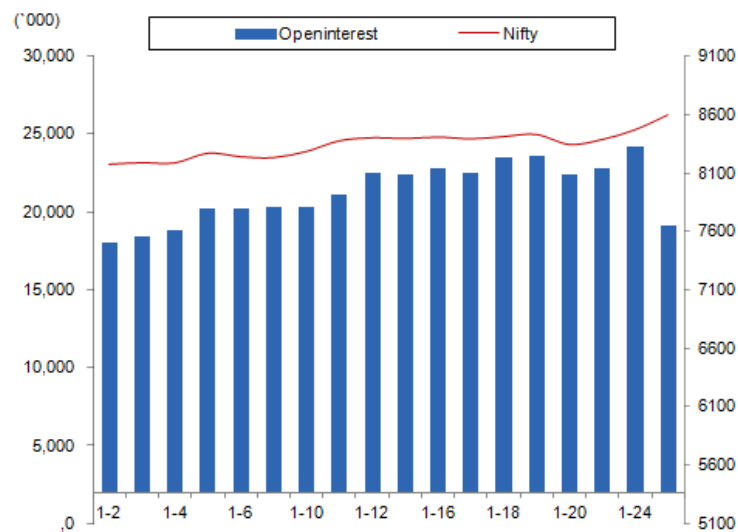
Views

- On Wednesday, FIIs were net buyers in both cash market segment and index futures. They bought equities worth Rs. 1379 crores. While in index futures, they were net buyers to the tune of Rs. 567crores with good amount of fall in open interest, due to expiry.
- In Index Options segment, FIIs sold worth Rs. 364 crores with fall in open interest. Being start of new series the overall build-up in options was quite scattered. In call options, 8600-9000 strikes remained active and they also added good amount of positions. On the other hand, in put option, open interest addition was visible in 8200-8600 strikes, wherein 8400 strike added huge positions. Highest open interest in current series is placed at 9000 call and 8400 put options.
- Nifty rallied nearly 6% MoM with good amount of long positions and we believe these positions are still intact. FIIs too added significant longs in Index Futures last series, as a result Long-Short ratio jumped from 67% to 82%. They rolled more than 75% of their longs, suggesting they continue to remain optimistic. At current juncture, the overall data is hinting market may continue its momentum in near term. Thus, traders are suggested to strictly avoid shorting in index and use declines as a buying opportunity

Historical Volatility

SCRIP	HV
KOTAKBANK	37.57
SYNDIBANK	39.68
BAJFINANCE	52.23
HDFC	31.18
BHARATFIN	75.80

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
IRB	9145000	3.57	228.10	5.31
ICIL	3342500	0.32	181.10	3.07
UPL	5646000	0.28	744.80	1.34
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
PFC	13128000	-39.91	136.10	2.95
TATAMOTORS	26850000	-37.39	550.05	1.23
GMRINFRA	156195000	-37.03	12.85	-0.77
ONGC	27198750	-32.67	203.15	0.94
PNB	39067000	-32.29	131.65	1.62
SOUTHBANK	39930000	-31.95	21.45	0.00
M&MFIN	10980000	-31.46	287.05	2.76
PAGEIND	30200	-31.13	14415.25	0.56

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.00	1.02
BANKNIFTY	1.06	1.07
RELIANCE	0.50	0.42
ICICIBANK	0.59	0.36
INFY	0.57	0.48



FII Statistics for January 25, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	6723.17	6155.87	567.30	204278	13539.49	(36.19)
INDEX OPTIONS	45042.92	45407.20	(364.28)	655383	42643.96	(41.89)
STOCK FUTURES	24862.27	23421.11	1441.15	896342	58428.39	(21.78)
STOCK OPTIONS	5692.98	5340.49	352.49	1989	124.88	(98.21)
TOTAL	82321.34	80324.67	1996.67	1757992	114736.72	(35.00)

Turnover on January 25, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	526621	35800.58	32.48
INDEX OPTIONS	9643450	668440.12	65.05
STOCK FUTURES	1688413	113384.11	16.13
STOCK OPTIONS	664009	47555.93	33.61
TOTAL	12522493	865180.73	53.06

Nifty Spot = 8602.75

Lot Size = 75

Bull-Call Spreads

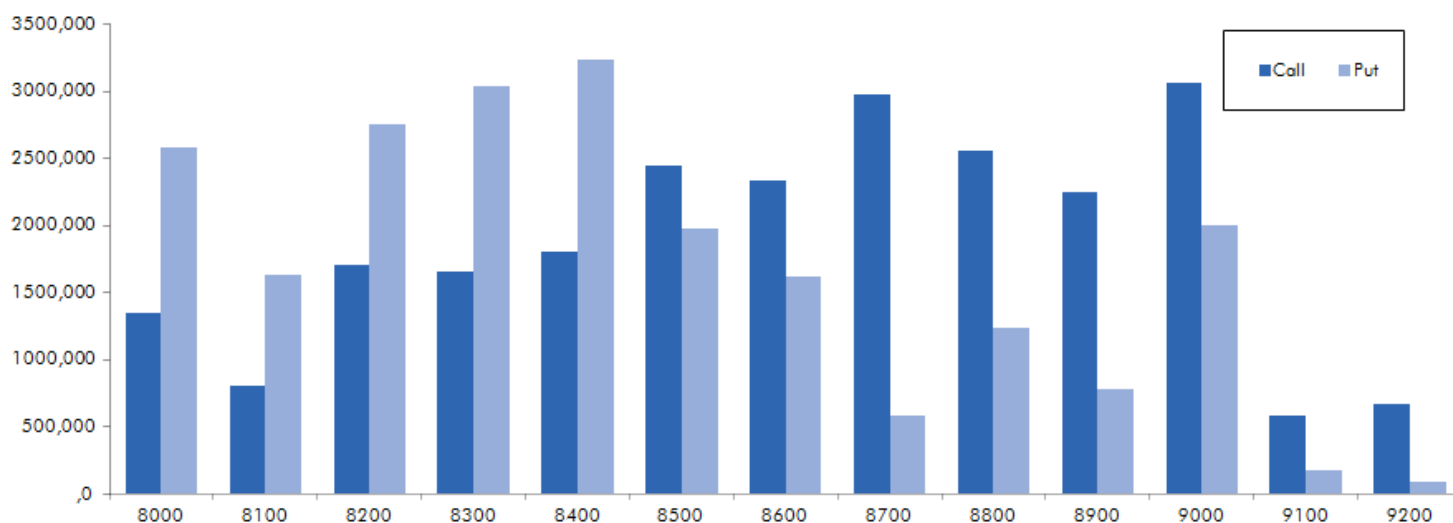
Action	Strike	Price	Risk	Reward	BEP
Buy	8700	91.45	36.40	63.60	8736.40
Sell	8800	55.05			
Buy	8700	91.45	59.90	140.10	8759.90
Sell	8900	31.55			
Buy	8800	55.05	23.50	76.50	8823.50
Sell	8900	31.55			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	8500	94.00	28.25	71.75	8471.75
Sell	8400	65.75			
Buy	8500	94.00	48.10	151.90	8451.90
Sell	8300	45.90			
Buy	8400	65.75	19.85	80.15	8380.15
Sell	8300	45.90			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (February 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	1,328	1,364	1,388	1,424	1,449
ADANIPTS	290	297	302	309	313
AMBUJACEM	222	225	228	231	234
ASIANPAINT	967	972	977	982	987
AUROPHARMA	698	702	708	712	719
AXISBANK	447	455	460	468	473
BAJAJ-AUTO	2,736	2,793	2,829	2,886	2,923
BANKBARODA	152	157	160	166	169
BHEL	128	130	132	133	135
BPCL	662	686	702	727	743
BHARTIARTL	301	306	310	316	320
INFRATEL	345	349	352	355	358
BOSCH	21,158	22,018	22,526	23,387	23,895
CIPLA	573	579	584	590	595
COALINDIA	303	310	315	322	326
DRREDDY	2,934	2,965	2,987	3,018	3,040
EICHERMOT	22,735	22,863	23,014	23,142	23,293
GAIL	467	472	475	479	482
GRASIM	888	908	925	945	963
HCLTECH	826	833	845	853	865
HDFCBANK	1,260	1,275	1,285	1,301	1,311
HDFC	1,258	1,298	1,320	1,359	1,381
HERMOTOCO	3,060	3,154	3,215	3,309	3,370
HINDALCO	185	188	190	193	194
HINDUNILVR	851	860	865	874	879
ICICIBANK	254	257	259	262	264
IDEA	72	74	76	77	79
INDUSINDBK	1,244	1,255	1,262	1,272	1,280
INFY	927	932	939	944	951
ITC	257	261	264	268	271
KOTAKBANK	725	760	780	816	836
LT	1,408	1,429	1,441	1,462	1,475
LUPIN	1,490	1,504	1,517	1,532	1,545
M&M	1,198	1,221	1,235	1,257	1,271
MARUTI	5,656	5,729	5,782	5,855	5,907
NTPC	169	170	172	173	175
ONGC	200	203	204	206	208
POWERGRID	201	202	203	204	205
RELIANCE	1,006	1,011	1,022	1,028	1,039
SBIN	251	255	258	262	265
SUNPHARMA	626	631	639	644	651
TCS	2,302	2,327	2,344	2,369	2,386
TATAMTRDVR	334	337	341	345	348
TATAMOTORS	537	543	547	553	558
TATAPOWER	78	79	80	81	82
TATASTEEL	460	465	471	475	481
TECHM	456	461	467	472	479
ULTRACEMCO	3,598	3,639	3,666	3,708	3,735
WIPRO	464	469	476	481	489
YESBANK	1,352	1,379	1,395	1,422	1,437
ZEEL	472	485	494	507	516



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