



Sensex (31282) / Nifty (9769)

Yesterday's session kick-started on a positive note citing to favorable cues from the global bourses. However, during the initial hour, our markets were still in previous day's hangover as we saw Nifty hasten below the **9700** mark. Eventually, the Nifty managed to recover quite smartly from days low; courtesy to F&O expiry factor that came into picture in the latter half. As a result, the index successfully defended this psychological support and went on to close well inside the positive territory.

The kind of bounce back that we saw yesterday was slightly on expected lines as options data was quite indicative of possible expiry above **9700**. Technically, markets were deeply oversold on minor degree charts and hence, the index did not have the impetus to break the recent swing low of **9685.55**. Having said that one needs to understand that the short-term tide for market has turned and any relief rally in coming days is likely to get sold into. Going ahead, **9820 – 9890** would be seen as a sturdy wall for the index. On the flipside, we may see index sliding below **9685** to test lower levels of **9640 – 9560** in days to come. Traders are advised to stay light and not to get carried away by such bounce backs.

Key Levels

| | |
|------------------|---------------------|
| Support 1 – 9685 | Resistance 1 – 9820 |
| Support 2 – 9640 | Resistance 2 – 9890 |

Nifty Bank Outlook - (24008)

The Nifty Bank continued with its negative momentum till noon in yesterday's session. However, the F&O expiry factor came into play and the index rallied significantly in the later half to end the session tad above the **24000** mark.

If we see from an Elliott wave perspective, the impulsive moves usually have five waves whereas the corrections are seen in a three wave structure. On analyzing the hourly chart, we are of the view that the index has completed the first leg (wave a) of the corrective move. The pullback move seen in last hour of the trade is the second leg (wave b) and should retrace the recent correction. Positional traders should use this move as an opportunity to exit existing longs as the index would probably then correct again to mark the final (wave c) leg of the correction. The pullback move could extend up to the resistances seen around **24180** and **24360**, while the support is now placed around yesterday's low of **23614**.

Key Levels

| | |
|-------------------|----------------------|
| Support 1 – 23770 | Resistance 1 – 24180 |
| Support 2 – 23614 | Resistance 2 – 24360 |

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has decreased by 22.06% BankNifty futures open interest has decreased by 4.25% as market closed at 9768.95 levels.
- The Nifty October future closed with a premium of 18.05 points against a premium of 36.55 points in last trading session. The November series closed at a premium of 56.55 points.
- The Implied Volatility of at the money options has decreased from 18.26 to 11.81. At the same time, the PCR-OI of Nifty is has decreased from 1.00 to 1.04 level.
- Few of the liquid counters where we have seen high cost of carry are RCOM, JSWENERGY, MCX, SUZLON and GMRINFRA.

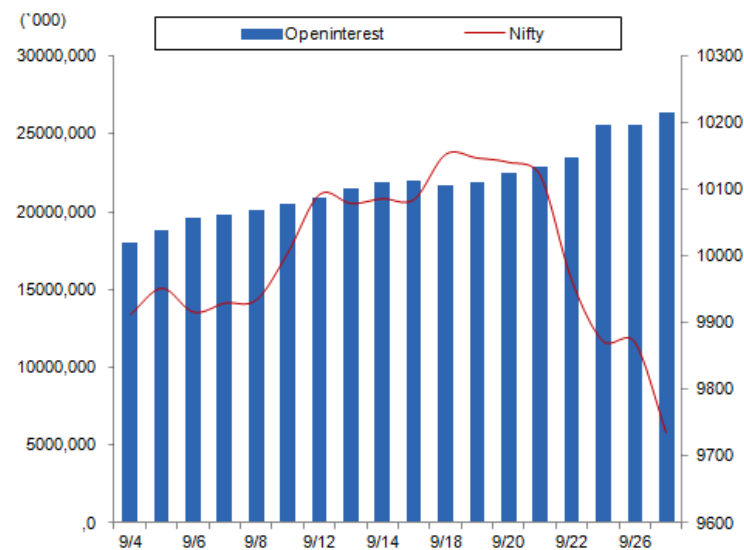
Views

- FII were net sellers in cash market segment and index futures. They sold equities to the tune of Rs. 5328 crores. While in index futures they were net sellers of Rs.2803 crores with significant fall in open interest, due to expiry.
- In index options front, they were net buyers of Rs. 2810 crores with rise in open interest. Being start of new series the overall build-up remains quite scattered. In call option, we witnessed OI addition in 9700-10000 strikes. On the other side, 9200-9700 put options were active and they also added huge positions. Maximum open interest in October series is place at 10000 call and 9700 put option.
- September series began on a light note; however, we witnessed huge open interest addition during the series. Open interest surged 25% series on series and looking at the daily OI activity it seems majority of the positions that got rolled are on short side. Rollover in Nifty is at 69.87%, higher than its three month average of 65.41%. FII's curbed liquidity through cash market segment as they sold equities to the tune of Rs. 17094 crores last series. At the same time, they formed significant shorts in index futures and rolled major chunk of these positions. Taking into consideration the rollover activity, we believe market to remain under pressure going ahead.

Historical Volatility

| SCRIP | HV |
|-----------|-------|
| IRB | 48.06 |
| CONCOR | 38.92 |
| ASHOKLEY | 37.15 |
| KOTAKBANK | 24.02 |
| NIITTECH | 41.88 |

Nifty Vs OI



OI Gainers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|------------|----------|-------------|---------|----------------|
| KOTAKBANK | 8514400 | 7.65 | 1006.45 | 2.19 |
| BEML | 2459400 | 5.51 | 1656.60 | 0.04 |
| AUOPHARMA | 17484000 | 4.46 | 679.05 | -2.09 |
| ICIL | 10668000 | 1.77 | 103.20 | 7.17 |
| BALRAMCHIN | 11928000 | 0.15 | 158.60 | -3.56 |
| INFIBEAM | 44988000 | -0.15 | 130.10 | 3.71 |
| SIEMENS | 901500 | -0.33 | 1196.85 | -2.55 |
| ZEEL | 5447000 | -0.55 | 521.75 | -0.66 |

OI Losers

| SCRIP | OI | OI CHG. (%) | PRICE | PRICE CHG. (%) |
|------------|-----------|-------------|----------|----------------|
| INDIGO | 2395800 | -28.27 | 1085.95 | 2.20 |
| MOTHERSUMI | 9333750 | -27.05 | 340.25 | 1.67 |
| CUMMINSIND | 487200 | -26.58 | 898.75 | -1.20 |
| PAGEIND | 19100 | -25.68 | 18559.25 | -0.46 |
| HEXWARE | 1671000 | -25.34 | 268.25 | 2.27 |
| VGUARD | 1902000 | -25.15 | 181.20 | 1.09 |
| GMRINFRA | 292545000 | -24.22 | 16.10 | 0.31 |
| IGL | 956450 | -24.09 | 1465.60 | 3.29 |

Put-Call Ratio

| SCRIP | PCR-OI | PCR-VOL |
|-----------|--------|---------|
| NIFTY | 1.24 | 0.91 |
| BANKNIFTY | 0.94 | 0.74 |
| RELIANCE | 0.36 | 0.46 |
| INFY | 0.70 | 0.54 |
| SBIN | 0.52 | 0.49 |



FII Statistics for September 28, 2017

| Detail | Buy | Sell | Net | Open Interest | | |
|---------------|------------------|------------------|----------------|----------------|------------------|----------------|
| | | | | Contracts | Value (in Cr.) | Change (%) |
| INDEX FUTURES | 7514.72 | 10318.00 | (2803.28) | 212369 | 16189.12 | (35.67) |
| INDEX OPTIONS | 113902.57 | 111093.02 | 2809.55 | 864055 | 65116.25 | (27.30) |
| STOCK FUTURES | 28452.53 | 28535.27 | (82.74) | 784784 | 53518.57 | (8.76) |
| STOCK OPTIONS | 3169.72 | 3104.17 | 65.55 | 1704 | 125.87 | (98.36) |
| Total | 153039.54 | 153050.45 | (10.91) | 1862912 | 134949.81 | (24.97) |

Turnover on September 28, 2017

| Instrument | No. of Contracts | Turnover (in Cr.) | Change (%) |
|---------------|------------------|-------------------|--------------|
| INDEX FUTURES | 642121 | 52476.51 | 46.42 |
| INDEX OPTIONS | 14882619 | 1255108.96 | 29.58 |
| STOCK FUTURES | 2082078 | 144162.32 | 35.02 |
| STOCK OPTIONS | 637591 | 48927.20 | 2.99 |
| TOTAL | 18244409 | 1500675.00 | 29.51 |

Nifty Spot = 9768.95

Lot Size = 75

Bull-Call Spreads

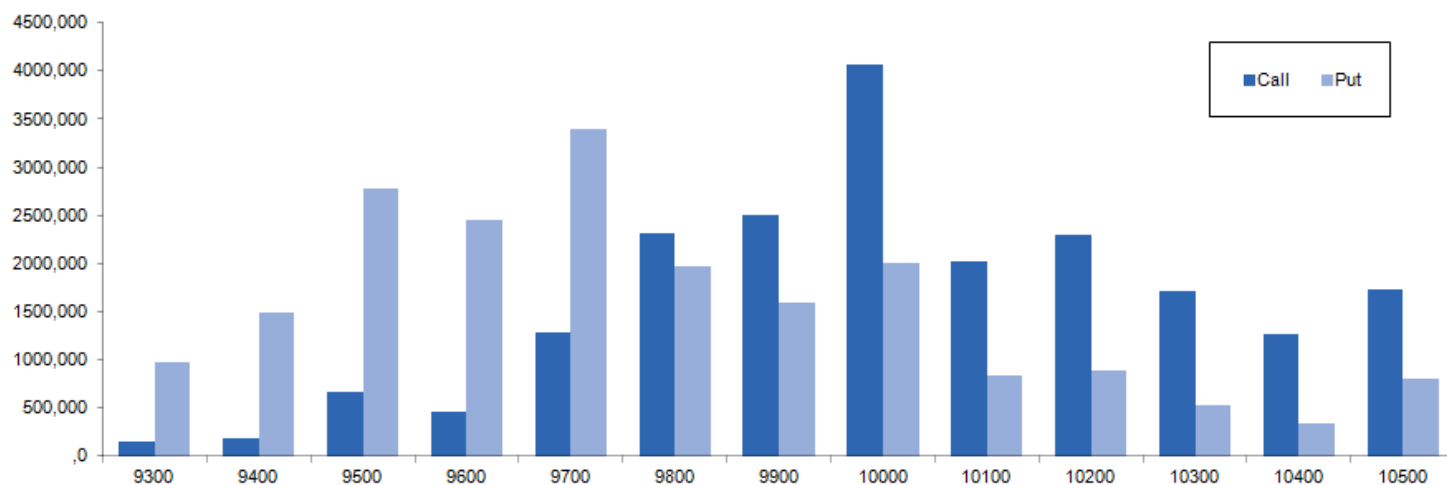
| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|--------|-------|--------|---------|
| Buy | 9800 | 123.50 | 46.90 | 53.10 | 9846.90 |
| Sell | 9900 | 76.60 | | | |
| Buy | 9800 | 123.50 | 79.25 | 120.75 | 9879.25 |
| Sell | 10000 | 44.25 | | | |
| Buy | 9900 | 76.60 | 32.35 | 67.65 | 9932.35 |
| Sell | 10000 | 44.25 | | | |

Bear-Put Spreads

| Action | Strike | Price | Risk | Reward | BEP |
|--------|--------|-------|-------|--------|---------|
| Buy | 9700 | 96.30 | 27.95 | 72.05 | 9672.05 |
| Sell | 9600 | 68.35 | | | |
| Buy | 9700 | 96.30 | 47.80 | 152.20 | 9652.20 |
| Sell | 9500 | 48.50 | | | |
| Buy | 9600 | 68.35 | 19.85 | 80.15 | 9580.15 |
| Sell | 9500 | 48.50 | | | |

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 |
|-------------|--------|--------|--------|--------|--------|
| ADANI PORTS | 359 | 366 | 370 | 377 | 382 |
| AMBUJACEM | 256 | 262 | 266 | 272 | 277 |
| ASIANPAINT | 1,097 | 1,114 | 1,139 | 1,156 | 1,181 |
| AUROPHARMA | 651 | 664 | 677 | 690 | 704 |
| AXISBANK | 500 | 506 | 512 | 517 | 523 |
| BAJAJ-AUTO | 3,001 | 3,020 | 3,038 | 3,057 | 3,075 |
| BAJFINANCE | 1,766 | 1,804 | 1,830 | 1,868 | 1,894 |
| BPCL | 443 | 453 | 459 | 469 | 475 |
| BHARTIARTL | 371 | 377 | 383 | 388 | 394 |
| INFRA TEL | 367 | 380 | 388 | 401 | 408 |
| BOSCH LTD | 20,118 | 20,400 | 20,850 | 21,132 | 21,581 |
| CIPLA | 554 | 568 | 579 | 593 | 603 |
| COALINDIA | 254 | 261 | 266 | 272 | 277 |
| DRREDDY | 2,211 | 2,293 | 2,354 | 2,436 | 2,497 |
| EICHERMOT | 29,546 | 29,865 | 30,230 | 30,550 | 30,914 |
| GAIL | 380 | 388 | 395 | 403 | 409 |
| HCLTECH | 853 | 864 | 873 | 883 | 892 |
| HDFCBANK | 1,750 | 1,773 | 1,786 | 1,808 | 1,822 |
| HDFC | 1,689 | 1,717 | 1,741 | 1,768 | 1,793 |
| HEROMOTOCO | 3,627 | 3,683 | 3,731 | 3,788 | 3,836 |
| HINDALCO | 229 | 234 | 237 | 241 | 244 |
| HINDPETRO | 389 | 403 | 410 | 424 | 431 |
| HINDUNILVR | 1,182 | 1,192 | 1,203 | 1,213 | 1,223 |
| IBULHSGFIN | 1,168 | 1,189 | 1,205 | 1,226 | 1,241 |
| ICICIBANK | 266 | 271 | 274 | 279 | 283 |
| IOC | 365 | 381 | 391 | 407 | 417 |
| INDUSINDBK | 1,619 | 1,650 | 1,672 | 1,703 | 1,726 |
| INFY | 888 | 892 | 898 | 902 | 908 |
| ITC | 257 | 259 | 261 | 264 | 266 |
| KOTAKBANK | 949 | 977 | 996 | 1,024 | 1,043 |
| LT | 1,119 | 1,126 | 1,135 | 1,142 | 1,151 |
| LUPIN | 990 | 998 | 1,003 | 1,011 | 1,016 |
| M&M | 1,211 | 1,221 | 1,235 | 1,245 | 1,259 |
| MARUTI | 7,554 | 7,726 | 7,823 | 7,995 | 8,092 |
| NTPC | 163 | 165 | 166 | 167 | 168 |
| ONGC | 164 | 168 | 171 | 174 | 177 |
| POWERGRID | 202 | 206 | 208 | 212 | 214 |
| RELIANCE | 767 | 777 | 790 | 800 | 813 |
| SBIN | 248 | 250 | 252 | 254 | 256 |
| SUNPHARMA | 486 | 493 | 500 | 506 | 513 |
| TCS | 2,419 | 2,448 | 2,481 | 2,510 | 2,543 |
| TATAMOTORS | 395 | 398 | 402 | 406 | 410 |
| TATASTEEL | 636 | 643 | 650 | 657 | 663 |
| TECHM | 442 | 448 | 453 | 459 | 464 |
| ULTRACEMCO | 3,734 | 3,801 | 3,844 | 3,912 | 3,955 |
| UPL | 744 | 755 | 766 | 778 | 789 |
| VEDANTA | 302 | 306 | 311 | 314 | 320 |
| WIPRO | 282 | 284 | 287 | 289 | 292 |
| YESBANK | 343 | 347 | 351 | 355 | 359 |
| ZEEL | 514 | 517 | 521 | 525 | 529 |



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