



Sensex (27882) / Nifty (8641)

It was a remarkable week for the traders as the Nifty index posted gains on all the four trading sessions of the truncated week. The robust market breadth indicates broad market participation with all the sectoral indices ending the week in positive territory.

Technically, we witnessed a positive crossover of '5 EMA' and '20 EMA' on weekly chart, indicating strength in the index. Thus, the ongoing uptrend in the indices could continue further towards **8737** and **8820** in near term. However, citing the 'Union Budget 2017-2018' which is scheduled to be announced on 1st February, there could be increased volatility during the forthcoming week. Hence, traders are advised to trade with proper risk management strategies on their trading positions.

During a strong momentum phase in the index, corrective dips are generally bought into and thus, any correction in the index due to the volatility would be a buying opportunity. Therefore, traders should trade with positive bias and avoid creating short positions in the corrective phases of uptrend. On the lower side, **8530** and **8460** are likely to act as strong support levels for the Nifty.

Key Levels

Support 1 – 8560	Resistance 1 – 8700
Support 2 – 8530	Resistance 2 – 8737

Nifty Bank Outlook - (19708)

The Nifty Bank index opened with an upside gap on Friday and continued to move higher throughout the session. With the help of a magnificent rally of 4.56 percent in private banking conglomerate ICICI Bank, the banking index ended the session with gains of 1.21 percent over its previous close.

The Nifty Bank index had a splendid rallied by around a thousand points in last week and thus a cool-off move may be there in upcoming sessions. Technically, we witnessed positive crossover of '20 EMA' and '89 EMA' on daily chart, indicating strength in the index. At current juncture, there is no sign of reversal seen on charts and the banking index is heading towards 20000 mark. Hence, traders should refrain shorting at these levels; and use intraday dips as a buying opportunity. The near term supports for the Nifty Bank index are placed around **19530** and **19400** whereas resistance is seen in the range of **19925-20000**.

Key Levels

Support 1 – 19530	Resistance 1 – 19925
Support 2 – 19400	Resistance 2 – 20000

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart





Comments

- The Nifty futures open interest has increased by 6.71% BankNifty futures open interest has increased by 12.16% as market closed at 8641.25 levels.
- The Nifty February future closed with a premium of 29.85 points against the premium of 12.10 points in last trading session. The March series closed at a premium of 58.85 points.
- The Implied Volatility of at the money options has increased from 13.89% to 14.63%. At the same time, the PCR-OI of Nifty has decreased from 1.00 to 0.99 levels.
- The total OI of the market is Rs. 2,25,987/- cr. and the stock futures OI is Rs. 77,697/- cr.
- Few of the liquid counters where we have seen high cost of carry are JPASSOCIAT, ADANIPOWER, TV18BRDCST, RCOM and ANDHRABANK.

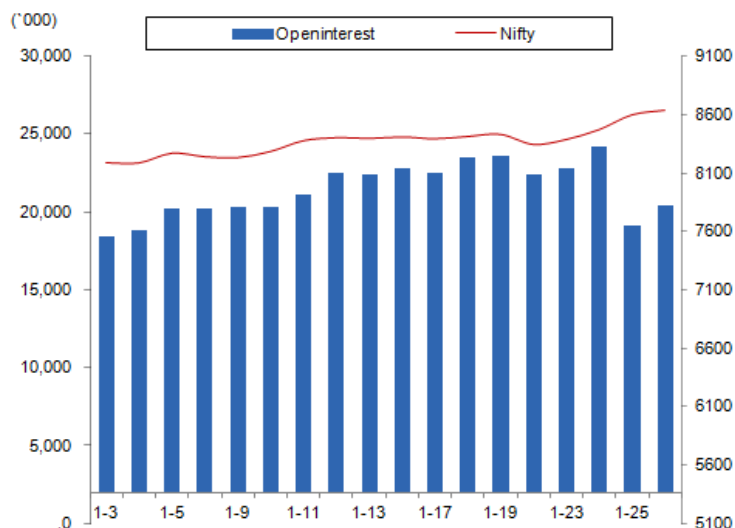
Views

- On Friday, FII's were net buyers in both cash market segment and index futures. They bought equities worth Rs. 212 crores. While in index futures, they were net buyers to the tune of Rs. 586 crores with significant amount of rise in open interest, suggesting blend of long and short formation in last trading session.
- In Index Options segment, FII's sold worth Rs. 264 crores with huge rise in open interest. In call options, the overall build-up in options was quite scattered in the range of 9000-9400 strikes. On the other hand, in put option, open interest addition was visible in 8500 and 8600 strikes. Highest open interest in current series is placed at 9000 call and 8400 put options.
- Last week, Nifty rallied from an important support zone of 8300-8350 levels. We witnessed meaningful long formation in Index Futures which lead January expiry above 8600 mark. FII's too added significant longs in Index Futures in recent up move and as a result, their Long-Short ratio in Index future segment jumped from 67% to 82%. They rolled more than 75% of their longs which suggests they remain optimistic in near term. At current juncture, the overall data indicates continuation in the ongoing momentum, thus, traders are advised to trade with positive bias.

Historical Volatility

SCRIP	HV
ADANIENT	79.53
ASHOKLEY	44.22
BHEL	39.05
ICICIBANK	34.26
PTC	42.13

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
COLPAL	891100	28.33	883.55	-2.16
INFY	21810000	27.78	944.95	0.50
ADANIENT	16648000	19.67	93.15	15.79
ICICIBANK	62500000	18.96	273.65	4.93
PFC	15576000	18.65	136.80	0.51
NIITTECH	610500	18.31	431.45	-1.55
MCLEODRUSS	4437000	16.27	153.60	-0.78
DCBBANK	4153500	14.23	119.85	0.63

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
AJANTPHARM	619600	-6.40	1736.45	0.94
TATACHEM	4242000	-6.39	543.35	0.70
BHEL	30560000	-6.37	139.70	5.43
ICIL	3146500	-5.86	187.50	3.53
UNIONBANK	16336000	-5.35	140.00	2.15
APOLLOHOSP	634000	-5.32	1235.80	0.80
IRB	8742500	-4.40	230.35	0.99
HEXAWARE	4491000	-3.92	201.65	2.23

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	0.99	0.78
BANKNIFTY	1.06	0.75
ICICIBANK	0.59	0.40
RELIANCE	0.49	0.38
INFY	0.47	0.35



FII Statistics for January 27, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	2139.20	1553.16	586.03	230869	15393.21	13.02
INDEX OPTIONS	27580.14	27844.51	(264.37)	736106	48347.76	12.32
STOCK FUTURES	9147.06	9076.46	70.59	936528	61245.02	4.48
STOCK OPTIONS	3923.49	3959.37	(35.88)	31931	2184.94	1505.38
TOTAL	42789.88	42433.50	356.38	1935434	127170.92	10.09

Turnover on January 27, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	217427	15336.47	-57.16
INDEX OPTIONS	2638739	187896.69	-71.89
STOCK FUTURES	663587	45586.59	-59.79
STOCK OPTIONS	328260	23462.75	-50.66
TOTAL	3848013	272282.49	-68.53

Nifty Spot = 8641.25

Lot Size = 75

Bull-Call Spreads

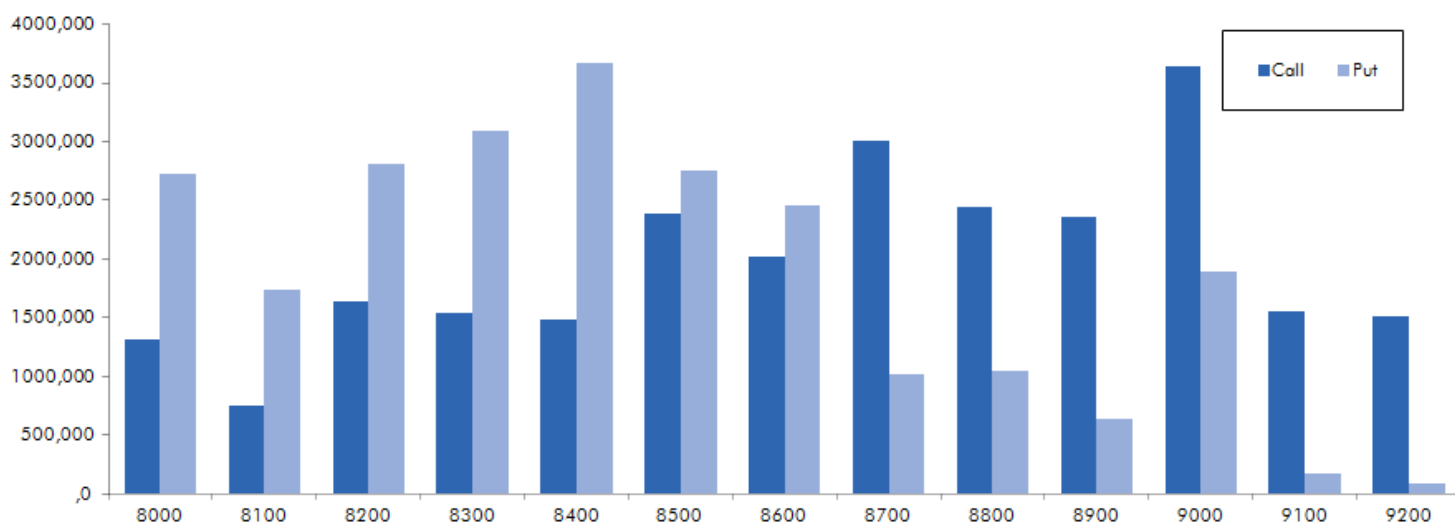
Action	Strike	Price	Risk	Reward	BEP
Buy	8700	124.85	43.75	56.25	8743.75
Sell	8800	81.10			
Buy	8700	124.85	75.65	124.35	8775.65
Sell	8900	49.20			
Buy	8800	81.10	31.90	68.10	8831.90
Sell	8900	49.20			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	8600	111.20	32.20	67.80	8567.80
Sell	8500	79.00			
Buy	8600	111.20	55.80	144.20	8544.20
Sell	8400	55.40			
Buy	8500	79.00	23.60	76.40	8476.40
Sell	8400	55.40			

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	1,431	1,401	1,416	1,428	1,443
ADANI PORTS	304	298	301	305	308
AMBUJACEM	233	228	230	232	234
ASIANPAINT	970	949	959	974	985
AUROPHARMA	714	702	708	713	719
AXISBANK	473	459	466	472	479
BAJAJ-AUTO	2,854	2,801	2,828	2,856	2,883
BANKBARODA	168	160	164	166	171
BHEL	140	129	134	138	144
BPCL	705	672	688	708	724
BHARTIARTL	324	303	313	321	331
INFRA TEL	354	350	352	354	356
BOSCH	22,460	21,832	22,146	22,548	22,862
CIPLA	580	572	576	584	588
COALINDIA	318	314	316	318	320
DRREDDY	2,995	2,937	2,966	2,989	3,017
EICHERMOT	23,483	22,895	23,189	23,420	23,714
GAIL	482	471	477	485	491
GRASIM	931	917	924	932	939
HCLTECH	844	836	840	845	849
HDFCBANK	1,292	1,281	1,287	1,293	1,299
HDFC	1,374	1,311	1,342	1,361	1,392
HEROMOTOCO	3,216	3,161	3,189	3,228	3,256
HINDALCO	191	184	188	191	194
HINDUNILVR	856	840	848	862	870
ICICIBANK	272	256	264	269	277
IDEA	78	75	76	77	79
INDUSINDBK	1,253	1,240	1,246	1,258	1,265
INFY	942	884	913	930	959
ITC	257	249	253	260	264
KOTAKBANK	785	768	776	789	798
LT	1,440	1,411	1,425	1,448	1,462
LUPIN	1,492	1,469	1,481	1,500	1,511
M&M	1,252	1,229	1,240	1,255	1,267
MARUTI	5,916	5,787	5,851	5,890	5,954
NTPC	178	169	173	176	180
ONGC	205	200	202	205	207
POWERGRID	205	200	202	205	207
RELIANCE	1,025	1,014	1,020	1,024	1,030
SBIN	266	256	261	265	270
SUNPHARMA	641	630	635	639	644
TCS	2,358	2,327	2,342	2,361	2,376
TATAMTRDVR	342	336	339	342	345
TATAMOTORS	542	532	537	545	549
TATAPOWER	81	79	80	81	82
TATASTEEL	469	458	464	469	474
TECHM	467	460	463	467	471
ULTRACEMCO	3,686	3,614	3,650	3,707	3,743
WIPRO	466	458	462	468	471
YESBANK	1,399	1,372	1,385	1,403	1,417
ZEEL	497	471	484	497	510



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