



Sensex (33042) / Nifty (10295)

Yesterday certainly has to be one of the historical days of Indian markets and undoubtedly, PSU Banks (PSBs) were the 'Charioteer' of this memorable Day. This is probably the perfect example how things can turn overnight as we saw recent laggards (PSBs) turning into a gold by clocking colossal surge in a single day. As far as benchmark index is concerned, the Nifty registered fresh highs and reached yet another milestone of **10300**.

It was clearly an one sided affair as we saw entire PSU banking basket along with couple of other heavyweights propelled yesterday's move. Some of the other index constituents like HDFC twins, Private Banks, Pharma and IT somehow balanced out this move (to some extent) to eventually restrict the Nifty tad below the 10300 mark on a closing basis. Looking at yesterday's move, it seems that the index has respected 127% retracement level of **10315** and hence, going forward; traders need to closely keep a watch whether the index manages to stay above this hurdle now. If this happens then we may see continuation of this relentless rally. However, on the flipside, yesterday's gap area (**10240.90 – 10237.75**) would be seen as a key support in the coming session. Traders are advised to stay light on positions and keep following stock centric moves similar to what we witnessed yesterday in either direction. We would like to give a piece of advice, if you are not going long on PSBs, it's understandable; but one needs to strictly avoid going short on it.

Key Levels

Support 1 – 10237	Resistance 1 – 10315
Support 2 – 10200	Resistance 2 – 10360

Nifty Bank Outlook - (25036)

As mentioned above, the historic session yesterday was led by the PSU Banks which resulted in the Nifty PSU Bank index clocking gains of about 30%. The Nifty index registered gains of 3.36% as the majority of the components of the index comprise private sector banks.

If we observe the Nifty Bank index, the prices have been consolidating in a channel since last 3 months and post yesterday's upmove, the index has closed near the higher end of the channel. Only a move above **25200** will lead to a breakout, which could then result in a continuation of the uptrend. On the flipside, gap left around **24560-24293** will now act as support. Traders are advised to focus on stock specific moves and trade with proper risk management.

Key Levels

Support 1 – 24750	Resistance 1 – 25160
Support 2 – 24670	Resistance 2 – 25200

Exhibit 1: Nifty Daily Chart



Exhibit 2: Nifty Bank Daily Chart

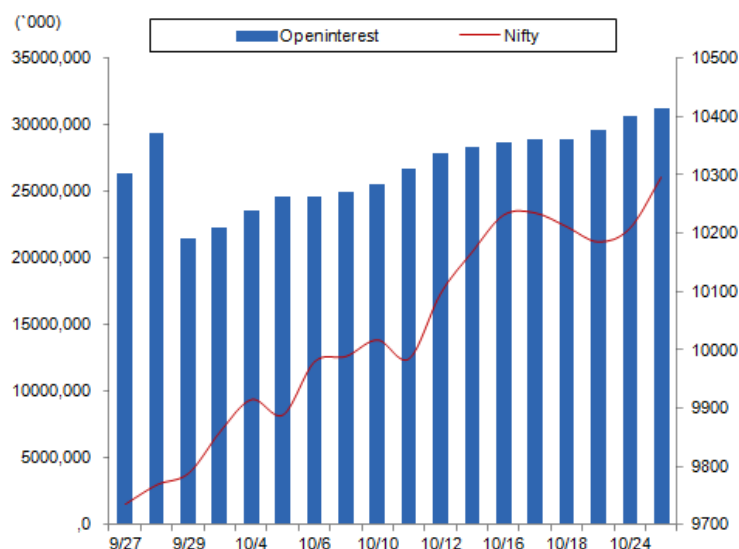




Comments

- The Nifty futures open interest has increased by 1.87% BankNifty futures open interest has increased by 15.86% as market closed at 10295.35 levels.
- The Nifty October future closed with a premium of 5.45 points against a premium of 11.60 points in last trading session. The November series closed at a premium of 30 points.
- The Implied Volatility of at the money options has decreased from 14.55 to 13.01. At the same time, the PCR-OI of Nifty is unchanged at 1.61 level.
- Few of the liquid counters where we have seen high cost of carry are INFIBEAM, SOUTHBANK, SRF, MCX and NBCC.

Nifty Vs OI



Views

- FII were net buyers in cash market segment of worth Rs. 3583 crores. While, they were net sellers in index futures to the tune of Rs.1098 crores with good amount of rise in open interest, indicating blend of long and short formation in yesterday's session trading session.
- In Nifty options front, FII activity remained muted. We can clearly see bulls writing 10200-10300 put options expecting October expiry above 10300 mark. Huge open interest addition was also witnessed in 10350 call option in yesterday's session. However, maximum concentration of open interest remains intact in 10300 call and 10000 put options.
- In current series, index rallied more than 5% and also added huge amount of long positions in futures segment. Till now, Rollover in Nifty is at 44.12% which is above 3 month averages, indicating longs being rolled to next series. Taking into consideration the above data, it appears that the bulls are maintaining a firm grip on the market and thus, would advice traders avoiding fresh shorts.

OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
UBL	1526000	27.63	921.35	7.23
PNB	44163000	26.74	198.50	43.48
KOTAKBANK	10853600	19.63	1010.90	-5.40
L&TFH	33376500	17.97	195.70	-7.43
INDUSINDBK	6945600	17.51	1592.30	-4.59
LICHSGFIN	11443300	11.61	618.65	-2.60
RELCAPITAL	12390000	11.58	574.25	0.43
INDIANB	4820000	11.47	328.10	21.09

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
BANKBARODA	43606500	-31.40	187.65	30.81
IDBI	25856000	-27.09	65.25	20.06
SBIN	79266000	-23.41	323.95	27.21
ZEEL	8981700	-16.17	531.10	1.05
GRASIM	3611250	-13.89	1214.05	2.68
ESCORTS	2596000	-13.36	731.95	-0.52
CUMMINSIND	633000	-13.17	915.75	2.43
BATAINDIA	1980000	-12.49	782.45	-0.62

Historical Volatility

SCRIP	HV
CANBK	156.15
PNB	182.21
SBIN	117.76
BANKBARODA	131.73
UNIONBANK	141.99

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.61	0.99
BANKNIFTY	1.46	0.82
RELIANCE	0.86	0.81
INFY	0.57	0.60
SBIN	0.82	0.50



FII Statistics for October 25, 2017

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	6958.24	8055.95	(1097.71)	412612	32723.75	10.81
INDEX OPTIONS	92097.13	92013.68	83.45	1172896	93991.17	0.18
STOCK FUTURES	28735.21	26725.95	2009.27	927247	67000.65	2.13
STOCK OPTIONS	11717.21	11660.95	56.26	103176	8169.07	4.39
Total	139507.79	138456.52	1051.27	2615931	201884.65	2.59

Turnover on October 25, 2017

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	492001	42971.50	57.03
INDEX OPTIONS	10355555	915136.26	75.69
STOCK FUTURES	2227894	168204.80	67.52
STOCK OPTIONS	940287	76085.05	28.56
TOTAL	14015737	1202397.62	69.87

Nifty Spot = 10295.35

Lot Size = 75

Bull-Call Spreads

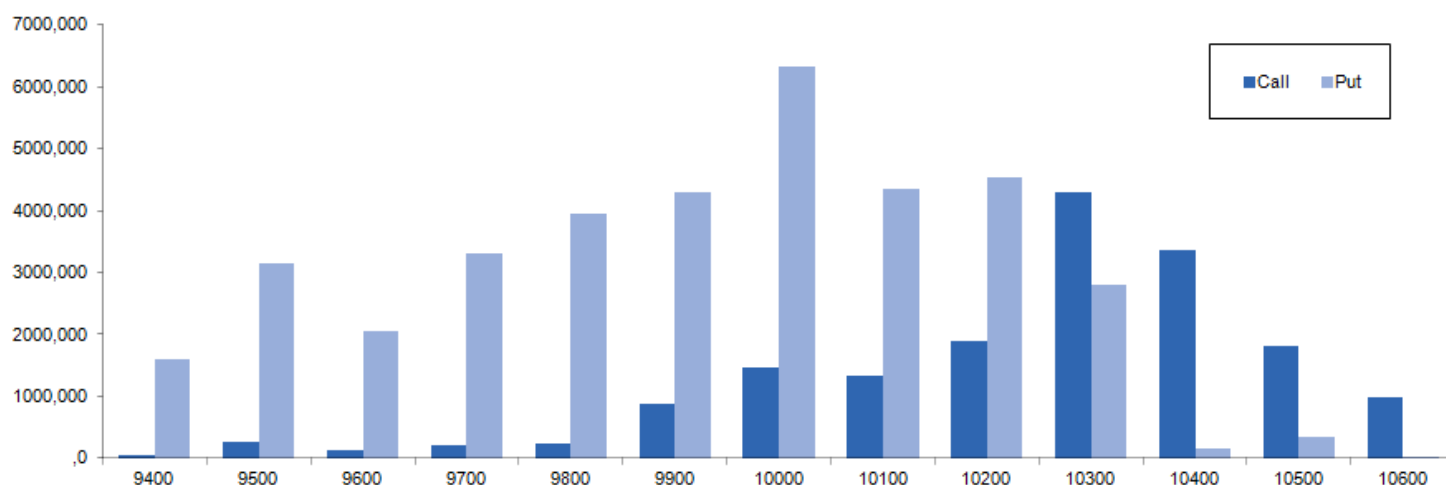
Action	Strike	Price	Risk	Reward	BEP
Buy	10300	24.75	21.25	78.75	10321.25
Sell	10400	3.50			
Buy	10300	24.75	24.10	175.90	10324.10
Sell	10500	0.65			
Buy	10400	3.50	2.85	97.15	10402.85
Sell	10500	0.65			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	10300	31.90	24.65	75.35	10275.35
Sell	10200	7.25			
Buy	10300	31.90	29.90	170.10	10270.10
Sell	10100	2.00			
Buy	10200	7.25	5.25	94.75	10194.75
Sell	10100	2.00			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (October 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	400	408	413	420	425
AMBUJACEM	277	280	283	285	288
ASIANPAINT	1,173	1,187	1,210	1,224	1,247
AUROPHARMA	720	727	740	747	760
AXISBANK	449	461	469	481	489
BAJAJ-AUTO	3,194	3,213	3,239	3,258	3,283
BAJFINANCE	1,647	1,687	1,753	1,793	1,860
BPCL	500	505	510	515	520
BHARTIARTL	485	500	509	525	533
INFRA TEL	442	447	456	461	469
BOSCH LTD	20,894	21,076	21,383	21,566	21,872
CIPLA	581	587	595	601	610
COALINDIA	285	287	289	291	294
DRREDDY	2,306	2,328	2,361	2,383	2,416
EICHERMOT	31,256	31,486	31,666	31,896	32,077
GAIL	440	450	456	465	471
HCLTECH	854	881	902	929	950
HDFCBANK	1,736	1,766	1,814	1,844	1,892
HDFC	1,600	1,639	1,688	1,727	1,777
HEROMOTOCO	3,689	3,729	3,757	3,797	3,825
HINDALCO	260	263	268	271	276
HINDPETRO	455	459	465	468	474
HINDUNILVR	1,255	1,264	1,274	1,282	1,292
IBULHSGFIN	1,216	1,246	1,296	1,326	1,375
ICICIBANK	274	290	300	316	327
IOC	406	412	415	421	424
INDUSINDBK	1,525	1,559	1,614	1,648	1,704
INFY	902	919	932	948	961
ITC	266	268	270	271	273
KOTAKBANK	952	981	1,028	1,058	1,105
LT	1,125	1,165	1,190	1,229	1,255
LUPIN	975	989	1,013	1,027	1,051
M&M	1,338	1,351	1,362	1,376	1,387
MARUTI	7,740	7,805	7,875	7,940	8,010
NTPC	180	182	184	185	187
ONGC	174	176	177	178	180
POWERGRID	211	214	216	219	222
RELIANCE	922	931	938	947	955
SBIN	263	294	311	342	359
SUNPHARMA	511	517	528	534	545
TCS	2,517	2,539	2,576	2,598	2,635
TATAMOTORS	411	417	420	426	430
TATASTEEL	701	709	718	726	735
TECHM	445	457	465	477	486
ULTRACEMCO	4,182	4,321	4,399	4,538	4,615
UPL	783	791	798	806	813
VEDANTA	325	330	334	340	344
WIPRO	293	296	299	302	305
YESBANK	289	308	332	351	375
ZEEL	507	520	531	544	556



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