

Sensex (46666) / Nifty (13683)

The U.S. markets ended with gains of over a percent and the Asian markets too were trading with a positive bias in morning. These positive cues from the global markets led to a gap up opening in Nifty to continue to post new record and end with gains of over 100 points at **13683**.

Nifty broke last four sessions of consolidation with a gap up and it rallied to almost test the **13700** mark. The broader markets continued its move in the direction of the trend, however the banking space looked tired and it underperformed the benchmark throughout the day. As mentioned in our yesterday's outlook, the 127% retracement of the previous correction on the Nifty weekly chart comes around **13750-13770** which would be an important zone to watch. Traders are advised to prefer to book profits on longs around these levels and be observant for further cues from the market. Though, there are no signs of reversal yet and hence, trading with a stock specific approach and avoiding aggressive positions seem to be a better strategy at these elevated levels. The intraday supports for Nifty are placed around **13600** and **13575**.

Key Levels

Support 1 – 13600	Resistance 1 – 13750
Support 2 – 13575	Resistance 2 – 13770

Nifty Bank Outlook - (30698)

The banking index too opened higher along with the cheerful mood in the benchmark index. However as the session progressed, we witnessed some diverging moves in Nifty and Bank Nifty. The banking kept dragging a bit whereas on the other side, the Nifty recovered sharply from small intraday decline to close at the highest point ever.

Since the last few days, it is clearly observed that the Bank Nifty is facing some resistance around **30900 - 31000**. Hence that remains to be a sturdy wall for the coming session. However it's denying to fall as well. Intraday dips are not that big and all key supports are still defended successfully. But we continue with our cautious stance and would avoid aggressive longs for a while. As far as supports are concerned, **30500 - 30350** should be seen as a key support. A breach of lower range would result in a decent profit booking, till then the consolidation continues in a small range.

Key Levels

Support 1 – 30500	Resistance 1 – 30900
Support 2 – 30350	Resistance 2 – 31000

Exhibit 1: Nifty Daily Chart

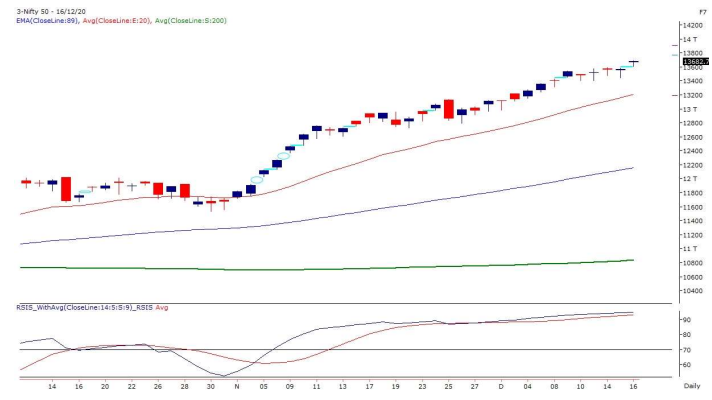


Exhibit 2: Nifty Bank Daily Chart



Comments

- The Nifty futures open interest has increased by 7.37% Bank Nifty futures open interest has increased by 3.46% as market closed at **13682.70** levels.
- The Nifty December future closed with a premium 16.75 point against a premium of 17.10 point in last trading session. The January series closed at a premium of 56.60 point.
- The INDIA VIX decreased from 19.34 to 19.20. At the same time, the PCR-OI of Nifty increased from 1.54 to 1.74.
- Few of the liquid counters where we have seen high cost of carry are CANBK, NMDC, BATAINDIA, GRASIM and IDEA.

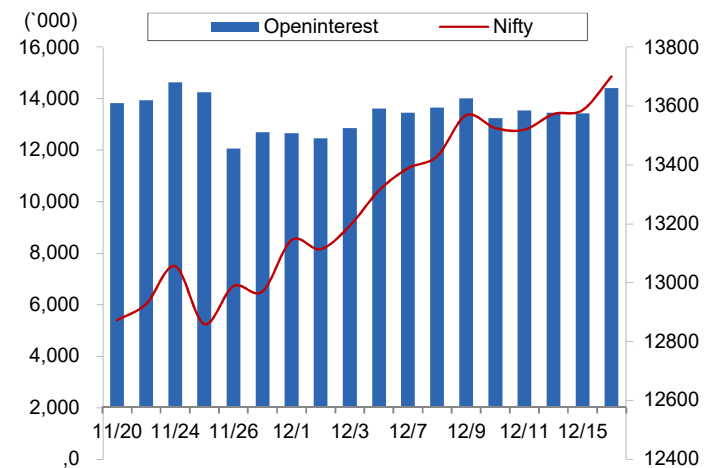
View

- Post Tuesday's second half recovery, we began yesterday's session on a very strong note above 13650 mark. During the day, index rallied almost towards 13700 and eventually concluded at the highest point ever.
- FII's were net buyers in the cash segment to the tune of Rs. 1981 crore. In index future segment, they bought worth Rs. 553 cr with good amount of rise in open interest indicating they added fresh long positions in yesterday's session.
- After two trading sessions of muted open interest activity, finally yesterday's upmove was supported by decent long formation in both the indices. Stronger hand too participated by adding long in index futures segment. Once again, the PCR-OI has surged towards higher side of the range which is a sign of caution. In options front, call writers of 13500-13700 covered their shorts seeing upmove beyond 13600. Some open interest addition was seen in 13750-13950 calls. On the other side, 13600-13700 puts added huge positions. As mentioned previously, we believe our market is now overbought and hence, would suggest traders exiting from their longs if any.

Historical Volatility

SCRIP	HV
PNB	57.58
DLF	62.87
PAGEIND	45.99
HAVELLS	41.63
ASHOKLEY	68.75

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
PNB	223524000	113.16	37.95	-10.73
ASHOKLEY	40509000	21.52	100.05	5.29
MFSL	7376200	17.26	641.40	0.35
IBULHSGFIN	26325200	14.54	206.35	7.17
POWERGRID	27248000	13.27	196.20	1.83
ESCORTS	3378650	12.43	1340.25	0.38
SAIL	102049000	11.36	60.15	2.90
NMDC	39503200	11.01	114.60	-0.26

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
CANBK	39078200	-12.49	119.95	-1.46
MINDTREE	1416800	-8.81	1459.45	-0.58
IGL	6142125	-8.43	487.55	0.92
BERGEPAIN	2429900	-6.95	689.75	0.70
TORNTPHARM	848500	-6.14	2788.95	1.44
APOLLOHOSP	2310000	-5.98	2389.65	1.33
TCS	6144000	-5.93	2814.20	1.58
RECLTD	16422000	-5.72	141.35	0.14

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.74	1.14
BANKNIFTY	0.81	0.95
RELIANCE	0.51	0.39
ICICIBANK	0.61	0.49
INFY	0.55	0.36

FII Statistics for December 16, 2020

Detail	Buy	Sell	Net	Contracts	Open Interest	
					Value (in Cr.)	Change
INDEX FUTURES	3310.41	2757.05	553.36	132893	13070.88	8.63
INDEX OPTIONS	259136.63	258775.51	361.12	968305	93046.54	8.44
STOCK FUTURES	13588.11	13645.62	(57.51)	1302265	104656.61	(0.72)
STOCK OPTIONS	5400.43	5405.74	(5.31)	98449	7934.85	4.79
Total	281435.58	280583.92	851.66	2501912	218708.88	3.35

Turnover on December 16, 2020

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	2,84,246	24792.94	-7.49
Index Options	2,76,95,149	23,83,382.61	24.72
Stock Futures	7,37,816	60234.74	5.98
Stock Options	13,93,467	1,19,343.04	7.78
Total	3,01,10,678	25,87,753.33	22.91

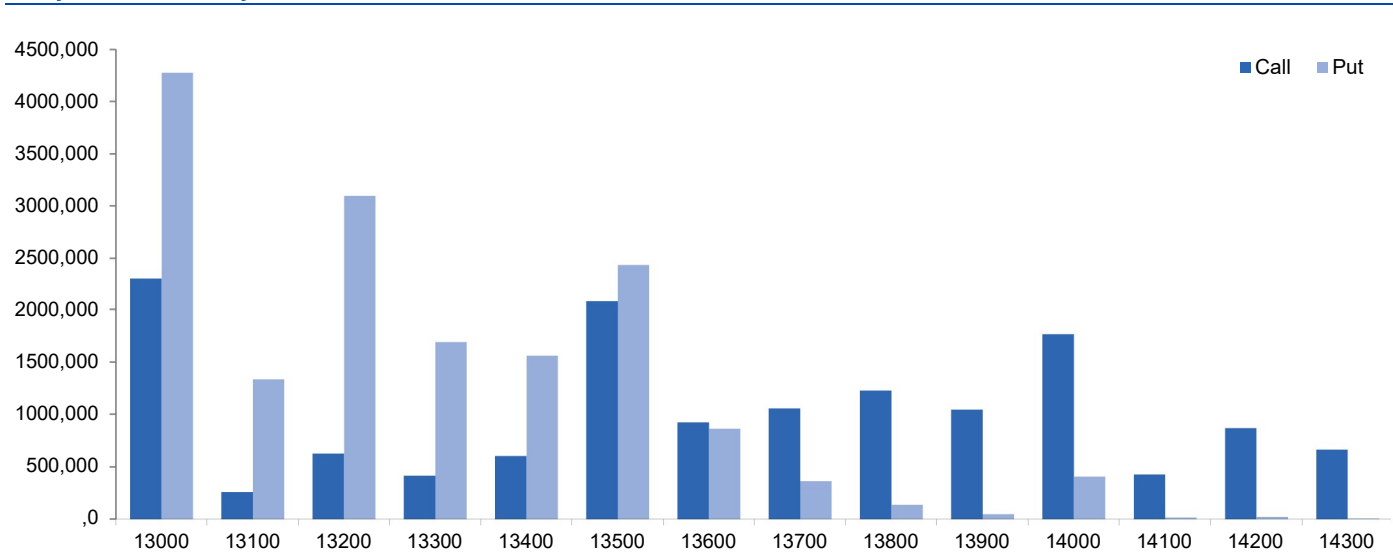
Nifty Spot = 13682.70
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	13700	170.05	50.45	49.55	13750.45
Sell	13800	119.60			
Buy	13700	170.05	88.85	111.15	13788.85
Sell	13900	81.20			
Buy	13800	119.60	38.40	61.60	13838.40
Sell	13900	81.20			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	13700	171.10	39.80	60.20	13660.20
Sell	13600	131.30			
Buy	13700	171.10	71.95	128.05	13628.05
Sell	13500	99.15			
Buy	13600	131.30	32.15	67.85	13567.85
Sell	13500	99.15			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (December Series) are given as an information and not as a recommendation.

Nifty Put-Call Analysis


Daily Pivot Levels for Nifty Constituents

Scrips	S2	S1	PIVOT	R1	R2
ADANI PORTS	469	472	476	480	484
ASIAN PAINT	2,519	2,551	2,569	2,601	2,620
AXIS BANK	599	602	609	612	619
BAJAJ-AUTO	3,232	3,268	3,288	3,324	3,344
BAJFINANCE	5,059	5,103	5,164	5,208	5,269
BAJAJFINSV	9,069	9,163	9,307	9,401	9,545
BPCL	394	397	401	404	409
BHARTIARTL	496	506	512	523	529
BRITANNIA	3,720	3,736	3,761	3,777	3,802
CIPLA	778	783	786	791	795
COALINDIA	143	144	145	147	148
DIVISLAB	3,603	3,660	3,694	3,751	3,785
DRREDDY	4,986	5,013	5,032	5,058	5,078
EICHERMOT	2,414	2,442	2,474	2,502	2,535
GAIL	122	123	125	126	128
GRASIM	903	909	917	923	931
HCLTECH	872	878	885	892	899
HDFCBANK	1,385	1,398	1,407	1,420	1,430
HDFCLIFE	642	645	651	654	659
HDFC	2,333	2,379	2,411	2,457	2,489
HEROMOTOCO	3,083	3,100	3,123	3,140	3,163
HINDALCO	244	248	250	254	256
HINDUNILVR	2,282	2,313	2,334	2,365	2,386
ICICIBANK	504	508	515	519	526
IOC	95	96	97	97	98
INDUSINDBK	902	912	925	935	948
INFY	1,147	1,157	1,163	1,172	1,178
ITC	212	213	214	215	216
JSW STEEL	361	366	369	374	377
KOTAKBANK	1,923	1,938	1,951	1,966	1,980
LT	1,233	1,251	1,264	1,282	1,295
M&M	715	723	735	743	755
MARUTI	7,693	7,745	7,822	7,874	7,951
NESTLEIND	17,951	18,137	18,436	18,622	18,921
NTPC	103	104	106	107	108
ONGC	99	101	102	104	105
POWERGRID	191	194	195	198	200
RELIANCE	1,950	1,963	1,979	1,992	2,008
SBILIFE	846	852	857	863	868
SHREECEM	23,955	24,107	24,298	24,450	24,641
SBIN	265	267	271	273	276
SUNPHARMA	568	572	575	580	583
TCS	2,739	2,777	2,798	2,836	2,858
TATAMOTORS	178	181	182	184	186
TATASTEEL	632	638	644	649	655
TECHM	907	914	925	932	943
TITAN	1,454	1,479	1,495	1,520	1,535
ULTRACEMCO	5,013	5,063	5,144	5,194	5,275
UPL	448	454	458	464	468
WIPRO	351	355	357	361	363

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