



Sensex (39353) / Nifty (11828)

It is quite rare to see that no one is bothered what's happening in global markets and whether US President has sent any tweet or not. Yesterday, it was all about our mega event and the result of exit polls over the weekend. With almost all polls indicating NDA government back in power with thumping majority, the market overjoyed with this and had a massive bump up at the opening well above the **11600** mark,. In the initial hour, there was mild profit taking seen; but eventually this got bought into and index went on register colossal rally of over three and half a percent to the previous close.

Finally, traders' / investors' had something to cheer for and although the final verdict is yet to come (slated on May 23), markets took a huge leap after better than expected exit polls results. Now, all eyes on the actual event on Thursday; but, before this, the Nifty has managed to clock highest ever close on daily chart. With almost all other pockets contributing heavily, we expect this rally to extend further at least towards **11950** or even the magical figure of **12000** is on cards. On the lower side now, **11700** followed by **11591** would now be seen as sheet anchors.

Yesterday, no brainer, banking index hastened at record highs and there was massive buying interest seen throughout the day across the broader market. Since last few days, we have been advising accumulating marquee names in this recent decline and we were hopeful of a positive reaction. This strategy seems to have worked well as we saw stellar moves in so many pockets, especially the 'midcap' index, which had given some early signs of completing its time wise as well as price wise correction phase.

Nifty Bank Outlook - (30760)

The Bank Nifty index too opened with a gap above the **30000** mark and continued the buying momentum to register new highs and ended the session with whopping gains of over 1300 points. Along with the private sector banks, the PSU Banks too participated in the rally which led to an up move in the Nifty PSU Bank index of almost 8 percent. Yesterday's gap up opening in the Bank Nifty and the Nifty PSU Bank index should provide a support base going ahead and we expect a continuation of this trended move in short to medium term. As per the reciprocal retracement theory, we expect the Bank Nifty to rally towards **31200** followed by **32000** in the next few weeks. On the flip side, support can be seen around **30280** and **30120** levels.

Key Levels

Support 1 – 30280	Resistance 1 – 31200
Support 2 – 30120	Resistance 2 – 32000

Exhibit 1: Nifty Daily Chart



In-line with our expectations, the positive outcome resulted into a complete gush in so many midcap counters, who had underperformed significantly over the past few months. Going ahead, traders should focus completely on such propositions from the broader market and should keep a close eye on the final outcome on Thursday.

Key Levels

Support 1 – 11700	Resistance 1 – 11950
Support 2 – 11591	Resistance 2 – 12000

Exhibit 2: Nifty Bank Daily Chart

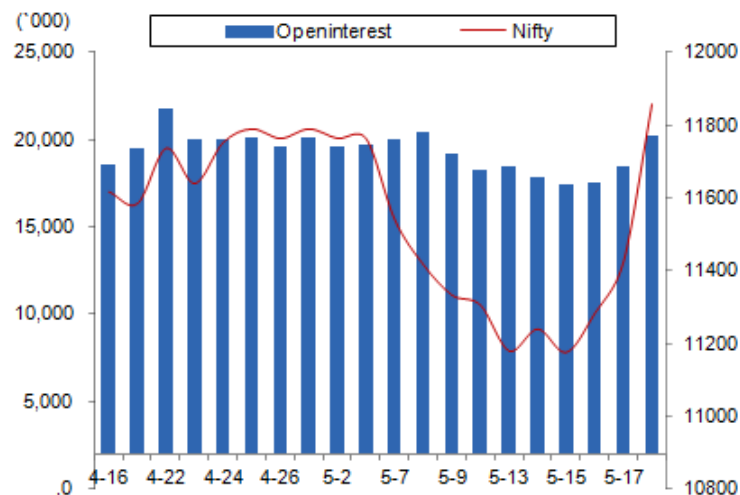




Comments

- The Nifty futures open interest has increased by 9.73%. Bank Nifty futures open interest has decreased by 22.42% as market closed at 11828.25 levels.
- The Nifty May future closed with a premium of 31.20 points against a premium of 18.65 points in last trading session. The June series closed at a premium of 72.00 points.
- The INDIA VIX has decreased from 28.07 to 23.67. At the same time, the PCR-OI of Nifty has decreased from 1.36 to 1.29.
- Few of the liquid counters where we have seen high cost of carry are GMRINFRA, SUZLON, ADANI PORTS, RPOWER and CHENNPETRO.

Nifty Vs OI



Views

- The benchmark index started-off the session with an upside gap with a decent margin due to the exit polls verdict in favor of BJP. During the day, we did see some profit booking in the initial hour. However, soon momentum picked up and gradually index rallied beyond 11800 mark. The banking index once again outperformed the benchmark by rallying more than 4%.
- FII's were net buyers in the equity segment to the tune of Rs. 1734 crores. In index futures front, they were buyers of Rs. 1071 crores with rise in open interest, indicating fresh long formation for second consecutive session.
- In index options front, they were buyers of Rs. 1537 crores with rise in OI. In call options, build-up was scattered between 11900-11500 strikes and we believe these are long formation. On the flip side, fresh writing was observed in 11300-11800 put options.
- In the recent correction, good amount of long unwinding took place and we hardly saw any relevant shorting. Since last couple of sessions, fresh longs were formed in the index futures. Today as well, we saw massive long additions in Nifty and BankNifty Futures. Considering the above data point, we expect continuation of today's rally beyond the psychological mark of 12000.

OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
UBL	2212000	44.56	1374.25	0.17
CHOLAFIN	679500	22.88	1427.60	6.57
TATACHEM	4117950	18.30	609.45	-1.53
CHENNPETRO	1380600	17.28	213.35	0.07
HDFCBANK	13013000	16.29	2432.35	3.20
RELCAPITAL	15556500	16.07	124.15	9.01
SBIN	68547000	14.53	344.70	8.20
ACC	2252400	13.55	1662.95	4.01

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
BANKINDIA	22374000	-12.46	89.90	10.45
ADANI ENT	37568000	-12.23	151.95	27.83
KSCL	690000	-8.91	477.35	5.56
ALBK	17862000	-8.89	46.35	9.17
CEATLTD	920400	-8.29	1008.25	6.18
INFIBEAM	12304000	-8.01	45.80	8.11
TORNTPOWER	2232000	-7.12	248.05	5.39
BERGEPAIN	1966800	-7.07	313.30	3.98

Historical Volatility

SCRIP	HV
ADANI ENT	124.44
SBIN	45.47
CESC	56.70
LT	38.18
DRREDDY	35.19

Put-Call Ratio

SCRIP	PCR-OI	PCR-VOL
NIFTY	1.29	0.72
BANKNIFTY	1.02	0.85
RELIANCE	0.44	0.45
ICICIBANK	0.58	0.57
INFY	0.92	0.34



FII Statistics for May 20, 2019

Detail	Buy	Sell	Net	Open Interest		
				Contracts	Value (in Cr.)	Change (%)
INDEX FUTURES	7719.15	6648.28	1070.87	252201	20838.10	9.71
INDEX OPTIONS	72967.80	71430.25	1537.56	826780	67945.78	1.18
STOCK FUTURES	19156.59	18363.63	792.97	1515946	91680.69	(0.17)
STOCK OPTIONS	8035.53	8009.12	26.42	142957	8354.60	5.58
Total	107879.08	104451.27	3427.81	2737884	188819.17	1.37

Turnover on May 20, 2019

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
INDEX FUTURES	454545	34170.28	38.07
INDEX OPTIONS	5447429	419559.61	99.12
STOCK FUTURES	1165287	68053.56	26.35
STOCK OPTIONS	907457	56127.40	37.71
TOTAL	732838	2568108	75.09

Nifty Spot = 11828.25

Bull-Call Spreads

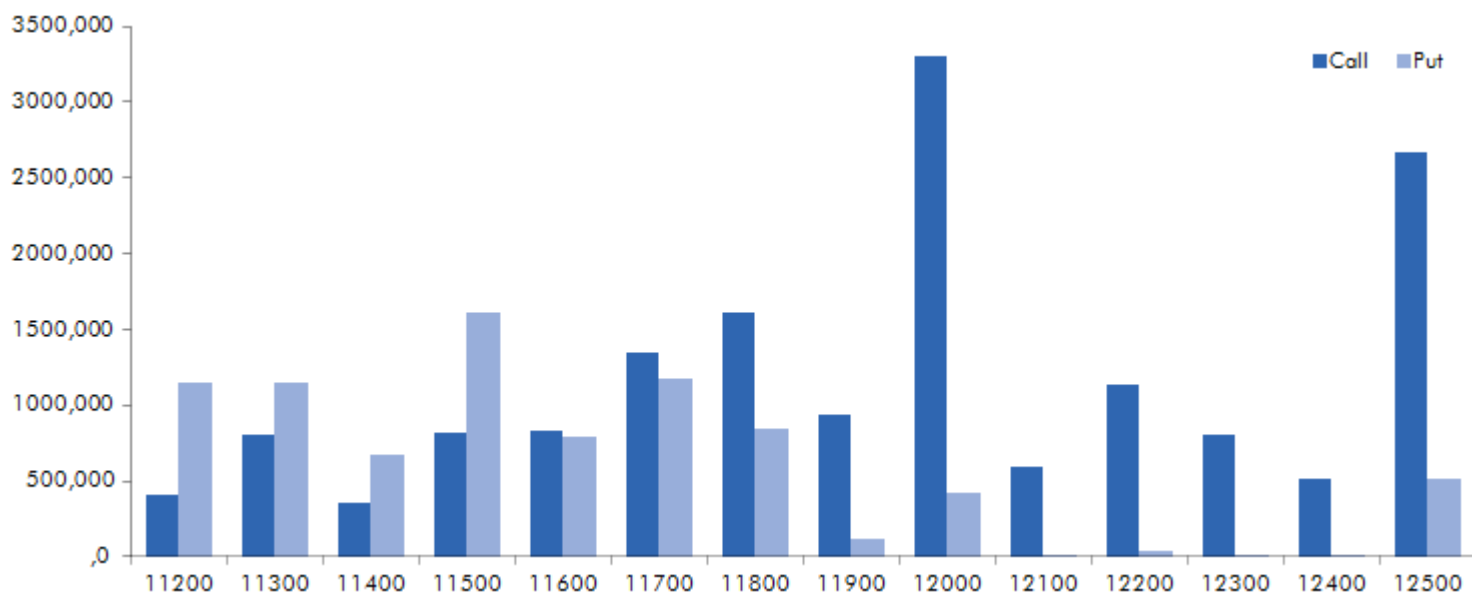
Action	Strike	Price	Risk	Reward	BEP
Buy	11800	279.80	56.50	43.50	11856.50
Sell	11900	223.30			
Buy	11800	279.80	103.80	96.20	11903.80
Sell	12000	176.00			
Buy	11900	223.30	47.30	52.70	11947.30
Sell	12000	176.00			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	11400	218.20	37.05	62.95	11362.95
Sell	11300	181.15			
Buy	11400	218.20	68.75	131.25	11331.25
Sell	11200	149.45			
Buy	11300	181.15	31.70	68.30	11268.30
Sell	11200	149.45			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (May 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	363	381	395	414	427
ASIAN PAINT	1,319	1,347	1,362	1,390	1,406
AXIS BANK	747	765	778	795	808
BAJAJ-AUTO	2,878	2,942	3,015	3,079	3,152
BAJAJ-FINANCE	3,297	3,352	3,398	3,454	3,500
BAJAJ-FIN SV	7,957	8,096	8,195	8,334	8,433
BPCL	378	385	391	398	404
BHARTIARTL	327	333	338	344	349
INFRA TEL	263	266	271	274	279
BRITANNIA	2,748	2,775	2,807	2,834	2,866
CIPLA	544	555	561	572	578
COAL INDIA	232	235	239	242	246
DRREDDY	2,401	2,495	2,637	2,731	2,873
EICHER MOT	20,791	21,044	21,327	21,580	21,863
GAIL	334	340	345	350	355
GRASIM	825	858	876	909	927
HCLTECH	1,037	1,055	1,070	1,088	1,102
HDFC BANK	2,358	2,395	2,417	2,454	2,476
HDFC	1,991	2,057	2,096	2,162	2,202
HEROMOTOCO	2,588	2,651	2,696	2,759	2,805
HINDALCO	191	195	197	201	203
HINDUNILVR	1,720	1,746	1,761	1,788	1,803
IBULHSGFIN	695	755	801	861	907
ICICIBANK	396	402	408	414	420
IOC	148	153	156	161	164
INDUSINDBK	1,361	1,428	1,467	1,534	1,572
INFY	698	710	718	731	739
ITC	300	304	306	309	311
JSW STEEL	274	280	287	293	300
KOTAK BANK	1,445	1,474	1,490	1,518	1,534
LT	1,380	1,416	1,435	1,471	1,490
M&M	619	636	649	666	680
MARUTI	6,742	6,913	7,032	7,203	7,322
NTPC	124	127	128	131	133
ONGC	166	171	174	179	181
POWERGRID	182	185	187	190	192
RELIANCE	1,288	1,307	1,322	1,341	1,357
SBIN	326	335	341	350	355
SUNPHARMA	399	406	418	425	436
TCS	2,014	2,079	2,115	2,180	2,217
TATAMOTORS	174	182	187	195	200
TATASTEEL	467	475	485	493	503
TECHM	750	765	777	792	804
TITAN	1,192	1,212	1,225	1,245	1,258
ULTRACEMCO	4,464	4,619	4,713	4,869	4,963
UPL	945	982	1,002	1,039	1,060
VEDANTA	162	165	166	169	170
WIPRO	286	288	290	292	294
YES BANK	134	139	142	147	150
ZEEL	331	347	371	387	411



Research Team Tel: 022 - 39357800

Website: www.angelbroking.com

For Technical Queries

E-mail: technicalresearch-cso@angelbroking.com

For Derivatives Queries

E-mail: derivatives.desk@angelbroking.com

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