

DERIVATIVES ROLLOVER ANALYSIS

28-02-2020

MARCH SERIES VIEW

In February expiry, The bears tightened their grip on Dalal Street as benchmark equity index Nifty faced broad based sell off owing to concerns over financial stress from the corona virus outbreak, which continued to panic global markets, including the US and Europe. However, sharp foreign fund outflow in the past few sessions also spoiled the sentiment. Finally, the index settled on negative note at 11633.30 levels on F&O expiry day down by 3.34% (EoE) indicating neutral to negative sentiments for the short term. On the expiry day, Nifty Futures rollover stood at 78%, which is higher than the average rollover of 74% of the last three series. Nifty will start the March series with an OI of 1.52 Cr shares compared with OI of 1.08 Cr shares at the beginning of the February series. Market-wide rollovers stood lower at 83% compared with the average rollovers of 92% in the last three series. Going into March key events that would act as market triggers would include global markets trends, concerns over global economic slowdown due to corona virus, FII flows, Development on the AGR issue, the movement of Rupee against the Dollar, and crude oil price movement will dictate the trend on the bourses in the near term.

DERIVATIVES INDICATORS

India VIX closed higher at 17.76 vs. 16.80 of the previous month indicating high volatility in market. Another leading derivative indicator, Nifty PCR, opened on higher note this month at 1.37 against last month's 0.98.

BANKNIFTY

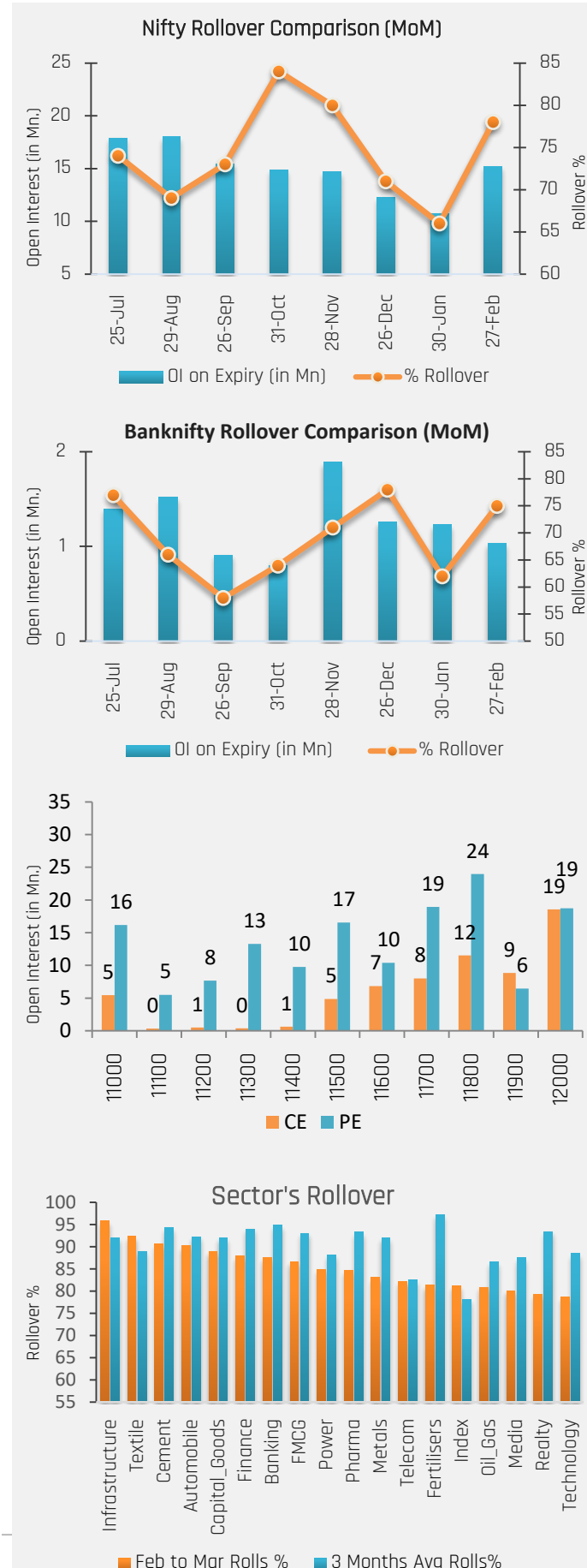
The index saw higher rolls of 75% compared with the 3M average of 68%. BankNifty will start the March series with an OI of 1.03 Mn shares compared with OI of 1.23 Mn shares at the beginning of the February series. As per options data, support for the index is around 29000 and 27500 whereas resistance stands at 31500 and 32000 for the short term.

OPTION ANALYSIS

From the OI Concentration (26-March Series), Open Interest on the call options front exists at strike prices of 11800 and 12000 (with nearly 11.51 lacs and 18.57 lacs shares outstanding). This indicates that these levels will act as the resistance zone on the upside for the short term. On the put options front, addition of Open Interest is at strike prices of 11300 and 11500 (with nearly 13.00 lacs and 16.56 lacs shares outstanding) indicating 11500 stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for TEXTILE and INFRASTRUCTURE stocks on expiry. However, low rollovers were seen in FERTILISERS, MEDIA, REALTY, TECHNOLOGY, PHARMA, METALS and OIL&GAS sector stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as ONGC, ZEEL, BAJFINANCE, BAJAJ-AUTO, MARUTI, and BHARTIARTL saw aggressive rollover in the March series while low rolls were seen in VEDL, M&M, WIPRO, BRITANNIA, TCS and HDFCBANK compared with the 3M average.
- From the midcap space, GODREJCP, CENTURYTEX, NIITTECH, UJJIVAN, AMARAJABAT, and IDEA saw high rollovers whereas PETRONET, TATACHEM, PVR, M&MFIN, UBL, MANAPPURAM and LUPIN saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



The index has seen consolidation in the 1st half of the month but in last week it has shown sharp fall of nearly 500 points and closed negative at 11633 levels. On weekly scale, index has formed rising wedge pattern. As of now nifty is placed at trendline support which is placed close to 11600 levels. If this support is hold then a pullback can be expected till 12000-12100 levels where major resistance is placed. If index sustains below 11500 then the weakness could extend towards 11200-11000 levels.

For the March series, 11200 and 11000 will act as support point whereas 11900 and 12100 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



In February series, BankNifty has seen taken resistance around 31603 and saw continuous selling pressure. Due to selling pressure index has tested 29600 levels and closed negative at 30187 levels. Now index is trading at support of trendline and 50WEMA which are placed around 29900, from where some pull back can be expected. If index fails to hold the support then 28500 levels can be witnessed in coming weeks.

For the March series, 28500 and 27000 will act as support points whereas 30800 and 31600 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE

NIITTECH	Strong Rollover of 93% compared with 3 month avg of 83% indicating long position carried forward.
APOLLOHOSP	Strong Rollover of 97% compared with 3 month avg of 85% indicating long position carried forward.
M&M	Rollover of 63% compared with 3 month avg of 95% indicating cut down of short position.

NEGATIVE

APOLLOTYRE	Strong rollover of 95% compared with 3 month avg of 92% indicating short position carried forward.
ZEEL	Strong rollover of 96% compared with 3 month avg of 91% indicating short position carried forward.

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Rollover Update (Sector Wise)

Company	Jan to Feb roll%	Feb to March roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	95	97	92	6	0.40
APOLLOTYRE	95	95	92	3	-1.34
ASHOKLEY	95	89	96	-7	-1.83
BAJAJ-AUTO	81	93	89	3	-3.64
BALKRISIND	93	92	96	-4	0.17
BHARATFORG	93	95	94	1	-0.20
BOSCHLTD	93	99	93	6	0.45
EICHERMOT	65	82	86	-4	0.26
ESCORTS	93	89	95	-6	0.43
EXIDEIND	94	95	93	2	-1.00
HEROMOTOCO	53	82	83	-1	0.47
M&M	90	63	95	-32	0.00
MARUTI	92	96	93	3	0.39
MOTHERSUMI	82	82	90	-8	-0.60
MRF	98	98	98	0	0.36
TATAMOTORS	90	93	94	0	0.38
TVSMOTOR	84	93	90	3	-2.00
Banking					
AXISBANK	92	88	94	-6	0.48
BANKBARODA	90	97	95	2	0.32
CANBK	93	95	96	-1	0.45
FEDERALBNK	94	94	96	-2	0.45
HDFCBANK	94	77	96	-19	0.28
ICICIBANK	92	89	96	-7	0.25
IDFCFIRSTB	97	95	97	-1	0.39
INDUSINDBK	82	74	92	-18	0.46
KOTAKBANK	89	79	93	-14	0.04
PNB	97	96	97	-1	0.43
RBLBANK	94	88	92	-4	0.16
SBIN	95	88	94	-7	0.45
YESBANK	96	78	96	-18	-15.56
Capital_Goods					
BEL	82	85	91	-6	0.52
BHEL	78	87	86	1	0.31
CUMMINSIND	96	85	96	-11	0.18
LT	92	93	95	-2	0.43
SIEMENS	92	96	92	4	0.34
VOLTAS	87	87	92	-5	0.39
Cement					
ACC	94	97	97	0	0.34
AMBUJACEM	90	94	95	-1	0.50
GRASIM	97	95	98	-3	0.23
RAMCOCEM	89	85	91	-6	-0.30
SHREECEM	88	87	89	-2	0.30
ULTRACEMCO	90	86	94	-9	0.26

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Fertilisers					
TATACHEM	93	69	97	-28	0.25
UPL	95	94	98	-4	0.15
Finance					
BAJAJFINSV	89	97	96	2	-0.16
BAJFINANCE	79	96	91	5	0.20
CHOLAFIN	94	89	92	-2	0.25
EQUITAS	95	98	94	4	0.18
HDFC	93	95	97	-2	0.11
IBULHSGFIN	94	88	95	-7	0.33
ICICIPRULI	90	97	93	4	0.10
L&TFH	89	82	94	-11	0.36
LICHSGFIN	92	97	96	1	0.42
M&MFIN	92	70	95	-25	0.07
MANAPPURAM	95	72	95	-23	0.23
MFSL	98	64	96	-33	-0.03
MUTHOOTFIN	95	76	96	-20	-0.21
PFC	75	90	87	3	0.48
SRTRANSFIN	92	97	96	2	-1.89
UJJIVAN	96	98	91	7	0.38
FMCG					
ASIANPAINT	92	96	95	1	-0.12
BATAINDIA	96	96	95	1	0.55
BERGEPAIN	90	96	91	4	-0.14
BRITANNIA	88	69	95	-26	-0.58
COLPAL	95	81	96	-15	0.22
DABUR	89	77	94	-17	0.33
GODREJCP	91	97	83	14	0.31
HINDUNILVR	89	91	93	-2	0.17
ITC	91	97	95	2	0.46
MARICO	82	82	92	-10	0.24
MCDOWELL-N	91	96	96	1	0.65
NESTLEIND	94	94	92	1	0.41
PIDILITIND	77	76	92	-15	0.16
TATACONSUM	83	87	92	-5	0.51
TITAN	69	76	87	-11	0.04
UBL	99	73	98	-25	-0.13
Index					
BANKNIFTY	62	75	68	7	0.24
NIFTY	66	78	74	4	-0.02
NIFTYIT	92	91	93	-2	-0.60
Infrastructure					
GMRINFRA	89	97	89	8	0.44
NCC	95	94	95	-1	0.39
Media					
PVR	85	57	84	-27	-2.67
SUNTV	85	88	87	0	0.32
ZEEL	83	96	91	5	0.39

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Company	Jan to Feb roll%	Feb to March roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Metals					
HINDALCO	94	89	92	-2	0.30
JINDALSTEL	91	95	93	2	0.51
JSWSTEEL	96	79	97	-19	0.28
NATIONALUM	90	87	88	-1	0.29
NMDC	88	81	86	-5	0.42
SAIL	93	93	96	-3	0.40
TATASTEEL	90	90	92	-2	0.23
VEDL	87	51	92	-41	-2.30
Oil_Gas					
BPCL	87	81	89	-8	-0.43
GAIL	93	89	90	-2	0.51
HINDPETRO	73	75	77	-2	-0.56
IGL	90	97	93	3	0.49
IOC	82	80	78	2	-0.85
MGL	84	94	91	3	-0.46
OIL	95	85	90	-6	-0.04
ONGC	93	78	73	5	-0.11
PETRONET	95	41	96	-55	0.19
RELIANCE	70	90	88	2	0.11
Others					
ADANIANT	95	82	97	-15	0.23
ADANI PORTS	81	88	93	-5	0.20
APOLLOHOSP	91	97	95	2	0.32
COALINDIA	88	73	80	-6	-0.66
CONCOR	85	82	88	-6	0.28
HAVELLS	94	94	96	-3	-0.31
INDIGO	84	68	81	-14	-0.09
JUBLFOOD	92	87	89	-2	-0.01
JUSTDIAL	89	93	88	5	0.21
Pharma					
AUROPHARMA	92	90	93	-2	0.34
BIOCON	97	93	96	-2	-0.15
CADILAHC	96	75	97	-23	-0.48
CIPLA	89	90	93	-3	-0.70
DIVISLAB	70	86	88	-3	0.42
DRREDDY	78	83	92	-10	0.33
GLENMARK	97	91	97	-7	0.32
LUPIN	92	77	93	-16	0.26
PEL	84	77	89	-12	0.26
SUNPHARMA	97	96	98	-2	0.43
TORNTPHARM	93	72	91	-18	-0.20

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Company	Jan to Feb roll%	Feb to March roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Power					
ADANIPOWER	97	91	97	-5	0.38
CESC	74	88	89	-1	0.54
NTPC	92	80	82	-2	-0.60
POWERGRID	85	68	76	-8	-4.76
RECLTD	85	79	81	-2	0.52
TATAPOWER	93	90	95	-5	0.31
TORNTPOWER	98	98	98	1	0.31
ADANIPOWER	97	91	97	-5	0.38
CESC	74	88	89	-1	0.54
Realty					
DLF	91	79	93	-14	0.41
Technology					
HCLTECH	88	91	94	-3	0.03
INFY	86	77	77	1	0.19
MINDTREE	83	90	88	2	-1.08
NIITTECH	83	93	83	11	0.13
TCS	81	55	91	-36	-0.51
TECHM	92	82	95	-14	-1.11
WIPRO	95	63	91	-28	-0.28
HCLTECH	88	91	94	-3	0.03
INFY	86	77	77	1	0.19
MINDTREE	83	90	88	2	-1.08
NIITTECH	83	93	83	11	0.13
Telecom					
BHARTIARTL	85	90	87	2	0.46
IDEA	82	81	77	5	1.32
INFRATEL	82	76	84	-8	-0.85
Textile					
CENTURYTEX	89	93	82	11	0.45
PAGEIND	93	89	92	-3	-1.33
SRF	94	95	93	2	0.45

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