

DERIVATIVES ROLLOVER ANALYSIS

30-10-2020

NOVEMBER SERIES VIEW

Last month, Bulls dominated the Dalal Street and saw a strong recovery from lower levels due to hopes of a fresh stimulus package in the US, the expectation of Covid-19 vaccine by year-end and decent Q2FY21 earnings released so far indicate economic recovery. However, bears returned to Dalal Street in expiry week on the back of the globally rising COVID-19 infection cases and fresh lockdown can create concern over economic recovery. Finally, Nifty rally more than 8% during the October series and closed at 11670.80 with a gain of 865 points (EoE) indicating neutral to positive bias for the short term. Thus, investors should remain cautious as the market continues to stay volatile in the near term due to Uncertainty over next week's U.S. Presidential elections and the second wave of COVID-19 cases globally and its impact on the economy. On the expiry day, the Nifty futures rollover stood at 77%, which is higher than the last three series average rollover of 76%. Nifty will start the November series with open interest of 1.05 Cr shares compared with OI of 0.83 Cr shares at the beginning of the October series. Market-wide rollovers stood in line at 92% compared with the average rollovers of 92% in the last three series. Going into November month, development in the Covid-19 vaccine, Q2FY21 earnings, U.S. Presidential elections, update on US stimulus package and Rupee movement against the Dollar, Fiis flow, global cues, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX up by 2.18% (EoE) and closed higher at 24.02% vs. 23.51% of the previous month indicating market will remain volatile going ahead. Another leading derivatives indicator, Nifty PCR, opened on higher note this month at 1.65 against last month's 1.11.

BANKNIFTY

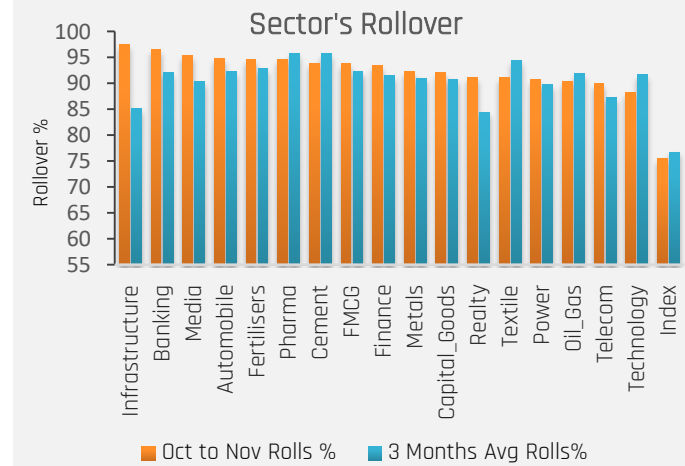
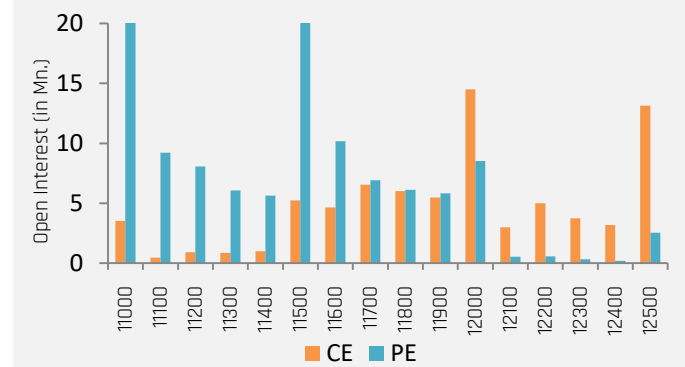
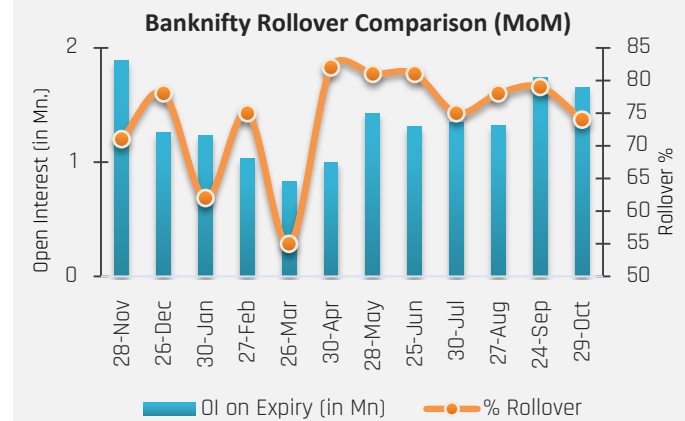
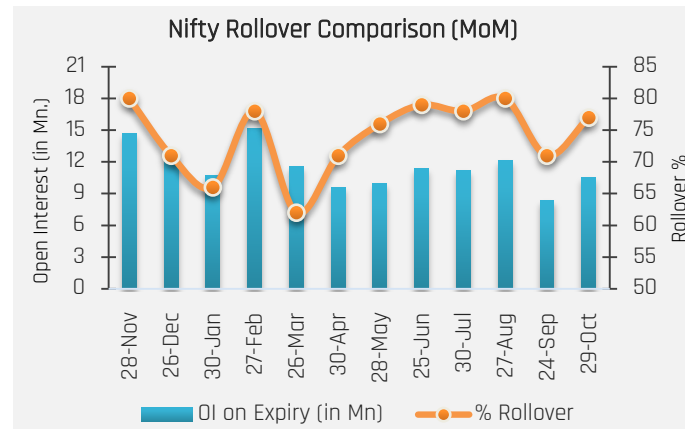
The index saw low rolls of 74% compared with the 3M average of 77%. BankNifty will start the November series with an OI of 1.65 Mn shares compared with OI of 1.74 Mn shares at the beginning of the October series. As per options data, support for the index is around 23000 and 21000 whereas resistance stands at 25000 and 26000 for the short term.

OPTION ANALYSIS

From the OI Concentration (26-November Series), Maximum open Interest on the call options front exists at strike prices of 12000 and 12500 (with nearly 14.50 lacs and 13.13 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, Maximum Open Interest is at strike prices of 11500 and 11000 (with nearly 21.26 lacs and 21.30 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **INFRASTRUCTURE, BANKING, MEDIA, AUTOMOBILE, and FERTILISERS**, stocks on expiry. However, low rollovers were seen in **TECHNOLOGY, TEXTILE, OIL&GAS** and **CEMENT** 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 **HINDUNILVR, HINDALCO, POWERGRID, HEROMOTOCO, INFY,** and **HCLTECH** saw aggressive rollover in the November series while low rolls were seen in **TCS, BRITANNIA, WIPRO, RELIANCE** and **COALINDIA** compared with the 3M average.
- From the midcap space, **IBULHSGFIN. CONCOR, M&MFIN, SAIL,** and **PNB** saw high rollovers whereas **PETRONET, LUPIN, COFORGE, NMDC** and **SRTRANSFIN** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



NIFTY 50 - 29-OCT 2020 DAILY CHART

Nifty-Daily chart

- Index has started the October series on a strong note and registered a high of 12025. However, in the short term, the index has been consolidating in the range of 11650-12025.
- Currently, the index is placed close to 34 DEMA as well as the previous demand zone. Thus, close below 11640 could lead to further weakness.
- 100 DSMA is currently placed close to 11158, which will act as strong support for medium-term.
- RSI on the daily scale is placed below center point indicating weakness whereas the Stochastic oscillator is placed close to the oversold zone.
- For the November series, 11500 and 11150 will act as support points whereas 12000 and 12200 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty - Daily chart

- The index on the daily scale is consolidating in a rising channel pattern as highlighted in the above chart. The upper trend line resistance of the channel pattern is placed close to the 25000 which will act as resistance.
- Technically, the index on a daily scale has crossed the hurdle of 200 DSMA and sustained above that. 200 DSMA is currently placed close to 23224 and 50 DSMA is placed close to 22966. Thus, 23000 will act as a strong demand zone for the index in the short term
- Lower trend line support of channel pattern is placed close to 21000 levels which will act as strong support for medium term.
- RSI on the daily scale is suggesting strength. However, the stochastic oscillator is coming down from the overbought zone.
- For the November series, 23000 and 21000 will act as support points whereas 25000 and 25500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
ICICIBANK	Strong Rollover of 99% compared with 3 months average of 96%.
HDFC	Strong Rollover of 99% compared with 3 months average of 97%.
CONCOR	Strong Rollover of 98% compared with 3 months average of 85%.
NEGATIVE	
SRTRANSFIN	Weak rollover of 84% compared with 3 month average of 94%.
PETRONET	Weak rollover of 63% compared with 3 month average of 93%.

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Rollover Update (Sector Wise)

Company	Sep to Oct roll%	Oct to Nov roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	85	87	88	-1	0.24
APOLLLOTYRE	79	95	89	6	0.17
ASHOKLEY	90	93	82	11	0.19
BAJAJ-AUTO	97	99	96	3	0.23
BALKRISIND	97	96	95	1	0.22
BHARATFORG	94	90	91	-1	0.12
BOSCHLTD	99	100	98	2	0.37
EICHERMOT	97	98	95	3	0.17
ESCORTS	92	96	90	5	0.34
EXIDEIND	95	91	97	-6	0.22
HEROMOTOCO	95	96	89	7	0.26
M&M	95	98	94	3	0.18
MARUTI	94	96	95	0	0.08
MOTHERSUMI	95	95	92	3	0.14
MRF	94	95	94	1	0.16
TATAMOTORS	95	98	94	4	0.27
TVSMOTOR	85	90	89	1	0.14
Banking					
AXISBANK	97	98	95	4	0.20
BANDHANBNK	89	95	86	10	0.32
BANKBARODA	91	97	94	3	0.35
CANBK	88	96	89	7	-0.82
FEDERALBNK	95	98	87	10	0.49
HDFCBANK	97	96	95	1	0.08
ICICIBANK	97	99	96	2	0.31
IDFCFIRSTB	96	98	96	2	0.00
INDUSINDBK	96	98	97	1	0.43
KOTAKBANK	93	96	95	1	-0.46
PNB	88	94	82	12	0.38
RBLBANK	91	94	93	2	0.26
SBIN	95	97	94	3	0.19
Capital_Goods					
BEL	93	95	86	9	0.29
BHEL	92	92	87	5	0.36
CUMMINSIND	92	84	94	-10	0.28
LT	94	94	95	-1	-1.67
SIEMENS	98	98	97	2	-0.44
VOLTAS	88	89	87	2	0.14
Cement					
ACC	95	86	96	-10	0.03
AMBUJACEM	98	88	96	-7	0.31
GRASIM	99	99	98	1	0.30
RAMCOCEM	88	98	94	4	0.28
SHREECEM	96	95	95	0	0.36
ULTRACEMCO	98	98	96	2	0.05

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Company	Sep to Oct roll%	Oct to Nov roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Fertilisers					
TATACHEM	91	93	94	-1	0.23
UPL	88	96	92	5	0.40
Finance					
BAJAJFINSV	92	98	92	5	0.39
BAJFINANCE	93	96	94	2	-0.32
CHOLAFIN	95	83	87	-5	0.08
HDFC	97	99	97	1	0.31
HDFCLIFE	97	99	95	4	0.31
IBULHSGFIN	74	96	83	13	0.07
ICICIPRULI	94	99	94	4	0.37
L&TFH	85	85	90	-5	0.31
LICHSGFIN	94	95	90	5	0.33
M&MFIN	90	96	83	13	0.25
MANAPPURAM	96	84	94	-10	0.19
MFSL	95	95	85	10	0.41
MUTHOOTFIN	96	95	94	1	-0.03
PFC	96	96	97	-1	0.41
SBILIFE	94	96	94	2	0.33
SRTRANSFIN	95	84	94	-11	-0.51
FMCG					
ASIANPAINT	86	92	93	-1	0.04
BATAINDIA	94	96	93	3	0.18
BERGEPAIN	99	91	94	-3	0.19
BRITANNIA	96	84	92	-9	0.22
COLPAL	99	92	98	-6	-0.07
DABUR	98	98	92	6	-0.06
GODREJCP	92	84	84	-1	0.00
HINDUNILVR	54	97	82	15	0.33
ITC	93	94	93	1	0.24
MARICO	99	98	96	2	-0.72
MCDOWELL-N	96	98	96	2	0.43
NESTLEIND	97	96	93	4	0.08
PIDILITIND	98	95	97	-2	0.18
TATACONSUM	94	96	92	4	0.36
TITAN	94	97	93	4	0.18
UBL	89	92	86	6	0.33
Index					
BANKNIFTY	79	74	77	-4	0.04
NIFTY	71	77	76	1	-0.01
Infrastructure					
GMRINFRA	88	98	85	12	0.65
Media					
PVR	85	94	87	7	-1.34
SUNTV	93	96	91	5	0.04
ZEEL	95	97	93	4	0.20

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Metals					
HINDALCO	96	96	86	10	0.21
JINDALSTEL	94	98	95	3	0.32
JSWSTEEL	99	97	97	1	0.15
NATIONALUM	94	90	94	-5	0.33
NMDC	89	73	94	-20	0.25
SAIL	91	97	84	12	0.45
TATASTEEL	96	97	92	5	0.12
VEDL	96	90	86	4	0.37
Oil_Gas					
BPCL	95	92	94	-1	0.32
GAIL	88	94	90	4	0.42
HINDPETRO	94	97	94	3	0.11
IGL	96	95	91	4	0.36
IOC	93	95	92	3	0.32
MGL	90	96	91	5	0.38
ONGC	92	89	87	2	0.31
PETRONET	96	63	94	-31	-0.39
RELIANCE	94	93	95	-3	0.30
Others					
ADANIENT	97	98	96	2	0.47
ADANI PORTS	99	99	98	1	0.31
APOLLOHOSP	89	86	88	-2	0.34
COALINDIA	92	87	90	-3	0.14
CONCOR	95	98	85	13	0.38
HAVELLS	98	98	98	0	0.34
INDIGO	87	97	91	5	0.27
JUBLFOOD	94	90	86	3	0.12
Pharma					
AUROPHARMA	97	94	97	-3	0.16
BIOCON	95	96	96	0	0.46
CADILAHC	95	96	96	0	0.38
CIPLA	97	98	94	4	0.26
DIVISLAB	97	98	96	2	0.27
DRREDDY	94	97	96	1	0.28
GLENMARK	94	97	91	6	0.35
LUPIN	97	74	93	-18	0.16
PEL	97	96	97	-1	0.11
SUNPHARMA	98	96	98	-2	0.49
TORNTPHARM	96	98	97	0	0.33
Power					
NTPC	89	87	86	2	-0.06
POWERGRID	89	85	78	7	-0.12
RECLTD	92	93	95	-2	0.20
TATAPOWER	97	97	97	0	0.38
TORNTPOWER	95	91	93	-3	0.38

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Company	Sep to Oct roll%	Oct to Nov roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Realty					
DLF	97	96	85	11	0.13
GODREJPROP	81	86	84	2	-0.16
Technology					
HCLTECH	94	97	91	6	0.26
INFY	82	97	90	6	0.16
MINDTREE	92	84	94	-10	0.37
NAUKRI	98	93	94	-1	0.48
COFORGE	91	74	88	-14	0.52
TCS	74	79	89	-10	0.16
TECHM	96	96	95	1	0.50
WIPRO	95	86	92	-6	-0.33
Telecom					
BHARTIARTL	97	97	97	1	0.33
IDEA	85	77	72	5	0.60
INFRADEL	90	96	93	3	-0.27
Textile					
PAGEIND	97	86	93	-8	0.18
SRF	95	96	95	1	0.45

Asit C. Mehta INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000002483

C IN: U65990MH1993PLC075388

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