

DERIVATIVES ROLLOVER ANALYSIS

31-01-2020

FEBRUARY SERIES VIEW

In the January expiry, the benchmark index registered a new all-time high of 12430 due to foreign investors buying, positive development between the US, and China, weakness in Crude oil. Meanwhile, the country's economic growth outlook for this fiscal, US-China trade war, concerns over global economic slowdown, and concerns due to Corona virus and weakness in Rupees against Dollar would continue to cap the upside. Finally, the index kept its head above the 12000 mark on F&O expiry day and ended negative 0.75% (EoE) indicating neutral to negative sentiments for the short term. On the expiry day, Nifty Futures rollover stood at 66%, which is lower than the average rollover of 76% of the last three series. Nifty will start the February series with an OI of 1.08 Cr shares compared with OI of 1.23 Cr shares at the beginning of the January series. Market-wide rollovers stood lower at 89% compared with the average rollovers of 93% in the last three series. Going into February, key events that would act as market triggers include global markets trends, FII inflows, impact of Corona virus, US-China trade war progress, 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 16.80% vs. 11.12% of the previous month indicating high volatility in market. Another leading derivative indicator, Nifty PCR, opened on a lower note this month at 0.98 against last month's 1.31.

BANKNIFTY

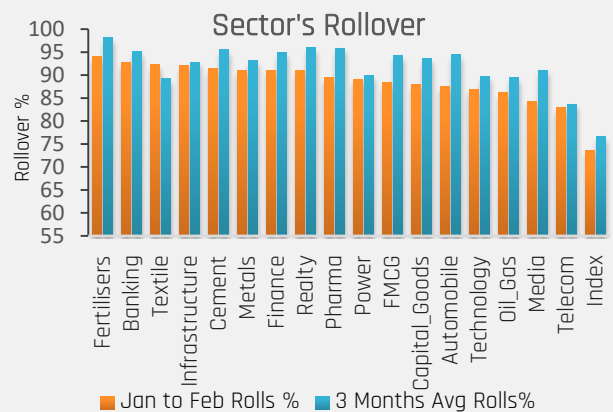
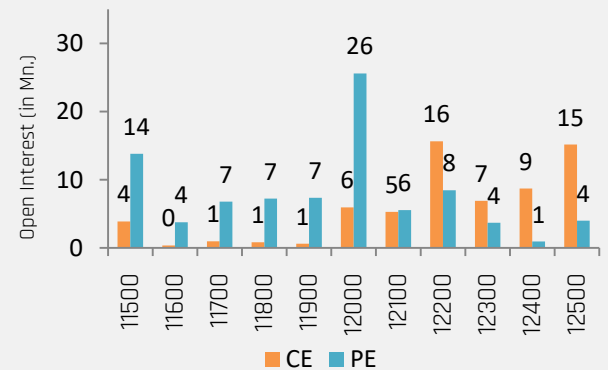
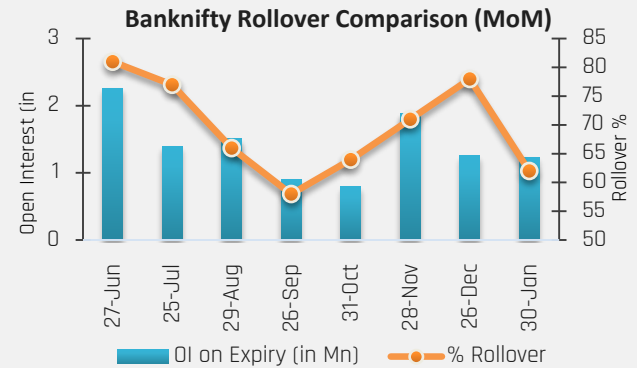
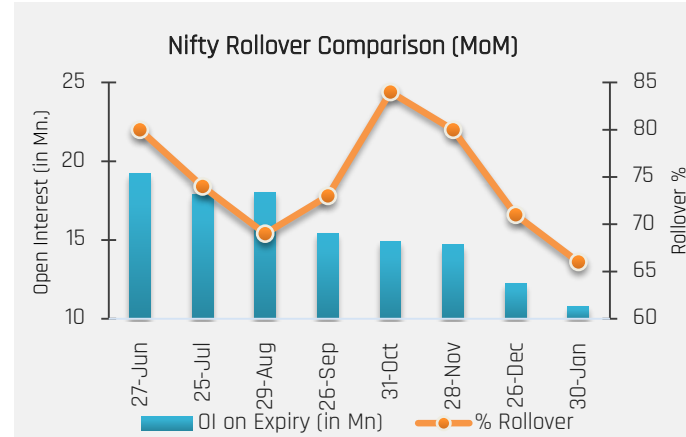
The index saw lower rolls of 62% compared with the 3M average of 78%. BankNifty will start the February series with an OI of 1.23 Mn shares compared with OI of 1.26 Mn shares at the beginning of the January series. As per options data, support for the index is around 30500 and 30000 whereas resistance stands at 31500 and 32000 for the short term.

OPTION ANALYSIS

From the OI Concentration (27 Feb Series), Open Interest on the call options front exists at strike prices of 12200 and 12500 (with nearly 15.63 lacs and 15.15 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 12000 and 11500 (with nearly 25.59 lacs and 13.80 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for FERTILISERS, BANKING, TEXTILE, INFRASTRUCTURE, CEMENT, METAL, FINANCE, and REALTY stocks on expiry. However, low rollovers were seen in TELECOM, MEDIA, and OIL & GAS stocks.
- Within the Nifty50 space, index heavyweights such as ONGC, INFY, NTPC, COALINDIA, POWERGRID, WIPRO, and GAIL saw aggressive rollover in the February series while low rolls were seen in HEROMOTOCO, RELIANCE, EICHERMOT, TITAN, TCS, and DRREDDY compared with the 3M average.
- From the midcap space, UBL, UJJIVAN, TORNTPHARM, CENTURYTEX, GODREJCP, APOLLOTYRE, and JUBLIFOOD saw high rollovers whereas DIVISLAB, CESC, PIDILITIND, PFC, MARICO, and BEL saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



The index has seen continuation of its upward bias in first half of January series and registered all-time high of 12430. However, in the second half of the January series, the index has witnessed profit-booking and closed the series on a marginally negative note at 12036. On weekly scale, index has formed a **bearish engulfing candlestick** pattern close to all-time high and trendline resistance, indicating selling pressure on the higher side. For the short term, the index is consolidating in a rising channel pattern. As per this pattern, 12350 will act as the short-term resistance zone followed by 12500. On the downside, 21 WEMA is placed close to the psychological level of 11930, which will act as the short-term support followed by 11610 where 50 WEMA is placed. RSI on a weekly scale is on the verge of forming a negative divergence.

For the February series, 11900 and 11600 will act as support point whereas 12350 and 12500 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



In the January series, BankNifty has seen taken resistance around 32613 and saw continuous selling pressure. Due to the selling pressure, the index has formed a **bearish engulfing candlestick** pattern on monthly scale as well as it broke its short-term support of 21 WEMA. The 50 WEMA is placed close to 29775, which will act as the next key support followed by 28000 where trendline support is placed. On the higher side, previous high of 32600 will act as strong resistance. RSI on weekly scale is on the verge of forming a negative divergence.

For the February series, 29500 and 28000 will act as support points whereas 31500 and 32600 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE

| | |
|------------|---|
| APOLLOHOSP | Strong rollover of 91% compared with 3 month avg of 86% indicating long position carried forward. |
| HEROMOTOCO | Rollover of 53% compared with 3 month avg of 95% indicating cut down of short position. |
| UBL | Strong rollover of 99% compared with 3 month avg of 90% indicating long position carried forward. |
| INDUSINDBK | Rollover of 82% compared with 3 month avg of 95% indicating cut down of short position. |

NEGATIVE

| | |
|------------|---|
| BAJAJFINSV | Weak rollover of 89% compared with 3 month avg of 97% indicating unwinding of long positions. |
| RELIANCE | Weak rollover of 70% compared with 3 month avg of 97% indicating unwinding of long positions. |

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Rollover Update (Sector Wise)

| Company | Dec to Jan roll% | Jan to Feb roll% | 3 AVG MONTHS ROLL | Divergence | Roll cost |
|----------------------|------------------|------------------|-------------------|------------|-----------|
| Automobile | | | | | |
| AMARAJABAT | 92 | 95 | 92 | 3 | 0.48 |
| APOLLTYRE | 94 | 95 | 89 | 6 | 0.38 |
| ASHOKLEY | 96 | 95 | 96 | -1 | 0.54 |
| BAJAJ-AUTO | 98 | 81 | 93 | -12 | 0.41 |
| BALKRISIND | 97 | 93 | 96 | -2 | -0.27 |
| BHARATFORG | 98 | 93 | 96 | -3 | 0.30 |
| BOSCHLTD | 86 | 93 | 95 | -1 | 0.50 |
| EICHERMOT | 94 | 65 | 96 | -31 | 0.27 |
| ESCORTS | 94 | 93 | 95 | -2 | -0.26 |
| EXIDEIND | 93 | 94 | 94 | 0 | 0.43 |
| HEROMOTOCO | 96 | 53 | 95 | -42 | -1.61 |
| M&M | 97 | 90 | 97 | -7 | 0.57 |
| MARUTI | 95 | 92 | 91 | 0 | 0.54 |
| MOTHERSUMI | 97 | 82 | 95 | -13 | 0.32 |
| MRF | 99 | 98 | 98 | 0 | 0.51 |
| TATAMOTORS | 96 | 90 | 95 | -5 | 0.54 |
| TVSMOTOR | 90 | 84 | 94 | -10 | -2.11 |
| Banking | | | | | |
| AXISBANK | 97 | 92 | 95 | -3 | 0.34 |
| BANKBARODA | 98 | 90 | 98 | -8 | -0.16 |
| CANBK | 98 | 93 | 97 | -4 | 0.54 |
| FEDERALBNK | 97 | 94 | 97 | -2 | 0.54 |
| HDFCBANK | 98 | 94 | 94 | 0 | 0.47 |
| ICICIBANK | 99 | 92 | 94 | -1 | 0.51 |
| IDFCFIRSTB | 97 | 97 | 97 | 0 | 0.51 |
| INDUSINDBK | 98 | 82 | 95 | -13 | 0.56 |
| KOTAKBANK | 97 | 89 | 93 | -4 | 0.45 |
| PNB | 98 | 97 | 97 | 0 | 0.50 |
| RBLBANK | 93 | 94 | 91 | 3 | 0.29 |
| SBIN | 97 | 95 | 94 | 1 | 0.55 |
| YESBANK | 97 | 96 | 95 | 1 | -10.73 |
| Capital_Goods | | | | | |
| BEL | 94 | 82 | 95 | -14 | -0.40 |
| BHEL | 95 | 78 | 92 | -14 | -0.34 |
| CUMMINSIND | 96 | 96 | 95 | 1 | -0.63 |
| LT | 97 | 92 | 95 | -3 | 0.58 |
| SIEMENS | 93 | 92 | 93 | -1 | 0.00 |
| VOLTAS | 95 | 87 | 91 | -4 | 0.14 |

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|--------------------|------------------|------------------|-------------------|------------|-----------|
| Cement | | | | | |
| ACC | 98 | 94 | 97 | -3 | 0.39 |
| AMBUJACEM | 98 | 90 | 98 | -8 | 0.43 |
| GRASIM | 99 | 97 | 99 | -2 | 0.51 |
| RAMCOCEM | 94 | 89 | 91 | -2 | -0.34 |
| SHREECEM | 92 | 88 | 92 | -4 | 0.37 |
| ULTRACEMCO | 99 | 90 | 95 | -5 | 0.28 |
| Fertilisers | | | | | |
| TATACHEM | 98 | 93 | 97 | -4 | 0.37 |
| UPL | 99 | 95 | 99 | -4 | 0.45 |
| Finance | | | | | |
| BAJAJFINSV | 99 | 89 | 97 | -8 | 0.49 |
| BAJFINANCE | 98 | 79 | 96 | -17 | 0.45 |
| CHOLAFIN | 96 | 94 | 90 | 4 | 0.52 |
| EQUITAS | 91 | 95 | 94 | 1 | 0.31 |
| HDFC | 98 | 93 | 97 | -5 | 0.35 |
| IBULHSGFIN | 98 | 94 | 96 | -2 | -1.85 |
| ICICIPRULI | 94 | 90 | 93 | -3 | 0.34 |
| L&TFH | 94 | 89 | 96 | -7 | -0.22 |
| LICHSGFIN | 97 | 92 | 96 | -4 | 0.62 |
| M&MFIN | 98 | 92 | 97 | -6 | 0.37 |
| MANAPPURAM | 96 | 95 | 96 | -1 | 0.16 |
| MFSL | 98 | 98 | 94 | 4 | 0.53 |
| MUTHOOTFIN | 97 | 95 | 95 | 0 | 0.46 |
| PFC | 93 | 75 | 94 | -20 | 0.04 |
| SRTRANSFIN | 96 | 92 | 98 | -6 | 0.42 |
| UJJIVAN | 91 | 96 | 88 | 8 | 0.58 |
| FMCG | | | | | |
| ASIANPAINT | 97 | 92 | 95 | -3 | 0.40 |
| BATAINDIA | 96 | 96 | 95 | 0 | 0.31 |
| BERGEPAIN | 95 | 90 | 94 | -4 | 0.22 |
| BRITANNIA | 99 | 88 | 96 | -8 | 0.54 |
| COLPAL | 97 | 95 | 97 | -1 | 0.39 |
| DABUR | 97 | 89 | 95 | -6 | 0.53 |
| GODREJCP | 97 | 91 | 85 | 6 | 0.01 |
| HINDUNILVR | 93 | 89 | 90 | -1 | 0.43 |
| ITC | 97 | 91 | 96 | -5 | 0.51 |
| MARICO | 99 | 82 | 98 | -16 | -0.59 |
| MCDOWELL-N | 99 | 91 | 98 | -6 | 0.39 |
| NESTLEIND | 97 | 94 | 89 | 4 | 0.60 |
| PIDILITIND | 99 | 77 | 99 | -22 | 0.41 |
| TATAGLOBAL | 97 | 83 | 97 | -13 | 0.46 |
| TITAN | 96 | 69 | 95 | -26 | 0.57 |
| UBL | 97 | 99 | 90 | 9 | 0.41 |

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|-----------------------|------------------|------------------|-------------------|------------|-----------|
| Index | | | | | |
| BANKNIFTY | 78 | 62 | 67 | -4 | 0.34 |
| NIFTY | 70 | 66 | 76 | -10 | 0.14 |
| NIFTYIT | 92 | 92 | 87 | 5 | -0.29 |
| Infrastructure | | | | | |
| GMRINFRA | 96 | 89 | 91 | -2 | 0.65 |
| NCC | 94 | 95 | 95 | 1 | 0.72 |
| Media | | | | | |
| PVR | 91 | 85 | 88 | -3 | 0.46 |
| SUNTV | 92 | 85 | 91 | -6 | 0.23 |
| ZEEL | 92 | 83 | 94 | -11 | 0.37 |
| Metals | | | | | |
| HINDALCO | 91 | 94 | 93 | 1 | 0.46 |
| JINDALSTEL | 94 | 91 | 95 | -4 | 0.66 |
| JSWSTEEL | 98 | 96 | 98 | -2 | 0.53 |
| NATIONALUM | 85 | 90 | 90 | 0 | -0.23 |
| NMDC | 79 | 88 | 89 | -1 | -3.24 |
| SAIL | 97 | 93 | 98 | -5 | 0.32 |
| TATASTEEL | 93 | 90 | 93 | -3 | 0.48 |
| VEDL | 97 | 87 | 90 | -3 | 0.50 |
| Oil_Gas | | | | | |
| BPCL | 90 | 87 | 91 | -3 | -0.90 |
| GAIL | 83 | 93 | 90 | 3 | -1.70 |
| HINDPETRO | 76 | 73 | 84 | -11 | -1.35 |
| IGL | 95 | 90 | 94 | -3 | -0.54 |
| IOC | 92 | 82 | 82 | 0 | -0.68 |
| MGL | 90 | 84 | 96 | -12 | -0.38 |
| OIL | 80 | 95 | 91 | 3 | -3.21 |
| ONGC | 87 | 93 | 73 | 20 | -3.84 |
| PETRONET | 98 | 95 | 97 | -3 | 0.43 |
| RELIANCE | 99 | 70 | 97 | -27 | 0.30 |
| Others | | | | | |
| ADANIENIT | 99 | 95 | 99 | -3 | 0.52 |
| ADANI PORTS | 99 | 81 | 94 | -13 | 0.37 |
| APOLLOHOSP | 97 | 91 | 86 | 5 | 0.08 |
| COALINDIA | 88 | 88 | 80 | 8 | -1.97 |
| CONCOR | 90 | 85 | 91 | -6 | -0.25 |
| HAVELLS | 96 | 94 | 95 | 0 | 0.39 |
| INDIGO | 77 | 84 | 82 | 2 | 0.37 |
| JUBLFOOD | 94 | 92 | 87 | 5 | 0.22 |
| JUSTDIAL | 86 | 89 | 87 | 2 | -0.20 |

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|-------------------|------------------|------------------|-------------------|------------|-----------|
| Pharma | | | | | |
| AUROPHARMA | 99 | 92 | 95 | -2 | 0.37 |
| BIOCON | 97 | 97 | 96 | 1 | -0.25 |
| CADILAHC | 98 | 96 | 98 | -2 | 0.39 |
| CIPLA | 94 | 89 | 96 | -8 | 0.65 |
| DIVISLAB | 96 | 70 | 98 | -29 | 0.25 |
| DRREDDY | 99 | 78 | 98 | -20 | 0.47 |
| GLENMARK | 96 | 97 | 98 | -1 | 0.53 |
| LUPIN | 98 | 92 | 96 | -4 | 0.56 |
| PEL | 92 | 84 | 95 | -11 | 0.39 |
| SUNPHARMA | 98 | 97 | 98 | -1 | 0.42 |
| TORNTPHARM | 94 | 93 | 86 | 7 | 0.41 |
| AUROPHARMA | 99 | 92 | 95 | -2 | 0.37 |
| Power | | | | | |
| ADANIPOWER | 96 | 97 | 96 | 1 | 0.40 |
| CESC | 99 | 74 | 96 | -22 | 0.41 |
| NTPC | 64 | 92 | 81 | 10 | -2.11 |
| POWERGRID | 52 | 85 | 78 | 7 | -3.57 |
| RECLTD | 72 | 85 | 85 | 0 | 0.10 |
| TATAPOWER | 95 | 93 | 96 | -3 | 0.41 |
| TORNTPOWER | 98 | 98 | 98 | 0 | 0.58 |
| Realty | | | | | |
| DLF | 98 | 91 | 96 | -5 | 0.43 |
| Technology | | | | | |
| HCLTECH | 99 | 88 | 96 | -8 | 0.53 |
| INFY | 56 | 86 | 75 | 11 | 0.49 |
| MINDTREE | 93 | 83 | 89 | -6 | 0.05 |
| NIITTECH | 90 | 83 | 85 | -2 | -0.64 |
| TCS | 95 | 81 | 96 | -15 | 0.18 |
| TECHM | 96 | 92 | 96 | -5 | 0.56 |
| WIPRO | 83 | 95 | 90 | 5 | 0.62 |
| Telecom | | | | | |
| BHARTIARTL | 95 | 85 | 91 | -6 | 0.48 |
| IDEA | 88 | 79 | 84 | -4 | 0.00 |
| INFRATEL | 97 | 97 | 89 | 8 | 0.06 |
| Textile | | | | | |
| CENTURYTEX | 99 | 89 | 83 | 7 | 0.55 |
| PAGEIND | 91 | 93 | 94 | -1 | 0.20 |
| SRF | 97 | 94 | 92 | 3 | 0.01 |

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