

Weekly Derivatives Synopsis

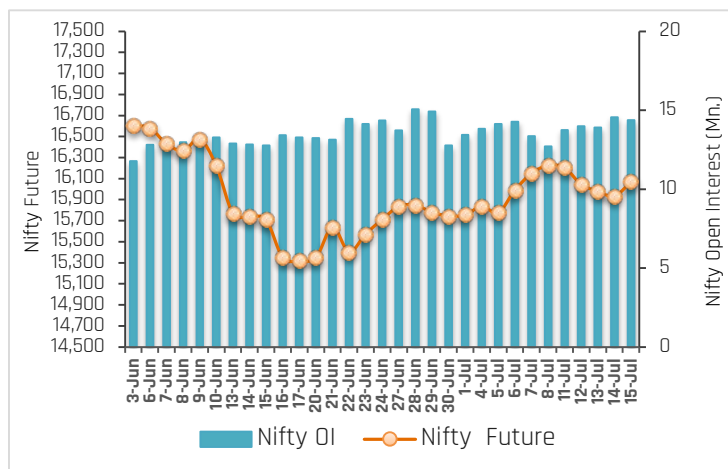
18-July-22

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	16,049	16,221	-1.06
NIFTY FUTURES	16,068	16,225	-0.97
BANKNIFTY SPOT	34,683	35,124	-1.26
BANKNIFTY FUTURES	34,782	35,174	-1.11
NIFTY PCR	1.21	1.20	0.83
NIFTY PCR-VOL	0.96	0.99	-3.03
NIFTY OI(In Mn)	14.37	12.71	13.06
BANKNIFTY OI(In Mn)	2.52	2.68	-5.97
INDIA VIX	17.60	18.40	-4.35
NIFTY BASIS POINTS	19.10	4.60	315.22

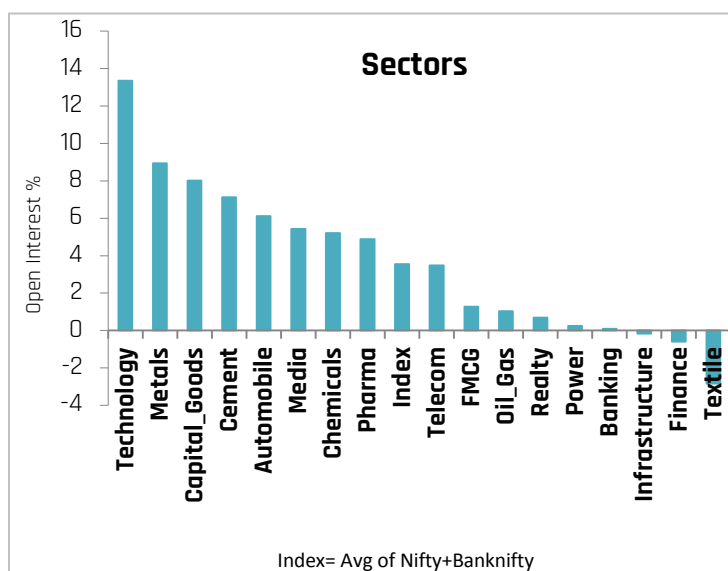
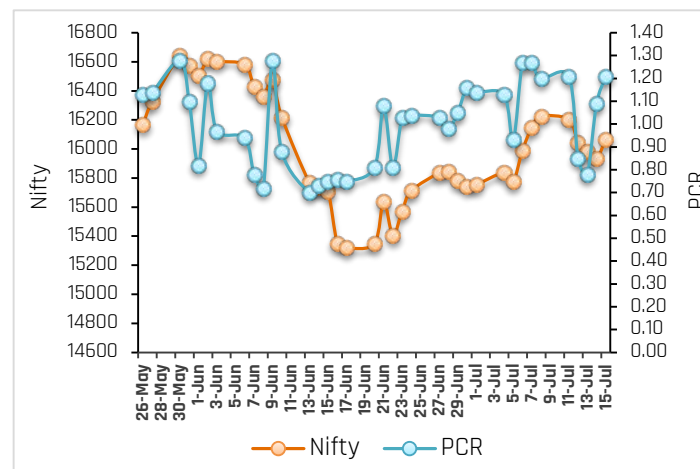
Index Outlook

Domestic benchmark indices remained volatile, and ended with modest losses due to weak global cues, mixed set of quarterly earnings, weakening Indian rupee, and fears the US Fed may aggressively rate hikes after higher-than-expected inflation. However, lower crude oil prices and a favourable monsoon, on the other hand, gave some relief. Finally, Nifty Future settled on negative note at 16068 down by 0.97% (WoW) with an addition in open interest of 13.06% (WoW) indicating neutral to negative bias for short term. During the week, India VIX cooled off by 4.35% and closed at 17.60%. We expect volatility will remain high due to the geopolitical issue and corporate earnings. Another derivatives indicator, Nifty Put-Call ratio currently stands on positive side at 1.21, up by 0.83% (WoW). Technically, the index on a weekly scale has found support around 100 weekly simple moving averages and witnessed a breakout falling channel pattern. As per this pattern, the index could test the levels of 16800-16850. For the short term, 15900 and 15500 will act as support points, whereas 16570 and 16850 will act as resistance points. Going forward, geopolitical tensions between Russia and Ukraine, Rupee movement against the Dollar, bond yields movement, Q1FY23 earnings, progress of monsoon, FII's flow, global cues, micro economic data, and crude oil price movement will dictate the trend on the bourses next week.

Nifty OI Trend



Nifty FutVsPcr



Sectoral Activity

- Last week, **Technology, Metals, Capital Goods, Cement, and Automobile** sectors saw open interest addition. Top names included **COFORGE, TCS, SAIL, NMDC, HONAUT, HAL, JKCEMENT, RAMCOCEM, BAJAJ-AUTO and EICHERMOT.**
- Textile** sectors saw open interest unwinding on the back of short covering in the stocks.
- In the **Banking** space, **INDUSINDBK, CANBK, RBLBANK, HDFCBANK, AUBANK** and **PNB** saw short build up, while long unwinding seen in **BANDHANBNK, BANKBARODA, ICICIBANK, AXISBANK, and SBIN.**
- This week, some buying can be seen in **SYNGENE, DALBHARAT, AARTIIND, SIEMENS, CROMPTON** and **TATACHEM** while selling pressure can be seen in **RBLBANK, LALPATHLAB, and L&TFH.**
- From sector space, **Technology, Power, Metals, Textile, Banking, Capital Goods, FMCG and Cement** stocks are likely to remain in focus in the forthcoming week.

18-July-22

Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
SYNGENE	615.45	61%	7%
ALKEM	3,215.30	23%	3%
BAJAJ-AUTO	3,912.35	18%	2%
EICHERMOT	3,025.50	15%	4%

Long Unwinding			
Symbol	Price	OI Change	Price Change
HDFCAMC	1,899.85	-6%	-3%
INFY	1,436.70	-5%	-5%
ICICIGI	1,251.30	-4%	-2%
FSL	103.15	-3%	-2%

Short Build-up			
Symbol	Price	OI Change	Price Change
COFORGE	3,360.50	63%	-6%
SAIL	68.40	36%	-5%
TCS	3,007.25	31%	-8%
BSOFT	310.70	28%	-8%

Short Covering			
Symbol	Price	OI Change	Price Change
KOTAKBANK	1,788.40	-14%	2.4%
GUJGASLTD	453.20	-13%	2.4%
NTPC	149.70	-12%	4%
DIXON	3,752.50	-11%	3%

Weekly Recommendation

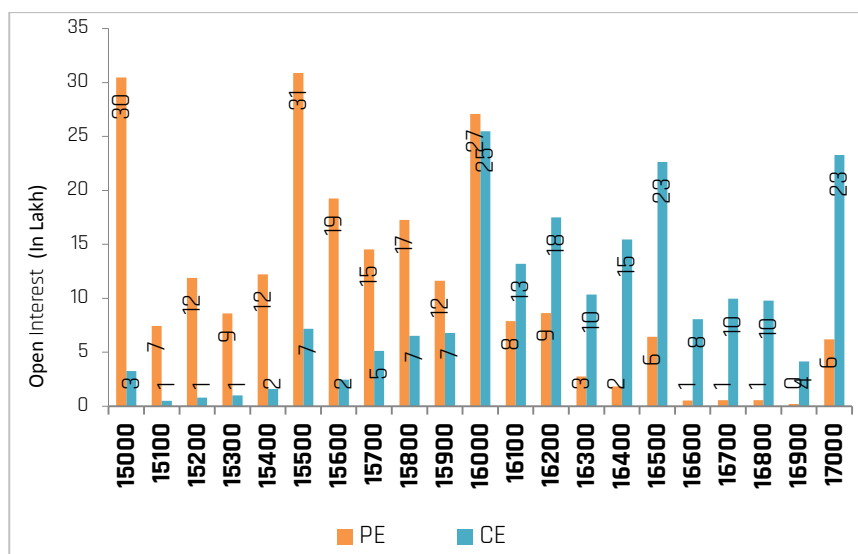
CROMPTON (394.40) - The stock has seen open interest addition of 5.67% along with positive price action indicating long buildup. The stock can be bought in the range of 392-393 with a stop loss of 383 on closing basis for a target of 403-410.

Target: 410 Stop Loss: 383

LALPATHLAB (1963.40) - The stock has seen open interest addition of 8.90% along with negative price action indicating short buildup. The stock can be sold in the range of 1975-1980 with a stop loss of 2010 on closing basis for a target of 1940-1920.

Target: 1920 Stop Loss: 2010

Nifty Options Snapshot



From the OI Concentration (28-Jul Series), Maximum addition of open interest on the call options front exists at the strike prices of 16000 16500 and 17000 (with nearly 25.49 lacs, 22.64 lacs, and 23.29 lacs shares outstanding respectively). This indicates that 16500 and 17000 levels would act as the resistance zone on the upside. On the Put options front, maximum addition of open interest is at the strike prices of 16000, 15500 and 15000 (with nearly 27.10 lacs, 30.88 lacs and 30.47 lacs shares outstanding respectively), indicating that 16000 and 15500 levels would act as the stronger support zone on the downside.

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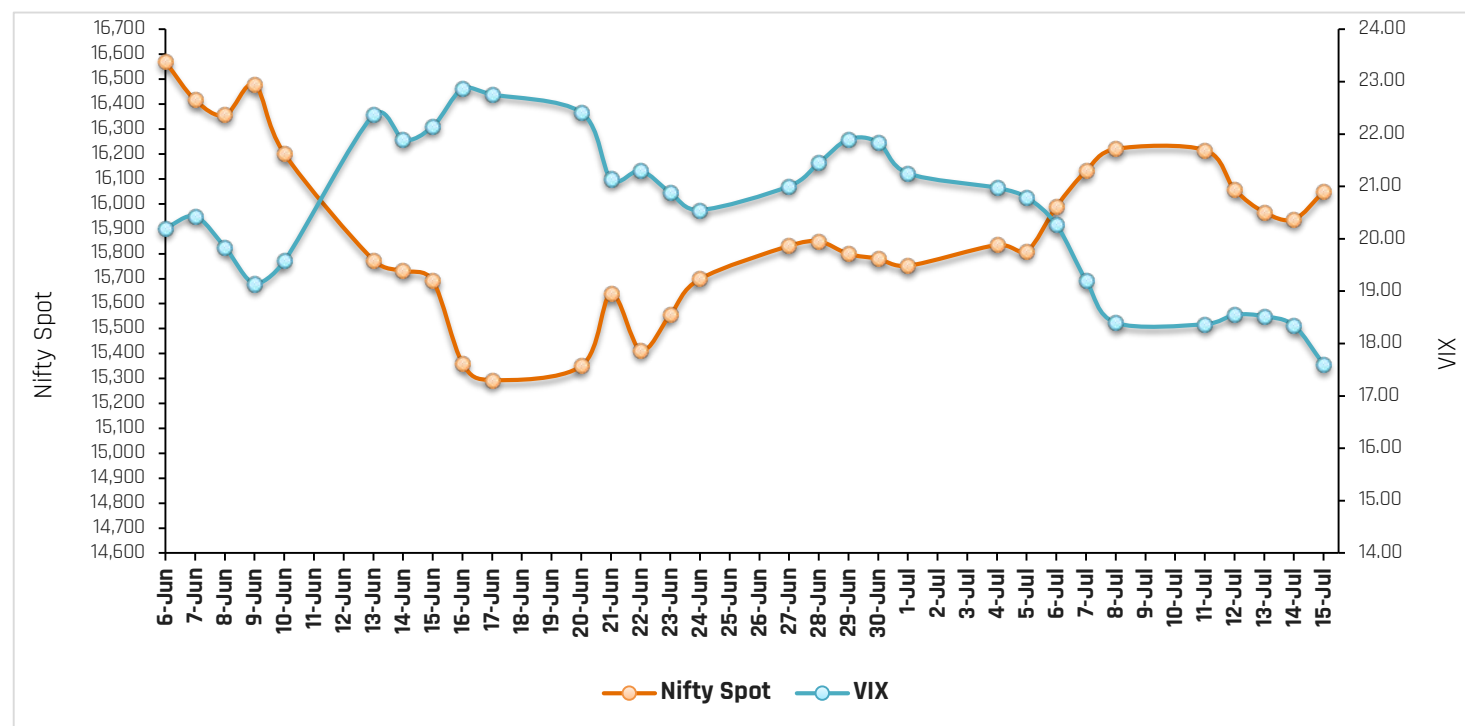
FII Stats (5 Days Trend)

(Rs. Cr.)	15-Jul	14-Jul	13-Jul	12-Jul	11-Jul
INDEX FUTURES	-456.91	-601.97	566.35	-2815.14	-525
INDEX OPTIONS	3864.89	7037.28	-3918.39	-1555.54	2714
STOCK FUTURES	360.55	-473.05	11.26	-1123.93	-560
STOCK OPTIONS	-300.03	-75.99	-37.01	171.45	74

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
8-Jul	0.38	1.38	1.53	1.59
11-Jul	0.36	1.33	1.54	1.56
12-Jul	0.25	1.09	1.78	1.53
13-Jul	0.24	0.93	1.82	1.55
14-Jul	0.20	1.19	2.01	1.54
15-Jul	0.20	1.19	1.89	1.54

NIFTY VS INDIA VIX (Last 30 Days Trend)



Observation: Any rise in India Vix this week would lead to either side movement in the Index. As per the above chart, India Vix has strong support at around 16.00 and resistance stands at 21.00.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	23
Declines	18
Unchanged	09

Technical View

Nifty 15-Jul, Weekly Chart



- The index started the week on a weaker note and remained sideways throughout the week. On the back of that, the index closed the week on a negative note at 16049.
- Technically, the index on a weekly scale has found support around 100 weekly simple moving average (WSMA) and has witnessed a breakout falling channel pattern as highlighted in the chart. As per this pattern, the index could test the levels of 16800-16850.
- The 100 WSMA is currently placed close to 15504, which will act as a major support.
- On the higher side, the 34 weekly exponential moving average is placed close to 16570, which will act as the first key hurdle, followed by 16850.
- The RSI on the weekly scale is placed below the center point, but it has witnessed the short term trend line breakout, indicating strength. Moreover, the stochastics oscillator has formed a bullish crossover, suggesting strength.
- In the short term, 15900 and 15500 will act as support points, whereas 16570 and 16850 will act as resistance points.

BankNifty, 15-Jul, Weekly Chart



- The index started the week on a high note but was unable to maintain it. As a result, the index went into consolidation mode and settled the week on a negative note at 34683.
- Technically, the index has found support close to the 100 weekly simple moving average (WSMA) and on a daily scale it has witnessed a cup and handle pattern breakout. As per this breakout, the index can test the levels of 36000. The 100 WSMA is currently placed near 33625.
- On the higher side, the 34 WEMA is placed close to 35425, which will act as the first key resistance, followed by 36000, where the trend line resistance is placed.
- The RSI on the weekly scale is placed below the center point, but it has witnessed the trend line breakout. Moreover, the stochastics oscillator has formed a bullish crossover, suggesting strength.
- In the short term, 34000 and 33625 will act as support points, whereas 35425 and 36000 will act as resistance points.

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Weekly Derivatives Synopsis	Mutual fund model portfolios
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