

# Weekly Derivatives Synopsis

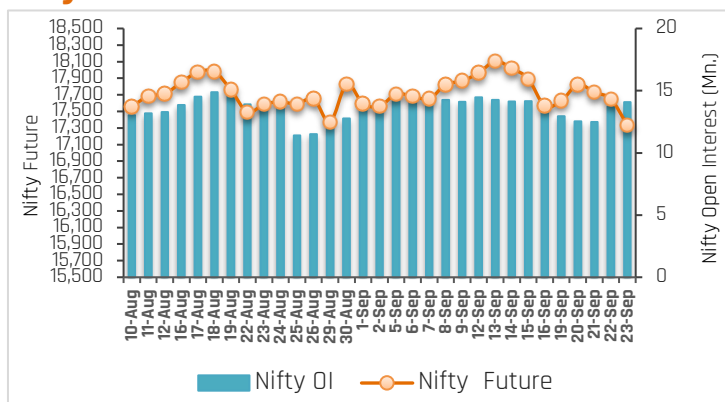
26-Sep-22

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	17,327	17,531	-1.16
NIFTY FUTURES	17,336	17,566	-1.31
BANKNIFTY SPOT	39,546	40,777	-3.02
BANKNIFTY FUTURES	39,643	40,838	-2.93
NIFTY PCR	0.76	0.76	0.00
NIFTY PCR-VOL	0.88	0.87	1.15
NIFTY OI(In Mn)	14.07	13.48	4.38
BANKNIFTY OI(In Mn)	2.70	2.41	12.03
INDIA VIX	20.59	19.82	3.88
NIFTY BASIS POINTS	8.50	35.30	-75.92

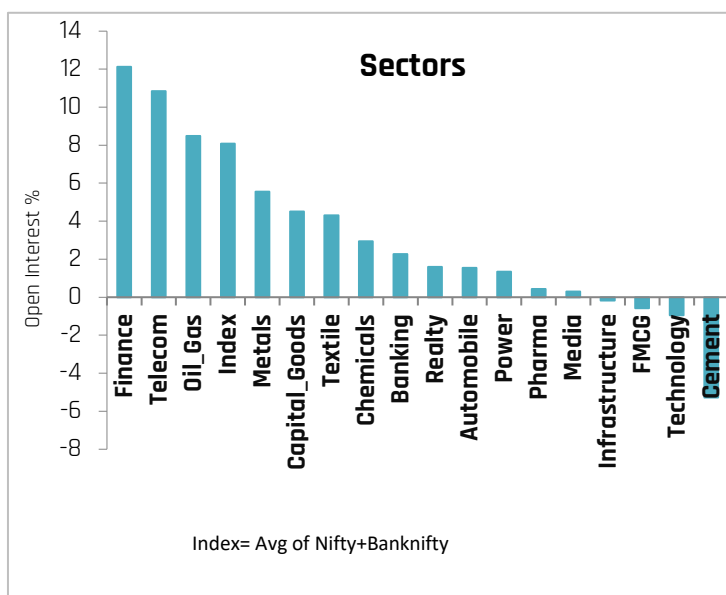
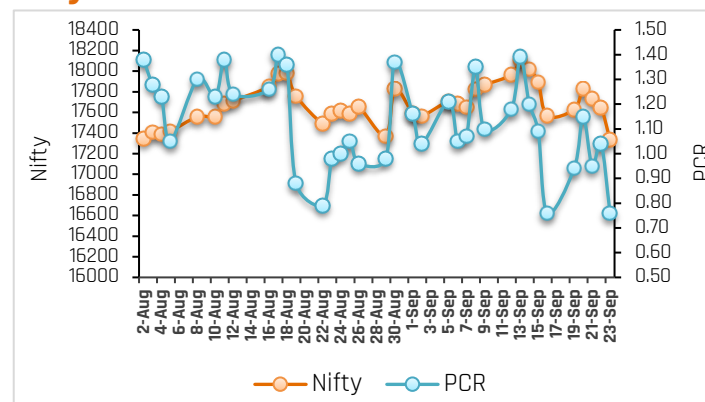
## Index Outlook

The domestic equity benchmarks dropped sharply during a high volatile week. Weak global cues, fears of a recession as a result of aggressive Fed policy tightening, and a fresh escalation of tensions between Russia and Ukraine all dented the sentiment. Finally, Nifty Future closed on negative note at 17336 down by 1.31% (WoW) with an addition in open interest of 4.38% (WoW) indicating neutral to negative bias in the market. During the week, India VIX shoot up by 12.03% and closed at 20.59%. We expect volatility will remain high due to geopolitical issue and F&O expiry. Another derivatives indicator, Nifty Put-Call ratio currently stands on flat note at 0.76 (WoW). Technically, the index on a daily scale witnessed the breakdown of the short-term consolidation. As per this breakdown, the index could test the levels of 17000 and 16800. The index has broken the support of the 34-Days exponential moving average (DEMA) which was acting as a key support. 34 DEMA is currently placed near 17522. Thus, 17520-17530 will act as a stiff resistance on the higher side. On the downside, the 200 Days simple moving average (DSMA) is placed close to 16993, which will act as short-term support, followed by 100 DSMA which is placed close to 16702. Going forward, Rupee movement against the Dollar, F&O expiry, bond yields movement, economic data, progress of monsoon, Fii's flow, global cues, and crude oil price movement will dictate the trend on the bourses next week.

## Nifty OI Trend



## Nifty FutVsPcr



## Sectoral Activity

- Last week, **Finance, Telecom, Oil&Gas, Metals** and **Capital Goods** sectors saw open interest addition. Top names included **CANFINHOME, M&MFIN, IDEA, BHARTIARTL, GUJGASLTD, IOC, NMDC, COALINDIA, HONAUT, BEL** and **BHEL**.
- Cement** sectors saw open interest unwinding on the back of profit booking in stocks.
- In the **Banking** space, **CUB, IDFCFIRSTB, CANBK, KOTAKBANK PNB, BANKBARODA** and **FEDERALBNK** saw short build up, whereas long unwinding seen in **INDUSINDBK, ICICIBANK, AXISBANK** and **RBLBANK**.
- This week, some buying can be seen in **CIPLA, MARICO, COFORGE, LUPIN, CROMPTON,** and **COLPAL** while selling pressure can be seen in **M&MFIN, VOLTAS, GODREJPROP,** and **INDUSTOWER**.
- From sector space, **Banking, Power, Capital Goods, Cement, Technology, Metals** and **Automobile** stocks are likely to remain in focus in the forthcoming week.

26-Sep-22

## Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
CIPLA	1,062.75	29%	2%
ITC	346.35	16%	4%
NMDC	128.10	15%	2%
CUMMINSIND	1,217.95	9%	2%

Long Unwinding			
Symbol	Price	OI Change	Price Change
INDIACEM	253.95	-38%	-5%
ICICIBANK	884.10	-14%	-3%
GSPL	233.85	-13%	-5%
DELTACORP	209.55	-11%	-7%

Short Build-up			
Symbol	Price	OI Change	Price Change
CANFINHOME	516.95	192%	-19%
M&MFIN	195.15	36%	-14%
MUTHOOTFIN	965.90	29%	-6%
OBEROIRLTY	972.65	18%	-5%

Short Covering			
Symbol	Price	OI Change	Price Change
AMBUJACEM	540.45	-16%	4%
METROPOLIS	1,457.55	-16%	7%
COFORGE	3,341.25	-12%	3%
LALPATHLAB	2,497.10	-8%	14%

## Weekly Recommendation

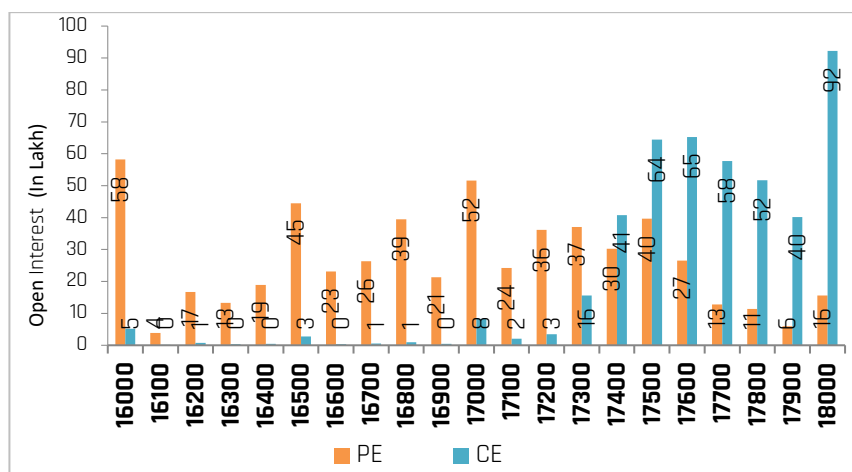
**LUPIN (649.35)** - The stock has seen open interest unwinding of 4.22% along with positive price action indicating short covering. The stock can be bought in the range of 644-646 with a stop loss of 625 on closing basis for a target of 680-690.

**Target: 690 Stop Loss: 625**

**VOLTAS (900.05)** - The stock has seen open interest addition of 3.82% along with negative price action indicating short buildup. The stock can be sold in the range of 910-915 with a stop loss of 942 on closing basis for a target of 870-850.

**Target: 850 Stop Loss: 942**

## Nifty Options Snapshot



From the OI Concentration (29-Sep Series), Maximum addition of open interest on the call options front exists at the strike prices of 17500, 17600 and 18000 (with nearly 64.47 lacs, 65.28 lacs, and 92.18 lacs shares outstanding respectively). This indicates 17600 and 18000 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 17000, 16500 and 16000 (with nearly 51.60 lacs, 44.53 lacs and 58.18 lacs shares outstanding respectively), indicating that 17000 and 16500 levels would act as the stronger support zone on the downside.

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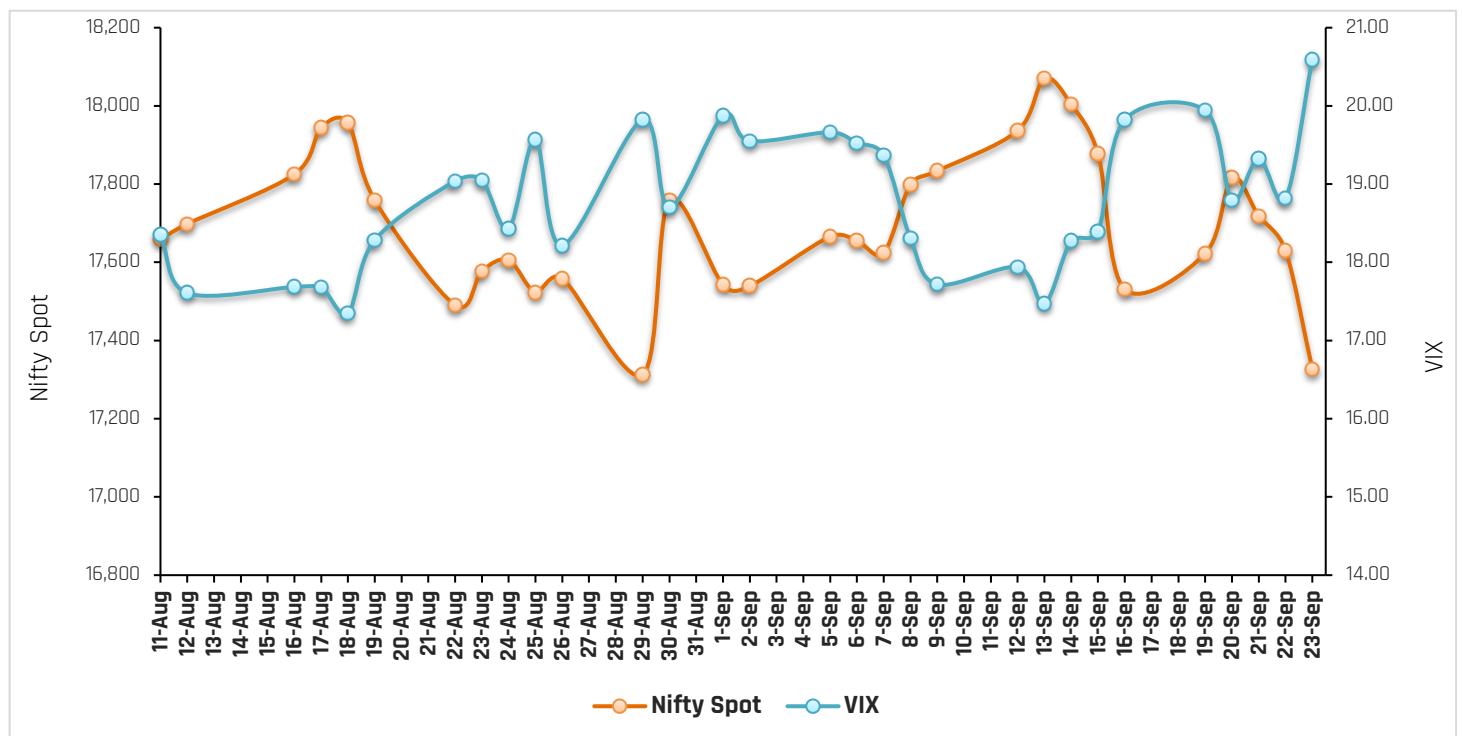
## FII Stats (5 Days Trend)

(Rs. Cr.)	23-Sep	22-Sep	21-Sep	20-Sep	19-Sep
<b>INDEX FUTURES</b>	-3372.88	-2437.91	-1092.40	1844	1173.33
<b>INDEX OPTIONS</b>	8026.5	2361.23	2931.24	1511	-4234.19
<b>STOCK FUTURES</b>	-2990.99	691.1	-1452.71	1188	42.08
<b>STOCK OPTIONS</b>	292.94	534.82	-163.06	58	-0.29

## FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
<b>16-Sep</b>	0.39	1.41	2.02	0.95
<b>19-Sep</b>	0.47	1.49	1.78	0.95
<b>20-Sep</b>	0.63	1.67	1.74	0.96
<b>21-Sep</b>	0.53	1.41	1.96	0.95
<b>22-Sep</b>	0.40	1.37	2.49	0.96
<b>23-Sep</b>	0.26	1.30	2.40	0.93

## 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	15
Declines	29
Unchanged	06

### Technical View

#### Nifty 23-Sep, Daily Chart



- Technically, the index on a daily scale witnessed the breakdown of the short-term consolidation. As per this breakdown, the index could test the levels of 17000 and 16800.
- The index has broken the support of the 34-Days exponential moving average (DEMA) which was acting as a key support. 34 DEMA is currently placed near 17522. Thus, 17520-17530 will act as a stiff resistance on the higher side.
- On the downside, the 200 Days simple moving average (DSMA) is placed close to 16993, which will act as short-term support, followed by 100 DSMA which is placed close to 16702.
- The RSI on the daily scale has broken its center point, indicating weakness. Moreover, the Stochastics oscillator on a daily scale has formed a bearish crossover. Thus, as long as the index remains below 18100, a sell on rise strategy needs to be adopted.
- In the short term, 16990 and 16700 will act as support points, whereas 17530 and 18100 will act as resistance points.

#### BankNifty, 23-Sep, Daily Chart



- The index began the week on a high note. However, the index encountered resistance near the previous high and profit booking occurred. As a result, the index settled the week on a negative note at 39546.
- Technically, the index has formed a double top formation on a daily scale, which needs confirmation. Thus, 41840 will act as a stiff resistance for the index.
- Due to strong selling pressure, the index has broken the support of 21 DEMA. Currently, the index is placed close to previous breakout point and 34 DEMA. Thus, 39400-39500 will act as a support. If the index sustains below 39400, then the next key support is placed close to 38580, where the 50 DSMA is placed.
- The RSI on the daily scale has witnessed the breakdown of short-term consolidation and is placed below center point. Moreover, the Stochastics oscillator on a daily scale has formed a bearish crossover. Thus, for the short term, some consolidation or profit booking could be possible, but the trend remains up.
- In the short term, 39000 and 38500 will act as support points, whereas 41500 and 41840 will act as resistance points.

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## Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

### Retail Research Desk:

Email: [retailresearch@acm.co.in](mailto:retailresearch@acm.co.in)

Research Analyst Registration Number:

INH000002483

CIN: U65990MH1993PLC075388

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