

30-06-2017

ROLLOVER ANALYSIS

JULY SERIES VIEW

As expected, in our last month's rollover analysis, Nifty Futures saw a strong up-move at the start of the June series, but could not sustain at higher levels. The index futures had closed above the 9500-mark, which is near the short-term support. On the expiry day, Nifty futures' rollover stands at 73%, which is higher than the average rollover of 69% of the last three series. Nifty will start the July series with an OI of 2.03 Cr shares compared with OI of 2.00 Cr shares at the beginning of the June series. Going into July, key events to watch out would include Q1FY18 earnings releases, FOMC review, GST, and advancement of monsoon. We expect the volatility index to increase on back of the above events. On the downside, support for the index is around 9300 whereas resistance stands at 9700. Stock-specific momentum will be seen more in July compared with the index. We expect the index to trade in the range of 9300-9700 in the July series

DERIVATIVES INDICATORS:

India VIX closed lower at 11.38 vs. 10.44 of the previous month. Another leading derivative indicator, the Nifty PCR, opened on a higher note this month at 1.14 against last month's 1.06.

BANKNIFTY:

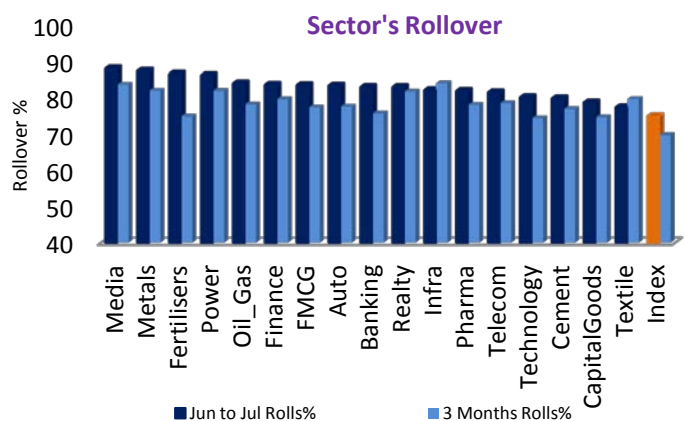
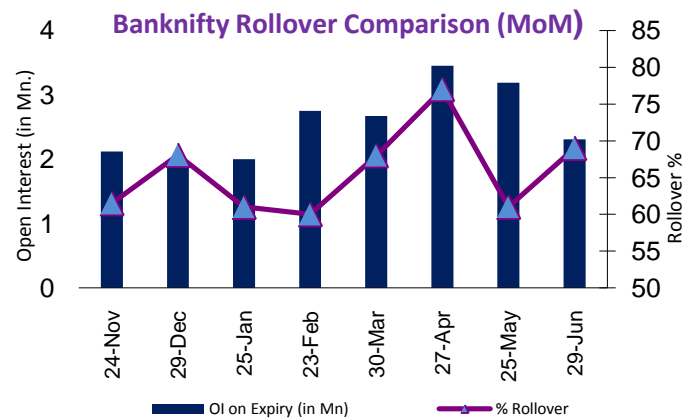
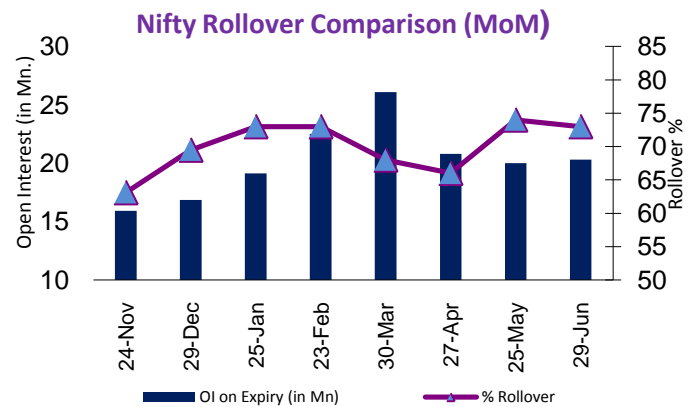
The index saw higher rolls of 69% compared with the 3M average of 68%. BankNifty will start the July series with an OI of 2.31 Mn shares compared with OI of 3.19 Mn shares at the beginning of the June series. As per the options data, support for the index is around 23000 and 22500 whereas resistance stands at 23500 and 24000 for the short term.

OPTION ANALYSIS

From the OI Concentration (July Series), maximum addition of open interest on the call options front exists at strike prices of 9700 and 9800 (with nearly 27.15 lacs and 26.76 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 addition of open interest is at strike prices of 9500 and 9400 (with nearly 32.10 lacs and 41.61 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **Media, Power, Metal, Oil & Gas, and Fertiliser** stocks on expiry. However, low rollovers were seen in **Textile and Infra** stocks.
- Within the Nifty50 space, index heavyweights such as **ITC, HDFC, TCS, GAIL, M&M, WIPRO, and KOTAKBANK** saw aggressive rollover in the July series while low rolls were seen in **LUPIN, SBIN, GRASIM, AMBUJACEM, AUROPHARMA, ICICIBANK, and TATASTEEL** compared with the 3M average.
- From the midcaps, **JUBLFOOD, UPL, IOC, COLPAL, OIL, PNB, AMARAJABAT, JUSTDIAL, IGL, and UNIONBANK** saw high rollovers whereas **PETRONET, RELCAPITAL, MARICO, ABIRLANUVO, SINTEX, TITAN, VOLTAS, NCC, and HEXAWARE** saw lower rollover compared with the 3M average.

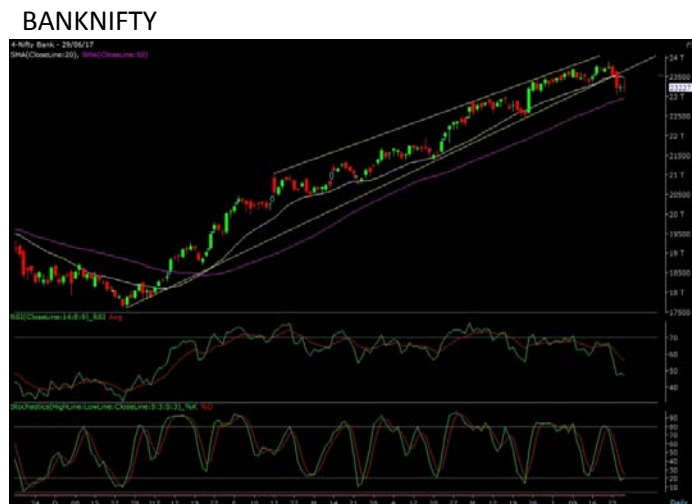


TECHNICAL VIEW ON NIFTY:

Last month, the index registered a new lifetime high of 9710 and saw profit booking. Due to selling pressure, the index has broken its short-term moving average of 20 DSMA and trendline support, indicating short-term weakness. The Nifty is placed close to its 50 DSMA (9450), which will act as support for the short term. Once 9450 is taken out, the index can test the levels of 9390-9350. On the higher side, 9600-9620 (20 DSMA) will act as hurdle for the short term. RSI is showing weakness. However, stochastic oscillator is placed close to the oversold zone. For the July series, Nifty supports are placed at 9380 and 9300 whereas resistance is placed at 9620 and 9710.

TECHNICAL VIEW ON BANKNIFTY

Last month, Bank Nifty registered a new lifetime high of 23898. Due to an overbought condition, BankNifty saw profit booking and almost tested 23100. The index on the daily scale has witnessed a rising wedge pattern breakdown, indicating weakness. The index has formed a firm base around its previous resistance of 22000. For the short term, 22480 will act as key support followed by 22000. RSI is showing weakness since it has witnessed negative divergence. However, stochastic is placed close to the oversold zone. Thus, for the short term, bounce should be used for selling purpose. For the July series, BankNifty supports are placed at 22480 and 22000 while it will find resistance at 23550 and 24000.



Stocks to watch out based on Rollover Analysis:

POSITIVE

DHFL	Strong rollover of 92% vs 88% (3M avg) indicates long position carried forward.
TATATPOWER	Strong rollover of 89% vs 78% (3M avg) indicates long position carried forward.
M&M	Strong rollover of 88% vs 69% (3M avg) indicates long position carried forward.
AXISBANK	Strong rollover of 85% vs 76% (3M avg) indicates long position carried forward.
DISHTV	Strong rollover of 81% vs 78% (3M avg) indicates long position carried forward.
VEDL	Strong rollover of 86% vs 77% (3M avg) indicates long position carried forward.
CIPLA	Strong rollover of 84% vs 77% (3M avg) indicates long position carried forward.

NEGATIVE

KOTAKBANK	Rollover of 80% vs 65% (3M avg) indicates short position carried forward.
TATAMOTORS	Rollover of 83% vs 79% (3M avg) indicates short position carried forward.
ASIANPAINT	Rollover of 86% vs 75% (3M avg) indicates short position carried forward.

Rollover Update (Sector Wise)

Company	Sector	May to Jun Roll%	Jun to Jul Roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %
ABIRLANUVO	Textile	83	59	84	-25	0.48
ACC	Cement	71	84	75	9	0.64
ADANIENT	Others	85	87	83	4	0.83
ADANIPTS	Others	76	80	76	4	0.55
ADANIPOWER	Power	87	89	86	4	0.69
AJANTPHARM	Pharma	82	80	73	7	0.59
ALBK	Banking	76	78	78	0	0.07
AMARAJABAT	Automobile	78	90	74	15	0.73
AMBUJACEM	Cement	84	76	77	-1	0.22
ANDHRABANK	Banking	83	83	73	10	0.93
APOLLOHOSP	Others	86	77	84	-8	0.49
APOLLOTYRE	Automobile	87	84	86	-2	0.74
ARVIND	Textile	66	73	73	0	0.61
ASHOKLEY	Automobile	86	84	81	2	-0.91
ASIANPAINT	FMCG	73	86	75	11	0.43
AUROPHARMA	Pharma	84	80	81	-1	0.49
AXISBANK	Banking	76	85	76	9	-0.73
BAJAJ-AUTO	Automobile	82	87	74	12	-1.48
BAJFINANCE	Finance	88	86	80	6	0.15
BANKBARODA	Banking	79	85	77	8	0.74
BANKINDIA	Banking	77	80	71	9	-2.31
BANKNIFTY	Index	61	69	68	0	0.02
BATAINDIA	FMCG	90	88	85	3	-0.64
BEL	Others	91	87	84	2	0.69
BEML	Others	90	84	79	5	0.54
BHARATFIN	Finance	80	87	86	1	0.91
BHARATFORG	Automobile	74	79	72	8	0.78
BHARTIARTL	Telecom	75	84	74	9	0.43
BHEL	Capital_Goods	84	87	75	12	0.55
BIOCON	Pharma	76	75	74	1	-0.45
BOSCHLTD	Automobile	83	87	78	9	0.57
BPCL	Oil_Gas	77	83	79	5	0.31
BRITANNIA	FMCG	87	79	72	8	0.48
CADILAHC	Pharma	83	79	78	1	0.69
CANBK	Banking	79	86	79	7	-1.95
CASTROLIND	Oil_Gas	91	89	91	-2	0.60
CEATLTD	Automobile	71	76	76	0	-0.28

Company	Sector	May to Jun Roll%	Jun to Jul Roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %
CENTURYTEX	Textile	91	94	90	4	0.79
CESC	Power	89	91	86	5	0.70
CGPOWER	Capital_Goods	83	84	79	6	0.68
CIPLA	Pharma	80	84	77	8	0.51
COALINDIA	Others	79	87	77	10	0.63
COLPAL	FMCG	64	85	68	17	-0.12
CONCOR	Others	82	80	78	2	0.55
CUMMINSIND	Capital_Goods	72	82	75	7	-0.26
DABUR	FMCG	92	92	86	5	-0.21
DCBBANK	Banking	71	73	73	0	0.76
DHFL	Finance	91	92	88	5	-0.09
DISHTV	Media	80	81	78	3	0.44
DIVISLAB	Pharma	88	85	84	1	0.77
DLF	Realty	75	77	80	-3	0.75
DRREDDY	Pharma	89	87	81	7	-0.17
EICHERMOT	Automobile	77	84	74	11	0.36
ENGINEERSIN	Infrastructure	81	78	80	-1	0.79
EXIDEIND	Automobile	84	88	87	2	0.21
FEDERALBNK	Banking	82	86	85	1	0.00
GAIL	Oil_Gas	71	86	68	18	0.51
GLENMARK	Pharma	76	89	78	11	0.56
GMRINFRA	Infrastructure	88	84	88	-4	1.58
GODREJCP	FMCG	76	80	70	10	0.58
GODREJIND	FMCG	86	86	78	8	0.56
GRANULES	Pharma	86	89	87	2	0.68
GRASIM	Cement	72	73	74	-1	0.50
HAVELLS	Others	67	82	70	12	0.57
HCLTECH	Technology	74	80	69	11	0.08
HDFC	Finance	76	83	62	21	-0.42
HDFCBANK	Banking	69	83	70	12	-0.10
HDIL	Realty	83	82	77	5	0.80
HEROMOTOCO	Automobile	70	85	72	13	-0.26
HEXAWARE	Technology	82	70	80	-9	-0.22
HINDALCO	Metals	85	87	81	6	0.62
HINDPETRO	Oil_Gas	84	91	84	8	0.50
HINDUNILVR	FMCG	76	87	74	13	0.41
HINDZINC	Metals	85	91	81	10	0.57

Company	Sector	May to Jun Roll%	Jun to Jul Roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %
IBREALEST	Realty	79	84	80	4	0.79
IBULHSGFIN	Finance	81	84	83	1	0.39
ICICIBANK	Banking	65	74	70	4	0.20
ICIL	Textile	80	87	84	3	0.58
IDBI	Banking	84	89	81	8	0.84
IDEA	Telecom	89	83	77	5	0.36
IDFC	Finance	74	84	77	7	0.36
IDFCBANK	Banking	86	90	83	7	-0.36
IFCI	Finance	88	87	85	2	0.83
IGL	Oil_Gas	81	86	74	11	0.70
INDIACEM	Cement	87	89	83	6	0.78
INDUSINDBK	Banking	62	84	67	17	-0.04
INFRATEL	Telecom	75	74	71	3	-0.53
INFY	Technology	84	86	78	8	0.49
IOC	Oil_Gas	81	90	75	15	0.67
IRB	Infrastructure	83	91	88	3	0.74
ITC	FMCG	62	84	64	21	0.27
JETAIRWAYS	Others	80	74	79	-5	0.63
JINDALSTEL	Metals	89	93	85	8	0.73
JISLJALEQS	Others	86	88	86	2	0.63
JPASSOCIAT	Realty	90	89	90	-1	0.66
JSWENERGY	Power	91	94	89	5	0.00
JSWSTEEL	Metals	83	79	81	-3	0.49
JUBLFOOD	Others	83	84	66	17	-0.72
JUSTDIAL	Others	76	85	72	12	0.00
KOTAKBANK	Banking	57	80	65	15	0.58
KPIT	Technology	80	83	78	5	0.77
KSCL	Others	79	80	77	3	0.73
KTKBANK	Banking	83	85	79	6	-1.78
L&TFH	Finance	83	82	82	0	0.73
LICHSGFIN	Finance	74	74	78	-4	0.64
LT	Capital_Goods	65	71	64	7	0.43
LUPIN	Pharma	79	68	72	-5	0.15
M&M	Automobile	67	88	69	18	-0.25
M&MFIN	Finance	80	79	75	4	-0.15
MARICO	FMCG	81	71	81	-10	0.56
MARUTI	Automobile	75	82	77	5	0.49

Company	Sector	May to Jun Roll%	Jun to Jul Roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %
MCDOWELL-N	FMCG	90	83	84	-1	0.56
MINDTREE	Technology	75	76	74	1	-0.24
MOTHERSUMI	Automobile	91	67	77	-9	0.44
MRF	Automobile	88	89	84	5	0.68
NCC	Infrastructure	77	75	80	-5	0.56
NHPC	Power	80	81	76	5	0.78
NIFTY	Index	74	73	69	4	0.16
NIFTYIT	Index	63	83	71	12	-0.07
NIITTECH	Technology	76	66	65	1	0.10
NMDC	Metals	85	89	83	6	0.65
NTPC	Power	73	79	72	7	0.28
OFSS	Technology	68	69	72	-3	0.38
OIL	Oil_Gas	79	83	70	13	0.81
ONGC	Oil_Gas	84	86	81	5	0.67
ORIENTBANK	Banking	83	86	76	10	0.14
PAGEIND	Textile	71	68	71	-4	0.64
PCJEWELLER	Others	72	71	71	1	0.35
PETRONET	Oil_Gas	91	62	88	-26	0.54
PFC	Finance	84	86	80	6	0.78
PIDILITIND	FMCG	89	91	84	7	0.09
PNB	Banking	72	83	71	12	-3.08
POWERGRID	Power	85	85	75	10	0.48
PTC	Power	88	84	82	2	0.69
RCOM	Telecom	84	84	85	-1	0.91
RECLTD	Power	77	78	74	5	0.82
RELCAPITAL	Finance	90	73	86	-13	0.92
RELIANCE	Oil_Gas	77	82	71	11	-0.09
RELINFRA	Power	87	90	86	4	0.66
RPOWER	Power	89	89	88	0	0.58
SAIL	Metals	80	85	82	3	0.69
SBIN	Banking	76	70	72	-3	0.72
SIEMENS	Capital_Goods	79	73	75	-2	0.60
SINTEX	Others	89	81	88	-7	0.20
SOUTHBANK	Banking	84	92	88	4	-0.54
SRF	Textile	76	82	75	7	0.64
SRTRANSFIN	Finance	81	86	69	17	0.66
STAR	Pharma	87	88	79	9	0.90

Company	Sector	May to Jun Roll%	Jun to Jul Roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %
SUNPHARMA	Pharma	85	86	80	6	0.48
SUNTV	Media	85	89	86	3	0.62
SYNDIBANK	Banking	81	81	80	0	0.68
TATACHEM	Fertilisers	86	87	86	1	0.06
TATACOMM	Telecom	79	83	85	-1	-0.66
TATAELXI	Technology	87	88	81	7	0.01
TATAGLOBAL	FMCG	91	93	91	2	-0.84
TATAMOTORS	Automobile	75	83	79	5	0.76
TATAMTRDVR	Automobile	90	82	83	-1	0.50
TATAPOWER	Power	74	89	78	12	0.80
TATASTEEL	Metals	84	87	83	4	-1.55
TCS	Technology	70	85	66	19	0.30
TECHM	Technology	84	89	79	9	-1.57
TITAN	FMCG	87	72	78	-6	0.48
TORNTPHARM	Pharma	64	64	66	-2	0.11
TORNTPOWER	Power	89	81	88	-6	0.51
TV18BRDCST	Media	93	92	91	1	0.70
TVSMOTOR	Automobile	74	79	73	6	-0.23
UBL	FMCG	75	73	68	5	0.70
ULTRACEMCO	Cement	81	77	75	3	0.25
UNIONBANK	Banking	78	85	74	11	-0.03
UPL	Fertilisers	64	86	63	23	0.56
VEDL	Metals	77	86	77	9	0.48
VOLTAS	Capital_Goods	85	74	80	-6	0.44
WIPRO	Technology	78	90	74	16	-0.12
WOCKPHARMA	Pharma	80	91	80	11	0.74
YESBANK	Banking	68	83	70	13	0.48
ZEEL	Media	85	90	79	11	-0.07

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