

MAY SERIES VIEW

In April expiry, the benchmark index Nifty registered a new lifetime high of 11856 boosted by met department's forecast of near-normal monsoon, firm buying of FII, and opinion polls suggesting a likely return of the NDA government in the General Election 2019. Meanwhile, Brent crude oil rose above \$75 per barrel for the first time in 2019, which can lead to increase in Fiscal Deficit, Current Account Deficit, and stoke fuel price inflation. Finally, Nifty Spot settled with modest gains at 11641, up 0.60% (EoE) indicating uncertainty for the short term. On the expiry day, Nifty Futures rollover stood at 81%, which is higher than the average rollover of 63% of the last three series. Nifty will start the May series with an OI of 2.00 Cr shares compared with OI of 1.81 Cr shares at the beginning of the April series. Market-wide rollovers stood in line at 90% compared with the average rollovers of 88% in the last three series. Going into May, key events that would act as market triggers would include, global markets trends, trade war tensions, Q4FY19 earnings, the movement of Rupee against the Dollar, and crude oil price movement will dictate the trend on the bourses in the near term. On the downside, support for Nifty is around 11000 and 11500 whereas resistance stands at 11800 and 12000. We expect Nifty to remain volatile during the May series due to election outcome.

DERIVATIVES INDICATORS

India VIX closed higher at 23.23 vs. 16.65 of the previous month indicating more volatility in market. Another leading derivative indicator, Nifty PCR, opened on a higher note this month at 1.62 against last month's 1.58.

BANKNIFTY

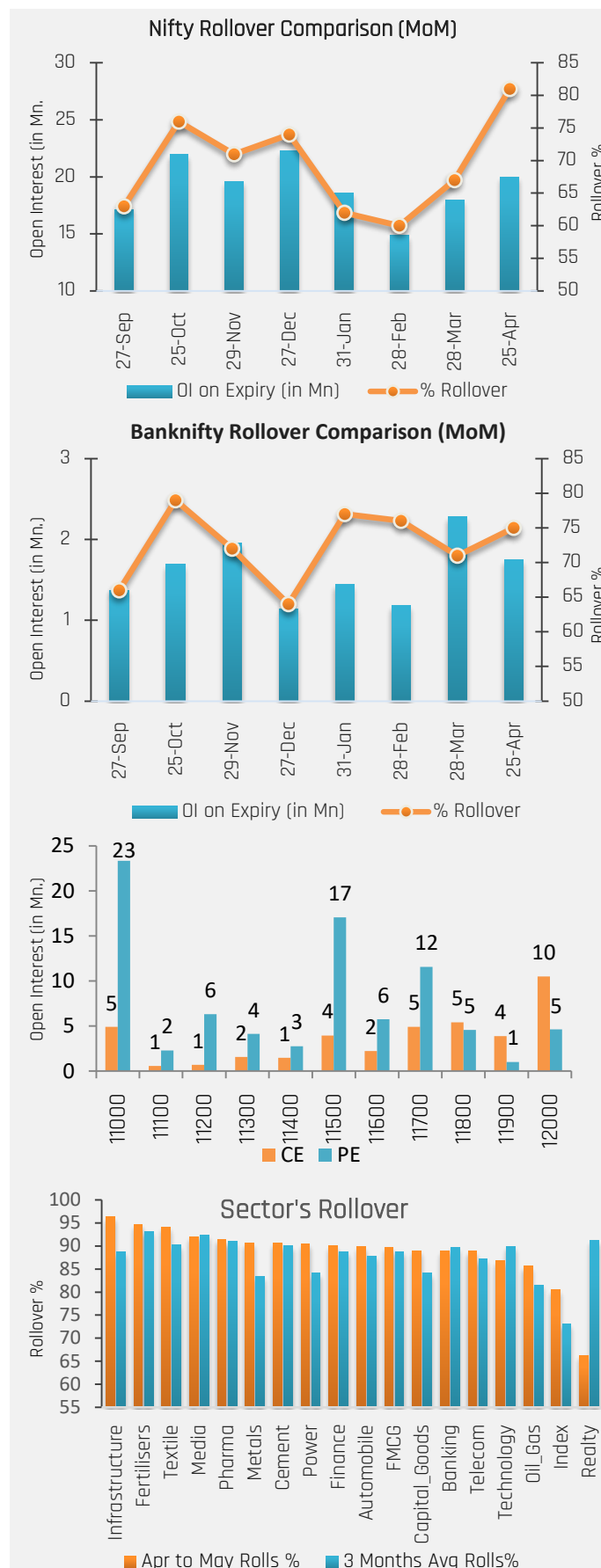
The index saw inline rolls of 75% compared with the 3M average of 75%. BankNifty will start the May series with an OI of 1.75 Mn shares compared with OI of 2.28 Mn shares at the beginning of the April series. As per options data, support for the index is around 29000 and 28500 whereas resistance stands at 32000 and 33000 for the short term.

OPTION ANALYSIS

From the OI Concentration (30-May Series), maximum addition of Open Interest on the call options front exists at strike prices of 11800 and 12000 (with nearly 5.40 lacs and 10.50 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 11500 and 11000 (with nearly 17.06 lacs and 23.35 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Infrastructure, Textile, Metals, Finance, Power, Automobile, and Capital Goods stocks on expiry. However, low rollovers were seen in Realty, Technology, Media, and Banking stocks.
- Within the Nifty50 space, index heavyweights such as BPCL, LT, POWERGRID, VEDL, KOTAKBANK, and GAIL saw aggressive rollover in the April series while low rolls were seen in IBULHSGFIN, YESBANK, TCS, ADANI PORTS, SBIN, ASIANPAINT, and IOC compared with the 3M average.
- From the midcap space, NATIONALUM, RECLTD, AMARAJABAT, JUBLFOOD, ARVIND, and CONCOR saw high rollovers whereas DLF, GODREJCP, BHEL, BOSCHLTD, and ACC saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY

In the April series, Nifty has seen a strong rally and managed to break the previous high and made a new lifetime high of 11856. However, it was not able to sustain above those levels and retraced to 21EMA, which is at 11590 on the daily charts. Until Nifty doesn't close above 11850 on weekly basis, bears will be attacking bulls at higher levels as Nifty has formed a negative divergence on daily charts, which indicates profit-booking and retracement in Nifty. If Nifty closes below 11590, short-term pattern of higher high and higher lows will break and uptrend will be distracted. Relative Strength Index (RSI) is showing negative divergence, which is a sign of concern for bulls and cautious view needs to be adopted for the coming days.

Once Nifty closes above 11850 on weekly basis, we may witness rally up to 11200-11300. On the downside, 11500 and 11300 will act as support for Nifty.

TECHNICAL VIEW ON BANKNIFTY

In the April series, Bank Nifty saw an uptrend, but consolidated. Now, it is retesting the breakout point, which is acting as good support for the next up-move. Until it holds 29400, the uptrend will be intact and we may witness a breakout in Bank Nifty above 30600. Close above 30600 on weekly basis can lead Bank Nifty to head towards 32000-33000 levels in the short term. On the downside, 29000 which is 50EMA and 28500 will be a good base for bounce back. Buy-on-dips strategy can be applied to Bank Nifty until it sustains above 28500. If it closes below 28500 on weekly basis, Bank Nifty may drag until 27500 on positional basis in the medium term, which is the next base for the index. RSI is trading rangebound, indicating confusions between bulls and bears.

Overall, the range for Bank Nifty in the May series will be at 27000 and 32000 as volatility will increase in the coming days. Cautious view needs to be adopted to trade in Bank Nifty index for the May series.

NIFTY-Weekly Chart



BANKNIFTY-Weekly Chart



Stocks to watch out based on Rollover Analysis:

POSITIVE

MARICO	Strong rollover of 89% compared with 3 month avg of 78% indicating long position carried forward
BATAINDIA	Strong rollover of 99% compared with 3 month avg of 87% indicating long position carried forward
TVSMOTOR	Strong rollover of 90% compared with 3 month avg of 82% indicating long position carried forward
TATAGLOBAL	Strong rollover of 97% compared with 3 month avg of 88% indicating long position carried forward

NEGATIVE

AMBUJACEM	Strong rollover of 89% compared with 3 month avg of 78% indicating short position carried forward.

DERIVATIVES ROLLOVER ANALYSIS

26-04-2019

Rollover Update (Sector Wise)

Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	66	94	77	17	0.80
APOLLOTYRE	90	97	89	8	0.53
ASHOKLEY	90	89	88	0	1.00
BAJAJ-AUTO	82	80	81	-2	-0.41
BALKRISIND	88	96	85	11	0.86
BHARATFORG	95	92	95	-3	0.94
BOSCHLTD	94	84	94	-10	0.83
CEATLTD	99	96	91	5	-2.06
EICHERMOT	88	81	89	-8	0.86
ESCORTS	85	97	87	9	0.95
EXIDEIND	83	98	86	12	0.91
HEROMOTOCO	86	82	81	2	0.87
M&M	87	88	89	-1	0.76
MARUTI	88	83	89	-7	0.93
MOTHERSUMI	90	92	92	0	0.78
MRF	92	92	91	0	0.83
TATAMOTORS	89	88	89	-1	0.88
TATAMTRDVR	93	89	91	-2	0.84
TVSMOTOR	89	90	82	8	-1.52
Banking					
ALBK	98	96	96	0	-1.31
AXISBANK	79	85	80	5	0.87
BANKBARODA	92	83	91	-8	0.98
BANKINDIA	96	97	91	5	0.22
CANBK	87	94	90	4	0.55
DCBBANK	96	95	92	3	0.09
FEDERALBNK	88	89	87	2	0.73
HDFCBANK	62	76	76	0	0.82
ICICIBANK	81	80	84	-4	0.91
IDBI	99	96	98	-2	1.14
IDFCFIRSTB	92	93	90	3	-0.38
INDIANB	97	96	98	-2	0.73
INDUSINDBK	77	89	82	6	0.23
KOTAKBANK	68	84	74	10	0.74
KTKBANK	98	99	98	1	0.35
ORIENTBANK	98	97	97	0	0.86
PNB	93	87	93	-6	0.81
RBLBANK	77	89	83	7	0.72
SBIN	83	73	84	-12	0.69
SOUTHBANK	98	90	96	-6	0.61
SYNDIBANK	97	91	96	-5	0.64
UNIONBANK	96	98	94	4	0.57
YESBANK	93	69	92	-23	0.74

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Capital Goods					
BEL	90	98	84	13	1.09
BHEL	84	72	82	-10	0.76
CUMMINSIND	86	91	86	5	0.82
LT	67	82	64	18	0.83
SIEMENS	96	97	97	1	0.10
VGUARD	97	85	90	-6	0.11
VOLTAS	88	98	85	13	0.01
Cement					
ACC	92	84	91	-7	0.70
AMBUJACEM	85	89	78	12	0.95
GRASIM	91	88	92	-4	0.66
INDIACEM	98	99	98	1	0.41
RAMCOCEM	98	97	95	3	0.68
SHREECEM	91	91	90	1	0.84
ULTRACEMCO	87	85	86	0	0.65
Fertilisers					
GSFC	99	98	99	-1	0.83
TATACHEM	88	98	88	10	0.97
UPL	90	87	93	-5	0.88
Finance					
BAJAJFINSV	78	73	85	-13	0.86
BAJFINANCE	89	88	91	-3	0.89
BHARATFIN	91	95	92	3	1.00
CANFINHOME	89	96	95	1	0.97
CHOLAFIN	94	98	89	9	0.60
DHFL	89	96	88	9	0.86
EQUITAS	89	94	89	5	0.97
HDFC	85	88	90	-2	0.86
IBULHSGFIN	92	66	93	-26	-0.40
ICICIPRULI	86	76	85	-9	0.86
IDFC	95	98	96	2	0.46
IFCI	90	95	92	2	0.00
L&TFH	87	88	88	0	0.95
LICHSGFIN	90	87	89	-1	0.96
M&MFIN	94	89	93	-4	0.76
MANAPPURAM	89	93	85	9	0.79
MFSL	92	94	91	3	1.09
MUTHOOTFIN	87	99	81	18	0.86
PFC	89	81	80	1	1.02
RELCAPITAL	87	97	83	14	-0.20
REPCOHOME	88	96	94	3	0.84
SRTRANSFIN	88	88	91	-3	0.95
UJJIVAN	86	96	81	15	0.87
FMCG					
ASIANPAINT	82	79	87	-8	0.76
BATAINDIA	83	99	87	12	-0.34
BERGEPAIN	91	95	90	4	0.56
BRITANNIA	58	87	83	3	0.91

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
COLPAL	90	91	88	3	0.93
DABUR	92	89	89	0	0.80
GODFRYPHLP	86	94	94	0	1.14
GODREJCP	91	73	93	-21	0.55
GODREJIND	98	98	98	-1	0.90
HINDUNILVR	86	90	90	1	0.89
ITC	77	81	78	3	-0.03
MARICO	78	89	78	12	1.01
MCDOWELL-N	83	92	89	3	0.78
NESTLEIND	96	86	92	-6	0.39
PIDILITIND	91	90	86	3	0.93
TATAGLOBAL	92	97	88	9	-0.28
TITAN	90	86	90	-4	0.95
UBL	99	99	97	2	0.59
Index					
BANKNIFTY	71	75	75	0	0.78
NIFTY	67	81	63	18	0.76
NIFTYIT	70	85	82	3	0.41
Infrastructure					
BEML	98	94	96	-2	0.74
ENGINERSIN	91	98	85	13	0.61
GMRINFRA	90	96	88	8	0.88
IRB	96	94	88	6	0.88
NBCC	88	98	84	14	1.11
NCC	89	98	91	7	0.73
Media					
DISHTV	93	98	88	11	0.97
PVR	92	90	97	-7	0.36
SUNTV	94	91	92	-1	0.93
TV18BRDCST	98	96	97	-2	0.90
ZEEL	90	84	88	-4	0.97
Metals					
HINDALCO	85	80	84	-4	0.97
HINDZINC	86	92	80	12	0.90
JINDALSTEL	93	99	88	10	0.48
JSWSTEEL	71	89	87	2	0.79
NATIONALUM	83	95	71	23	0.76
NMDC	88	86	85	1	0.85
SAIL	86	92	88	5	0.62
TATASTEEL	89	92	91	1	0.93
VEDL	83	91	75	17	1.00
Oil&Gas					
BPCL	75	82	58	24	0.61
CASTROLIND	88	98	87	11	-0.90
CHENNPETRO	98	98	94	5	-1.26
GAIL	68	75	67	9	0.87
HINDPETRO	81	69	81	-12	0.29

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
IGL	87	95	81	13	0.95
IOC	84	67	74	-7	0.98
MGL	96	93	93	0	0.92
MRPL	97	99	96	3	0.71
OIL	94	96	85	11	1.04
ONGC	84	66	68	-1	0.24
PETRONET	79	91	88	3	0.87
RELIANCE	82	83	87	-5	0.86
Others					
ADANIENT	96	99	96	2	0.15
ADANIPTS	89	73	90	-17	0.71
APOLLOHOSP	85	99	84	14	0.93
COALINDIA	80	62	69	-8	0.85
CONCOR	79	77	62	15	0.95
HAVELLS	84	90	87	3	0.72
INDIGO	82	91	83	8	0.86
JETAIRWAYS	95	94	96	-2	-11.69
JISLJALEQS	88	98	90	8	1.01
JUBLFOOD	85	99	82	17	0.55
JUSTDIAL	93	95	91	4	0.56
KAJARIACER	93	99	90	9	0.65
KSCL	94	97	89	8	-0.76
MCX	90	98	90	9	0.66
PCJEWELLER	94	76	94	-17	-0.15
Pharma					
AJANTPHARM	97	98	97	1	0.63
AUROPHARMA	90	94	92	2	1.02
BIOCON	95	89	91	-1	0.81
CADILAHC	96	95	90	5	0.96
CIPLA	72	86	82	4	0.88
DIVISLAB	85	94	90	4	0.97
DRREDDY	89	84	90	-7	0.83
GLENMARK	96	98	93	5	0.59
LUPIN	89	83	89	-6	0.86
PEL	90	92	93	-1	-0.38
STAR	96	99	97	1	0.78
SUNPHARMA	94	94	90	4	0.94
TORNTPHARM	93	77	80	-4	0.99
WOCKPHARMA	99	97	98	-1	0.89
Power					
ADANIPOWER	96	97	98	-1	1.08
CESC	88	93	84	9	0.68
CGPOWER	97	95	97	-2	0.13
NHPC	94	91	82	9	0.87
NTPC	84	68	66	2	1.09
POWERGRID	68	77	60	18	0.86
RECLTD	88	96	79	17	1.04
RELINFRA	91	95	87	8	-0.16
RPOWER	87	90	84	5	0.63

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26-04-2019

Rollover Update (Sector Wise)

Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
SUZLON	93	87	87	0	1.40
TATAPOWER	88	97	89	8	0.96
TORNTPOWER	98	98	97	1	0.79
Realty					
DLF	95	66	91	-25	2.10
Technology					
HCLTECH	80	82	86	-4	0.54
HEXAWARE	98	97	97	0	-0.68
INFIBEAM	86	88	88	0	0.98
INFY	86	86	89	-3	0.73
BSOFT	96	96	92	4	0.93
MINDTREE	86	85	88	-3	-0.53
NIIITECH	98	89	97	-8	0.78
OFSS	99	98	98	-1	0.98
TATAELXSI	87	96	87	9	0.85
TCS	85	66	88	-22	0.10
TECHM	83	85	84	2	0.83
WIPRO	83	75	84	-9	-0.19
Telecom					
BHARTIARTL	80	83	89	-6	0.90
IDEA	81	93	88	4	-11.28
INFRATEL	74	81	79	2	-1.70
TATACOMM	96	99	93	6	0.93
Textile					
ARVIND	77	96	80	15	0.97
CENTURYTEX	94	99	94	5	0.86
PAGEIND	83	82	86	-4	0.73
RAYMOND	90	95	93	2	0.45
SRF	98	99	97	2	0.52

Asit C. Mehta INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Akhil Rathi	D: 91 22 2858 3210
Hrshikesh Yedve	D: 91 22 2858 3207
Neeraj Sharma	D: 91 22 2858 3208
Rohan Gawale	D: 91 22 2858 3213
Vrinda Aditya	D: 91 22 2858 3209
Dhiral Shah	D: 91 22 2858 3211

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000002483

C IN: U65990MH1993PLC075388

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