

# DERIVATIVES ROLLOVER ANALYSIS

28-06-2019

## JULY SERIES VIEW

Last month, the benchmark index - Nifty registered a new lifetime high of 12103 after historic majority verdict of BJP, but the forecast of a delay in the onset of the southwest monsoon, rising crude oil prices, and concerns over global trade tensions triggered selling pressure. Meanwhile, Reserve Bank of India cut repo rate by 25 basis points, the lowest in nine years. Finally, Nifty Spot settled on a negative note at 11841, down 0.88% (EoE) indicating uncertainty for the short term. If Nifty trades and closes above 12000, bulls can stretch the rally until 12200-12500 levels. On the expiry day, Nifty Futures rollover stood at 80%, which is higher than the average rollover of 73% of the last three series. Nifty will start the July series with an OI of 1.92 Cr shares compared with OI of 1.91 Cr shares at the beginning of the June series. Market-wide rollovers stood in line at 91% compared with the average rollovers of 91% in the last three series. Going into July, key events that would act as market triggers would include, Union Budget 2019-20, global markets trends, trade war tensions, Q1FY20 earnings, the movement of Rupee against the Dollar, and crude oil price movement will dictate the trend on the bourses in the near term. We expect Nifty to remain volatile during the July series due to Union Budget 2019-20 and US-China trade war.

## DERIVATIVES INDICATORS

During the month, minor volatility was seen in the market, India VIX closed lower at 14.64 vs. 15.61 of the previous month indicating low volatility in the market. Another leading derivative indicator, Nifty PCR, opened on a lower note this month at 1.51 against last month's 1.64.

## BANKNIFTY

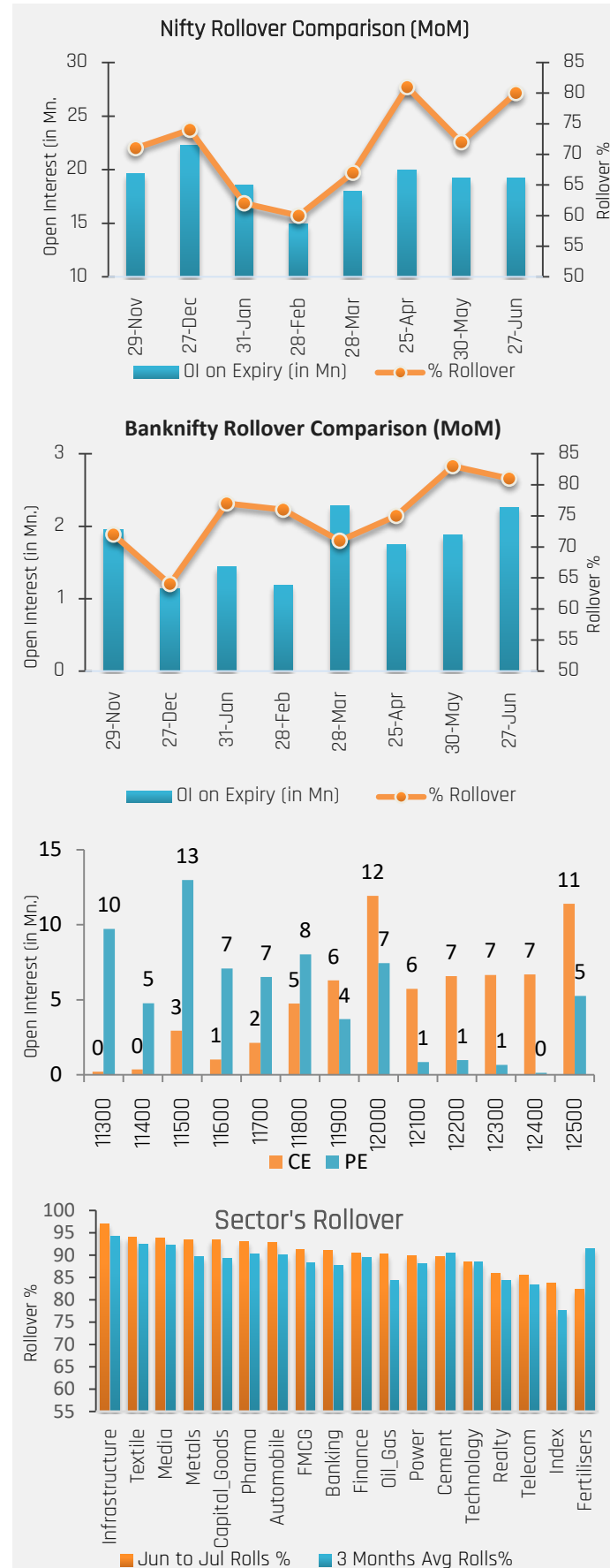
The index saw higher rolls of 81% compared with the 3M average of 76%. BankNifty will start the July series with an OI of 2.26 Mn shares compared with OI of 1.88 Mn shares at the beginning of the Jun series. As per options data, support for the index is around 29500 and 28500 whereas resistance stands at 31500 and 32000 for the short term.

## OPTION ANALYSIS

From the OI Concentration (25-July Series), maximum addition of Open Interest on the call options front exists at strike prices of 12000 and 12500 (with nearly 11.93 lacs and 11.40 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 11300 (with nearly 12.99 lacs and 9.72 lacs shares outstanding) indicating stronger support zone on the downside.

## SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Infrastructure, Textile, Metals, Banking, Power, Realty, Automobile, and Capital Goods stocks on expiry. However, low rollovers were seen in Fertilizers, Cement, and Technology stocks.
- Within the Nifty50 space, index heavyweights such as HINDPETRO, GAIL, HDFCBANK, IBULHSGFIN, SBIN, and POWERGRID saw aggressive rollover in the July series while low rolls were seen in UPL, ADANI PORTS, NTPC, TATASTEEL, and SUNPHARMA compared with the 3M average.
- From the midcap space, GODREJCP, AMARAJABAT, MARICO, MINDTREE, BHEL, and CONCOR saw high rollovers whereas BHARATFIN, NIITTECH, APOLLOTYRE, TATAGLOBAL, and BSOFT saw lower rollover compared with the 3M average.



### TECHNICAL VIEW ON NIFTY

In the June series, Nifty has seen consolidation in the band of 11600 to 12100 and ended the month on a marginally negative note. Technically, the index is making a **higher top, higher bottom** formation indicating uptrend. On daily scale, the index has witnessed a **cup and handle** pattern breakout. If the index manages to sustain above 11850 on weekly basis, then the upward momentum can continue. On weekly chart, the index is facing psychological resistance around 12000 followed by 12500 where weekly trendline resistance is placed. On the lower side, 21 WEMA is placed close to 11520, which will act as first key support followed by 11000 where the weekly trendline support is placed. RSI oscillator is positively poised but not crossing its previous high, which is a point of concern.

For the July series, 11500 and 11000 will act as support point whereas 12000 and 12500 will act as resistance points.

### TECHNICAL VIEW ON BANKNIFTY

In the June series, Bank Nifty has seen consolidation in the band of 30200 to 31800 and ended the month on a marginally negative note. Technically, the index is making a **higher top, higher bottom** formation indicating uptrend. On weekly scale, the index is placed close to its previous high of 31750 and trendline resistance is placed around 32000. On the lower side, 21 WEMA is placed close to 29680, which will act as first key support followed by 28500 where weekly trendline support is placed. RSI oscillator is positively poised but not crossing its previous high which is point of concern.

For the July series, 29700 and 28500 will act as support point whereas 31750 and 32000 will act as resistance points.

NIFTY-Weekly Chart



BANKNIFTY-Weekly Chart



### Stocks to watch out based on Rollover Analysis:

#### POSITIVE

POWERGRID	Strong rollover of 87% compared with 3 month avg of 75% indicating long position carried forward
SBIN	Strong rollover of 92% compared with 3 month avg of 81% indicating long position carried forward
LT	Strong rollover of 88% compared with 3 month avg of 79% indicating long position carried forward
ASIANPAINT	Strong rollover of 91% compared with 3 month avg of 84% indicating long position carried forward

#### NEGATIVE

NIITTECH	Weak rollover of 64% compared with 3 month avg of 93% indicating cut down long position.
YESBANK	Strong rollover of 96% compared with 3 month avg of 87% indicating short position carried forward.

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## Rollover Update (Sector Wise)

Company	May to Jun roll%	Jun to Jul roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Automobile</b>					
AMARAJABAT	97	95	86	10	-0.51
APOLLOTYRE	97	72	95	-23	-1.82
ASHOKLEY	87	95	88	6	-2.78
BAJAJ-AUTO	88	84	83	1	-1.32
BALKRISIND	97	99	94	5	0.41
BHARATFORG	94	94	93	0	0.57
BOSCHLTD	97	98	92	6	0.59
-EICHERMOT	93	93	87	6	0.01
ESCORTS	97	99	93	6	0.17
EXIDEIND	100	99	94	5	0.46
HEROMOTOCO	91	91	86	5	-0.52
M&M	92	92	89	3	-0.62
MARUTI	86	92	86	7	0.73
MOTHERSUMI	91	91	91	0	0.62
MRF	96	94	93	1	0.50
TATAMOTORS	95	98	91	8	0.60
TATAMTRDVR	98	98	93	4	0.73
TVSMOTOR	85	88	88	0	-0.26
<b>Banking</b>					
AXISBANK	92	91	86	6	0.21
BANKBARODA	91	78	89	-11	0.74
BANKINDIA	95	97	96	1	0.62
CANBK	98	95	93	2	0.63
FEDERALBNK	96	81	91	-10	-0.88
HDFCBANK	88	88	75	13	0.74
ICICIBANK	89	91	83	8	0.02
IDBI	97	96	97	-2	-1.39
IDFCFIRSTB	96	97	94	3	0.12
INDUSINDBK	72	90	79	11	0.17
KOTAKBANK	80	85	77	8	0.63
PNB	93	94	91	3	0.64
RBLBANK	92	87	86	1	-0.42
SBIN	86	92	81	12	0.37
UNIONBANK	97	98	97	1	0.64
YESBANK	97	96	87	10	0.53
<b>Capital_Goods</b>					
BEL	94	97	94	3	0.78
BHEL	89	90	82	8	0.67
CUMMINSIND	93	91	90	1	-1.44
LT	88	88	79	9	-0.07
SIEMENS	95	99	96	3	0.76
VOLTAS	97	96	94	1	-0.70

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Company	May to Jun roll%	Jun to Jul roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Cement</b>					
ACC	94	86	90	-4	0.53
AMBUJACEM	94	87	89	-2	0.64
GRASIM	94	94	91	4	0.78
RAMCOCEM	99	98	98	0	0.83
SHREECEM	85	79	89	-10	0.58
ULTRACEMCO	83	94	85	9	0.49
<b>Fertilisers</b>					
TATACHEM	98	89	95	-6	-2.52
UPL	86	76	88	-12	0.74
<b>Finance</b>					
BAJAJFINSV	82	88	78	11	0.56
BAJFINANCE	91	94	89	5	0.35
BHARATFIN	84	45	90	-45	0.08
CHOLAFIN	92	95	94	1	-0.33
DHFL	97	85	94	-10	-9.63
EQUITAS	98	97	94	3	0.79
HDFC	91	93	88	5	-0.05
IBULHSGFIN	98	98	85	13	0.57
ICICIPRULI	76	81	80	1	0.25
L&TFH	92	88	89	-1	-0.26
LICHSGFIN	91	95	90	6	0.19
M&MFIN	89	97	91	7	-1.22
MANAPPURAM	92	98	91	6	0.79
MFSL	98	99	95	4	0.94
MUTHOOTFIN	95	97	94	4	0.61
PFC	88	86	86	0	0.77
RELCAPITAL	90	91	91	-1	-7.13
SRTRANSFIN	95	96	90	6	0.61
UJJIVAN	95	96	92	4	-0.81
<b>FMCG</b>					
ASIANPAINT	91	91	84	7	0.73
BATAINDIA	92	93	91	2	-0.22
BERGEPAIN	98	96	95	2	0.66
BRITANNIA	91	85	78	6	0.76
COLPAL	93	92	91	0	0.62
DABUR	92	97	91	6	0.51
GODREJCP	88	95	84	12	0.76
HINDUNILVR	90	93	89	4	0.53
ITC	89	87	82	5	0.77
MARICO	93	97	87	10	0.53
MCDOWELL-N	93	88	89	-1	0.43
NESTLEIND	93	96	92	4	0.58
PIDILITIND	90	94	90	4	0.80
TATAGLOBAL	64	68	84	-16	-0.11
TITAN	87	90	88	3	0.60
UBL	93	99	97	2	0.78

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<b>Index</b>					
BANKNIFTY	83	81	76	5	0.33
NIFTY	72	80	73	7	0.57
NIFTYIT	94	90	83	7	0.11
<b>Infrastructure</b>					
ENGINERSIN	96	98	95	3	0.70
GMRFNFRA	96	98	94	4	1.31
NBCC	96	96	94	2	0.90
NCC	93	96	93	2	0.74
<b>Media</b>					
DISHTV	91	96	94	2	1.06
PVR	95	93	92	1	0.69
SUNTV	92	88	93	-5	0.48
ZEEL	97	98	90	8	-0.39
<b>Metals</b>					
HINDALCO	92	88	86	2	0.75
HINDZINC	96	94	91	2	0.45
JINDALSTEL	84	95	92	4	0.78
JSWSTEEL	96	96	86	10	-0.76
NATIONALUM	97	92	91	0	0.50
NMDC	91	94	88	5	0.75
SAIL	98	98	92	6	0.29
TATASTEEL	92	91	91	-1	-1.80
VEDL	92	95	89	6	0.79
<b>Oil_Gas</b>					
BPCL	79	83	79	4	0.54
CASTROLIND	98	98	95	4	0.63
GAIL	67	85	70	15	0.77
HINDPETRO	81	93	77	16	0.74
IGL	91	96	91	5	0.74
IOC	78	79	76	3	0.77
MGL	99	99	96	3	-0.67
OIL	95	95	95	0	0.81
ONGC	82	78	77	1	0.79
PETRONET	92	94	87	7	0.38
IGL	91	96	91	5	0.74
IOC	78	79	76	3	0.77
MGL	99	99	96	3	-0.67
OIL	95	95	95	0	0.81
ONGC	82	78	77	1	0.79
PETRONET	92	94	87	7	0.38
RELIANCE	88	91	84	7	0.74
IGL	91	96	91	5	0.74
<b>Others</b>					
ADANIANT	98	98	98	0	0.72
ADANI PORTS	85	76	82	-6	0.57
APOLLOHOSP	97	96	94	3	0.82
COALINDIA	72	79	71	7	0.75
CONCOR	90	90	82	8	0.61

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<b>Others</b>					
HAVELLS	80	87	85	2	-0.04
INDIGO	85	92	86	6	0.50
JUBLFOOD	98	94	94	0	0.05
JUSTDIAL	92	92	93	-2	-5.37
KAJARIACER	96	95	96	-1	0.82
MCX	98	99	95	4	0.65
<b>Pharma</b>					
AUROPHARMA	89	91	91	0	0.50
BIOCON	81	90	88	2	0.36
CADILAHC	91	94	94	0	-0.65
CIPLA	92	91	83	8	0.70
DIVISLAB	90	93	90	4	0.44
DRREDDY	97	98	90	8	-0.08
GLENMARK	99	95	98	-3	0.75
LUPIN	90	88	87	1	-0.22
PEL	79	90	87	3	-0.72
STAR	92	98	95	3	0.30
SUNPHARMA	93	94	94	0	0.73
TORNTPHARM	87	93	86	8	0.32
<b>Power</b>					
ADANIPOWER	90	98	94	4	0.49
CESC	93	97	91	6	0.78
NTPC	73	74	75	-1	0.50
POWERGRID	81	87	75	11	0.60
RECLTD	89	92	91	1	0.86
RELINFRA	94	94	93	1	-3.03
TATAPOWER	88	93	91	2	0.87
TORNTPOWER	83	84	93	-8	-2.01
<b>Realty</b>					
DLF	92	86	84	2	0.11
<b>Technology</b>					
HCLTECH	88	90	83	6	0.55
HEXAWARE	87	93	94	-1	0.07
INFY	89	89	87	2	0.74
BSOFT	94	83	95	-12	0.50
MINDTREE	82	93	84	9	-6.37
NIITTECH	94	64	93	-30	-1.08
OFSS	100	99	99	0	0.26
TATAELXSI	97	98	93	5	-0.74
TCS	86	88	79	10	0.49
TECHM	87	91	85	6	-1.20
WIPRO	82	85	80	5	0.58
<b>Telecom</b>					
BHARTIARTL	91	89	85	5	0.54
IDEA	80	83	85	-2	0.81
INFRATEL	86	85	80	4	0.78

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Company	May to Jun roll%	Jun to Jul roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
<b>Textile</b>					
ARVIND	89	83	87	-5	0.45
CENTURYTEX	99	99	98	1	-0.13
PAGEIND	90	96	85	11	-0.73
RAYMOND	98	97	94	3	0.54
SRF	97	95	98	-3	0.68

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