

DERIVATIVES ROLLOVER ANALYSIS

25-09-2020

OCTOBER SERIES VIEW

In September series, Bears returned to Dalal Street and broad based sell-off seen throughout the month on the back of continuous rising COVID-19 infection cases, concern over economic recovery, India-China border tension, and uncertainty in the global market. Nifty plunged more than 6.5% during the September series and closed below the psychological mark of 11,000 at 10805.55 with a loss of 753 points (EoE) indicating negative bias for the short term. Thus, investors should remain cautious as the market continues to stay volatile in the near term due to the increasing number of COVID-19 cases and its impact on the economy. On the expiry day, the Nifty futures rollover stood at 71%, which is lower than the last three series average rollover of 79%, indicating cut down the long position. Nifty will start the October series with open interest of 0.83 Cr shares compared with OI of 1.21 Cr shares at the beginning of the September series. Market-wide rollovers stood higher at 92% compared with the average rollovers of 91% in the last three series. Going into October month development in the covid-19 vaccine, India-China border tension, hopes of US stimulus package and Rupee movement against the Dollar, Fii's flow, quarterly results, global cues, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX shoot up sharply by 24.39% (EoE) and closed higher at 23.51% vs. 18.90% of the previous month indicating high volatility in market. Another leading derivatives indicator, Nifty PCR, opened on lower note this month at 1.11 against last month's 1.65.

BANKNIFTY

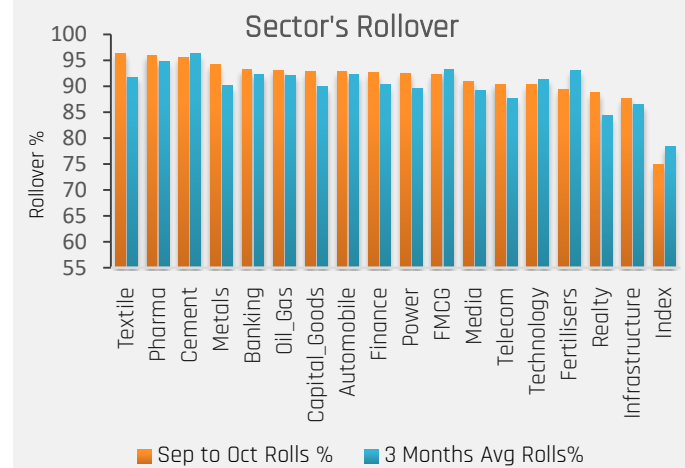
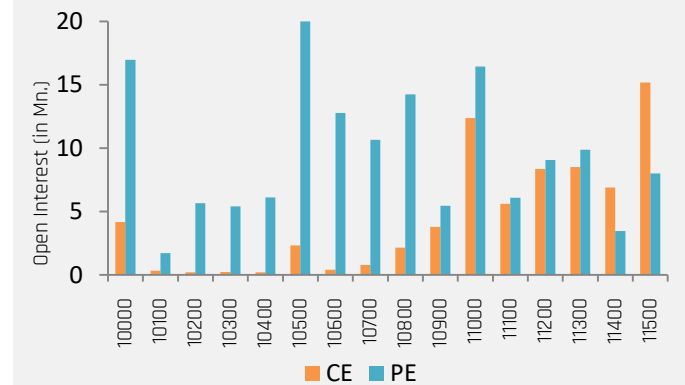
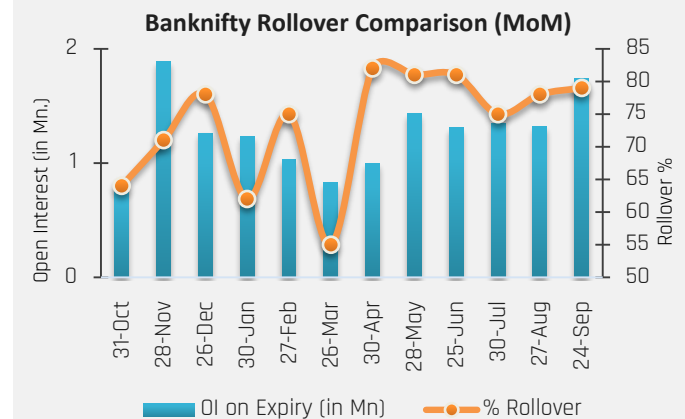
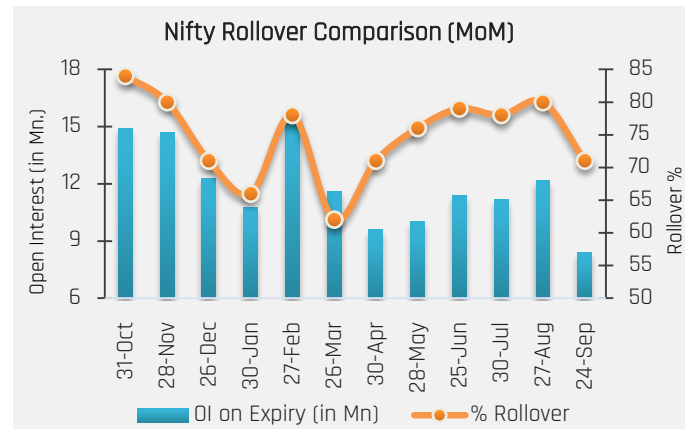
The index saw higher rolls of 79% compared with the 3M average of 78%. BankNifty will start the October series with an OI of 1.74 Mn shares compared with OI of 1.32 Mn shares at the beginning of the September series. As per options data, support for the index is around 19000 and 18000 whereas resistance stands at 22000 and 23000 for the short term.

OPTION ANALYSIS

From the OI Concentration (29-October Series), Open Interest on the call options front exists at strike prices of 11000 and 11500 (with nearly 12.37 lacs and 15.17 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 10500 and 10000 (with nearly 30.36 lacs and 16.95 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **TEXTILE, PHARMA, METALS, BANKING, POWER, and OIL&GAS**, stocks on expiry. However, low rollovers were seen in **FERTILISERS, FMCG, and TECHNOLOGY** sector stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavy weights such as **HDFCLIFE, HINDALCO, POWERGRID, ZEEL, TATASTEEL, and BRITANNIA** saw aggressive rollover in the October series while low rolls were seen in **HINDUNILVR, INFY, ASIANPAINT, TCS** and **INFRA** compared with the 3M average.
- From the midcap space, **IDEA, DLF, MFSL, VEDL** and **CHOLAFIN** saw high rollovers whereas **APOLLOTYRE, IBULHSGFIN, RAMCOCEM, NMDC** and **AMARAJABAT** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



NIFTY 50 - 24-SEP 2020 DAILY CHART

Nifty-Daily chart

- The index has witnessed strong reversal after testing the high of 11794 and bears have seen strong comeback.
- Technically, the index has formed a bearish engulfing candlestick pattern on daily scale as well as on weekly scale indicating weakness for short term. Moreover, the index has witness trend line breakdown on a daily scale.
- In addition to that, index has broken the support of 34 DEMA (11281), which was acting as strong support for the index.
- 200 DSMA is currently placed close to 10761, which will act as strong support for the index in the short term. 100 DSMA is placed close to 10620 which will act as next support for index.
- RSI on the daily scale is showing weakness but placed close to oversold zone. Stochastic oscillator is also placed close to oversold zone. Thus, bounce from oversold zone can be possible but trend remains down.
- For the October series, 10750 and 10600 will act as support point whereas 11300 and 11500 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty - Daily chart

- The index on the daily scale has witnessed profit booking after testing 200 DSMA. On the back of that, index has formed dark cover cloud candlestick pattern on daily as well as on weekly scale.
- Moreover, the index has broken its 50 DSMA (22344) as well as 100 DSMA (21400) support, and closed below 21000 levels indicating weakness.
- Trend line support for the Banknifty is currently placed at 19500.
- RSI and Stochastic oscillators on the daily scale are placed close to oversold zone. Thus, bounce from oversold zone can be possible but trend remains down. Thus, sell on rise strategy needs to be adopted.
- For the October series, 20000 and 19500 will act as support points whereas 21500 and 22500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
HAVELLS	Strong Rollover of 98% compared with 3 months average of 98%.
LUPIN	Strong Rollover of 97% compared with 3 months average of 91%.
NEGATIVE	
DLF	Rollover of 97% compared with 3 month average of 84%.
BHEL	Rollover of 92% compared with 3 month average of 87%.

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Rollover Update (Sector Wise)

Company	Aug to Sep roll%	Sep to Oct roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	96	85	92	-8	0.33
APOLLOTYRE	94	79	95	-16	0.52
ASHOKLEY	62	90	80	9	0.37
BAJAJ-AUTO	98	97	96	1	0.44
BALKRISIND	93	97	87	9	0.45
BHARATFORG	84	94	91	3	0.44
BOSCHLTD	97	99	98	1	0.48
EICHERMOT	92	97	94	3	0.45
ESCORTS	97	92	90	2	0.45
EXIDEIND	97	95	92	3	0.45
HEROMOTOCO	88	95	89	6	0.36
M&M	96	95	95	0	0.79
MARUTI	93	94	96	-1	0.48
MOTHERSUMI	90	95	93	1	0.39
MRF	99	94	96	-2	0.68
TATAMOTORS	92	95	92	3	0.45
TVSMOTOR	91	85	92	-6	-0.23
Banking					
AXISBANK	91	97	94	2	0.41
BANDHANBNK	74	89	88	1	0.53
BANKBARODA	96	91	94	-3	0.63
CANBK	83	88	90	-3	-1.68
FEDERALBNK	70	95	86	9	0.55
HDFCBANK	94	97	95	2	0.10
ICICIBANK	95	97	96	1	0.31
IDFCFIRSTB	95	96	95	1	-0.56
INDUSINDBK	97	96	97	-1	0.56
KOTAKBANK	97	93	94	-1	0.19
PNB	63	88	84	3	0.72
RBLBANK	94	91	92	-1	-0.10
SBIN	94	95	94	1	0.37
Capital_Goods					
BEL	87	93	86	8	0.55
BHEL	73	92	87	5	0.50
CUMMINSIND	94	92	96	-3	-0.16
LT	94	94	87	6	0.53
SIEMENS	95	98	97	1	-0.29
VOLTAS	89	88	88	0	0.28

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Company	Aug to Sep roll%	Sep to Oct roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	99	95	97	-3	0.25
AMBUJACEM	91	98	96	2	0.38
GRASIM	98	99	97	2	0.29
RAMCOCEM	97	88	97	-9	0.41
SHREECEM	95	96	96	0	0.51
ULTRACEMCO	94	98	94	3	0.40
Fertilisers					
TATACHEM	96	91	95	-4	0.48
UPL	96	88	91	-4	0.41
Finance					
BAJAJFINSV	90	92	92	-1	0.32
BAJFINANCE	96	93	93	0	0.39
CHOLAFIN	91	95	85	10	-3.01
HDFC	95	97	98	-1	0.40
HDFCLIFE	96	97	86	11	0.47
IBULHSGFIN	93	74	86	-12	0.87
ICICIPRULI	98	94	94	0	0.06
L&TFH	92	85	89	-4	0.62
LICHSGFIN	83	94	87	7	0.38
M&MFIN	87	90	83	6	0.40
MANAPPURAM	92	96	93	3	0.46
MFSL	74	95	83	12	0.34
MUTHOOTFIN	92	96	91	5	0.53
PFC	97	96	97	-2	0.55
SBILIFE	96	94	95	-1	0.35
SRTRANSFIN	97	95	92	3	0.50
FMCG					
ASIANPAINT	95	86	97	-11	0.24
BATAINDIA	93	94	94	0	0.33
BERGEPAIN	95	99	94	5	0.19
BRITANNIA	93	96	89	7	0.19
COLPAL	98	99	98	1	0.45
DABUR	98	98	89	9	0.34
GODREJCP	99	92	87	5	0.30
HINDUNILVR	97	54	94	-40	-0.11
ITC	94	93	91	2	0.51
MARICO	96	99	96	2	0.34
MCDOWELL-N	98	96	97	-1	0.33
NESTLEIND	99	97	93	4	0.37
PIDILITIND	96	98	98	1	0.40
TATACONSUM	93	94	93	1	0.59
TITAN	95	94	94	0	0.31
UBL	95	89	88	1	0.51
Index					
BANKNIFTY	78	79	78	1	0.18
NIFTY	80	71	79	-8	0.23

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Company	Aug to Sep roll%	Sep to Oct roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Infrastructure					
GMRINFRA	75	88	86	1	0.71
Media					
PVR	81	85	89	-4	-0.34
SUNTV	86	93	92	1	0.54
ZEEL	91	95	87	8	0.42
Metals					
HINDALCO	88	96	86	11	0.28
JINDALSTEL	95	94	91	3	0.46
JSWSTEEL	97	99	97	2	0.54
NATIONALUM	95	94	94	0	0.67
NMDC	96	89	97	-8	0.59
SAIL	70	91	84	6	0.61
TATASTEEL	93	96	88	8	0.51
VEDL	66	96	85	11	0.49
Oil_Gas					
BPCL	94	95	94	1	0.58
GAIL	89	88	92	-4	0.36
HINDPETRO	98	94	94	0	0.58
IGL	85	96	89	7	0.52
IOC	94	93	93	0	0.56
MGL	94	90	92	-2	0.38
ONGC	97	92	89	2	0.60
PETRONET	95	96	91	5	0.52
RELIANCE	97	94	95	-1	0.48
Others					
ADANIENT	94	97	96	1	0.57
ADANIPORTS	98	99	98	0	0.54
APOLLOHOSP	93	89	90	0	-0.28
COALINDIA	94	92	90	3	0.47
CONCOR	86	95	85	10	0.40
HAVELLS	98	98	98	1	-0.50
INDIGO	90	87	90	-3	-0.35
JUBLFOOD	80	94	84	10	0.23
Pharma					
AUROPHARMA	96	97	98	-1	0.65
BIOCON	96	95	96	-1	0.59
CADILAHC	96	95	90	4	0.32
CIPLA	93	97	94	3	0.30
DIVISLAB	94	97	96	1	0.57
DRREDDY	97	94	97	-3	0.53
GLENMARK	89	94	88	7	0.72
LUPIN	96	97	91	6	0.39
PEL	98	97	97	0	0.52
SUNPHARMA	98	98	97	1	0.45
TORNTPHARM	98	96	98	-2	0.51

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Company	Aug to Sep roll%	Sep to Oct roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Power					
NTPC	90	89	89	0	0.48
POWERGRID	85	89	80	9	0.41
RECLTD	96	92	95	-2	0.31
TATAPOWER	96	97	92	5	0.50
TORNTPOWER	93	95	92	3	0.62
Realty					
DLF	92	97	84	13	0.44
GODREJPROP	98	81	85	-5	0.50
Technology					
HCLTECH	88	94	90	4	0.19
INFY	93	82	95	-13	-0.66
MINDTREE	97	92	94	-2	0.41
NAUKRI	89	98	91	7	0.46
COFORGE	89	91	88	3	0.50
TCS	98	74	84	-10	-0.08
TECHM	94	96	96	1	0.25
WIPRO	89	95	92	3	0.41
Telecom					
BHARTIARTL	98	97	97	0	0.44
IDEA	84	85	72	13	0.00
INFRATEL	98	90	94	-5	0.00
Textile					
PAGEIND	99	97	88	9	0.71
SRF	93	95	96	0	0.47

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