

# DERIVATIVES ROLLOVER ANALYSIS

26-10-2018

## NOVEMBER SERIES VIEW

In the October expiry, the key benchmark indices faced heavy volatility and suffered losses due to worries over the US-China trade disputes, crisis in the NBFC sector, volatility in oil prices, and uncertainty in USD-INR. During the month, Nifty spot fell by 7.76% (EoE) and closed at 10125 with high rollover indicating negative bias. On the expiry day, market-wide rollovers stood lower at 85% compared with the average rollovers of 87% in the last three series. Nifty Futures rollover stood at 76%, which is higher than the average rollover of 68% of the last three series. Nifty will start the Nov series with an OI of 2.20 Cr shares compared with OI of 1.71 Cr shares at the beginning of the Oct series. Going into November, the key events that would act as market triggers in the near term would include global markets trends, trade war tensions, Q2FY19 result, FIIs flows, assembly election, the movement of Rupee against the Dollar, bond yield, and crude oil price movement. On the downside, support for Nifty is around 10000 and 9800 whereas resistance stands at 10500 and 10800. We expect Nifty to remain volatile during the November series.

## DERIVATIVES INDICATORS

India VIX closed higher at 18.96 vs. 16.92 of the previous month indicating more volatility in market. Another leading derivative indicator, Nifty PCR, opened on a higher note this month at 1.49 against last month's 1.39.

## BANKNIFTY

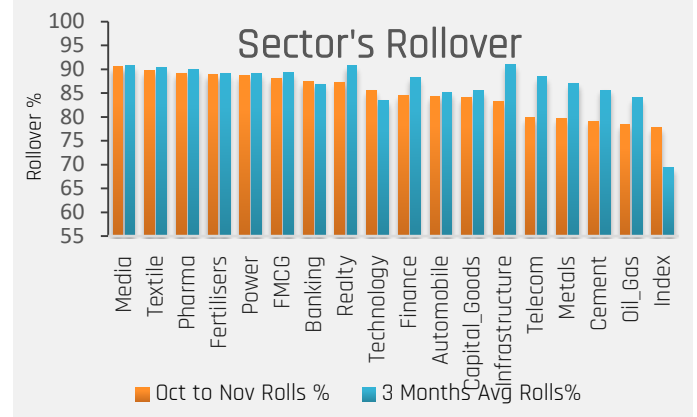
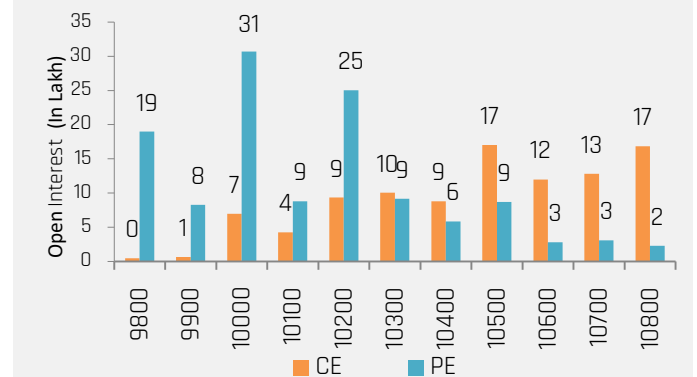
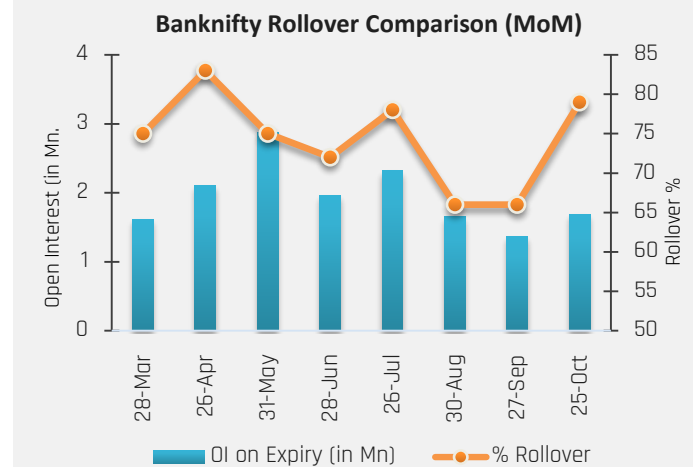
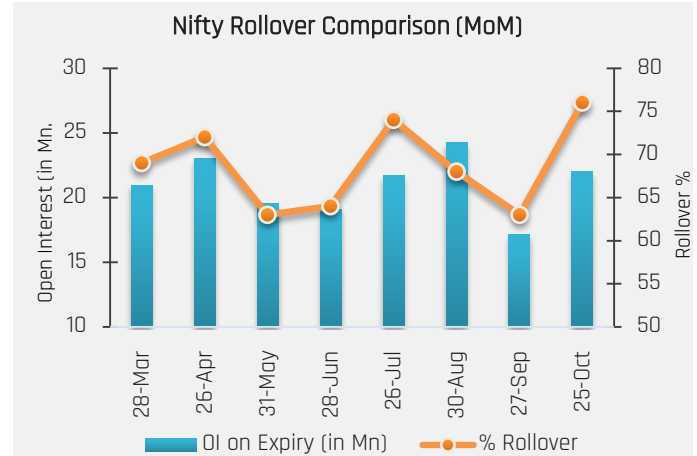
The index saw higher rolls of 79% compared with the 3M average of 70%. BankNifty will start the November series with an OI of 1.69 Mn shares compared with OI of 1.37 Mn shares at the beginning of the October series. As per options data, support for the index is around 24500 and 24000 whereas resistance stands at 25500 and 26000 for the short term.

## OPTION ANALYSIS

From the OI Concentration (November Series), maximum addition of Open Interest on the call options front exists at strike prices of 11500 and 11800 (with nearly 17.04 lacs and 16.85 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 10000 and 9800 (with nearly 30.70 lacs and 18.99 lacs shares outstanding) indicating stronger support zone on the downside.

## SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollover accelerated for Banking and Technology stocks on expiry. However, low rollover was seen in Realty, Metals, Automobile, Cement, Oil & Gas, and Telecom stocks.
- Within the Nifty50 space, index heavyweights such as ADANI PORTS, BPCL, IOC, WIPRO, HCLTECH, and ASIANPAINT saw aggressive rollover in the Nov series while low rolls were seen in ONGC, BHARTIARTL, BAJAJ-AUTO, JSWSTEEL, INFRA TEL, HINDUNILVR, and GAIL compared with the 3M average.
- From the midcap space, INDIANB, RBLBANK, CHOLAFIN, NHPC, HAVELLS, and CAPF saw high rollover whereas PFC, CONCOR, CESC, ACC, IGL, and ENGINEERSIN saw lower rollover compared with the 3M average.



## TECHNICAL VIEW ON NIFTY

In the October series, Nifty has seen strong weakness and closed around 10125 with negative bias. Technically, the index is placed closed to its 100 WEMA as well as trend line support. If it closed below 10100 then next major support comes around 9950. RSI is placed close to the oversold zone and stochastic oscillator has witnessed a bullish crossover from an oversold zone. Thus, for the short term, a pull-back can be possible. On the higher side, 10400-10500 will act as a primary hurdle followed by 10750-10800 where the 200 DSMA is placed. As long as the index holds on to the support of 9950, a short term pull-back can be witnessed, but the medium-term trend remains down.

For the November series, 10100 and 9950 will act as support point whereas 10500 and 10800 will act as resistance points.

## TECHNICAL VIEW ON BANKNIFTY

In October series, Bank Nifty has seen weakness and closed around 24817. Technically, after the trendline breakdown last month, the index has taken support around its 100 WEMA and saw a relief rally. RSI on weekly scale is placed close to the trendline support and stochastic oscillator has witnessed a bullish crossover from an oversold zone. On the higher side, 26000 and 26500 will act as resistance the points. On the lower side, 24000 and 23500 will act as support points.

Thus, for the short term, buy-on-dips approach can be adopted, but in the medium term, the trend remains weak.



## Stocks to watch out based on Rollover Analysis:

### POSITIVE

POWERGRID	Strong rollover of 91% compared with 3M avg of 84% indicating long position carried forward
PFC	Weak rollover of 40% compared with 3M avg of 89% indicating cut down of short position
HINDUNILVR	Weak rollover of 73% compared with 3M avg of 82% indicating cut down of short position
<b>NEGATIVE</b>	
TCS	Strong rollover of 80% compared with 3M avg of 65% indicating short position carried forward
GRASIM	Strong rollover of 87% compared with 3M avg of 79% indicating short position carried forward

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## Rollover Update (Sector Wise)

Company	Sector	Sep to Oct roll%	Oct to Nov roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
ACC	Cement	89	70	85	-15	-0.38	No
ADANIENT	Others	95	90	88	2	0.81	No
ADANIPOWER	Power	97	97	98	-1	1.21	Yes
AJANTPHARM	Pharma	95	97	96	0	-0.20	Yes
ALBK	Banking	97	97	97	0	0.00	Yes
AMARAJABAT	Automobile	66	80	75	6	-2.40	No
AMBUJACEM	Cement	87	82	82	0	0.80	No
APOLLOHOSP	Others	91	72	86	-13	0.51	No
APOLLOTYRE	Automobile	85	79	82	-2	0.10	No
ARVIND	Textile	79	79	84	-6	0.61	No
ASHOKLEY	Automobile	95	88	90	-2	0.22	No
ASIANPAINT	FMCG	67	82	76	5	-0.04	No
AUROPHARMA	Pharma	95	91	94	-4	0.41	No
AXISBANK	Banking	84	88	85	3	0.60	No
BAJAJ-AUTO	Automobile	86	71	87	-16	0.41	No
BAJAJFINSV	Finance	77	85	81	5	0.53	No
BAJFINANCE	Finance	88	86	87	-1	0.31	No
BALKRISIND	Automobile	74	87	81	6	0.53	No
BANKBARODA	Banking	91	94	91	3	0.76	No
BANKINDIA	Banking	87	87	84	3	0.53	No
BANKNIFTY	Index	66	79	70	9	0.55	No
BATAINDIA	FMCG	75	82	81	1	0.05	No
BEL	Capital_Goods	86	86	88	-2	0.54	No
BEML	Infrastructure	97	97	96	1	0.48	Yes
BERGEPAIN	FMCG	95	94	94	1	-2.99	Yes
BHARATFIN	Finance	89	94	87	7	0.66	No
BHARATFORG	Automobile	88	86	92	-6	0.55	No
BHARTIARTL	Telecom	92	74	92	-18	0.12	No
BHEL	Capital_Goods	87	76	86	-10	0.07	No
BIOCON	Pharma	91	86	90	-4	0.58	No
BOSCHLTD	Automobile	80	94	91	4	0.68	No
BPCL	Oil_Gas	73	78	70	8	0.58	No
BRITANNIA	FMCG	92	93	93	1	0.67	No
CADILAHC	Pharma	88	86	88	-2	0.57	No
CANBK	Banking	88	89	89	0	0.66	No
CANFINHOME	Finance	97	71	98	-26	0.74	Yes
CAPF	Finance	94	95	90	5	0.36	No

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## Rollover Update (Sector Wise)

Company	Sector	Sep to Oct roll%	Oct to Nov roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
CASTROLIND	Oil_Gas	83	76	83	-7	-0.27	No
CEATLTD	Automobile	78	85	83	3	0.16	No
CENTURYTEX	Textile	90	91	93	-3	0.49	No
CESC	Power	93	67	94	-27	0.80	No
CGPOWER	Power	92	98	96	1	-0.42	Yes
CHENNPETRO	Oil_Gas	89	94	84	10	0.35	Yes
CHOLAFIN	Finance	88	88	81	7	-0.03	No
CIPLA	Pharma	76	71	80	-8	0.71	No
COALINDIA	Others	79	76	79	-3	0.48	No
COLPAL	FMCG	87	86	88	-2	-0.50	No
CONCOR	Others	90	47	83	-36	0.74	No
CUMMINSIND	Capital_Goods	82	82	74	7	0.36	No
DABUR	FMCG	90	93	93	0	0.36	No
DALMIABHA	Cement	88	65	89	-24	-2.54	No
DCBBANK	Banking	98	87	96	-9	-1.87	Yes
DHFL	Finance	88	91	90	1	-2.72	No
DISHTV	Media	90	78	89	-11	-1.22	No
DIVISLAB	Pharma	91	90	87	3	0.38	No
DLF	Realty	90	90	90	1	0.29	No
DRREDDY	Pharma	91	86	88	-3	0.69	No
EICHERMOT	Automobile	79	80	84	-4	0.45	No
ENGINEERSIN	Infrastructure	69	61	82	-22	0.76	No
EQUITAS	Finance	89	91	92	-2	0.43	No
ESCORTS	Automobile	88	90	89	1	0.72	No
EXIDEIND	Automobile	77	83	79	4	-0.08	No
FEDERALBNK	Banking	86	87	87	-1	0.31	No
GAIL	Oil_Gas	81	66	77	-11	0.81	No
GLENMARK	Pharma	91	92	89	3	0.42	No
GMRINFRA	Infrastructure	89	81	92	-11	0.96	No
GODFRYPHLP	FMCG	95	97	95	2	0.36	Yes
GODREJCP	FMCG	84	83	84	-2	0.51	No
GODREJIND	FMCG	99	97	95	1	0.42	Yes
GRANULES	Pharma	91	95	93	2	0.49	Yes
GRASIM	Cement	79	87	79	8	0.69	No
GSFC	Fertilisers	95	93	91	2	0.59	Yes
HAVELLS	Others	87	91	85	6	0.66	No

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Company	Sector	Sep to Oct roll%	Oct to Nov roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
HCC	Infrastructure	95	85	94	-9	1.27	Yes
HCLTECH	Technology	76	87	80	6	0.30	No
HDFC	Finance	83	88	86	2	0.61	No
HDFCBANK	Banking	65	76	73	3	0.67	No
HEROMOTOCO	Automobile	57	74	73	2	0.60	No
HEXAWARE	Technology	88	89	85	4	0.08	Yes
HINDALCO	Metals	88	89	86	3	0.70	No
HINDPETRO	Oil_Gas	87	85	87	-2	0.49	No
HINDUNILVR	FMCG	79	73	82	-9	0.70	No
HINDZINC	Metals	84	69	80	-10	-2.26	No
IBULHSGFIN	Finance	88	87	86	1	0.70	No
ICICIBANK	Banking	80	83	81	2	-0.05	No
ICICIPRULI	Finance	89	86	86	0	0.03	No
IDBI	Banking	88	90	94	-5	0.68	Yes
IDEA	Telecom	92	92	93	0	0.67	No
IDFC	Finance	92	95	93	2	0.57	No
IDFCBANK	Banking	90	92	91	1	0.73	No
IFCI	Finance	94	92	94	-2	0.39	Yes
IGL	Oil_Gas	81	63	76	-13	0.43	No
INDIACEM	Cement	84	82	87	-5	0.55	No
INDIANB	Banking	87	95	83	12	0.60	No
INDIGO	Others	90	85	88	-3	-0.47	No
INDUSINDBK	Banking	69	74	72	2	0.59	No
INFIBEAM	Technology	76	67	76	-9	-0.32	No
INFRATEL	Telecom	55	57	68	-12	-2.11	No
INFY	Technology	62	82	76	6	0.53	No
IOC	Oil_Gas	77	84	76	8	-0.43	No
IRB	Infrastructure	87	87	91	-4	0.71	No
ITC	FMCG	77	84	81	3	0.50	No
JETAIRWAYS	Others	92	89	89	-1	0.37	No
JINDALSTEL	Metals	93	85	91	-6	0.65	No
JISLJALEQS	Others	89	88	93	-5	0.62	No
JPASSOCIAT	Realty	87	84	92	-8	1.64	Yes
JSWSTEEL	Metals	82	76	90	-14	0.65	No
JUBLFOOD	Others	82	78	80	-2	0.65	No
JUSTDIAL	Others	98	96	97	-1	0.23	Yes
KAJARIACER	Others	87	76	86	-11	0.95	No

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Company	Sector	Sep to Oct roll%	Oct to Nov roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
KOTAKBANK	Banking	74	70	72	-3	0.45	No
KPIT	Technology	94	96	96	0	0.02	Yes
KSCL	Others	92	93	88	4	-0.35	Yes
KTKBANK	Banking	91	92	91	1	0.63	No
L&TFH	Finance	89	83	91	-7	0.21	No
LICHSGFIN	Finance	84	87	87	0	0.54	No
LT	Capital_Good	68	75	76	-1	0.72	No
LUPIN	Pharma	79	86	85	2	0.49	No
M&M	Automobile	83	84	85	-1	-0.04	No
M&MFIN	Finance	92	90	91	-1	0.63	No
MANAPPURAM	Finance	86	72	86	-15	0.28	No
MARICO	FMCG	94	61	92	-31	0.03	No
MARUTI	Automobile	80	87	84	2	0.64	No
MCDOWELL-N	FMCG	95	94	93	1	0.29	No
MCX	Others	94	91	94	-4	0.53	No
MFSL	Finance	82	85	89	-4	0.56	No
MGL	Oil_Gas	94	99	96	3	0.22	Yes
MINDTREE	Technology	89	89	84	5	0.69	No
MOTHERSUMI	Automobile	87	91	90	1	0.58	No
MRF	Automobile	85	81	88	-6	0.62	No
MRPL	Oil_Gas	94	89	94	-5	0.60	Yes
MUTHOOTFIN	Finance	83	74	87	-13	0.01	No
NATIONALUM	Metals	85	82	82	-1	0.53	No
NBCC	Infrastructure	90	79	91	-12	-0.64	No
NCC	Infrastructure	87	82	88	-5	0.84	No
NESTLEIND	FMCG	90	95	91	5	0.56	No
NHPC	Power	83	96	89	6	0.00	Yes
NIFTY	Index	63	76	68	8	0.49	No
NIFTYIT	Index	71	79	70	9	0.50	No
NIITTECH	Technology	97	96	95	1	0.72	Yes
NMDC	Metals	80	69	86	-18	0.57	No
NTPC	Power	78	67	78	-11	0.28	No
OFSS	Technology	62	79	80	-1	-0.07	Yes
OIL	Oil_Gas	94	81	95	-13	-1.71	Yes
ONGC	Oil_Gas	86	61	82	-21	0.19	No
ORIENTBANK	Banking	96	96	98	-2	0.83	Yes
PAGEIND	Textile	89	88	85	3	0.43	No

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Company	Sector	Sep to Oct roll%	Oct to Nov roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
PCJEWELLER	Others	76	83	80	2	-0.83	No
PEL	Pharma	94	93	94	-1	0.55	No
PETRONET	Oil_Gas	95	63	90	-26	0.47	No
PFC	Finance	89	40	89	-49	-0.65	No
PIDILITIND	FMCG	93	95	93	2	0.65	No
PNB	Banking	89	90	91	-1	0.69	No
POWERGRID	Power	87	91	84	7	0.52	No
PTC	Power	90	97	74	24	0.07	Yes
PVR	Media	97	99	96	3	0.36	Yes
RAMCOCEM	Cement	76	73	88	-15	-0.61	Yes
RAYMOND	Textile	90	93	94	0	0.63	No
RBLBANK	Banking	83	90	83	7	0.37	No
RCOM	Telecom	95	83	96	-14	0.48	Yes
RECLTD	Power	88	90	88	2	0.42	No
RELCAPITAL	Finance	79	82	77	5	0.71	No
RELIANCE	Oil_Gas	77	79	83	-4	0.60	No
RELINFRA	Power	81	87	86	1	0.22	No
REPCOHOME	Finance	94	85	95	-10	0.82	Yes
RPOWER	Power	94	95	96	-1	0.90	Yes
SAIL	Metals	88	85	88	-3	0.64	No
SBIN	Banking	82	82	81	1	0.72	No
SHREECEM	Cement	93	88	90	-2	0.69	No
SIEMENS	Capital_Goods	100	96	99	-3	0.25	Yes
SOUTHBANK	Banking	84	83	86	-3	0.75	No
SREINFRA	Infrastructure	91	94	94	0	0.68	Yes
SRF	Textile	92	98	95	2	0.46	Yes
SRTRANSFIN	Finance	84	88	89	-1	-0.09	No
STAR	Pharma	94	89	90	0	0.41	No
SUNPHARMA	Pharma	89	89	90	-1	0.28	No
SUNTV	Media	85	87	88	-1	0.43	No
SUZLON	Power	87	89	91	-2	0.83	No
SYNDIBANK	Banking	95	95	97	-2	0.80	Yes
TATACHEM	Fertilisers	93	88	90	-2	0.56	No
TATACOMM	Telecom	93	94	93	1	0.01	No
TATAELXI	Technology	88	84	87	-2	0.65	No
TATAGLOBAL	FMCG	88	86	87	-1	0.72	No

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Company	Sector	Sep to Oct roll%	Oct to Nov roll%	3 MONTHS AVG ROLL	Divergence	Roll cost %	Physical Settlement
TATAMOTORS	Automobile	87	88	89	-1	0.70	No
TATAMTRDVR	Automobile	94	87	94	-6	0.60	No
TATAPOWER	Power	90	89	92	-3	0.80	No
TATASTEEL	Metals	92	89	93	-4	0.61	No
TCS	Technology	65	80	73	7	0.53	No
TECHM	Technology	87	88	86	2	0.70	No
TITAN	FMCG	88	89	90	-1	0.61	No
TORNTPHARM	Pharma	89	88	87	1	0.45	No
TORNTPOWER	Power	84	89	91	-2	0.49	Yes
TV18BRDCST	Media	94	99	97	2	0.55	Yes
TVSMOTOR	Automobile	82	82	80	2	-0.34	No
UBL	FMCG	95	99	97	1	0.66	Yes
UJJIVAN	Finance	79	90	85	5	0.66	No
ULTRACEMCO	Cement	84	85	85	0	0.53	No
UNIONBANK	Banking	87	85	90	-5	0.79	No
UPL	Fertilisers	89	86	86	-1	0.54	No
VEDL	Metals	84	72	86	-14	-0.02	No
VGUARD	Capital_Goods	99	96	96	0	-3.16	Yes
VOLTAS	Capital_Goods	78	78	79	-2	-2.85	No
WIPRO	Technology	74	89	83	7	0.58	No
WOCKPHARM	Pharma	96	98	98	0	0.61	Yes
YESBANK	Banking	84	85	84	1	0.73	No
ZEEL	Media	80	90	84	5	0.65	No



## Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

### Retail Research Desk:

Akhil Rathi	D: 91 22 2858 3210
Hrishikesh 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](mailto:retailresearch@acm.co.in)

### Research Analyst Registration Number:

INH000002483

C IN: U65990MH1993PLC075388

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