

# Weekly Derivatives Synopsis

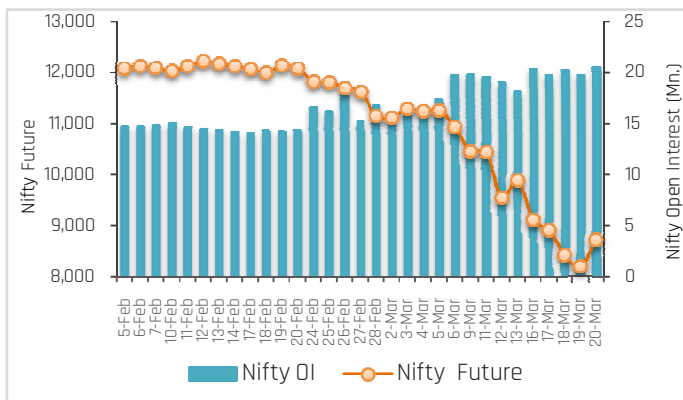
23-03-2020

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	8745	9955	-12.15
NIFTY FUTURES	8723	9898	-11.87
BANKNIFTY SPOT	20318	25166	-19.27
BANKNIFTY FUTURES	20294	25029	-18.92
NIFTY PCR	1.19	1.11	7.21
NIFTY PCR-VOL	0.57	0.56	1.79
NIFTY OI(In Mn)	20.5	18.1	13.26
BANKNIFTY OI(In Mn)	1.40	1.23	13.82
INDIA VIX	67.10	51.47	30.37
NIFTY HV	70.35	53.96	30.37
Nifty Basis Points	-22.35	-57.50	61.13

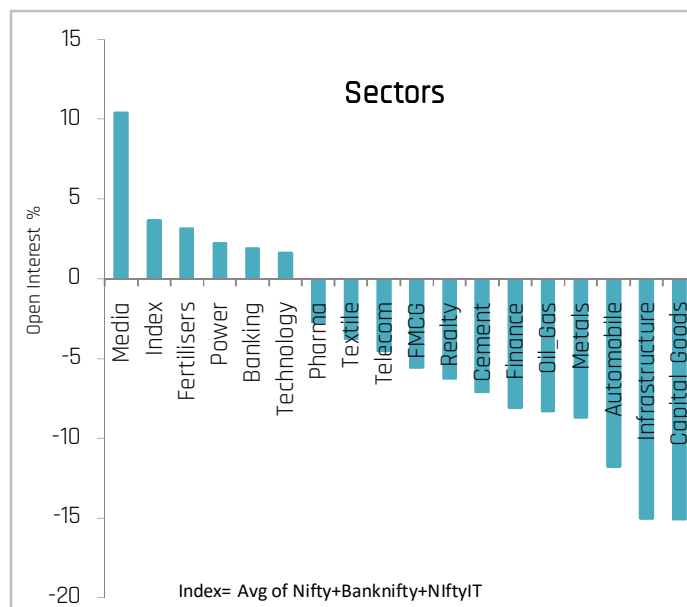
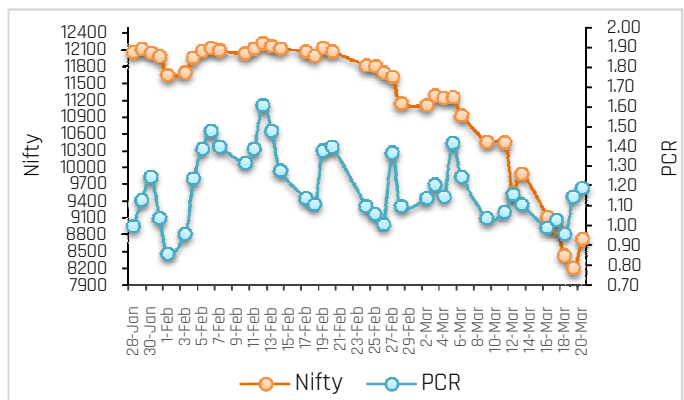
## Index Outlook

Bears continue to grip the Indian markets during the week as the markets plunged further into the bear territory with huge volatility due to globally concerns over rising COVID-19 cases and WHO declaring it a 'pandemic'. However, sharp foreign fund outflows and weakness in crude oil prices also spoiled the sentiment. Finally, the Nifty Futures settled below 9000, at 8723, down 11.87% (WoW) with addition in Open Interest of 13.26% (WoW) indicating weakness for the short term. The India VIX shoot-up sharply by 30.37% and closed at 67.10% during the week, which indicates markets to remain highly volatile. Nifty Put call ratio currently stands at 1.19, up 7.21% (WoW). Technically, the index has seen a sharp recovery towards the end of the week, with the help of that, the index managed to close the week above 200 Month SMA, which is placed close to 8433. Going forward, 8400 and 7800 will act as support points. On the higher side, 9000 and 9600 levels will act as the resistance points. Going forward, spread of COVID-19 and its impact on the global economy, F&O expiry, India Rupee movement against the Dollar, Regulatory majors, FIIs flow, global cues, and crude oil price movement will dictate the trend on the bourses next week.

## Nifty OI Trend



## Nifty Fut. vs. Pcr



## Sectoral Activity

- Last week, **Capital Goods, Infrastructure, Automobile, Oil & Gas, and Metals** stocks saw Open Interest unwinding. Top names included **VOLTAS, CUMMINSIND, GMRINFRA, NCC, EXIDEIND, BALKRISIND, IGL, GAIL, NATIONALUM, and JINDALSTEL**.
- Fertilisers, Power, and Technology** sectors saw Open Interest addition on the back of short build-up in the stocks.
- In the **Banking** space, **BANDHANBNK, INDUSINDBK, HDFCBANK, IDFCFIRSTB, KOTAKBANK, and ICICIBANK** saw short build-up while long unwinding was seen in **BANKBARODA, FEDERALBNK, and CANBK**.
- This week, some buying can be seen in **TCS, DRREDDY, ITC, ACC, and DIVISLAB** while selling pressure can be seen in **INDIGO and JUBLFOOD**.
- From sector space, **Banking, Technology, FMCG, Fertilisers, Infrastructure, and Capital Goods**, stocks are likely to remain

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## Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
PVR	1,254.30	42%	4%
ONGC	71.30	5%	9%
DIVISLAB	1,999.15	3%	2%
BEL	71.40	1%	2%

Long Unwinding			
Symbol	Price	OI Change	Price Change
IGL	345.60	-45%	-16%
APOLLOHOSP	1,358.00	-44%	-10%
SRTRANSFIN	583.70	-40%	-30%
VOLTAS	565.85	-36%	-12%

Short Build-up			
Symbol	Price	OI Change	Price Change
BANDHANBNK	230.65	68%	-30%
HDFCLIFE	419.15	68%	-18%
INDUSINDBK	441.45	31%	-45%
NTPC	81.30	28%	-16%

Short covering			
Symbol	Price	OI Change	Price Change
YESBANK	44.45	-53%	143%
ITC	175.05	-28%	8%
NATIONALUM	32.45	-23%	7%
GMRINFRA	17.15	-18%	3%

## Weekly Recommendation

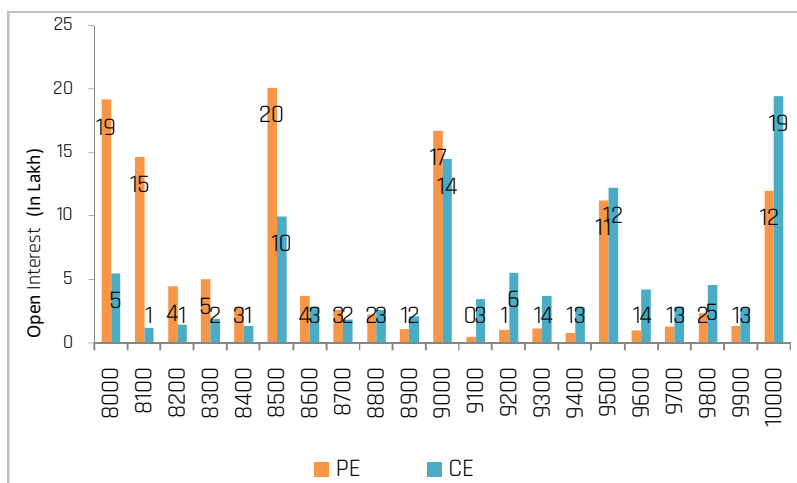
**ITC (175.05)** - The stock has seen Open Interest unwinding of 32.43% along with positive price action indicating short covering. The stock can be bought in the range of 168-170 with a stop loss of 155 on closing basis for a target of 190-200.

**Target: 200 Stop Loss: 155**

**JUBLFOOD (1286.35)** - The stock has seen Open Interest addition of 8.73% along with negative price action indicating short build up. The stock can be sold in the range of 1310-1320 with a stop loss of 1380 on closing basis for a target of 1240-1220.

**Target: 1130 Stop Loss: 1220**

## Nifty Options Snapshot



From the OI Concentration (26-March Series), addition of open interest on the call options front exists at the strike prices of 9000 and 10000 (with nearly 14.50 lacs and 19.43 lacs shares outstanding). This indicates that this level would act as the resistance zone on the upside. On the Put options front, addition of Open Interest is at the strike prices of 8500 and 8000 (with nearly 20.11 lacs and 19.19 lacs shares outstanding respectively), indicating 9000 stronger support zone on the downside.

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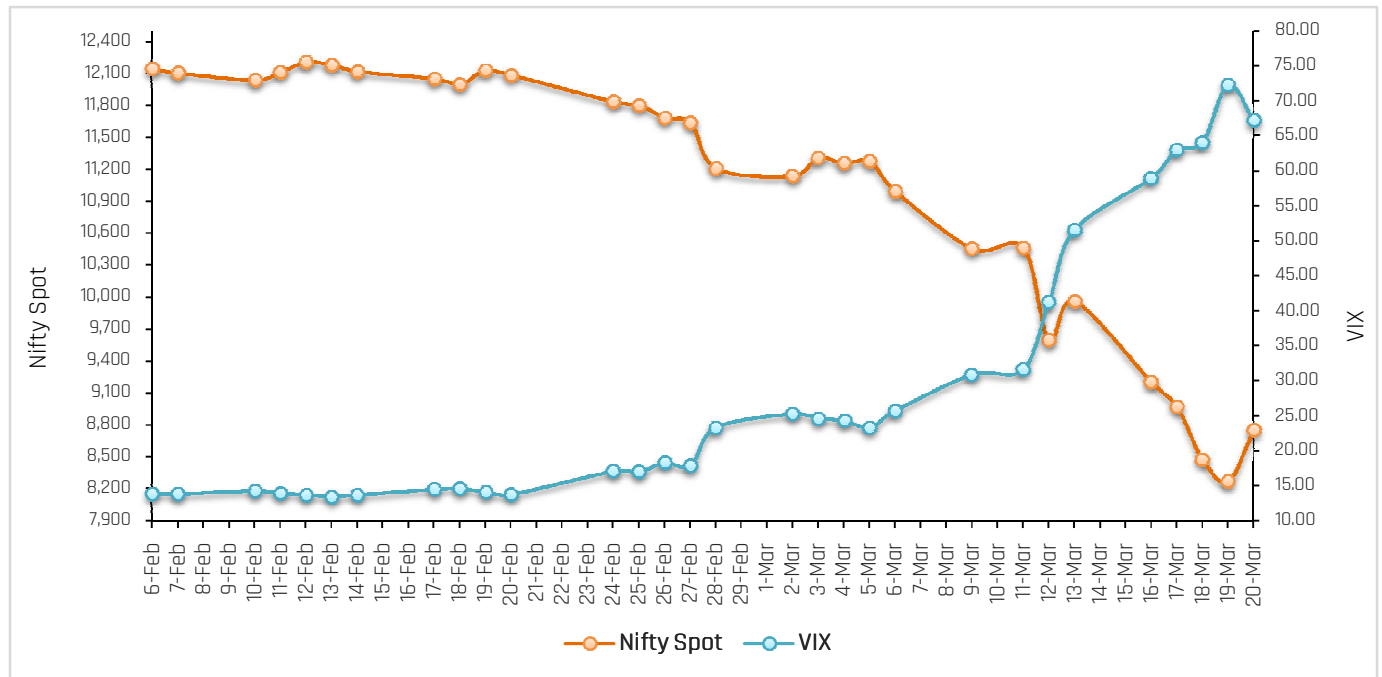
## FII Stats (5 Days Trend)

(Rs. Cr.)	20-Mar	19-Mar	18-Mar	17-Mar	16-Mar
INDEX FUTURES	2428	45	300	859	654
INDEX OPTIONS	813	-562	-377	-282	-1302
STOCK FUTURES	-1051	1096	1247	1354	-1109
STOCK OPTIONS	-29	18	14	-100	99

## FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
13-Mar	0.28	1.36	2.11	1.99
16-Mar	0.42	1.22	2.10	1.95
17-Mar	0.46	1.27	1.94	2.05
18-Mar	0.51	1.27	1.91	2.13
19-Mar	0.51	1.04	1.93	2.22
20-Mar	0.69	1.18	1.81	2.15

## NIFTY VS INDIA VIX (Last 30 Days Trend)



**Observation:** Any rise in India Vix this week would lead to either side movement in the index. As per the above chart, India Vix has strong support at around 40.00 and resistance stands at 75.00.

## Weekly Advance Decline Ratio (Nifty Stocks)

Advances	04
Declines	45
Unchanged	01

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