

DERIVATIVES ROLLOVER ANALYSIS

27-03-2020

APRIL SERIES VIEW

Bears continue to grip the Dalal Street during the month with two lower circuits, as benchmark index Nifty faced heavy sell-off with huge volatility due to global concerns over rising COVID-19 cases and WHO declaring it a 'pandemic'. However, sharp foreign fund outflow in the past few sessions, weakness in crude oil prices as Saudi Arabia has increased the production and Yes Bank issue, also spoiled the sentiment. Finally, the index settled on weaker note at 8641.45 on F&O expiry day, down 25.72% (EoE) indicating neutral to negative sentiments for the short term. On the expiry day, Nifty Futures rollover stood at 62%, which is lower than the average rollover of 71% of the last three series. Nifty will start the April series with an OI of 1.15 Cr shares compared with OI of 1.52 Cr shares at the beginning of the March series. Market-wide rollovers stood lower at 85% compared with the average rollovers of 88% in the last three series. Going into April, the month's key events that would act as market triggers would include global markets trends, concerns over global economic slowdown due to corona virus, FII flows, RBI policy, Q4FY20 earnings, the movement of Rupee against the Dollar, and crude oil price movement will dictate the trend on the bourses in the near term.

DERIVATIVES INDICATORS

India VIX shot up sharply by 303% (EoE) and closed higher at 71.53% vs. 17.76% of the previous month indicating markets to remain highly volatile. Another leading derivative indicator, Nifty PCR, opened on a higher note this month at 1.42 against last month's 1.37.

BANKNIFTY

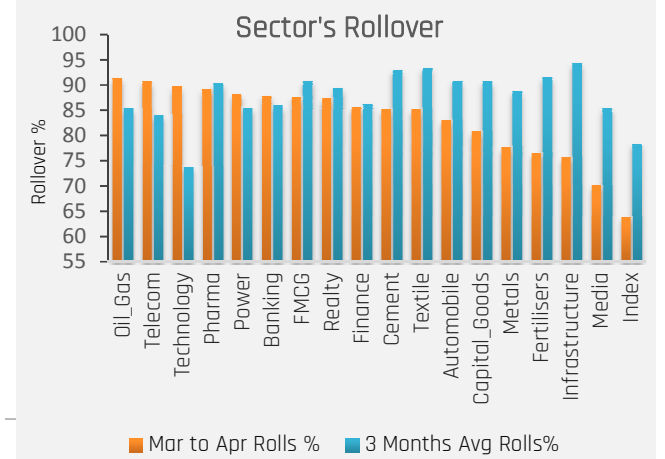
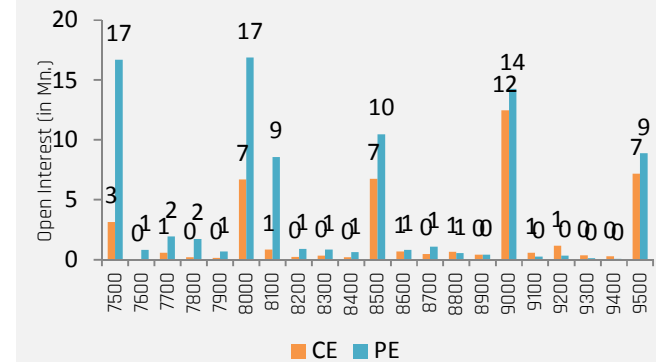
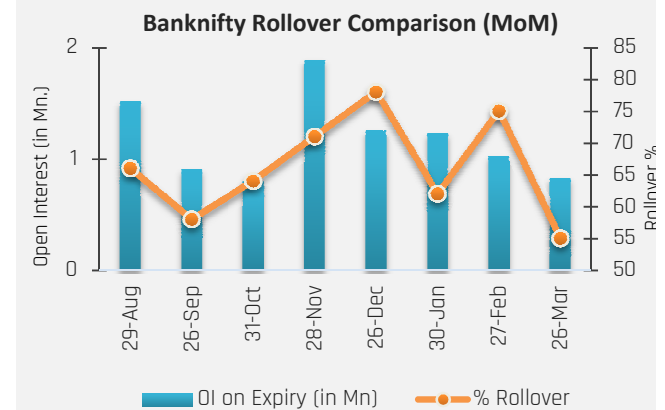
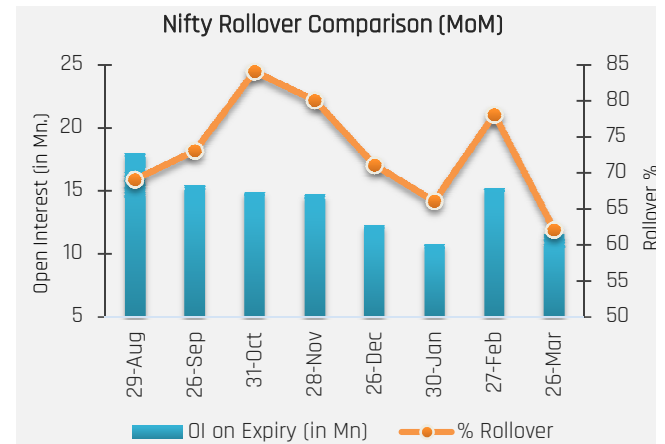
The index saw lower rolls of 55% compared with the 3M average of 72%. BankNifty will start the April series with an OI of 0.83 Mn shares compared with OI of 1.03 Mn shares at the beginning of the March series. As per options data, support for the index is around 18000 and 15000 whereas resistance stands at 23000 and 25000 for the short term.

OPTION ANALYSIS

From the OI Concentration (30-April Series), Open Interest on the call options front exists at strike prices of 9000 and 9500 (with nearly 12.47 lacs and 7.17 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 8000 and 7500 (with nearly 16.87 lacs and 16.68 lacs shares outstanding) indicating 7500 stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for OIL & GAS, TELECOM, POWER, and TECHNOLOGY stocks on expiry. However, low rollovers were seen in FERTILISERS, MEDIA, INFRASTRUCTURE, AUTOMOBILE, METALS, and TEXTILE sector stocks on expiry day as compared with three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as INFY, TCS, VEDL, POWERGRID, HEROMOTOCO, and RELIANCE saw aggressive rollover in the April series while low rolls were seen in BAJAJFINSV, SBIN, TATAMOTORS, SHREECEM, GRASIM, and HDFC compared with the 3M average.
- From the midcap space, INDIGO, PETRONET, PIDILITIND, PEL, M&MFIN, and HINDPETRO saw high rollovers whereas JINDALSTEL, JUSTDIAL, PVR, CUMMINSIND, UBL, BOSCHLTD, and TATACHEM saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



NIFTY 50 - 26 MARCH 2020 MONTHLY CHART

Nifty - Monthly chart

- The index on the monthly scale has seen sharp sell-off in the March series with huge volatility. Index opened the March month at 11387, made a high of 11433, made a low of 7511, and closed today at 8641.
- Technically, the index has taken support close to 50% retracement from 2253-12430 as highlighted in above chart. With the help of this support, index has seen sharp recovery and managed to close above its 100 Month SMA as well as 38.2% retracement support.
- The index is currently placed below psychological support of 9000. If the index sustains above 9000, then the pull-back rally could extend to 10000.
- 50 Month SMA is placed close to 10124, which will act as strong resistance for the medium term.
- RSI on the weekly scale has witnessed trendline breakdown, but it is placed close to oversold zone. Thus, bounce from an oversold zone can be possible.
- For the April series, 8400 and 7500 will act as support point whereas 9000 and 10000 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty - Monthly chart

- The index on the monthly scale has seen sharp sell-off in the March series with huge volatility. The index opened the March month at 29701, made a high of 29791, made a low of 16116, and closed today at 19614.
- Technically, the index has taken support close its monthly trendline and saw strong recovery. On the back of that, the index managed to close above its 100 Month SMA as well as 50% retracement support as highlighted in the above chart.
- As long as index holds trendline support of 16000, the uptrend can continue in BankNifty and index could test the levels of 23000-23500.
- The 50 Month SMA is placed close to 24568, which will act as strong resistance for the medium term.
- RSI on the weekly scale has witnessed trendline breakdown, but it is placed close to the oversold zone. Thus, bounce from an oversold zone can be possible.
- For the April series, 18000 and 16000 will act as support point whereas 23000 and 24500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
TCS	Strong Rollover of 96% compared with 3 months average of 77%.
BRITANNIA	Strong Rollover of 94% compared with 3 months average of 86%.
PIDILITIND	Strong Rollover of 93% compared with 3 months average of 84%.
APOLLOHOSP	Rollover of 84% compared with 3 month avg of 95% indicating cut down of short position.
NEGATIVE	
INFRATEL	Strong rollover of 97% compared with 3 month avg of 83% indicating short position carried forward.
INDIGO	Strong rollover of 93% compared with 3 month avg of 76% indicating short position carried forward.

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Rollover Update (Sector Wise)

Company	Feb to Mar roll%	Mar to Apr roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	97	89	95	-6	1.59
APOLLTYRE	95	87	95	-7	0.79
ASHOKLEY	89	87	93	-6	0.35
BAJAJ-AUTO	93	86	91	-4	0.42
BALKRISIND	92	70	94	-24	-2.13
BHARATFORG	95	92	95	-3	0.90
BOSCHLTD	99	62	93	-31	1.10
EICHERMOT	82	75	80	-5	0.33
ESCORTS	89	89	92	-3	1.20
EXIDEIND	95	76	94	-18	1.46
HEROMOTOCO	82	88	77	10	0.45
M&M	63	93	83	10	1.32
MARUTI	96	91	94	-4	1.13
MOTHERSUMI	82	84	87	-3	1.25
MRF	98	88	98	-10	1.10
TATAMOTORS	93	86	93	-7	0.99
TVSMOTOR	93	67	89	-22	-2.12
Banking					
AXISBANK	88	96	92	4	0.60
BANDHANBNK	0	97	0	97	0.72
BANKBARODA	97	90	95	-5	1.07
CANBK	95	86	95	-9	1.69
FEDERALBNK	94	86	95	-9	1.31
HDFCBANK	77	87	90	-3	-1.29
ICICIBANK	89	94	93	1	-0.92
IDFCFIRSTB	95	91	96	-5	-4.13
INDUSINDBK	74	93	84	8	1.00
KOTAKBANK	79	91	88	2	-2.05
PNB	96	86	97	-11	1.65
RBLBANK	88	71	92	-21	-6.58
SBIN	88	85	93	-9	0.67
YESBANK	78	78	90	-13	-15.29
Capital_Goods					
BEL	85	78	87	-9	1.11
BHEL	87	93	87	6	1.22
CUMMINSIND	85	58	92	-34	1.04
LT	93	94	94	0	0.65
SIEMENS	96	90	94	-3	0.83
VOLTAS	87	71	90	-19	-1.17

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Company	Feb to Mar roll%	Mar to Apr roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	97	88	97	-8	-0.72
AMBUJACEM	94	95	94	0	-0.28
GRASIM	95	90	97	-7	0.77
RAMCOCEM	85	62	90	-27	-2.38
SHREECEM	87	82	89	-7	0.77
ULTRACEMCO	86	93	91	1	1.25
Fertilisers					
TATACHEM	69	61	87	-26	0.71
UPL	94	92	96	-4	1.05
Finance					
BAJAJFINSV	97	74	95	-21	1.13
BAJFINANCE	96	94	91	3	0.56
CHOLAFIN	89	84	93	-10	2.48
EQUITAS	98	79	95	-16	1.94
HDFC	95	89	95	-6	1.04
HDFCLIFE	0	99	0	99	1.15
IBULHSGFIN	88	82	93	-12	1.86
ICICIPRULI	97	89	94	-5	1.46
L&TFH	82	89	88	1	1.12
LICHSGFIN	97	95	95	-1	-0.37
M&MFIN	70	96	86	9	0.98
MANAPPURAM	72	78	88	-10	1.22
MFSL	64	63	86	-23	-0.45
MUTHOOTFIN	76	77	89	-12	1.08
PFC	90	90	86	4	0.43
SRTRANSFIN	97	89	95	-6	0.91
UJJIVAN	98	88	95	-7	1.59
FMCG					
ASIANPAINT	96	93	95	-2	0.54
BATAINDIA	96	89	96	-7	0.09
BERGEPAIN	96	95	94	1	1.13
BRITANNIA	69	94	86	8	1.28
COLPAL	81	82	91	-9	1.11
DABUR	77	92	88	4	1.08
GODREJCP	97	87	95	-7	1.36
HINDUNILVR	91	93	91	2	0.47
ITC	97	89	95	-6	0.99
MARICO	82	93	88	5	1.07
MCDOWELL-N	96	91	95	-4	0.69
NESTLEIND	94	88	95	-7	0.99
PIDILITIND	76	93	84	9	0.73
TATACONSUM	87	84	89	-5	0.56
TITAN	76	77	80	-4	1.38
UBL	73	58	90	-31	-1.21

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Company	Feb to Mar roll%	Mar to Apr roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	75	55	72	-17	-1.32
NIFTY	78	62	71	-9	0.54
NIFTYIT	91	74	92	-18	0.48
Infrastructure					
GMRINFRA	97	79	94	-15	1.84
NCC	94	72	95	-22	2.24
Media					
PVR	57	32	78	-46	-5.68
SUNTV	88	88	88	-1	1.39
ZEEL	96	91	90	1	0.70
Metals					
HINDALCO	89	88	91	-3	0.74
JINDALSTEL	95	13	93	-80	3.77
JSWSTEEL	79	92	91	1	1.04
NATIONALUM	87	79	87	-9	0.34
NMDC	81	87	83	4	1.07
SAIL	93	77	95	-18	1.61
TATASTEEL	90	91	91	0	0.14
VEDL	51	94	78	16	1.68
Oil_Gas					
BPCL	81	88	86	2	1.01
GAIL	89	92	88	4	1.16
HINDPETRO	75	83	75	8	1.10
IGL	97	88	94	-6	0.89
IOC	80	94	85	9	1.22
MGL	94	97	89	8	-0.19
OIL	85	88	87	2	0.98
ONGC	78	92	86	6	0.31
PETRONET	41	94	78	16	0.50
RELIANCE	90	95	86	9	1.23
Others					
ADANIENIT	82	85	92	-7	1.98
ADANI PORTS	88	92	89	3	0.65
APOLLOHOSP	97	84	95	-11	1.10
COALINDIA	73	85	83	2	1.46
CONCOR	82	80	86	-6	1.50
HAVELLS	94	96	95	1	1.31
INDIGO	68	93	76	17	-2.01
JUBLFOOD	87	80	91	-12	-4.53
JUSTDIAL	93	54	89	-35	0.73

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Company	Feb to Mar roll%	Mar to Apr roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Pharma					
AUROPHARMA	90	82	94	-12	0.94
BIOCON	93	80	96	-16	0.33
CADILAHC	75	93	90	3	0.39
CIPLA	90	97	91	6	0.96
DIVISLAB	86	89	84	6	1.33
DRREDDY	83	90	87	3	1.29
GLENMARK	91	94	95	-1	1.19
LUPIN	77	95	89	6	1.18
PEL	77	93	84	9	1.20
SUNPHARMA	96	93	97	-4	1.18
TORNTPHARM	72	74	87	-12	1.14
Power					
ADANIPOWER	91	88	95	-7	1.67
CESC	88	94	87	7	0.99
NTPC	80	80	79	2	1.14
POWERGRID	68	81	68	13	-0.06
RECLTD	79	94	79	15	1.37
TATAPOWER	90	85	93	-8	1.71
TORNTPOWER	98	93	98	-5	0.54
Realty					
DLF	79	87	89	-2	-0.65
Technology					
HCLTECH	91	96	93	3	1.71
INFY	77	94	73	21	0.92
MINDTREE	90	70	89	-19	-8.14
NAUKRI	0	91	0	91	0.59
NIITTECH	93	90	89	1	-5.36
TCS	55	96	77	19	0.89
TECHM	82	93	90	3	0.76
WIPRO	63	88	80	7	0.03
Telecom					
BHARTIARTL	90	93	90	3	1.22
IDEA	81	82	79	3	1.56
INFRATEL	76	97	83	14	0.55
Textile					
CENTURYTEX	93	84	94	-10	1.71
PAGEIND	89	80	91	-11	-6.01
SRF	95	91	95	-4	1.11
CENTURYTEX	93	84	94	-10	1.71
PAGEIND	89	80	91	-11	-6.01

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