

DERIVATIVES ROLLOVER ANALYSIS

29-05-2020

JUNE SERIES VIEW

Last month, Dalal Street begins on a weaker note due to the covid-19 pandemic and weak economic growth forecast despite of that, Nifty gained more than 5% during the last two days of the May series on the back of firm buying of FIIs and strong global cues and ended the series at 9490 with a loss of 3.75%(EoE) indicating uncertainty for the short term. However, investors should remain cautious as the market continues to stay volatile in the near term due to increasing the number of COVID-19 cases. On the expiry day, Nifty Futures rollover stood at 76%, which is higher than the last three series average rollover of 70%. Nifty will start the June series with lowest level open interest of 1.00 Cr shares compared with OI of 0.96 Cr shares at the beginning of the May series. Market-wide rollovers stood higher at 93% compared with the average rollovers of 86% in the last three series. Going into June month key events that would act as market triggers would include global markets trends, spread of corona-virus and its impact on the local and global economy, FII flows, progress of monsoon, India-China border tension, 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 cool off sharply by 11.68% (EoE) and closed lower at 30.02% vs. 33.99% of the previous month indicating low volatility in market. Another leading derivative indicator, Nifty PCR, opened on lower note this month at 1.56 against last month's 1.89.

BANKNIFTY

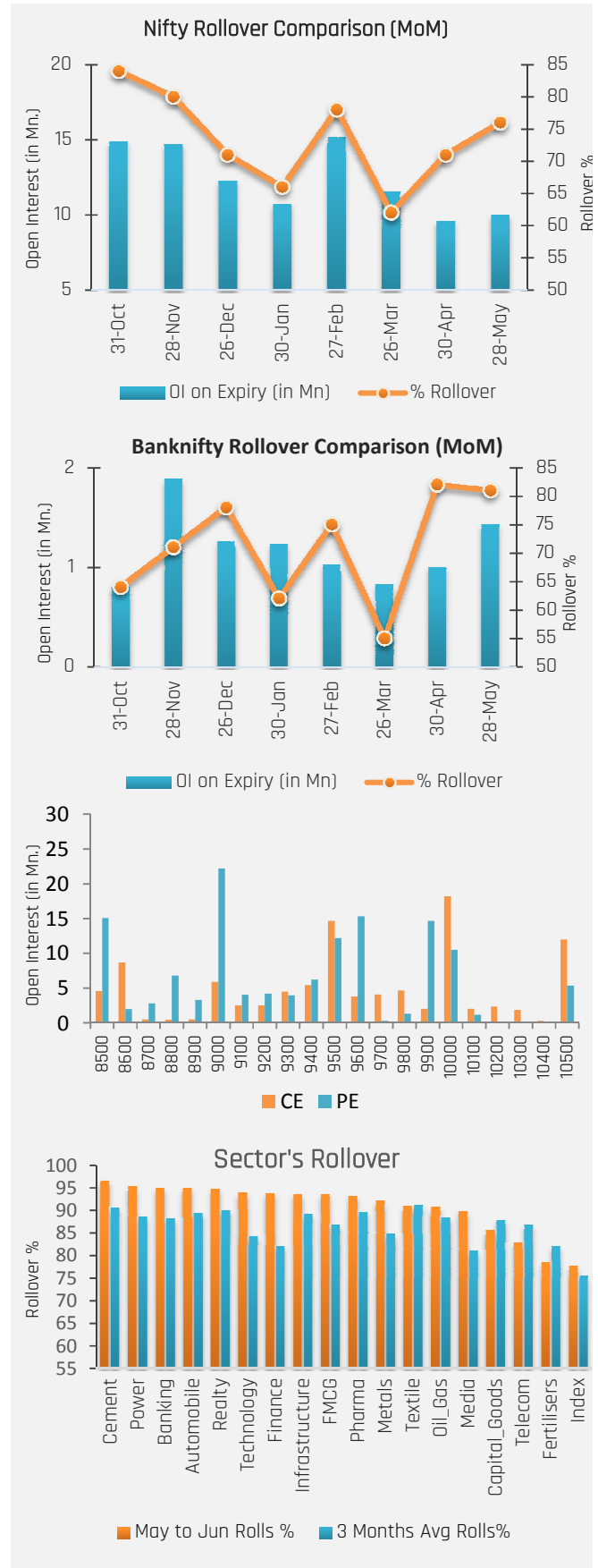
The index saw higher rolls of 81% compared with the 3M average of 71%. BankNifty will start the June series with an OI of 1.43 Mn shares compared with OI of 1.00 Mn shares at the beginning of the May series. As per options data, support for the index is around 17000 and 16000 whereas resistance stands at 23000 and 25000 for the short term.

OPTION ANALYSIS

From the OI Concentration (25-June Series), Open Interest on the call options front exists at strike prices of 9500 and 10000 (with nearly 14.68 lacs and 18.19 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 9000 and 8500 (with nearly 22.19 lacs and 15.07 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for CEMENT, POWER, BANKING, FINANCE and TECHNOLOGY stocks on expiry. However, low rollovers were seen in FERTILISERES, TELECOM and CAPITAL GOODS sector stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as POWERGRID, NTPC, NESTLEIND, VEDL, WIPRO, and TCS saw aggressive rollover in the June series while low rolls were seen in UPL, HINDUNILVR, BHARTIARTL, BAJFINANCE and CIPLA compared with the 3M average.
- From the midcap space, MFSL, JINDALSTEL, COLPAL, TATACHEM, and PVR saw high rollovers whereas HINDPETRO, MRF, IDEA, BERGEPAIN and BEL saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



NIFTY 50 - 28 MAY 2020 MONTHLY CHART

Nifty-Monthly chart

- The index starts May series on the weaker note but managed to hold its 100 Month SMA and saw a recovery from lower levels despite volatility.
- Technically, the index has formed a hammer-like candlestick pattern on monthly scale and on daily scale, it has crossed the hurdle of 50 DEMA indicating strength. Thus, if the index sustains above 9500 then 9700-9800 levels can be possible.
- On higher side, the earlier support level of 10000 will now act as strong resistance for the index in the short term as highlighted in the above chart.
- 50 Month SMA is placed close to 10158 which will act as strong resistance for medium-term.
- On the downside, 9000 will act as a short-term support zone. 100 Month SMA is placed close to 8527 which will act as a strong support zone for medium-term.
- RSI on the monthly scale has retested trendline breakdown point indicating weakness.
- For the June series, 9000 and 8500 will act as support point whereas 10000 and 10200 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty - Monthly chart

- Technically, the index on the monthly scale has taken trend line support and formed a hammer-like candlestick pattern as highlighted in the above chart.
- If the index sustains above its 50 Month SMA (19350) then the index could test the levels of 21500-22000.
- Technically, the index will find resistance close to 38% retracement from 32613-16116 which is currently placed close to 22418. 50 Month SMA is placed close to 24558 which will act as strong resistance for the medium term.
- 100 Month SMA is placed close to 19234 which will act as the key support for the short term, Trend line support is placed close to 16000 levels which will act as the key support for the medium term.
- RSI on the monthly scale has retested trendline breakdown point indicating weakness.
- For the June series, 17500 and 16000 will act as support point whereas 22500 and 24500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
TATACHEM	Strong Rollover of 92% compared with 3 months average of 71%.
HDFCBANK	Strong Rollover of 96% compared with 3 months average of 86%.
TCS	Strong Rollover of 96% compared with 3 months average of 83%.
NEGATIVE	
SIEMENS	Weak rollover of 87% compared with 3 month average of 95%.
INDUSINDBK	Rollover of 97% compared with 3 month average of 87%.

DERIVATIVES ROLLOVER ANALYSIS

29-05-2020

Rollover Update (Sector Wise)

Company	Apr to May roll%	May to Jun roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	99	97	95	2	-0.20
APOLLOTYRE	93	93	92	2	-0.31
ASHOKLEY	95	98	90	8	-2.81
BAJAJ-AUTO	97	98	92	6	-0.48
BALKRISIND	92	91	85	6	-2.26
BHARATFORG	95	94	94	0	-0.44
BOSCHLTD	97	100	86	14	-0.83
EICHERMOT	98	96	85	12	-1.03
ESCORTS	88	94	89	5	-1.48
EXIDEIND	97	99	89	9	0.00
HEROMOTOCO	93	91	87	4	-0.52
M&M	97	96	85	12	-0.70
MARUTI	97	96	95	1	-0.28
MOTHERSUMI	92	95	86	8	-0.05
MRF	100	81	95	-14	-0.64
TATAMOTORS	93	98	91	7	0.06
TVSMOTOR	91	96	84	12	-1.87
Banking					
AXISBANK	98	98	94	4	-0.47
BANDHANBNK	95	98	64	34	-1.77
BANKBARODA	94	96	94	2	-0.13
CANBK	96	92	92	0	0.12
FEDERALBNK	97	96	92	4	0.00
HDFCBANK	93	96	86	11	-0.74
ICICIBANK	97	97	93	4	-0.38
IDFCFIRSTB	95	96	94	3	-0.49
INDUSINDBK	94	97	87	10	-0.13
KOTAKBANK	94	97	88	9	-0.56
PNB	97	96	93	3	-0.19
RBLBANK	80	80	80	0	-0.43
SBIN	97	96	90	6	-0.25
Capital_Goods					
BEL	92	76	85	-8	0.14
BHEL	94	88	91	-4	0.37
CUMMINSIND	92	80	78	2	-0.08
LT	94	97	94	3	-0.83
SIEMENS	98	87	95	-8	0.07
VOLTAS	94	86	84	2	0.02

DERIVATIVES ROLLOVER ANALYSIS

29-05-2020

Rollover Update (Sector Wise)

Company	Apr to May roll%	May to Jun roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	95	92	94	-2	-0.06
AMBUJACEM	95	98	95	3	-0.05
GRASIM	97	99	94	5	-0.20
RAMCOCEM	96	96	81	14	-0.52
SHREECEM	95	98	88	10	-0.59
ULTRACEMCO	98	97	92	5	-0.36
Fertilisers					
TATACHEM	83	92	71	22	-4.63
UPL	94	65	93	-29	-0.50
Finance					
BAJAJFINSV	92	98	88	11	-0.46
BAJFINANCE	97	92	96	-4	-0.09
CHOLAFIN	97	82	90	-8	-0.04
EQUITAS	92	94	90	4	-0.93
HDFC	98	97	94	4	-0.07
HDFCLIFE	85	96	61	35	-0.11
IBULHSGFIN	96	94	89	5	-2.64
ICICIPRULI	93	97	93	5	-0.23
L&TFH	96	95	89	6	-0.19
LICHSGFIN	86	89	93	-3	-1.57
M&MFIN	98	88	88	0	-0.07
MANAPPURAM	94	95	81	14	0.04
MFSL	82	97	70	27	-0.04
MUTHOOTFIN	82	95	78	17	-0.10
PFC	98	97	93	5	0.06
SBILIFE	0	98	0	98	-0.14
SRTRANSFIN	94	89	94	-4	-0.07
UJJIVAN	90	94	92	1	-0.91
FMCG					
ASIANPAINT	94	96	94	2	-0.48
BATAINDIA	94	96	93	3	-0.69
BERGEPAIN	99	85	96	-12	-0.35
BRITANNIA	83	88	82	6	-1.03
COLPAL	61	98	75	24	-1.18
DABUR	93	97	87	9	-0.77
GODREJCP	74	95	86	9	-0.38
HINDUNILVR	98	85	94	-9	-0.69
ITC	50	85	79	6	-1.68
MARICO	96	98	90	7	-0.57
MCDOWELL-N	98	98	95	3	-0.04
NESTLEIND	70	98	84	14	-0.75
PIDILITIND	97	98	89	9	0.10
TATACONSUM	87	90	86	4	-1.45
TITAN	97	95	83	12	-0.96
UBL	91	95	74	21	0.11

DERIVATIVES ROLLOVER ANALYSIS

29-05-2020

Rollover Update (Sector Wise)

Company	Apr to May roll%	May to Jun roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	82	81	71	11	-0.69
NIFTY	71	76	70	5	-0.59
NIFTYIT	92	76	86	-9	-0.91
Infrastructure					
GMRINFRA	97	93	91	2	-1.40
NCC	95	95	87	7	0.21
Media					
PVR	88	80	59	21	-2.70
SUNTV	96	91	90	0	-0.01
ZEEL	95	98	94	4	-1.35
Metals					
HINDALCO	90	92	89	3	-0.94
JINDALSTEL	95	92	68	24	-0.72
JSWSTEEL	97	96	89	7	-0.38
NATIONALUM	93	93	86	7	0.17
NMDC	94	99	88	11	-0.32
SAIL	91	83	87	-4	-0.66
TATASTEEL	96	89	92	-3	-0.14
VEDL	95	93	80	13	0.06
Oil_Gas					
BPCL	97	97	89	8	0.03
GAIL	88	98	90	8	-0.78
HINDPETRO	92	58	83	-25	-0.30
IGL	95	92	93	-2	-0.69
IOC	95	95	90	5	-0.26
MGL	99	97	97	1	-0.31
ONGC	95	94	88	6	-0.25
PETRONET	96	99	77	22	0.15
RELIANCE	85	88	90	-2	-0.03
Others					
ADANIENIT	92	95	86	8	0.32
ADANI PORTS	96	99	92	7	-0.53
APOLLOHOSP	96	96	92	4	-1.10
COALINDIA	96	98	85	13	-0.45
CONCOR	98	98	87	11	0.20
HAVELLS	97	97	96	1	-0.17
INDIGO	86	89	82	7	-1.00
JUBLFOOD	77	88	81	7	-2.75
JUSTDIAL	86	91	78	14	-0.32

DERIVATIVES ROLLOVER ANALYSIS

29-05-2020

Rollover Update (Sector Wise)

Company	Apr to May roll%	May to Jun roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Pharma					
AUROPHARMA	94	95	89	6	-0.08
BIOCON	96	82	90	-8	-0.12
CADILAHC	96	95	88	8	-0.01
CIPLA	90	75	93	-18	-0.19
DIVISLAB	96	98	91	8	0.01
DRREDDY	97	97	90	7	-0.16
GLENMARK	95	96	93	3	0.03
LUPIN	95	96	89	7	0.14
PEL	98	99	89	10	-2.88
SUNPHARMA	94	97	94	2	-0.16
TORNTPHARM	95	95	80	15	-0.47
Power					
ADANIPOWER	94	94	91	3	0.00
NTPC	93	99	85	14	-0.68
POWERGRID	95	99	81	18	-0.06
RECLTD	95	97	89	8	-0.23
TATAPOWER	94	93	90	4	-3.92
TORNTPOWER	96	90	96	-6	-0.08
Realty					
DLF	90	99	85	13	-0.28
GODREJPROP	0	91	0	91	-0.28
Technology					
HCLTECH	89	93	92	1	-0.04
INFY	96	98	89	9	-1.95
MINDTREE	87	89	82	6	-0.26
NAUKRI	100	96	64	32	-0.81
NIITTECH	96	88	93	-6	0.01
TCS	98	96	83	13	-0.83
TECHM	97	98	90	8	-0.15
WIPRO	93	95	81	14	-0.08
Telecom					
BHARTIARTL	98	88	93	-5	0.06
IDEA	77	68	80	-13	1.71
INFRADEL	87	92	87	5	-0.60
Textile					
CENTURYTEX	99	99	92	7	-0.02
PAGEIND	95	76	88	-12	-0.47
SRF	95	98	93	4	-0.07

DERIVATIVES ROLLOVER ANALYSIS

29-05-2020

Asit C. Mehta INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000002483

C IN: U65990MH1993PLC075388

An ISO 2001:2015 Certified
Company

Follow us on:



Information pertaining to Asit C. Mehta Investment Intermmediates Limited (ACMIIL):

ACMIIL is a SEBI registered Stock Broker, Merchant Banker, Portfolio Manager and Depository Participant. It is also a AMFI registered Mutual Fund Distributor. It does not have any disciplinary history. Its associate/group companies are Asit C. Mehta Commodity Services Limited, Asit C. Mehta Realty Services Pvt. Ltd, Asit C. Mehta Forex Pvt. Ltd, Nucleus IT Enabled Services , Asit C. Mehta Financial Services Limited (all providing services other than stock broking,merchant banking and portfolio management services.).

Disclosures

ACMIIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/benefits for any reason (including investment banking/ merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIIL/its associates and research analysts have neither managed or co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have not served as an officer/director or employee of the companies being covered

Disclaimer:

This report is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon such. ACMIIL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the report. To enhance transparency we have incorporated a Disclosure of Interest Statement in this document. This should however not be treated as endorsement of the views expressed in the report.

You are also requested to refer to the disclaimer (which is deemed to be part and parcel and is applicable to this research report as well) : <http://www.investmentz.com/disclaimer>