

DERIVATIVES ROLLOVER ANALYSIS

01-11-2019

NOVEMBER SERIES VIEW

In October expiry, the benchmark index cheered up to Diwali with huge volatility due to foreign investor buying in cash, positive global cues busted by hopes of a trade deal between the US and China and media news of DDT, LTCG, and STT cuts. Meanwhile, country's economic growth outlook for this Fiscal, US-China trade war, concerns over global economic slowdown, and weakness in Rupees against Dollar would continue to cap the upside. Finally, the index kept its head above the 11,800 mark on F&O expiry day and ended up 2.65% (EoE) indicating neutral to positive for the short term. On the expiry day, Nifty Futures rollover stood at 84%, which is higher than the average rollover of 72% of the last three series. Nifty will start the November series with an OI of 1.49 Cr shares compared with OI of 1.54 Cr shares at the beginning of the October series. Market-wide rollovers stood in line at 92% compared with the average rollovers of 92% in the last three series. Going into October, key events that would act as market triggers would include global markets trends, Q2FY20 earnings, FII inflows, US-China trade war, 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 closed flat at 16.28% vs. 16.34% of the previous month, with volatility to continue. Another leading derivative indicator, Nifty PCR, opened on a higher note this month at 1.42 against last month's 1.33.

BANKNIFTY

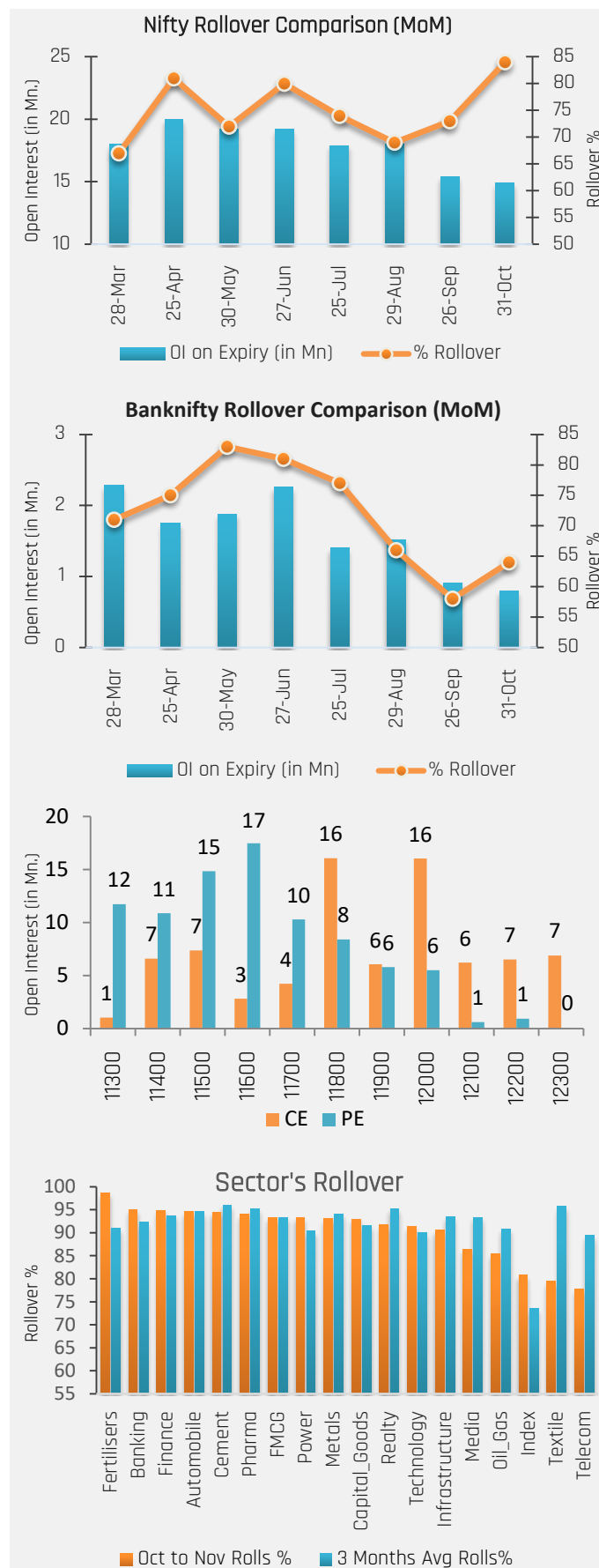
The index saw lower rolls of 64% compared with the 3M average of 67%. BankNifty will start the November series with an OI of 0.80 Mn shares compared with OI of 0.91 Mn shares at the beginning of the October series. As per options data, support for the index is around 29000 and 28500 whereas resistance stands at 31000 and 32000 for the short term.

OPTION ANALYSIS

From the OI Concentration (28-Nov Series), Open Interest on the call options front exists at strike prices of 12000 and 12300 (with nearly 16.03 lacs and 6.90 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 11600 and 11500 (with nearly 17.48 lacs and 14.84 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for Fertilisers, Banking, Finance, Capital Goods, Technology, and Power stocks on expiry. However, low rollovers were seen in Telecom, Textile, Media, Realty, and Oil & Gas stocks.
- Within the Nifty50 space, index heavyweights such as UPL, ICICIBANK, HINDUNILVR, HDFCBANK, HEROMOTOCO, KOTAKBANK, and LT saw aggressive rollover in the November series while low rolls were seen in ONGC, COALINDIA, HINDPETRO, BHARTIARTL, and HINDALCO compared with the 3M average.
- From the midcap space, APOLLOHOSP, UBL, BRITANNIA, OIL, VOLTAS, and HEXAWARE saw high rollovers whereas CENTURYTEX, AUROPHARMA, GODREJCP, IDEA, and PVR saw lower rollovers compared with the 3M average.



TECHNICAL VIEW ON NIFTY

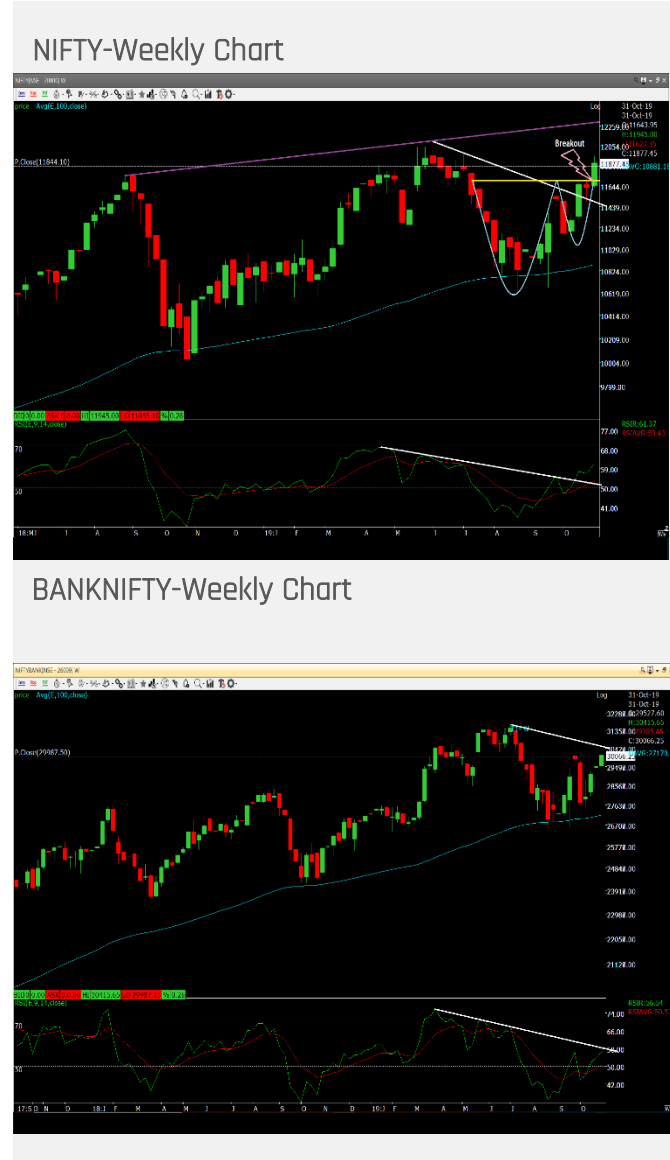
In October, the index has taken the support of its 100 WEMA and witnessed a strong up-move. On the back of that, the index registered a high of 11945 and closed the month on a positive note around 11880. Technically, the index on the weekly scale has witnessed trendline breakout as highlighted in the above chart. Moreover, the index is on the verge of giving a **cup and handle** pattern breakout on a weekly scale. RSI on a weekly scale has witnessed trendline breakout. Trendline resistance is currently placed close to 12300.

For the November series, psychological resistance of 12000 will act as the first resistance followed by 12300. On the lower side, the recent breakout point of 11700 and 11400 will act as support points.

TECHNICAL VIEW ON BANKNIFTY

In October, the index has witnessed strong up-move. With the help of that, the index registered a high of 30415 and closed the month on a positive note around 30066. Technically, the index on the monthly scale is making a **higher top, higher bottom** formation. However, on the weekly scale, the index is placed close to trendline resistance. RSI on the weekly scale has witnessed trendline breakout. Thus, 30500 will act as short-term resistance. Weekly close above 30500 could trigger a fresh breakout. On the lower side, 28500 will act as a strong support point.

For the November series, 30500 will act as the initial resistance followed by 32000. On the lower side, 29000 and 28500 will act as support points.



Stocks to watch out based on Rollover Analysis:

POSITIVE	
HINDUNILVR	Strong rollover of 97% compared with 3 month avg of 86% indicating long position carried forward.
LT	Strong rollover of 97% compared with 3 month avg of 91% indicating long position carried forward.
KOTAKBANK	Weak rollover of 94% compared with 3 month avg of 86% indicating long position carried forward.
NEGATIVE	
BHARTIARTL	Weak rollover of 82% compared with 3 month avg of 93% indicating cut down the long position.
TORNTPOWER	Rollover of 98% compared with 3 month avg of 92% indicating short position carried forward.

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Rollover Update (Sector Wise)

Company	Sep to Oct roll%	Oct to Nov roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	96	89	95	-7	0.43
APOLLLOTYRE	88	86	89	-3	0.29
ASHOKLEY	96	96	97	-2	0.33
BAJAJ-AUTO	93	89	91	-2	0.13
BALKRISIND	91	99	95	4	-0.59
BHARATFORG	98	92	98	-7	0.06
BOSCHLTD	99	99	97	2	0.19
EICHERMOT	95	98	93	5	0.36
ESCORTS	95	98	97	1	0.49
EXIDEIND	97	93	97	-4	-0.44
HEROMOTOCO	91	99	90	9	0.35
M&M	96	99	94	5	0.17
MARUTI	85	94	89	4	0.39
MOTHERSUMI	98	91	97	-6	-0.12
MRF	97	96	97	-1	0.18
TATAMOTORS	94	96	96	-1	-0.06
TATAMTRDVR	93	96	97	-1	0.67
TVSMOTOR	96	96	93	3	-2.73
Banking					
AXISBANK	95	92	92	0	0.53
BANKBARODA	99	98	97	0	0.41
BANKINDIA	97	96	96	0	0.42
CANBK	97	96	96	1	0.39
FEDERALBNK	98	96	95	1	0.50
HDFCBANK	88	96	86	11	0.40
ICICIBANK	85	98	85	13	0.40
IDFCFIRSTB	98	96	97	-1	-5.59
INDUSINDBK	91	95	89	6	0.49
KOTAKBANK	87	94	86	8	0.32
PNB	98	97	98	-1	0.31
RBLBANK	92	88	90	-3	0.24
SBIN	93	91	90	1	-0.05
UNIONBANK	98	98	98	0	0.44
YESBANK	95	94	89	4	0.36
Capital Goods					
BEL	95	97	95	2	0.59
BHEL	97	83	88	-4	0.18
CUMMINSIND	94	95	94	1	0.38
LT	92	97	91	6	0.45
SIEMENS	95	90	95	-4	0.40
VOLTAS	83	95	87	8	0.23

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Cement					
ACC	96	98	97	1	0.48
AMBUJACEM	98	98	97	1	0.49
GRASIM	99	99	97	2	0.40
RAMCOCEM	91	89	93	-4	0.47
SHREECEM	98	88	97	-10	0.48
ULTRACEMCO	92	94	93	1	0.50
Fertilisers					
TATACHEM	96	98	94	4	0.20
UPL	98	99	88	11	0.45
Finance					
BAJAJFINSV	94	99	90	9	0.46
BAJFINANCE	92	97	93	4	0.47
CHOLAFIN	90	85	88	-3	-0.47
EQUITAS	96	96	97	-1	0.54
HDFC	95	99	96	4	0.38
IBULHSGFIN	97	93	97	-4	-3.24
ICICIPRULI	92	94	93	2	0.17
L&TFH	96	98	94	4	0.47
LICHSGFIN	94	98	93	5	0.67
M&MFIN	99	95	99	-4	0.38
MANAPPURAM	97	95	94	1	0.06
MFSL	90	94	90	4	0.53
MUTHOOTFIN	91	96	93	3	0.53
PFC	96	94	94	0	0.41
SRTRANSFIN	97	99	97	1	-0.08
UJJIVAN	86	87	92	-5	0.48
FMCG					
ASIANPAINT	91	97	91	6	0.41
BATAINDIA	95	94	96	-2	-0.67
BERGEPAIN	98	89	96	-7	-4.86
BRITANNIA	90	98	89	9	0.25
COLPAL	96	96	92	4	-0.22
DABUR	93	96	95	1	0.14
GODREJCP	96	61	96	-35	0.02
HINDUNILVR	78	97	86	11	0.26
ITC	94	97	91	5	0.47
MARICO	98	97	99	-2	-0.18
MCDOWELL-N	97	97	98	-1	0.28
NESTLEIND	84	86	92	-6	0.50
PIDILITIND	98	99	98	1	0.45
TATAGLOBAL	97	95	95	0	0.52
TITAN	93	96	93	4	0.42
UBL	75	98	87	12	0.48

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Company	Sep to Oct roll%	Oct to Nov roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	58	64	67	-3	0.10
NIFTY	73	84	72	12	0.30
NIFTYIT	76	95	82	13	0.63
Infrastructure					
GMRINFRA	94	82	93	-11	0.24
NBCC	97	93	93	0	0.67
NCC	94	97	95	2	0.35
Media					
DISHTV	98	87	97	-11	0.40
PVR	96	76	92	-16	0.54
SUNTV	97	85	91	-6	0.16
ZEEL	93	98	92	5	0.33
Metals					
HINDALCO	96	91	95	-4	0.08
JINDALSTEL	97	93	97	-5	0.30
JSWSTEEL	97	99	97	1	0.53
NATIONALUM	96	90	91	-1	-3.07
NMDC	96	92	97	-5	0.22
SAIL	98	97	91	6	0.41
TATASTEEL	93	92	96	-3	-0.04
VEDL	84	91	88	3	0.27
Oil & Gas					
BPCL	92	89	91	-2	0.39
CASTROLIND	97	94	93	1	0.46
GAIL	93	95	92	3	0.44
HINDPETRO	96	81	97	-17	0.38
IGL	92	94	87	7	0.29
IOC	93	61	84	-23	-0.37
MGL	99	98	92	6	0.30
OIL	98	96	87	9	0.53
ONGC	93	39	85	-47	-1.55
PETRONET	98	96	97	-2	-1.50
RELIANCE	96	96	93	4	0.48
Others					
ADANIANT	99	98	98	0	0.30
ADANI PORTS	85	98	91	7	0.45
APOLLOHOSP	63	98	84	13	0.43
COALINDIA	88	63	86	-23	0.05
CONCOR	94	89	83	6	0.32
HAVELLS	90	98	95	3	0.40
INDIGO	87	82	79	3	0.59
JUBLFOOD	85	81	92	-11	-0.82
JUSTDIAL	87	89	89	0	0.50

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Pharma					
AUROPHARMA	98	86	98	-12	0.20
BIOCON	99	93	98	-5	0.30
CADILAHC	99	98	98	0	0.34
CIPLA	99	96	98	-2	0.51
DIVISLAB	99	99	98	1	0.36
DRREDDY	94	99	97	2	0.18
GLENMARK	99	98	94	4	0.27
LUPIN	99	91	95	-4	-0.06
PEL	99	92	95	-3	-1.07
SUNPHARMA	97	98	95	4	0.44
TORNTPHARM	81	84	81	4	0.59
Power					
ADANIPOWER	96	96	96	0	0.38
CESC	96	94	96	-3	0.42
NTPC	89	90	83	8	0.25
POWERGRID	92	92	87	5	0.50
RECLTD	96	86	86	1	0.43
TATAPOWER	95	97	94	3	0.42
TORNTPOWER	98	98	92	6	0.46
Realty					
DLF	98	92	95	-4	0.14
Technology					
HCLTECH	95	94	92	2	0.06
HEXAWARE	96	93	86	7	-0.27
INFY	81	87	89	-2	0.36
MINDTREE	85	88	91	-3	0.51
NIITTECH	90	76	80	-5	-0.68
TATAELXSI	97	92	92	-1	0.28
TCS	96	98	95	3	0.39
TECHM	95	98	94	5	0.47
WIPRO	92	96	92	5	0.44
Telecom					
BHARTIARTL	95	82	93	-11	0.27
IDEA	92	74	86	-12	1.30
INFRATEL	72	77	89	-11	0.16
Textile					
CENTURYTEX	91	58	96	-37	0.19
PAGEIND	98	93	96	-4	-3.16
SRF	91	87	95	-8	0.43

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Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.
Retail Research Desk:

Akhil Rathi	D: 91 22 2858 3210
Hrshikesh 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
Karan Desai	D: 91 22 2858 3221

Email: retailresearch@acm.co.in**Research Analyst Registration Number:**

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