

DERIVATIVES ROLLOVER ANALYSIS

01-07-2022

JULY SERIES VIEW

In the June expiry, bears dominated the Dalal Street, as selling pressure witnessed in broader markets lagged the benchmark index Nifty. Fears loomed across markets that aggressive interest rate rises enforced by global central banks to rein in soaring inflation could result in a recession. Finally, Nifty settled the expiry (EoE) on a weaker note at 15780 with a loss of 390 points (EoE), indicating neutral to negative bias for the short term. However, any uncertain move on the Russia-Ukraine front, inflation risk, economy slowdown, and bond yields will remain a concern for the markets. Thus, investors should remain cautious on the higher side. On the expiry day, the Nifty futures rollover stood at 75%, which is lower as compared with the last three series average rollover of 80%. Nifty will start the July series with an open interest of 1.28 Cr shares compared with an OI of 1.28 Cr shares at the beginning of the June series. Market-wide rollovers stood at 92% as compared with the average rollovers of 93% in the last three series. Going into July month, Covid-19 cases, monthly auto sales data, Rupee movement against the Dollar, Federal Reserve' policy, Q1FY23 earnings, Fiis flow, economy data, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX cooled off by 3.87% (EoE) and closed at 21.84% vs. 22.72% of the previous month but still on higher side. We expecting volatility will remain high due to geopolitical tensions. Another leading derivatives indicator, Nifty PCR, opened on a higher note this month at 1.16 against last month's 1.13.

BANKNIFTY

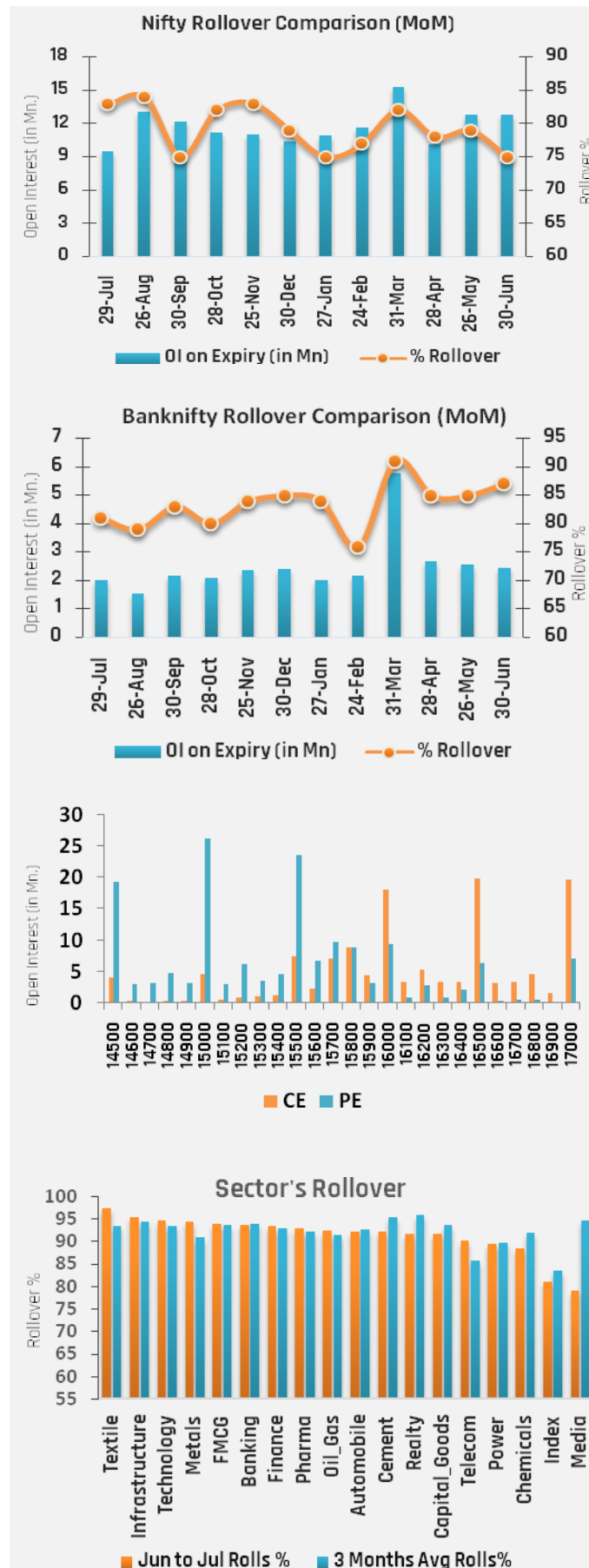
The index saw inline rolls of 87% as compared with the 3M average of 87%. BankNifty will start the July series with lower OI of 2.42 Mn shares as compared with OI of 2.55 Mn shares at the beginning of the June series. As per options data, support for the index stands around 32000 and 31000 whereas resistance stands at 34000 and 36000 for the short term.

OPTION ANALYSIS

From the OI Concentration (28-July Series), Maximum open Interest on the call options front exists at strike prices of 16000, 16500 and 17000 (with nearly 18.01 lacs, 19.86 lacs and 19.70 lacs shares outstanding respectively). This indicates 16500 and 17000 levels will act as the resistance zone on the upside for the short term. On the put options front, Maximum open Interest is at strike prices of 15500, 16000 and 14500 (with nearly, 23.61 lacs, 26.33 lacs and 19.42 lacs shares outstanding respectively) indicating 15000 and 14500 levels will be stronger support zone.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **TEXTILE, TECHNOLOGY, TELECOM, INFRASTRUCTURE, and METALS**, stocks on near expiry. However, low rollovers were seen in **CHEMICALS, MEDIA, CEMENT, REALTY** 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 **HDFC, NTPC, ITC, JSWSTEEL, and SUNPHARMA** saw aggressive rollover in the July series while low rolls were seen in **INDUSINDBK, POWERGRID, UPL, DIVISLAB and LT** compared with the 3M average rollover.
- From the midcap space, **IOC, OFSS, GNFC, CUMMINSIND, and PAGEIND** saw high rollovers whereas **SUNTV, COROMANDEL, ABB, DELTACORP, and RECLTD** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



Nifty-Daily chart

- The index continued weakness throughout June month. On the back of that the index has close the June month on the negative note at 15780.
- Technically, the index on a daily scale has found resistance around 15860, where 21 days exponential moving average is placed. If the index manages to close above 15860, then next major resistance is placed close to 16250, where the trend line resistance and 50 days simple moving average are placed. Moreover, the index has left bearish gap in the range of 15886-16173.
- The 100 weekly exponential moving average is currently placed close to 15405, which will act as initial support for the index followed by 15000, where the trend line support is currently placed.
- The RSI on the daily scale is placed below the center point and placed close to trend line resistance, indicating weakness. Moreover, the stochastic oscillator on a daily scale has formed a bearish crossover from an overbought zone. Thus, a sell on rise strategy needs to be adopted for the short term.
- For the short term, 15400 and 15000 will act as support points, whereas 15860 and 16250 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty- Daily Chart

- The index started the month on a negative note and continued with bearish momentum throughout the month. On the back of that, the index closed the June month on a negative note at 33425.
- Technically, the index is facing resistance close to the 21 days exponential moving average, as highlighted in the above chart. The 21DEMA is currently placed near 33740. If the index manages to close above 33740, then the next major resistance is placed close to 34530, where the trend line resistance and 50 days simple moving average are placed.
- On the lower hand, the trend line support is currently placed close to the 32000 level, which will provide strong support for the index.
- The RSI on the daily scale is placed below the center point, indicating weakness. Moreover, the stochastic oscillator on a daily scale has formed a bearish crossover from an overbought zone. Thus, a sell on rise strategy needs to be adopted for the short term.
- In the short term, 32500 and 32000 will act as support points, whereas 33740 and 34530 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
HCLTECH	Strong Rollover of 93% compared with 3 months average of 93%.
RELIANCE	Strong Rollover of 98% compared with 3 months average of 96%.
SIEMENS	Strong Rollover of 98% compared with 3 months average of 98%.
NEGATIVE	
L&TFH	Rollover of 96% compared with 3 month average of 92%.
HAVELLS	Rollover of 98% compared with 3 month average of 93%.

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Rollover Update (Sector Wise)

Sector	Company	May to June roll%	June to July roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Index	BANKNIFTY	85	87	87	0	-0.08	-4.8%
Index	NIFTY	79	75	80	-5	-0.27	-2.4%
Automobile	AMARAJABAT	95	97	97	0	0.14	-6.8%
Automobile	APOLLOTYRE	89	92	91	1	-0.62	-13.3%
Automobile	ASHOKLEY	89	91	92	-1	-0.85	7.6%
Automobile	BAJAJ-AUTO	95	90	91	-1	-0.73	-3.9%
Automobile	BALKRISIND	94	91	95	-4	-0.04	-2.3%
Automobile	BHARATFORG	96	93	95	-2	-2.17	-2.3%
Automobile	BOSCHLTD	87	95	93	3	-1.20	9.8%
Automobile	EICHERMOT	97	96	96	0	-0.13	2.5%
Automobile	ESCORTS	92	87	86	0	0.31	-10.2%
Automobile	EXIDEIND	96	97	96	1	0.18	-3.4%
Automobile	HEROMOTOCO	94	94	93	1	-1.06	3.2%
Automobile	M&M	89	76	78	-2	-0.81	17.6%
Automobile	MARUTI	94	93	93	0	0.26	8.5%
Automobile	MOTHERSON	96	95	93	2	0.00	-3.6%
Automobile	MRF	98	97	98	-1	-2.51	-5.7%
Automobile	TATAMOTORS	95	95	94	0	0.29	-2.1%
Automobile	TVSMOTOR	95	88	93	-5	-3.28	18.9%
Banking	AUBANK	96	95	94	0	-1.79	-55.2%
Banking	AXISBANK	95	97	95	1	-0.13	-6.8%
Banking	BANDHANBNK	97	97	96	1	0.27	-16.7%
Banking	BANKBARODA	84	97	92	5	-0.10	-1.0%
Banking	CANBK	90	94	93	0	0.28	-7.4%
Banking	CUB	98	88	97	-9	-0.08	5.1%
Banking	FEDERALBNK	86	85	92	-7	-1.05	6.1%
Banking	HDFCBANK	96	97	92	5	0.00	-1.4%
Banking	ICICIBANK	97	97	95	2	0.26	-2.9%
Banking	IDFCFIRSTB	91	95	93	1	0.32	-8.3%
Banking	INDUSINDBK	96	88	96	-8	-0.43	-11.5%
Banking	KOTAKBANK	95	96	95	2	-0.28	-13.0%
Banking	PNB	89	95	93	1	0.35	-4.1%
Banking	RBLBANK	94	90	95	-5	0.30	-25.1%
Banking	SBIN	93	93	91	2	0.17	-0.6%
Capital_Goods	ABB	93	71	93	-22	0.04	5.0%
Capital_Goods	ASTRAL	90	97	95	2	-0.08	-0.4%
Capital_Goods	BEL	92	95	94	1	0.17	3.6%
Capital_Goods	BHEL	93	94	95	-1	0.33	-10.5%
Capital_Goods	CROMPTON	94	94	97	-2	-0.24	3.0%
Capital_Goods	CUMMINSIND	91	96	88	8	-0.92	-0.4%
Capital_Goods	DIXON	90	86	92	-6	-0.95	6.3%
Capital_Goods	HAL	96	83	96	-14	-0.31	0.4%
Capital_Goods	HAVELLS	96	98	93	5	0.04	-6.4%
Capital_Goods	HONAUT	96	92	96	-3	-1.82	11.0%
Capital_Goods	LT	95	92	94	-2	-1.71	-0.4%
Capital_Goods	POLYCAB	89	93	89	4	-0.11	-8.6%
Capital_Goods	SIEMENS	96	98	98	0	-0.01	2.3%

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Sector	Company	May to June roll%	June to July roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Capital Goods	VOLTAS	88	92	91	1	-1.59	-2.4%
Capital Goods	WHIRLPOOL	96	95	97	-1	-0.05	3.8%
Cement	ACC	92	82	92	-10	0.10	-3.9%
Cement	AMBUJACEM	92	87	94	-8	0.08	-0.7%
Cement	DALBHARAT	95	98	96	1	0.37	-3.8%
Cement	GRASIM	97	98	97	0	0.17	-5.2%
Cement	INDIACEM	94	95	96	-1	0.26	-7.6%
Cement	JKCEMENT	92	84	92	-8	0.03	-10.7%
Cement	RAMCOCEM	97	94	98	-4	-2.68	-4.4%
Cement	SHREECEM	95	95	97	-1	-1.01	-12.4%
Cement	ULTRACEMCO	96	96	96	0	0.08	-4.5%
Chemicals	AARTIIND	93	90	90	0	0.24	-6.8%
Chemicals	ATUL	96	97	97	1	-0.28	0.8%
Chemicals	CHAMBLFERT	87	92	90	2	0.19	-23.0%
Chemicals	COROMANDEL	93	51	93	-42	-0.35	3.6%
Chemicals	DEEPAKNTR	88	93	93	0	0.20	-5.8%
Chemicals	GNFC	81	89	81	8	0.27	-4.5%
Chemicals	NAVINFLUOR	89	90	90	1	-1.27	1.3%
Chemicals	PIIND	99	99	98	1	-0.13	-2.0%
Chemicals	RAIN	92	93	94	-1	0.31	-1.9%
Chemicals	TATACHEM	91	91	93	-2	0.27	-14.9%
Chemicals	UPL	81	88	92	-4	-0.65	-15.4%
Finance	ABCAPITAL	94	93	95	-3	0.22	-8.8%
Finance	BAJAJFINSV	95	96	93	3	0.23	-12.4%
Finance	BAJFINANCE	94	97	95	2	0.21	-7.2%
Finance	CANFINHOME	92	95	94	1	0.13	-6.9%
Finance	CHOLAFIN	94	97	93	4	-0.03	-3.0%
Finance	HDFC	94	98	87	11	0.16	-5.1%
Finance	HDFCAMC	97	95	95	0	-0.19	3.1%
Finance	HDFCLIFE	97	98	97	1	-0.03	-4.9%
Finance	IBULHSGFIN	83	94	86	8	0.32	-18.8%
Finance	ICICIGI	77	93	90	3	-0.05	-11.6%
Finance	ICICIPRULI	98	87	93	-6	0.16	-7.5%
Finance	IDFC	92	94	93	1	-0.91	2.9%
Finance	L&TFH	95	96	92	4	-0.44	-8.6%
Finance	LICHSGFIN	95	94	96	-2	0.20	-12.8%
Finance	M&MFIN	81	92	90	2	-1.82	1.2%
Finance	MANAPPURAM	93	94	93	1	0.00	-6.9%
Finance	MFSL	96	87	93	-6	0.24	1.8%
Finance	MUTHOOTFIN	96	98	92	6	0.02	-14.2%
Finance	NAM-INDIA	95	98	95	2	-1.91	-0.2%
Finance	PFC	91	91	93	-2	0.29	-3.5%
Finance	RECLTD	76	73	87	-14	-2.95	4.3%
Finance	SBICARD	96	97	93	4	-0.23	1.5%
Finance	SBILIFE	96	95	95	1	-0.27	-2.1%
Finance	SRTRANSFIN	96	86	95	-9	-7.27	11.7%
FMCG	ASIANPAINT	98	97	97	-1	-0.30	-5.1%
FMCG	BALRAMCHIN	91	91	91	0	-0.11	-4.3%

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FMCG	BATAINDIA	96	90	95	-5	0.18	-5.8%
FMCG	BERGEPAIN	97	91	97	-6	-0.08	0.0%
FMCG	BRITANNIA	88	91	91	-1	0.03	-2.7%
FMCG	COLPAL	97	95	94	1	0.25	-7.6%
FMCG	DABUR	97	91	96	-5	-0.08	-0.4%
FMCG	GODREJCP	94	95	95	0	0.13	-2.9%
FMCG	HINDUNILVR	96	94	96	-2	-0.24	-2.2%
FMCG	INDIAMART	93	84	92	-7	0.01	-8.8%
FMCG	ITC	90	96	85	10	-0.20	2.5%
FMCG	JUBLFOOD	97	96	95	1	-0.03	5.2%
FMCG	MARICO	97	98	93	4	0.27	-9.9%
FMCG	MCDOWELL-N	97	98	96	3	0.15	0.3%
FMCG	NESTLEIND	98	96	93	3	0.02	-1.0%
FMCG	PIDILITIND	97	96	97	-1	-0.09	-2.0%
FMCG	TATACONSUM	97	96	90	6	0.04	-2.2%
FMCG	TITAN	93	96	95	0	-0.09	-9.4%
FMCG	UBL	95	92	92	1	0.12	-1.5%
Infrastructure	ADANIENT	97	98	97	1	0.28	7.1%
Infrastructure	ADANIPTS	97	99	98	1	-0.57	-4.2%
Infrastructure	CONCOR	94	96	95	1	0.47	-7.7%
Infrastructure	GMRINFRA	91	92	93	-1	0.29	-7.6%
Infrastructure	INDHOTEL	92	95	89	6	0.22	2.2%
Infrastructure	INDIGO	96	96	92	5	0.24	-11.6%
Infrastructure	IRCTC	96	94	96	-2	-0.37	-9.9%
Infrastructure	NBCC	95	94	95	-1	0.00	-11.5%
Media	PVR	95	93	94	-1	0.12	7.5%
Media	SUNTV	95	48	96	-47	0.96	-1.8%
Media	ZEEL	95	96	95	1	0.40	-6.8%
Metals	COALINDIA	83	90	89	2	-0.62	1.3%
Metals	HINDALCO	95	96	90	6	-0.19	-17.0%
Metals	HINDCOPPER	91	90	93	-3	-0.23	-9.6%
Metals	JINDALSTEL	93	97	92	4	0.09	-16.5%
Metals	JSWSTEEL	93	97	87	10	-3.32	2.3%
Metals	NATIONALUM	92	94	95	-1	0.22	-26.1%
Metals	NMDC	88	93	91	1	0.14	-14.1%
Metals	SAIL	83	94	91	3	0.29	-6.9%
Metals	TATASTEEL	96	96	91	5	0.25	-17.6%
Metals	VEDL	94	96	89	7	0.20	-28.8%
Oil_Gas	BPCL	81	86	86	-1	0.11	-4.9%
Oil_Gas	GAIL	93	88	93	-5	0.22	-10.6%
Oil_Gas	GSPL	97	97	97	0	0.34	-16.7%
Oil_Gas	GUJGASLTD	81	89	91	-1	-0.76	-22.7%
Oil_Gas	HINDPETRO	94	95	93	2	0.05	-7.4%
Oil_Gas	IGL	96	94	96	-2	0.10	-3.6%
Oil_Gas	IOC	67	100	84	16	0.00	-35.0%
Oil_Gas	MGL	94	93	96	-3	0.23	2.4%
Oil_Gas	ONGC	83	84	83	1	-1.13	-0.2%
Oil_Gas	PETRONET	89	93	92	1	-2.00	-1.2%

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Oil_Gas	RELIANCE	97	98	96	2	0.01	0.3%
Pharma	ABBOTINDIA	89	95	93	1	0.10	5.9%
Pharma	ALKEM	92	85	91	-6	0.27	-0.8%
Pharma	APOLLOHOSP	94	97	95	2	-0.28	0.6%
Pharma	AUROPHARMA	96	96	96	0	0.16	-4.2%
Pharma	BIOCON	93	94	89	4	0.15	-5.2%
Pharma	CIPLA	94	96	90	6	-0.23	-4.9%
Pharma	DIVISLAB	98	94	98	-4	-0.07	5.3%
Pharma	DRREDDY	92	92	94	-2	-0.54	2.1%
Pharma	GLENMARK	97	96	96	0	0.22	-1.9%
Pharma	GRANULES	98	94	98	-4	0.17	5.3%
Pharma	IPCALAB	91	91	91	0	0.44	-2.0%
Pharma	LALPATHLAB	95	93	92	1	-3.49	7.5%
Pharma	LAURUSLABS	97	97	97	0	0.26	-17.0%
Pharma	LUPIN	95	85	94	-9	-0.18	1.7%
Pharma	METROPOLIS	83	86	78	8	0.23	-13.0%
Pharma	PEL	78	95	89	5	-1.90	-11.0%
Pharma	SUNPHARMA	97	97	89	7	0.24	-7.7%
Pharma	SYNGENE	96	90	93	-3	0.32	5.0%
Pharma	TORNTPHARM	97	92	93	-1	-0.14	-1.4%
Pharma	ZYDUSLIFE	66	92	87	6	-0.24	-4.4%
Power	IEX	93	95	95	0	0.28	-11.9%
Power	NTPC	96	87	77	10	0.21	-7.3%
Power	POWERGRID	89	83	89	-7	0.02	-6.7%
Power	TATAPOWER	92	93	93	0	0.22	-8.7%
Power	TORNTPOWER	93	89	94	-5	-0.01	2.4%
Realty	DELTACORP	93	76	94	-18	0.15	-22.7%
Realty	DLF	95	98	97	1	-0.03	-2.2%
Realty	GODREJPROP	95	96	95	0	0.22	-8.2%
Realty	OBEROIRLTY	98	98	97	0	-0.03	-4.0%
Technology	BSOFT	91	85	93	-8	-1.80	-0.1%
Technology	COFORGE	89	86	85	1	0.25	1.8%
Technology	FSL	94	92	95	-2	0.39	0.0%
Technology	HCLTECH	95	93	93	0	-0.65	-0.8%
Technology	INFY	97	98	94	3	0.19	2.7%
Technology	INTELLECT	92	96	93	3	-0.29	4.7%
Technology	LTI	93	96	95	2	0.24	2.6%
Technology	LTTS	95	95	95	0	-0.22	-8.6%
Technology	MCX	92	97	94	3	0.13	3.7%
Technology	MINDTREE	95	97	95	2	-0.83	5.0%
Technology	MPHASIS	96	98	95	3	-2.16	-4.4%
Technology	NAUKRI	96	95	97	-3	-1.85	5.9%
Technology	OFSS	96	97	89	9	0.16	0.1%
Technology	PERSISTENT	95	96	91	5	-0.12	-1.3%
Technology	TCS	94	97	95	2	-0.16	1.2%
Technology	TECHM	96	97	96	1	-2.89	-7.3%
Technology	WIPRO	93	95	93	2	0.26	-8.2%

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Telecom	BHARTIARTL	96	97	94	3	0.14	-1.3%
Telecom	IDEA	91	86	84	1	0.00	-2.3%
Telecom	INDUSTOWER	95	84	78	6	0.26	2.9%
Telecom	TATACOMM	64	93	87	6	0.42	-3.1%
Textile	ABFRL	96	95	96	-2	0.19	-7.9%
Textile	PAGEIND	95	99	91	8	0.21	-3.9%
Textile	SRF	97	97	95	3	0.12	-0.8%
Textile	TRENT	98	98	92	6	0.18	2.4%

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