

DERIVATIVES ROLLOVER ANALYSIS

02-05-2020

MAY SERIES VIEW

Last month, Bulls return to Dalal Street and saw a strong recovery due to hopes for an effective COVID-19 treatment, positive fii flows, and the hopes of fiscal stimulus to stem the impact of COVID-19 lockdown. However, Investors should remain cautious as the market continues to stay volatile in the near term given the weak economic forecast and uncertainty owing to the COVID-19. Finally, the index settled on positive note at 9859.90 levels on F&O expiry day up by 14.10% (EoE) indicating neutral to positive sentiments for the short term. On the expiry day, Nifty Futures rollover stood at 71%, which is higher than the last three series average rollover of 69%. Nifty will start the May series with lowest level open interest of 0.96 Cr shares compared with OI of 1.15 Cr shares at the beginning of the April series. Market-wide rollovers stood higher at 92% compared with the average rollovers of 85% in the last three series. Going into May month key events that would act as market triggers would include global markets trends, spread of coronavirus and its impact on the local and global economy, FII flows, further any economy relief package by Government, 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 52% (EoE) and closed lower at 33.99% vs. 71.53% of the previous month indicating low volatility in market. Another leading derivative indicator, Nifty PCR, opened on very higher side this month at 1.89 against last month's 1.42, which is indicating market, is in overbought zone.

BANKNIFTY

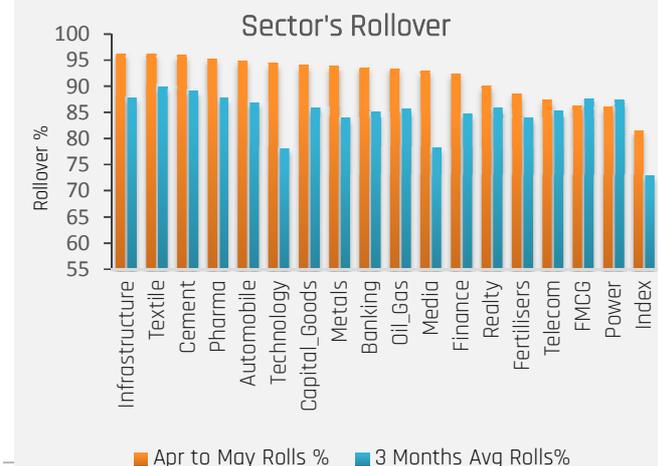
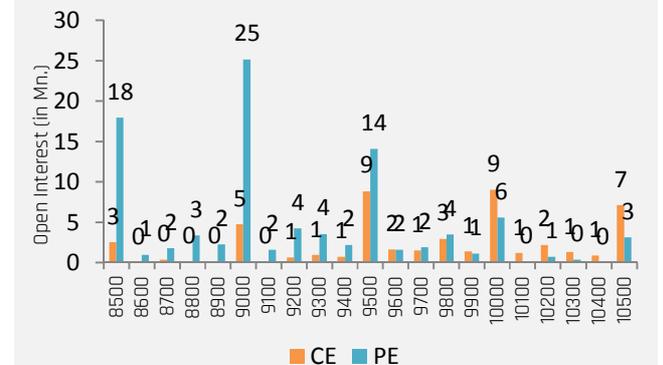
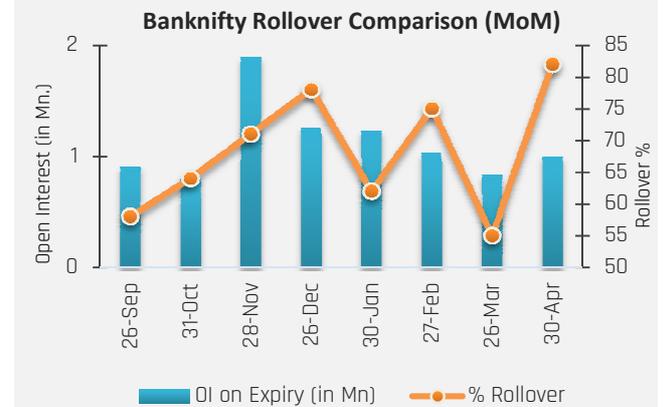
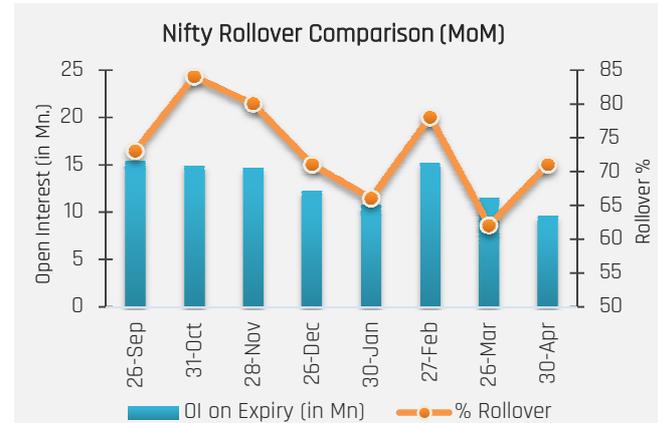
The index saw higher rolls of 82% compared with the 3M average of 64%. BankNifty will start the May series with an OI of 1.00 Mn shares compared with OI of 0.33 Mn shares at the beginning of the April series. As per options data, support for the index is around 19500 and 16000 whereas resistance stands at 23000 and 25000 for the short term.

OPTION ANALYSIS

From the OI Concentration (28-May Series), Open Interest on the call options front exists at strike prices of 10000 and 10500 (with nearly 9.04 lacs and 7.13 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 25.16 lacs and 17.96 lacs shares outstanding) indicating stronger support zone on the downside.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **INFRASTRUCTURE, TEXTILE, CEMENT, PHARMA, AUTOMOBILE** and **TECHNOLOGY** stocks on expiry. However, low rollovers were seen in **POWER** and **FMCG** 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 **EICHERMOT, TCS, TITAN, VEDL, HEROMOTOCO,** and **POWERGRID** saw aggressive rollover in the May series while low rolls were seen in **ITC, NESTLEIND, GAIL, HCLTECH** and **CIPLA** compared with the 3M average.
- From the midcap space, **NAUKRI, PVR, JINDALSTEL, PETRONET,** and **RAMCOCEM** saw high rollovers whereas **GESC, COLPAL, GODREJCP, JUBLFOOD** and **LICHSGFIN** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



NIFTY 50 - 30 APRIL 2020 MONTHLY CHART

Nifty-Monthly chart

- The index on the monthly scale has taken support close to its 100 Month SMA and saw a sharp recovery in April series despite volatility. With the help of this recovery, the index made a high of 9889 and close to April month on a positive note at 9860 level.
- Technically, the index will find resistance close to 50% retracement from 12430-7511 which is currently placed close to 9971. Moreover, 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 10180 which will act as strong resistance for medium-term.
- On the downside, 8900-9000 will act as a short-term support zone. 100 Month SMA is placed close to 8480 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 May series, 8900 and 8480 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 managed to sustain above its 100 Month SMA. After crossing 100 Monthly SMA index saw a sharp recovery in April series despite volatility. With the help of this recovery, the index made a high of 21967 and close to April month on a positive note at 21534 level.
- 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 24710 which will act as strong resistance for the medium term.
- 100 Month SMA is placed close to 19234 which will act as key support for the short term, Trend line support is placed close to 16000 levels which will act as key support for the medium term.
- RSI on the monthly scale has retested trendline breakdown point indicating weakness.
- For the May series, 19200 and 16000 will act as support point whereas 22500 and 24700 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
TCS	Strong Rollover of 98% compared with 3 months average of 77%.
UBL	Strong Rollover of 91% compared with 3 months average of 77%.
TVSMOTOR	Strong Rollover of 91% compared with 3 months average of 81%.
NEGATIVE	
JUBLFOOD	Weak rollover of 77% compared with 3 month average of 86%.
RBLBANK	Weak rollover of 80% compared with 3 month average of 85%.

Rollover Update (Sector Wise)

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Automobile					
AMARAJABAT	89	99	94	5	0.21
APOLLOTYRE	87	93	92	0	0.16
ASHOKLEY	87	95	90	5	0.38
BAJAJ-AUTO	86	97	87	10	0.32
BALKRISIND	70	92	85	7	-0.11
BHARATFORG	92	95	93	2	0.39
BOSCHLTD	62	97	85	13	-0.55
EICHERMOT	75	98	74	24	-0.25
ESCORTS	89	88	90	-2	0.42
EXIDEIND	76	97	88	8	0.29
HEROMOTOCO	88	93	74	18	-0.26
M&M	93	97	82	15	-0.03
MARUTI	91	97	93	4	0.11
MOTHERSUMI	84	92	83	9	0.34
MRF	88	100	95	5	0.03
TATAMOTORS	86	93	90	3	0.27
TVSMOTOR	67	91	81	10	-0.56
Banking					
AXISBANK	96	98	92	6	0.13
BANDHANBNK	97	95	32	62	0.57
BANKBARODA	90	94	93	1	0.51
CANBK	86	96	91	4	0.40
FEDERALBNK	86	97	91	6	0.52
HDFCBANK	87	93	86	7	-0.79
ICICIBANK	94	97	92	5	0.24
IDFCFIRSTB	91	95	94	0	0.46
INDUSINDBK	93	94	83	11	0.06
KOTAKBANK	91	94	86	8	-0.62
PNB	86	97	93	4	0.62
RBLBANK	71	80	85	-5	-0.04
SBIN	85	97	89	8	0.26
YESBANK	78	85	84	1	-0.72
Capital_Goods					
BEL	78	92	81	11	0.07
BHEL	93	94	86	8	0.89
CUMMINSIND	58	92	80	12	0.50
LT	94	94	93	1	-0.49
SIEMENS	90	98	93	5	0.52
VOLTAS	71	94	82	12	0.23

DERIVATIVES ROLLOVER ANALYSIS

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Cement					
ACC	88	95	93	2	-0.11
AMBUJACEM	95	95	93	2	0.50
GRASIM	90	97	94	3	-0.16
RAMCOCEM	62	96	79	18	0.28
SHREECEM	82	95	86	9	0.12
ULTRACEMCO	93	98	89	8	-0.01
Fertilisers					
TATACHEM	61	83	74	8	0.44
UPL	92	94	94	1	-0.33
Finance					
BAJAJFINSV	74	92	87	5	-0.05
BAJFINANCE	94	97	90	8	-0.08
CHOLAFIN	84	97	89	7	0.50
EQUITAS	79	92	91	2	0.39
HDFC	89	98	92	6	-0.08
HDFCLIFE	99	85	33	52	0.44
IBULHSGFIN	82	96	88	8	-0.90
ICICIPRULI	89	93	92	1	0.38
L&TFH	89	96	87	9	-1.44
LICHSGFIN	95	86	95	-8	0.00
M&MFIN	96	98	86	12	0.27
MANAPPURAM	78	94	82	13	0.45
MFSL	63	82	75	7	0.23
MUTHOOTFIN	77	82	83	-1	-0.87
PFC	90	98	85	13	0.21
SRTRANSFIN	89	94	93	2	-2.10
UJJIVAN	88	90	94	-4	-0.11
FMCG					
ASIANPAINT	93	94	94	0	-0.16
BATAINDIA	89	94	94	0	-0.33
BERGEPAIN	95	99	94	5	0.33
BRITANNIA	94	83	84	-1	-0.99
COLPAL	82	61	86	-25	0.38
DABUR	92	93	86	7	0.35
GODREJCP	87	74	92	-18	-0.07
HINDUNILVR	93	98	91	7	-0.03
ITC	89	50	92	-42	-1.62
MARICO	93	96	86	10	0.51
MCDOWELL-N	91	98	93	5	0.36
NESTLEIND	88	70	92	-22	-0.02
PIDILITIND	93	97	82	14	-0.07
TATACONSUM	84	87	85	2	-0.10
TITAN	77	97	74	23	-0.28
UBL	58	91	77	14	0.30

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Index					
BANKNIFTY	55	82	64	17	-0.45
NIFTY	62	71	69	3	-0.12
NIFTYIT	74	92	86	6	-0.54
Infrastructure					
GMRINFRA	79	97	88	9	0.29
NCC	72	95	87	8	0.58
Media					
PVR	32	88	58	30	-3.87
SUNTV	88	96	87	9	0.30
ZEEL	91	95	90	5	-0.03
Metals					
HINDALCO	88	90	90	0	-0.50
JINDALSTEL	13	95	66	29	0.47
JSWSTEEL	92	97	89	9	-0.58
NATIONALUM	79	93	85	8	0.31
NMDC	87	94	85	9	0.37
SAIL	77	91	88	4	-1.41
TATASTEEL	91	96	90	5	0.03
VEDL	94	95	77	17	0.39
Oil_Gas					
BPCL	88	97	86	11	-0.03
GAIL	92	88	91	-4	0.37
HINDPETRO	83	92	77	15	0.43
IGL	88	95	92	3	0.22
IOC	94	95	86	9	0.30
MGL	97	99	92	7	0.40
ONGC	92	95	88	8	0.63
PETRONET	94	96	76	19	0.27
RELIANCE	95	85	85	0	0.08
Others					
ADANIENIT	85	92	87	4	0.71
ADANI PORTS	92	96	87	9	0.17
APOLLOHOSP	84	96	91	5	0.29
COALINDIA	85	96	82	14	0.20
CONCOR	80	98	83	16	0.38
HAVELLS	96	97	95	3	-0.06
INDIGO	93	86	82	4	0.10
JUBLFOOD	80	77	86	-9	-2.77
JUSTDIAL	54	86	79	7	0.17

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Company	Mar to Apr roll%	Apr to May roll%	3 AVG MONTHS ROLL	Divergence	Roll cost
Pharma					
AUROPHARMA	82	94	88	6	0.42
BIOCON	80	96	90	6	0.17
CADILAHC	93	96	88	8	0.53
CIPLA	97	90	92	-2	0.05
DIVISLAB	89	96	82	15	0.51
DRREDDY	90	97	84	13	0.27
GLENMARK	94	95	94	1	-0.12
LUPIN	95	95	88	7	0.41
PEL	93	98	85	13	0.46
SUNPHARMA	93	94	95	-2	0.03
TORNTPHARM	74	95	80	15	0.40
Power					
ADANIPOWER	88	94	92	2	0.63
CESC	94	35	85	-50	-1.61
NTPC	80	93	84	9	0.32
POWERGRID	81	95	78	17	-0.03
RECLTD	94	95	86	9	0.42
TATAPOWER	85	94	89	4	0.16
TORNTPOWER	93	96	97	-1	0.35
Realty					
DLF	87	90	86	4	0.10
Technology					
HCLTECH	96	89	92	-3	0.00
INFY	94	96	86	10	-0.02
MINDTREE	70	87	81	6	-0.84
NAUKRI	91	100	30	69	0.58
NIITTECH	90	96	89	8	-1.54
TCS	96	98	77	21	-0.06
TECHM	93	97	89	8	-0.26
WIPRO	88	93	82	11	0.03
Telecom					
BHARTIARTL	93	98	89	9	0.37
IDEA	82	77	82	-4	1.18
INFRATEL	97	87	85	2	-2.03
Textile					
CENTURYTEX	84	99	89	10	0.57
PAGEIND	80	95	88	7	0.01
SRF	91	95	93	1	0.15

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