

DERIVATIVES ROLLOVER ANALYSIS

29-07-2022

AUGUST SERIES VIEW

In July expiry, the Indian equity benchmark index closed with healthy gains due to strong global cues after the US Federal Reserve raised interest rates by 75 bps and chairperson Jerome Powell brushed aside talk of a recession. Meanwhile, buying by foreign institutional investors (FIIs), easing crude oil and commodities prices also boosted investor's sentiment. Finally, Nifty settled the expiry (EoE) on a stronger note at 16929 with a gains of 1149 points (EoE), indicating positive 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 76%, which is lower as compared with the last three series average rollover of 77%. Nifty will start the August series with an open interest of 0.99 Cr shares compared with an OI of 1.28 Cr shares at the beginning of the July series. Market-wide rollovers stood at 91% as compared with the average rollovers of 92% in the last three series. Going into August month, Covid-19 cases, monthly auto sales data, Rupee movement against the Dollar, RBI policy, Q1FY23 earnings, Fiis flow, economy data, progress of monsoon and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

During the month, India VIX cooled off by 22.10% (EoE) and closed at 17.01% vs. 21.84% of the previous month, which is favorable for bulls, expecting market to remain volatile due to increasing fears of economic slowdown, geopolitical issues and corporate earnings. Another leading derivatives indicator, Nifty PCR, opened on a higher note this month at 1.43 against last month's 1.16.

BANKNIFTY

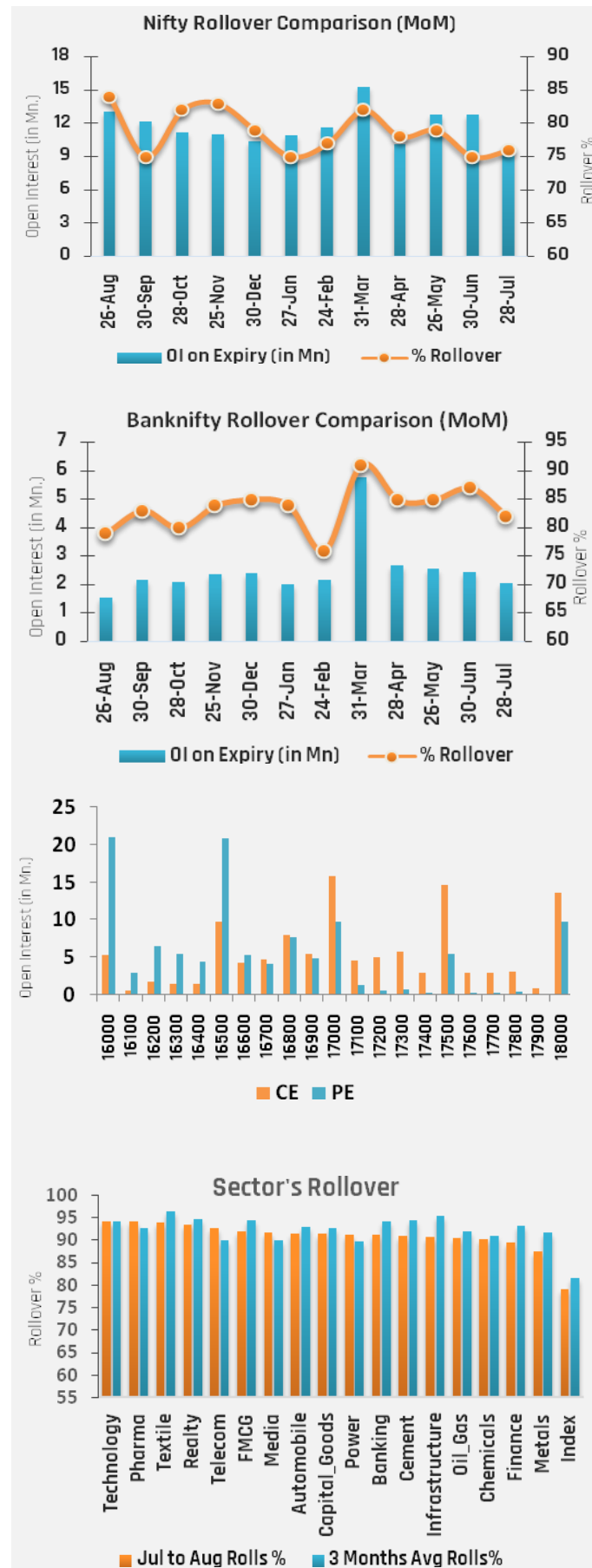
The index saw lower rolls of 82% as compared with the 3M average of 86%. BankNifty will start the August series with lower OI of 2.05 Mn shares as compared with OI of 2.42 Mn shares at the beginning of the July series. As per options data, support for the index stands around 36000 and 34000 whereas resistance stands at 39000 and 40000 for the short term.

OPTION ANALYSIS

From the OI Concentration (25-Aug Series), Maximum open Interest on the call options front exists at strike prices of 17000, 17500 and 18000 (with nearly 15.89 lacs, 14.65 lacs and 13.59 lacs shares outstanding respectively). This indicates 17500 and 18000 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, 16500 and 16000 (with nearly, 20.80 lacs and 21.04 lacs shares outstanding respectively) indicating 16500 and 16000 levels will be stronger support zone.

SECTOR/STOCK ROLLOVER ACTIVITY:

- From the sectoral action, rollovers accelerated for **PHARMA, TELECOM, MEDIA, TECHNOLOGY** and **POWER**, sectors in August expiry. However, low rollovers were seen in **METALS, FINANCE, CEMENT, BANKING, TEXTILE** and **FMCG** sectors stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as **JSWSTEEL, UPL, TATACONSUM, WIPRO, and HDFC** saw aggressive rollover in the August series while low rolls were seen in **SBILIFE, COALINDIA, HINDALCO, ONGC and LT** compared with the 3M average rollover.
- From the midcap space, **METROPOLIS, TATACOMM, COROMANDEL, ZYDUSLIFE, and ABB** saw high rollovers whereas **CUB, CONCOR, MCX, IBULHSGFIN, and ACC** saw lower rollover compared with the 3M average.



TECHNICAL VIEW ON NIFTY



Nifty-Weekly chart

- The index started the month on a bullish note and remained strong throughout the month. As a result, the index settled the July expiry on a positive note at 16930.
- Technically, the index on a weekly scale has found support around 100 weekly simple moving average and has witnessed a strong up move. On the back of that, the index has crossed the hurdle of 34 weekly exponential moving average (16598) and managed to conquer the resistance of 16800. If the index sustains above 16800, then it could test the 200 days simple moving average, which is placed close to 17030 levels.
- The 50 weekly simple moving average is currently placed close to 17082, which will act as a major resistance for the index. If the index sustains above that then it could test the 17300-17500 levels.
- The RSI on the weekly scale is placed above the center point, and it has witnessed the trendline breakout, suggesting strength. However, the stochastics oscillator is placed close to an overbought zone. Thus, in the short term, some consolidation or profit booking could be possible but buy on dips strategy needs to be adopted for the medium term.
- In the short term, 16600 and 16000 will act as support points, whereas 17082 and 17500 will act as resistance points.

TECHNICAL VIEW ON BANKNIFTY



BankNifty- Weekly Chart

- The index started the month on a positive note and remained strong throughout the month. As a result, the index settled the July expiry on a positive note at 37378.
- Technically, the index has witnessed falling wedge pattern breakout and cross the 34 weekly exponential moving average as well as 50 weekly simple moving average as highlighted in the above chart. As per this breakout, the index can test the levels of 38700-39500.
- On the higher side, the previous lower high is placed close to 38800 levels, which will act as the first key resistance, followed by 39500.
- On the downside, 34 WEMA is placed close to 35600, which will act as strong support for index.
- The RSI on the weekly scale is placed above the center point, and it has witnessed the trendline breakout, suggesting strength. However, the stochastics oscillator is placed close to an overbought zone. Thus, in the short term, some consolidation or profit booking could be possible but buy on dips strategy needs to be adopted for the medium term,
- In the short term, 36480 and 35600 will act as support points, whereas 38800 and 39500 will act as resistance points.

Stocks to watch out based on Rollover Analysis:

POSITIVE	
TATACOMM	Strong Rollover of 96% compared with 3 months average of 85%.
POWERGRID	Strong Rollover of 90% compared with 3 months average of 80%.
POLYCAB	Strong Rollover of 92% compared with 3 months average of 89%.
NEGATIVE	
ONGC	Rollover of 66% compared with 3 month average of 83%.
BSOFT	Rollover of 94% compared with 3 month average of 90%.

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Rollover Update (Sector Wise)

Sector	Company	June to July roll%	July to August roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Index	BANKNIFTY	87	82	86	-4	0.13	11.8%
Index	NIFTY	75	76	77	-2	0.19	7.3%
Automobile	AMARAJABAT	97	97	97	1	0.52	4.5%
Automobile	APOLLOTYRE	92	92	92	0	0.02	17.9%
Automobile	ASHOKLEY	91	95	92	3	0.52	-1.5%
Automobile	BAJAJ-AUTO	90	90	94	-4	0.20	4.1%
Automobile	BALKRISIND	91	89	94	-5	0.30	6.0%
Automobile	BHARATFORG	93	88	95	-7	0.29	12.1%
Automobile	BOSCHLTD	95	93	93	0	0.64	8.8%
Automobile	EICHERMOT	96	94	96	-2	-0.24	9.3%
Automobile	ESCORTS	87	85	83	1	-1.54	19.2%
Automobile	EXIDEIND	97	95	96	-1	0.64	13.2%
Automobile	HEROMOTOCO	94	93	94	0	0.38	2.2%
Automobile	M&M	76	76	79	-3	0.59	5.1%
Automobile	MARUTI	93	95	94	1	-0.33	3.0%
Automobile	MOTHERSON	95	93	96	-3	0.19	8.7%
Automobile	MRF	97	94	97	-3	-0.63	17.3%
Automobile	TATAMOTORS	95	96	95	1	0.52	7.4%
Automobile	TVSMOTOR	88	88	92	-4	-0.87	3.4%
Banking	AUBANK	95	97	94	2	-1.25	-0.2%
Banking	AXISBANK	97	85	97	-11	0.50	14.0%
Banking	BANDHANBNK	97	94	97	-3	0.36	6.5%
Banking	BANKBARODA	97	96	93	3	0.55	20.3%
Banking	CANBK	94	93	93	-1	0.69	24.8%
Banking	CUB	88	62	94	-33	0.12	21.1%
Banking	FEDERALBNK	85	94	89	5	0.56	19.0%
Banking	HDFCBANK	97	96	96	0	0.60	5.1%
Banking	ICICIBANK	97	89	97	-8	-0.21	15.2%
Banking	IDFCFIRSTB	95	97	94	3	0.55	16.4%
Banking	INDUSINDBK	88	96	94	2	-0.34	28.1%
Banking	KOTAKBANK	96	96	95	1	0.16	10.1%
Banking	PNB	95	95	93	2	0.61	12.6%
Banking	RBLBANK	90	94	93	1	0.65	10.5%
Banking	SBIN	93	87	92	-5	0.42	14.3%
Capital_Goods	ABB	71	93	85	9	0.26	18.3%
Capital_Goods	ASTRAL	97	96	94	2	0.54	8.2%
Capital_Goods	BEL	95	85	94	-9	-0.15	16.3%
Capital_Goods	BHEL	94	93	94	-1	0.66	18.5%
Capital_Goods	CROMPTON	94	93	95	-2	0.43	12.7%
Capital_Goods	CUMMINSIND	96	92	91	1	-0.29	18.0%
Capital_Goods	DIXON	86	96	89	7	-1.15	0.1%
Capital_Goods	HAL	83	94	91	2	-0.07	14.4%
Capital_Goods	HAVELLS	98	92	95	-3	0.51	11.6%
Capital_Goods	HONAUT	92	94	94	0	-0.51	17.3%
Capital_Goods	LT	92	74	94	-20	0.63	15.6%
Capital_Goods	POLYCAB	93	92	89	3	-0.07	3.2%
Capital_Goods	SIEMENS	98	91	97	-6	0.61	11.8%
Capital_Goods	VOLTAS	92	92	90	3	0.48	-0.2%

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Rollover Update (Sector Wise)

Sector	Company	June to July roll%	July to August roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Capital Goods	WHIRLPOOL	95	93	96	-2	0.71	14.1%
Cement	ACC	82	73	89	-16	0.35	2.8%
Cement	AMBUJACEM	87	83	92	-8	0.34	2.2%
Cement	DALBHARAT	98	95	96	-2	0.53	23.5%
Cement	GRASIM	98	94	98	-3	-0.27	17.4%
Cement	INDIACEM	95	94	95	-1	0.69	19.9%
Cement	JKCEMENT	84	95	91	4	-0.04	15.5%
Cement	RAMCOCEM	94	93	97	-3	-2.29	13.1%
Cement	SHREECEM	95	97	96	1	-1.35	7.4%
Cement	ULTRACEMCO	96	92	96	-4	0.04	15.4%
Chemicals	AARTIIND	90	93	93	0	0.66	9.3%
Chemicals	ATUL	97	88	97	-9	0.59	8.4%
Chemicals	CHAMBLFERT	92	81	90	-9	0.22	20.7%
Chemicals	COROMANDEL	51	90	79	11	0.04	11.1%
Chemicals	DEEPAKNTR	93	97	93	4	0.44	9.6%
Chemicals	GNFC	89	91	86	5	-0.72	25.2%
Chemicals	NAVINFLUOR	90	83	90	-7	0.01	17.2%
Chemicals	PIIND	99	94	99	-5	0.47	19.8%
Chemicals	RAIN	93	86	93	-8	0.24	14.2%
Chemicals	TATACHEM	91	94	92	1	0.65	12.2%
Chemicals	UPL	88	97	89	8	0.63	15.1%
Finance	ABCAPITAL	93	94	95	0	0.82	15.8%
Finance	BAJAJFINSV	96	91	95	-5	0.40	33.9%
Finance	BAJFINANCE	97	90	96	-6	0.21	31.0%
Finance	CANFINHOME	95	81	93	-12	0.51	36.7%
Finance	CHOLAFIN	97	89	95	-6	0.41	11.4%
Finance	HDFC	98	94	90	4	0.46	7.7%
Finance	HDFCAMC	95	98	95	3	0.58	8.5%
Finance	HDFCLIFE	98	98	97	0	0.83	-3.3%
Finance	IBULHSGFIN	94	68	87	-19	0.83	21.1%
Finance	ICICIGI	93	97	89	8	0.66	6.1%
Finance	ICICIPRULI	87	96	94	3	0.43	8.4%
Finance	IDFC	94	98	93	4	0.46	10.0%
Finance	L&TFH	96	96	94	2	0.47	9.8%
Finance	LICHSGFIN	94	80	95	-15	0.20	16.9%
Finance	M&MFIN	92	94	89	4	0.48	12.4%
Finance	MANAPPURAM	94	95	93	2	-0.41	14.4%
Finance	MFSL	87	90	93	-3	0.47	5.6%
Finance	MUTHOOTFIN	98	96	97	-1	0.32	9.0%
Finance	NAM-INDIA	98	91	97	-6	-0.60	7.1%
Finance	PFC	91	85	92	-7	0.35	9.8%
Finance	RECLTD	73	82	80	2	0.35	4.6%
Finance	SBICARD	97	96	94	2	0.59	20.9%
Finance	SBILIFE	95	70	96	-27	0.69	10.2%
Finance	SRTRANSFIN	86	81	92	-12	-0.54	14.0%
FMCG	ASIANPAINT	97	95	97	-3	0.31	21.4%
FMCG	BALRAMCHIN	91	95	92	2	0.73	6.8%
FMCG	BATAINDIA	90	97	94	3	-2.51	12.7%
FMCG	BERGEPAIN	91	96	95	1	-0.06	8.6%

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FMCG	BRITANNIA	91	84	91	-8	0.40	11.6%
FMCG	COLPAL	95	98	95	3	0.48	4.2%
FMCG	DABUR	91	94	95	-1	0.36	15.5%
FMCG	GODREJCP	95	92	94	-2	0.63	12.5%
FMCG	HINDUNILVR	94	92	96	-4	0.40	17.5%
FMCG	INDIAMART	84	83	89	-5	0.08	9.2%
FMCG	ITC	96	75	90	-15	0.64	11.0%
FMCG	JUBLFOOD	96	96	96	0	0.30	10.4%
FMCG	MARICO	98	89	97	-9	0.39	7.7%
FMCG	MCDOWELL-N	98	96	98	-1	0.49	2.8%
FMCG	NESTLEIND	96	91	97	-5	0.38	9.4%
FMCG	PIDILITIND	96	97	97	0	0.52	14.8%
FMCG	TATACONSUM	96	94	89	4	0.40	14.2%
FMCG	TITAN	96	91	95	-4	0.45	20.3%
FMCG	UBL	92	91	94	-3	-0.36	11.4%
Infrastructure	ADANIENT	98	98	98	0	0.47	16.4%
Infrastructure	ADANIPTS	99	99	98	1	0.46	13.8%
Infrastructure	CONCOR	96	73	95	-22	-0.19	15.4%
Infrastructure	GMRINFRA	92	95	92	2	0.56	4.0%
Infrastructure	INDHOTEL	95	84	93	-10	0.86	16.9%
Infrastructure	INDIGO	96	89	96	-6	0.24	14.7%
Infrastructure	IRCTC	94	98	95	2	-0.18	4.6%
Media	PVR	93	96	94	1	0.34	9.8%
Media	SUNTV	48	82	81	1	-0.12	14.9%
Media	ZEEL	96	97	95	2	0.40	15.9%
Metals	COALINDIA	90	65	89	-25	-1.01	9.3%
Metals	HINDALCO	96	75	95	-21	-0.40	15.9%
Metals	HINDCOPPER	90	91	92	-1	0.35	14.5%
Metals	JINDALSTEL	97	93	93	0	0.28	14.6%
Metals	JSWSTEEL	97	99	89	9	0.32	9.2%
Metals	NATIONALUM	94	96	94	2	0.46	9.5%
Metals	NMDC	93	93	91	2	0.38	-2.4%
Metals	SAIL	94	88	91	-3	0.61	7.7%
Metals	TATASTEEL	96	89	92	-3	0.50	15.7%
Metals	VEDL	96	88	91	-3	0.43	10.1%
Oil_Gas	BPCL	86	77	87	-10	-1.44	5.7%
Oil_Gas	GAIL	88	95	92	3	-0.24	8.0%
Oil_Gas	GSPL	97	95	97	-2	0.61	5.8%
Oil_Gas	GUJGASLTD	89	94	89	5	-0.71	6.1%
Oil_Gas	HINDPETRO	95	97	95	3	0.45	7.5%
Oil_Gas	IGL	94	93	95	-3	0.39	-2.9%
Oil_Gas	IOC	100	95	87	8	-2.70	-3.0%
Oil_Gas	MGL	93	97	95	2	-1.64	-1.7%
Oil_Gas	ONGC	84	66	83	-17	-1.99	-14.1%
Oil_Gas	PETRONET	93	89	93	-3	0.48	1.4%
Oil_Gas	RELIANCE	98	95	97	-2	0.27	-5.3%

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Rollover Update (Sector Wise)

Sector	Company	June to July roll%	July to August roll%	3 Months Avg Roll%	Divergence%	Roll cost	Price % (E to E)
Pharma	ABBOTINDIA	95	96	93	2	-0.77	5.3%
Pharma	ALKEM	85	91	90	1	-0.48	7.5%
Pharma	APOLLOHOSP	97	95	96	-1	0.03	13.8%
Pharma	AUROPHARMA	96	92	96	-4	0.37	6.0%
Pharma	BIOCON	94	96	91	5	0.59	-0.5%
Pharma	CIPLA	96	96	94	2	0.06	5.5%
Pharma	DIVISLAB	94	98	97	1	-0.25	6.0%
Pharma	DRREDDY	92	96	93	2	0.58	-3.0%
Pharma	GLENMARK	96	97	97	0	0.29	-1.6%
Pharma	GRANULES	94	94	96	-2	0.63	10.2%
Pharma	IPCALAB	91	96	91	6	-0.06	10.9%
Pharma	LALPATHLAB	93	96	92	4	-1.87	-0.7%
Pharma	LAURUSLABS	97	98	97	1	0.54	13.0%
Pharma	LUPIN	85	95	91	4	0.55	5.0%
Pharma	METROPOLIS	86	92	80	12	0.67	7.4%
Pharma	PEL	95	90	90	0	0.41	11.1%
Pharma	SUNPHARMA	97	86	97	-11	0.37	7.7%
Pharma	SYNGENE	90	89	93	-4	0.45	3.3%
Pharma	TORNTPHARM	92	92	92	-1	0.48	5.1%
Pharma	ZYDUSLIFE	92	96	85	11	0.59	-2.1%
Power	IEX	95	96	95	1	-0.13	-2.4%
Power	NTPC	87	79	81	-2	-1.37	5.2%
Power	POWERGRID	83	90	88	3	-0.61	1.1%
Power	TATAPOWER	93	95	93	2	0.60	7.9%
Power	TORNTPOWER	89	96	91	5	0.22	11.3%
Realty	DELTACORP	76	85	88	-3	0.41	16.1%
Realty	DLF	98	96	97	-1	-0.47	22.2%
Realty	GODREJPROP	96	96	96	0	0.54	23.4%
Realty	OBEROIRLTY	98	97	98	-1	0.77	21.7%
Technology	BSOFT	85	94	90	5	0.53	-6.8%
Technology	COFORGE	86	92	87	5	-0.80	8.7%
Technology	FSL	92	97	94	3	0.59	6.6%
Technology	HCLTECH	93	93	94	-1	0.70	-2.8%
Technology	INFY	98	96	97	-1	0.49	3.8%
Technology	INTELLECT	96	95	93	2	0.48	5.3%
Technology	LTI	96	92	95	-3	0.40	16.9%
Technology	LTTS	95	94	95	-1	0.59	12.2%
Technology	MCX	97	75	95	-20	0.23	6.1%
Technology	MINDTREE	97	95	96	-1	0.37	15.2%
Technology	MPHASIS	98	97	97	-1	0.37	-2.5%
Technology	NAUKRI	95	98	96	1	0.17	8.7%
Technology	OFSS	97	96	88	8	0.60	0.1%
Technology	PERSISTENT	96	95	96	-1	0.50	3.5%
Technology	TCS	97	97	95	2	0.51	-0.2%
Technology	TECHM	97	94	96	-2	0.56	3.8%
Technology	WIPRO	95	97	93	4	0.52	0.0%

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Telecom	BHARTIARTL	97	98	97	1	-0.02	-2.6%
Telecom	IDEA	86	95	91	5	0.58	3.0%
Telecom	INDUSTOWER	84	81	87	-6	-0.49	6.7%
Telecom	TATACOMM	93	96	85	11	0.58	13.1%
Textile	ABFRL	95	94	96	-1	0.62	12.7%
Textile	PAGEIND	99	91	95	-3	0.30	18.9%
Textile	SRF	97	94	97	-3	0.44	7.5%
Textile	TRENT	98	96	98	-2	0.53	17.2%

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