

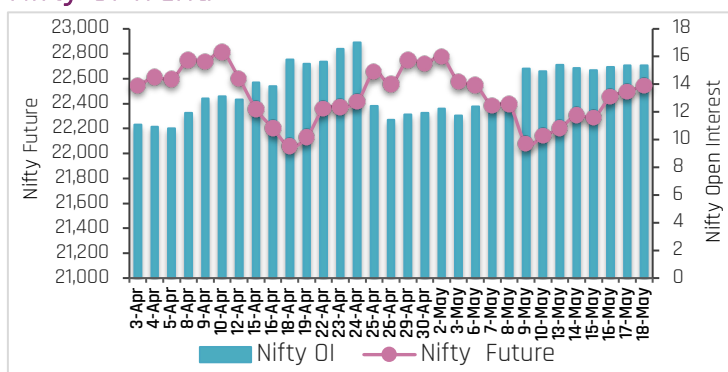
21-May-24

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	22502	22055	2.03
NIFTY FUTURES	22544	22141	1.82
BANKNIFTY SPOT	48200	47421	1.64
BANKNIFTY FUTURES	48288	47607	1.43
NIFTY PCR	1.25	0.91	37.36
NIFTY PCR-VOL	1.06	0.95	11.58
NIFTY OI(In Mn)	15.37	14.94	2.87
BANKNIFTY OI(In Mn)	2.89	2.76	4.71
INDIA VIX	20.53	18.47	11.15
NIFTY BASIS POINTS	41.90	85.40	-50.94

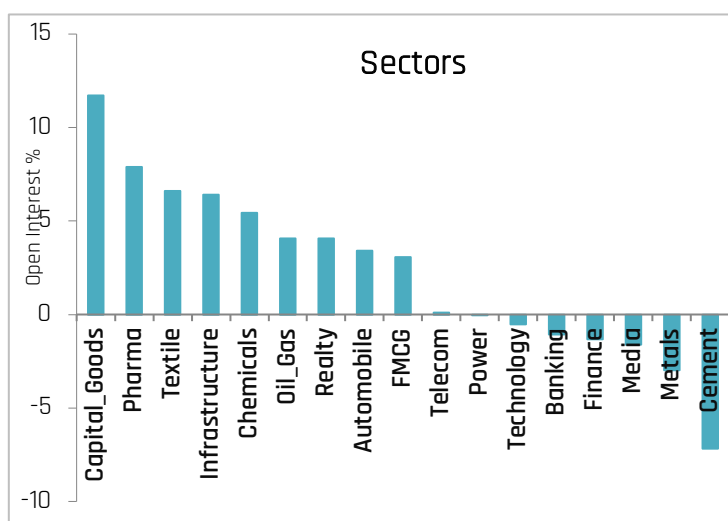
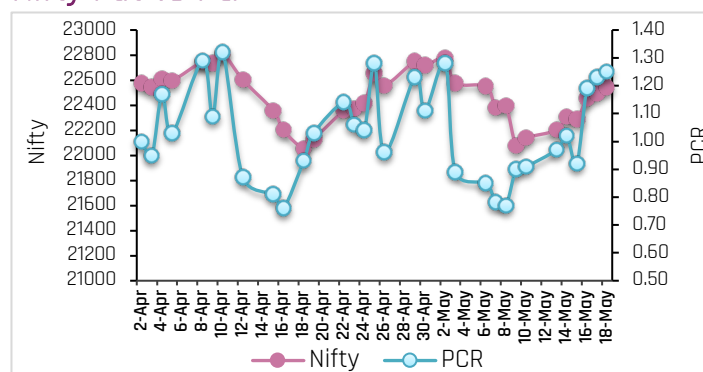
Index Outlook

Indian equity indices remained volatile but made moderate gains this week, owing to better-than-expected earnings of index heavyweights and positive global cues. The markets are expected to consolidate near term due to the Lok Sabha elections and economic data. Finally, Nifty settled the week on positive note at 22544 with an addition in open interest of 2.87% Week-over-Week (WoW) indicating neutral to positive bias for the short term. The volatility index, India VIX shoot up from 18.47% to 20.53% (WoW) indicating an increase in market volatility. We expect volatility will continue due to geopolitical issues, general elections, and FOMC minutes. Another derivatives indicator, the Nifty Put-Call ratio currently stands at 1.25 (WoW), which is neutral in nature. Technically, on the daily scale, the index has been taking support from a trendline for the past few weeks and has formed a hammer candlestick pattern near trendline support. The 34-Days Exponential Moving Average (34-DEMA) is positioned near 22,315 levels, serving as short-term support for the index, followed by a level around 21,900, which will align with the trendline. For short to medium term, 22,315 and 21,900 will serve as support levels, whereas 22,800 and 23,000 will act as resistance levels. Going forward, the Rupee movement against the Dollar, general election, bond yield movement, Fii's flow, Q4FY24 earnings, FOMC minutes, global cues, macroeconomic data, and crude oil price movement will dictate the trend on the bourses next week.

Nifty OI Trend



Nifty Fut Vs Pcr



Sectoral Activity

- Last week, **Capital Goods, Pharma, Textile, Infrastructure, and Chemicals** sectors saw open interest addition. Top names included **DIXON, HAL, ZYDUSLIFE, METROPOLIS, PAGEIND, ABFRL, CONCOR, INDIGO, PIIND** and **COROMANDEL**.
- Cement, Metals and Media** sectors witnessed open interest unwinding due to short covering in stocks.
- In the **Banking** space, **INDUSINDBK, PNB, IDFCFIRSTB, and HDFCBANK** witnessed long build up, whereas short covering seen in **KOTAKBANK, ICICIBANK, BANKBARODA, RBLBANK, and FEDERALBNK**.
- This week, some buying can be seen in **DEEPAKNT, RELIANCE, ZYDUSLIFE, BERGEPAIN, HEROMOTOCO, LT, and COALINDIA** while selling pressure can be seen **TATAMOTORS, BAJAJ-AUTO** and **BANDHANBNK**.
- From sector space, **Capital Goods, Cement, Power, Chemicals, Banking, Textile, Pharma, Metals, and FMCG** stocks are likely to remain in focus in the forthcoming week.

Stocks to Watch Out (Weekly)

21-May-24

Long Build-up			
Symbol	Price	OI Change	Price Change
DIXON	8,970.70	38%	6%
ZYDUSLIFE	1,107.10	37%	12%
METROPOLIS	1,828.35	34%	5%
CONCOR	1,100.20	28%	9%

Long Unwinding			
Symbol	Price	OI Change	Price Change
GODREJCP	1,303.60	-10%	-1%
MARUTI	12,631.70	-5%	-1%
AARTIIND	631.60	-4%	-7%
DABUR	539.60	-3%	-3%

Short Build-up			
Symbol	Price	OI Change	Price Change
TATAMOTORS	954.70	26%	-9%
COLPAL	2,658.80	17%	-5%
MCDOWELL-N	1,181.70	11%	-2%
PEL	829.20	10%	-3%

Short Covering			
Symbol	Price	OI Change	Price Change
HINDCOPPER	389.90	-17%	4%
HEROMOTOCO	5,116.15	-16%	4%
KOTAKBANK	1,702.10	-15%	4%
PERSISTENT	3,530.25	-14%	5%

Weekly Recommendation

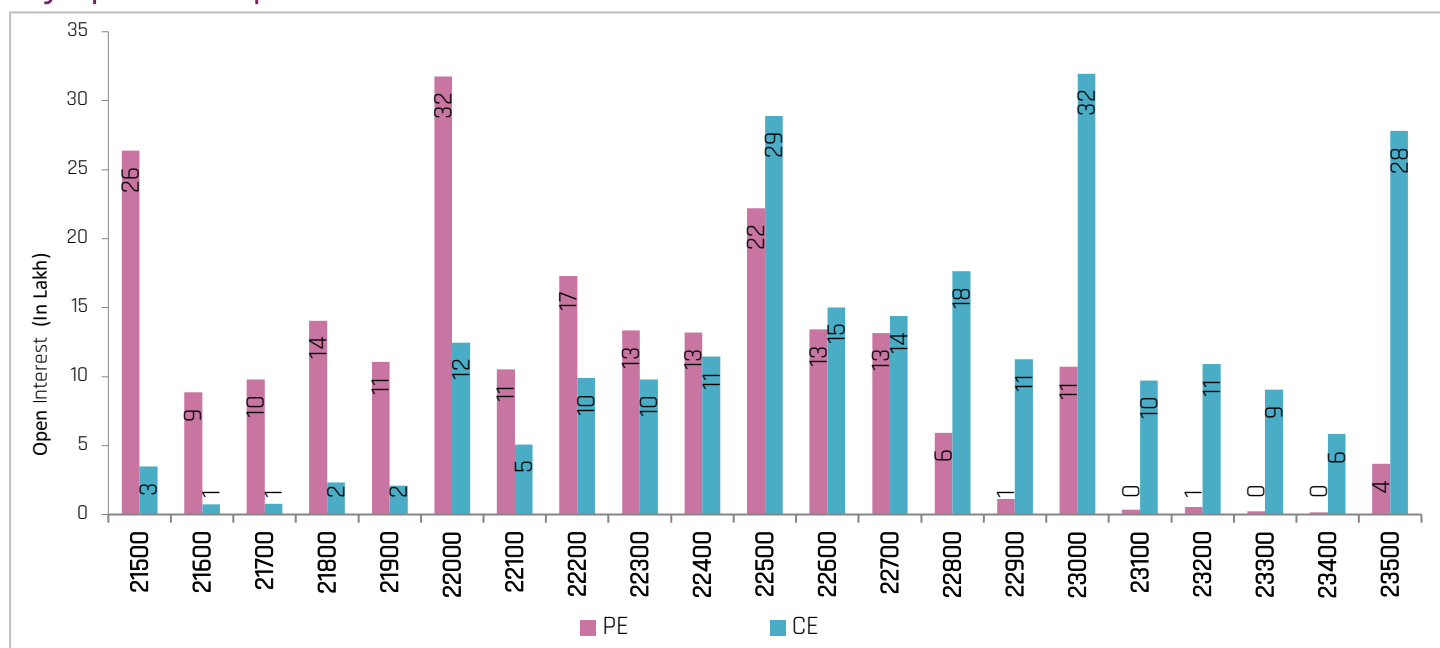
RELIANCE (2873.95) - The stock has seen open interest unwinding of 6.17% along with positive price action indicating short covering. The stock can be bought in the range of 2840-2850 with a stop loss of 2795 on closing basis for a target of 2920-3000.

Target: 3000 Stop Loss: 2795

TATAMOTORS (954.70) - The stock has seen open interest addition of 26.23% along with negative price action indicating short buildup. The stock can be sold in the range of 970-975 with a stop loss of 993 on closing basis for a target of 940-930.

Target: 930 Stop Loss: 993

Nifty Options Snapshot



21-May-24

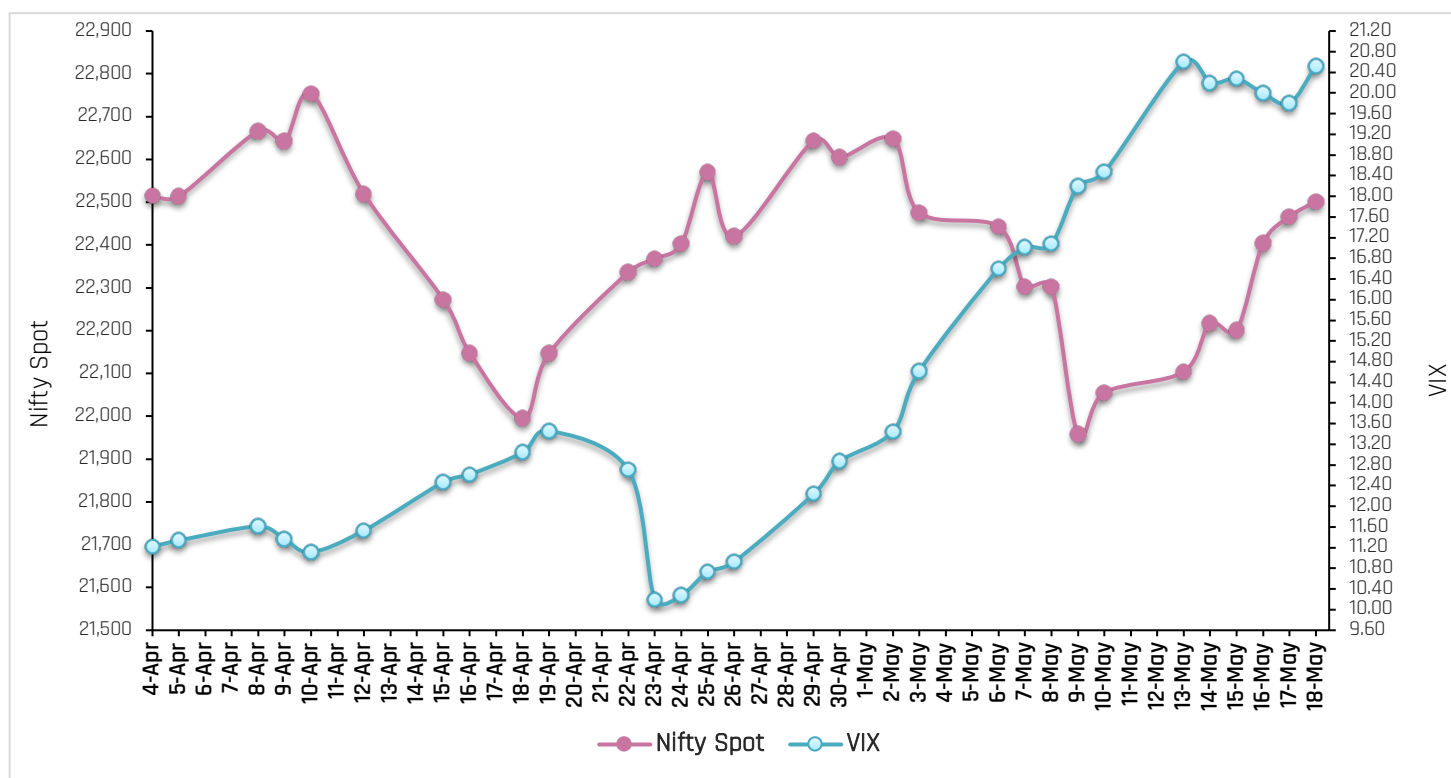
FII Stats (5 Days Trend)

(Rs. Cr.)	18-May	17-May	16-May	15-May	14-May
INDEX FUTURES	134	614	-741	-1967	-2364
INDEX OPTIONS	14814	-15251	12697	-33118	-12904
STOCK FUTURES	144	-927	-2674	-2793	-1169
STOCK OPTIONS	21	370	-356	-721	442

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
13-May-2024	0.52	1.0	1.3	1.2
14-May-2024	0.44	1.1	1.4	1.2
15-May-2024	0.38	1.1	1.5	1.2
16-May-2024	0.36	1.1	1.5	1.2
17-May-2024	0.39	1.1	1.3	1.2
18-May-2024	0.39	1.2	1.4	1.2

NIFTY VS INDIA VIX (Last 30 Days Trend)



Observation: Any rise in India Vix this week would lead to either side movement in the Index. As per the above chart, India Vix has strong support at around 10.00 and resistance stands at 22.00.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	37
Declines	07
Unchanged	06

Technical View

Nifty 18-May, Daily Chart



- The index began the week flat and showed a lot of volatility. Nonetheless, despite the extreme volatility, the index concluded the week on a positive note at 22,502, indicating strength.
- From a technical standpoint, on the daily scale, the index has been taking support from a trendline for the past few weeks and has formed a hammer candlestick pattern near trendline support. The 34-Days Exponential Moving Average (34-DEMA) is positioned near 22,315 levels, serving as short-term support for the index, followed by a level around 21,900, which will align with the trendline.
- On the upside, 22,800, which is around the all-time high of the index, will act as the first key resistance for nifty. If index manages to sustain above this level, it can potentially move towards 23,000-23,100 levels in the short to medium term.
- The momentum indicator Relative Strength Index (RSI) on the daily scale is placed above the midpoint, indicating strength in the index.
- For short to medium term, 22,315 and 21,900 will serve as support levels, whereas 22,800 and 23,000 will act as resistance levels.

BankNifty, 18-May, Daily Chart



- The index started the week on a flat note, registering a low of 46,983 levels, but later changed its course and closed the week positively at 48,200 levels.
- Technically, on the daily scale, the index is moving along an upward trendline as shown in the chart. The 21-Days Exponential Moving Average (21-DEMA) is currently placed around 48,070 levels, serving as the first immediate support for the index, followed by 47,600 levels, which can be a point aligned with the trendline.
- On the upside, 48,660 will act as the first key resistance for the index. If the index breaks and sustains above this level, it could potentially test 49,500-50,000 levels.
- The momentum indicator Relative Strength Index (RSI) on the daily scale is positioned above the midpoint, indicating strength.
- For the short to medium term, 48,070 and 47,600 will serve as support levels, while 48,660 and 50,000 will act as resistance levels.

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