

Market Recap

The markets maintained their losing streak for the fifth consecutive session today on the back of weak global cues. After a gap down opening the index NIFTY spot remained under pressure throughout the session to close an inch above the 7700 mark. During the process, in line with our expectation the index has filled the 'Break Away' gap area of 7770 – 7720 on the daily chart. Although the closing was not inspiring but the only silver lining was that the markets defended the 7700 mark on closing basis. On the whole, the index remained negative in a narrow range but we witnessed strong selling pressure among the individual stocks. As a result, the breadth remained extremely weak.

- On the global front, European indices like FTSE (-1.23%), CAC (-0.76 %) and DAX (-0.83%) were trading with heavy loss while the time the report was made.
- The Asian Indices like NIKKIE (closed), HANGSENG (-0.74%) and SHANGHAI (-0.05%) displayed mixed trend in today's session.
- On the sectoral front, apart from the NIFTY PHARMA (+0.30%) and NIFTY IT (+0.21%) none of the sectors managed to close in green.
- From the list of losers, NIFTY METAL (-3.82%) stocks corrected the most after their vertical rise and were followed by NIFTY PSU BANK (--2.52%) and NIFTY REALTY (-2.44%) stocks.
- The broader markets too remained negative as the MID100 (-1.46%) and SML100 (-1.72%) indices ended with profit booking.
- In the currency market, the pair USDINR closed flat but other pairs ended in red indicating some recovery in the INR.

On the stock front, Adani Enterprises slumped 7.34% on equity dilution concerns after the company's board of directors sought shareholders' approval to raise funds by issue of equity shares/convertible bonds for up to Rs 6000 crore. On the other hand, most of the metal and mining companies corrected amid renewed global growth concerns in the wake of weaker-than-expected Chinese manufacturing data.

Key Market Data Points

Name	High	Low	Range	Close	Prev. Close
Sensex	25246	25061	185	25102	25230
Nifty Spot	7749	7697	52	7707	7747
Nifty Future	7789	7725	64	7733	7784
VIX	17.78	16.27	2	17.45	17.46

Sentiment Indicators

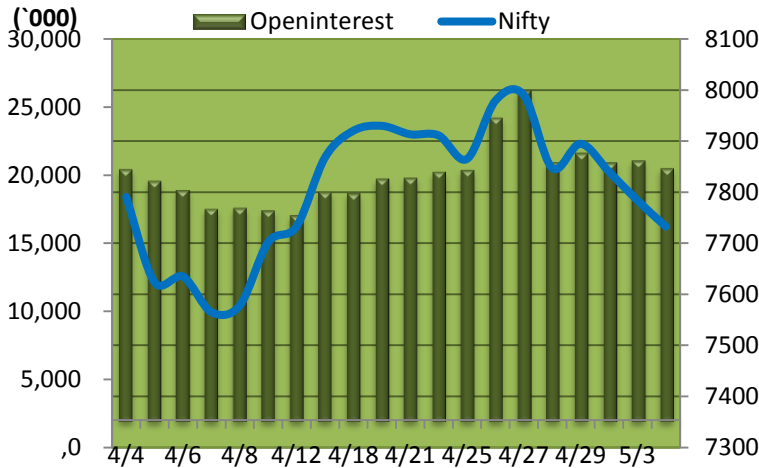
Name	Close	Prev. Day	Change
Prm/Disc	26.2	36.8	-10.60
PCR (OI)	0.82	0.86	-0.04
PCR (Vol)	0.82	0.95	-0.13

MARKET BREADTH

NSE	Today	% Change
Advance	367	-44.98%
Declines	1194	33.86%
A/D Ratio	0.31	-58.89%



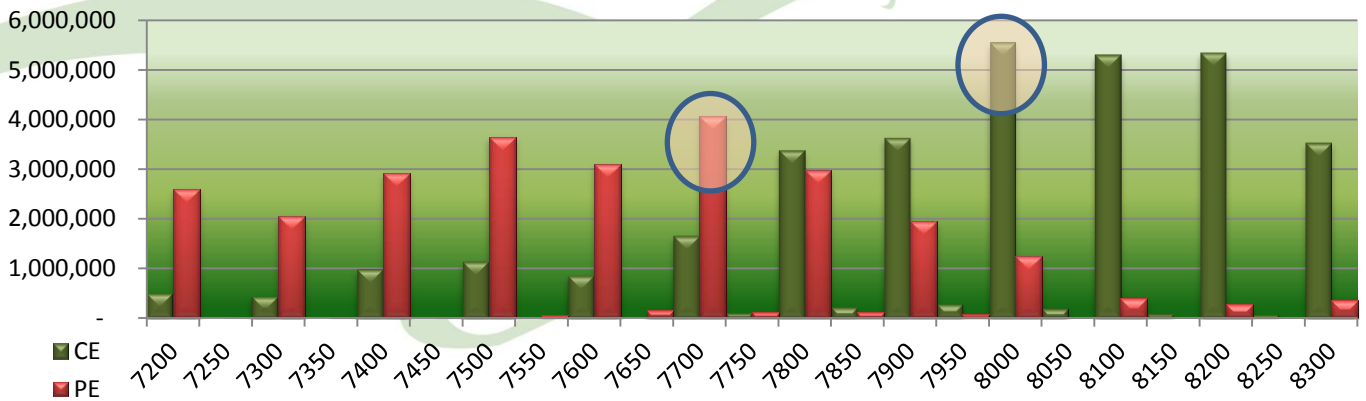
OPEN INTEREST



Key Takeaways

- ❑ The Nifty Fut. closed at 7733 levels with a premium of 26.20 against premium of 36.80 points
- ❑ Nifty open interest increased by 2.68% with a decline in price, suggesting long liquidation
- ❑ Bank Nifty open interest dropped by 6.96% with a fall in price, suggesting liquidation of position
- ❑ The total turnover in F&O segment is 1,93,366 cr., up by 58% from previous session.

NIFTY OPTION OPEN INTEREST



- ❑ The Call PUT concentration is at 8000 strike CE with 55.56 lakh shares open interest. On the other hand, highest PUT base is at 7700 strike with 40.58 Lakh shares.
- ❑ Near term CE options added 26.84 lakh shares in open interest with a fall in price; on the other hand PE option added 0.5 lakh shares in open interest with a fall in price.
- ❑ The highest activity was seen in the 8000 - 8200 strikes CE with 1.62 cr. Shares in open interest, on the flipside highest activity was seen in 7700 & 7000 PE.
- ❑ Today 8100 strike CE added 9.22 Lakh. Shares in and 7400 -- 7500 strike PE added 5.63 lakh shares.
- ❑ At the same time, unwinding was seen in 7900 & 8200 strikes CE and on the contrary 7700 & 7900 PE saw unwinding to the tune of 4.10 & 2.79 lakh shares respectively.

F&O Price Gainers & Losers

Company	Close	Price % Change	OI	% OI Change
FEDERALBNK	49.1	4.25	55,481,000	4.01
HDFC	1133.25	2.60	12,699,300	-3.28
PETRONET	278.9	2.16	5,160,000	0.06
BIOCON	621.55	1.36	2,904,000	7.49

Company	Close	Price % Change	OI	% OI Change
ADANIPTS	208.70	-11.89	33,524,300	11.40
ICIL	955.1	-10.61	313,500	24.65
SAIL	5.35	-3.60	208,593,000	-0.37
ADANIENT	79.3	-7.84	12,342,000	3.26

Long Build-Up

Company	Close	Price % Change	OI	% OI Change
BIOCON	621.55	1.36	2,904,000	7.49
MCDOWELL-N	2496	1.23	1,080,500	4.57
FEDERALBNK	49.1	4.25	55,481,000	4.01
JETAIRWAYS	628.05	0.54	5,642,100	2.62

Short Build-Up

Company	Close	Price % Change	OI	% OI Change
ICIL	955.1	-10.61	313,500	24.65
UBL	740.20	-4.77	1,109,500	13.62
IOB	29	-5.88	9,660,000	11.83
ADANIPTS	209	-11.89	33,524,300	11.40

Short Covering

Company	Close	Price % Change	OI	% OI Change
TVSMOTOR	289.55	0.05	5,984,000	-17.89
MRF	33893.15	1.15	46,800	-8.85
NTPC	139.25	1.24	13,856,000	-4.10
INDUSINDBK	1044.6	0.19	5,191,800	-3.77

Liquidation

Company	Close	Price % Change	OI	% OI Change
KPIT	158.6	-1.21	1,984,000	-5.16
IOC	414	-1.98	5,359,200	-5.04
AXISBANK	110.5	-0.90	52,360,000	-6.76
NMDC	93.55	-4.20	9,890,000	-4.58

Key Takeaways

- ❑ Biocon continues to outperform the market and closed near 52 weeks high
- ❑ ICIL register swing breakdown and plummeted more than 10%
- ❑ Petronet found support from near-term moving average and closed at 52 weeks high
- ❑ Adani Ports closed the positive GAP witnessed on 2nd March 2016

Long Build Up:- Rise in Price & Rise in OI

Short Build Up:- Fall in Price & Rise in OI

Liquidation:- Fall in Price & Fall in OI

Short Covering:- Rise in Price & Fall in OI

Wednesday, May 04, 2016

News Updates

- ❑ Sensex falls 128 points on global cues, Nifty50 at 7,706; Adani Ports top loser.
- ❑ ITC drops after reports of SC directing not to violate prevailing health warning rules on cigarette packs.
- ❑ Sun Pharma gains after signing agreement with ICGEB to develop drug.
- ❑ Tata Motors drops after announcing revised April monthly sales volume data.
- ❑ Speciality Restaurants falls after temporary suspension of a restaurant in Bengaluru.
- ❑ NTPC gains after synchronizing 200 MW of solar power project.

Stocks In Action

Stock	View	CMP	TGT	Rationale
COALINDIA	Bullish	279	335	<ul style="list-style-type: none"> • The stock has corrected almost 87% from its all-time high of 447 levels. The price activity since September 2016 till date is forming downward sloping channel. • Currently price retested support trend line of the above mentioned pattern and appears to be forming double bottom formation on a Daily chart. • Today's close around 279—280 would form a hammer candlestick pattern, suggesting bullish reversal. Even momentum indicators are showing positive divergence and about to exit from oversold zone. • Therefore, buy in the range of 278 -- 282 with a stop placed below 262 for targets of 335 levels.

Technical Outlook:

Today, Nifty reached our initial target level of 7700 and filled the positive GAP witnessed on 13th April 2016. Going forward, a decisive move below 7700 level would drag index to 7550 – 7520 levels, since 38.2% Fibonacci retracement level & swing low is placed this range. On the upside, above 7750 we can witness pullback towards 7800 – 7840. Readers should note that, as far as Nifty trades below 7900 all pullbacks can be used for creating fresh short positions.

Even, Nifty Bank FUT. reached our initial target and now heading towards 16160 – 16000 levels. Now, Nifty Bank has strong resistance in the range of 16450 -- 16580 levels. Even after today's fall India VIX closed on a negative note, however sustaining above 17 marks (ascending triangle breakout level). The next crucial level to watch out for India VIX is 19.20. If India VIX closes above 19.20 then we can expect further weakness in the market.

FII's activity:

Equity Segment: Once again FII's have been seller as per provisional data. They sold 66 cr. in the equity markets; whereas DII's sold 79 cr. Thus up till now, in the MAY F&O series, FII's have been net buyer in the cash segment to the tune of 592 Cr. while DII's have bought 324 Cr. in the cash market.

F&O Segment: On the F&O front FII's have been net seller for the day, they sold 1278 cr. in Index Futures with a fall in open interest, suggesting long liquidation with a combination of fresh short positions. Also they sold 512 cr. in the Index Option and 627 cr. in the stock Futures, with a rise in open interest.

Conclusion:

Eventually our target of 7720 achieved on our short call of NIFTY MAY FUT. Technically positive GAP has got closed. The FII's data suggests bearish stance, as they have been liquidating long positions combined with fresh short positions of Index & Stock Futures. Key point to note is that, **in last five trading sessions FII's have liquidated 88,825 Index Future contracts.** Even on the option front significant CE writing seen along with addition in PE option. The derivative data suggests possibility of call writing in 7800 CE & possibility of fresh long in 7500 PE.

Also, India VIX is sustaining above its breakout level. However VIX is likely to accelerate momentum only above 19.20 levels, suggesting possible acceleration in the downward movement. A decisive move below 7700 can lead Nifty to plunge to 7550 levels. We recommend holding our reaming short position on Nifty Bank MAY FUT for target of 16160.

Wednesday, May 04, 2016

Disclaimer: This document has been prepared by IndiaNivesh Securities Limited ("INSL"), for use by the recipient as information only and is not for circulation or public distribution. INSL includes subsidiaries, group and associate companies, promoters, employees and affiliates. This document is published in accordance with Regulation 18 of the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. INSL researches, aggregates and faithfully reproduces information available in public domain and other sources, considered to be reliable and makes them available for the recipient, though its accuracy or completeness has not been verified by INSL independently and cannot be guaranteed. This document is not to be altered, transmitted, reproduced, copied, redistributed, uploaded or published or made available to others, in any form, in whole or in part, for any purpose without prior written permission from INSL. This document is solely for information purpose and should not be construed as an offer to sell or the solicitation of an offer to buy any security. Recipients of this document should be aware that past performance is not necessarily a guide for future performance and price and value of investments can go up or down. The suitability or otherwise of any investments will depend upon the recipients particular circumstances. INSL does not take responsibility thereof. The information contained in this document has been obtained from sources that are considered as reliable though its accuracy or completeness has not been verified by INSL independently and cannot be guaranteed. INSL has not independently verified all the information contained within this document. The research analysts of INSL have adhered to the code of conduct under Regulation 24 (2) of the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. Nothing in this document constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to recipients' specific circumstances. INSL does not accept any responsibility or whatever nature for the information, assurances and statements given or made available herein or for any omission or for any liability arising from the use of this document. Information mentioned is the current information as of the date appearing on this document only. **INSL directors/ employees and its clients may have holdings in the stocks mentioned in the document.**

This report is based on technical and derivative analysis on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

Following table contains the disclosure of interest in order to adhere to utmost transparency in the matter.

Disclosure of Interest Statement		
1.	Details of business activity of IndiaNivesh Securities Limited (INSL)	INSL is a Stock Broker registered with BSE, NSE and MSEI in all the major segments viz. Cash, F & O and CDS segments. INSL is also a Depository Participant and registered with both Depository viz. CDSL and NSDL. Further, INSL is a Registered Portfolio Manager and is registered with SEBI.
2.	Details of Disciplinary History of INSL	No disciplinary action is / was running / initiated against INSL
3.	Whether Research analyst or INSL or its relatives'/associates' is holding the securities of the subject company	Please refer to the important 'Stock Holding Disclosure' report on the IndiaNivesh website (Investment Research Section - http://www.indianivesh.in/Research/Holding_Disclosure.aspx?id=10 - link). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. INSL and its affiliates may have investment positions in the stocks recommended in this report.
4.	Research analyst or INSL or its relatives'/associates' financial interest in the subject company and nature of such financial interest	No
5.	Research analyst or INSL or its relatives'/associates' actual/beneficial ownership of 1% or more in securities of the subject company, at the end of the month immediately preceding the date of publication of the document.	Please refer to the important 'Stock Holding Disclosure' report on the IndiaNivesh website (Investment Research Section - http://www.indianivesh.in/Research/Holding_Disclosure.aspx?id=10 - link). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. INSL and its affiliates may have investment positions in the stocks recommended in this report.
6.	Research analyst or INSL or its relatives'/associates' any other material conflict of interest at the time of publication of the document	No
7.	Has research analyst or INSL or its associates received any compensation from the subject company in the past 12 months	No
8.	Has research analyst or INSL or its associates managed or co-managed public offering of securities for the subject company in the past 12 months	No
9.	Has research analyst or INSL or its associates received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months	No
10.	Has research analyst or INSL or its associates received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months	No
11.	Has research analyst or INSL or its associates received any compensation or other benefits from the subject company or third party in connection with the document.	No
12.	Has research analyst served as an officer, director or employee of the subject company	No
13.	Has research analyst or INSL engaged in market making activity for the subject company	No
14.	Other disclosures	No

INSL, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.