

Market consolidates but the action continues in broader universe

Sensex (47869) / Nifty (14019)

NSE:NIFTY, 1D 14018.50 ▲ +36.75 (+0.26%) O:13996.10 H:14049.85 L:13991.35 C:14018.50



TradingView

Source: Trading View

Future outlook

The mankind had to witness a lot of unprecedented things in the year gone by. Initially it was very difficult to adjust with the forceful changes in our lives; but we always try to make our own ways in all the difficulties and this is exactly what has been proven all these months. The year 2020 was full of shocks and surprises; but as we always say “All’s well that ends well”. We not only stabilized from the March chaos but also managed to give a stupendous v-shaped recovery in the last nine months to even surpass pre-COVID highs with some authority.

During the concluding week of the calendar year, Nifty added another couple of percent to Bulls’ kitty and importantly reached yet another milestone of **14000**. Now, there are lots of expectations built as we step into the New Year. With a broader view, there is no brainer, we are heading for much bigger levels from here on; but it would be unfair to expect the similar kind of linear move that we have been enjoying since early November. In between, markets are likely to give some corrections, which would be a healthy sign. For the coming week, we expect the Nifty to slowly and gradually head towards **14150-14200**; whereas the key support zone is placed at **13950 - 13850** levels.

This week, although there was some muted action seen in key indices, the broader market just took off in the last couple of days. Hence, the real action lies in the broader end of the spectrum, which may continue to provide better trading opportunities. Traders are advised to keep focusing on thematic bets and should ideally avoid aggressive bets in indices.

Rollover data indicates long positions intact

Nifty spot closed at **14018.50** this week, against a close of **13749.25** last week. The Put-Call Ratio has decreased from **1.58** to **1.37**. The annualized Cost of Carry is positive at **3.41%**. The Open Interest of Nifty Futures has increased by **2.11%**.

Derivatives View

Nifty current month future closed with a premium of **35.35** points against a premium of **56.30** points to its spot. Next month future is trading at a premium of **68** points.

As far as Nifty options activities are concerned, we saw some build-up in 14200-14300 call options and 14000-13900 put options. Maximum open interest concentration in the weekly series is at 14200 call and 14000 put.

Nifty achieved a milestone of 14000 during the week and ended comfortably above the same. Bank Nifty witnessed some unwinding of positions while Nifty witnessed long addition. During expiry, the rollovers in Nifty were in line with its average indicating long positions have been rolled over to the January series. FIIs too continue with their bullish bets at the start of the new series with Long Short ratio at 75 percent. The open interest data indicates a support in the range of 14000-13900 for the coming week while on the higher side, it could approach 14200 mark. Hence, traders are advised to trade with a positive bias and look for buying opportunities on any declines.

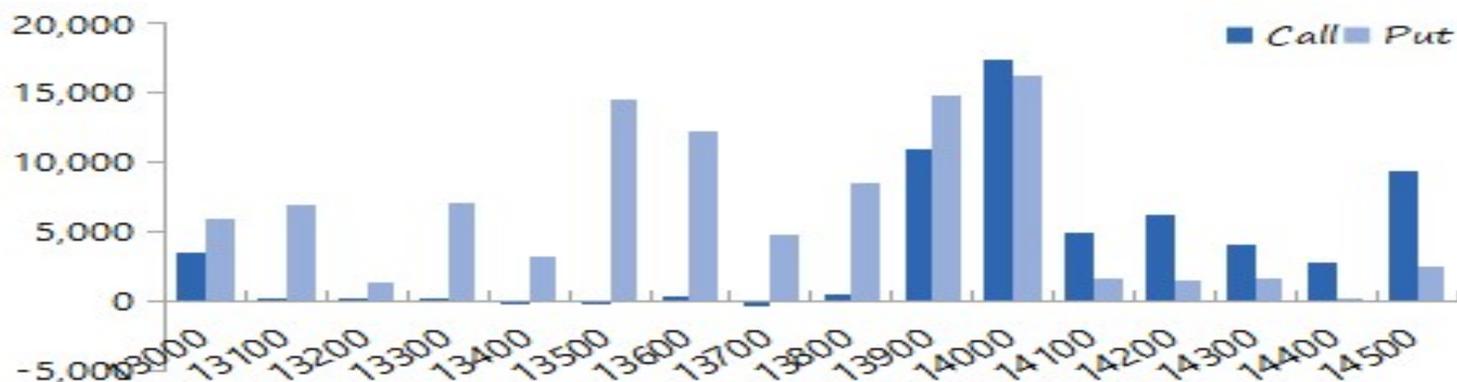
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
CANBK	44895600	33.94	134.10	11.19
IBULHSGFIN	32150100	27.14	223.10	8.72
BHEL	121695000	11.72	39.00	15.38
IGL	7459375	10.09	509.95	4.10
CHOLAFIN	5177500	8.83	412.25	9.47

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
BRITANNIA	2378000	7.36	3589.25	(1.10)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Weekly change in OI



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