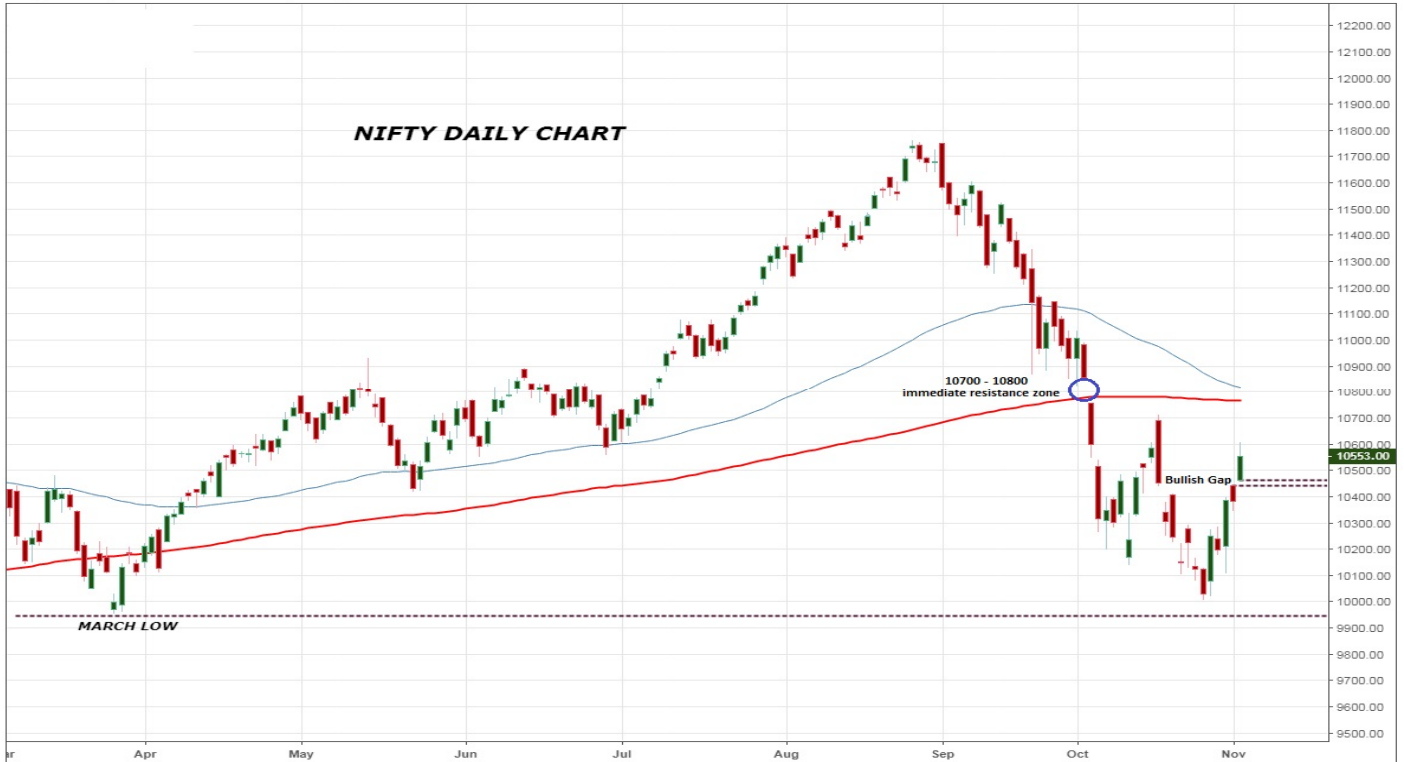


Delight for traders ahead of Diwali

Sensex (35012) / Nifty (10553)

NSE_DLY:NIFTY, 1D 10553.00 ▲ +172.55 (+1.66%) O:10462.30 H:10606.95 L:10457.70 C:10553.00



Created with TradingView

Source: Trading View

Future outlook

Pre-Diwali week brought back some joy in the traders' / Investors' fraternity. Few macro factors like Crude Oil correcting from higher levels as well domestic currency softening led to this much awaited hope rally. There were couple of tentative attempts seen from the markets; but eventually strong buying momentum lifted index significantly higher from last week's low.

Last week, we saw selling momentum getting exhausted and hence, some reversal was needed for market to trigger this short covering move. We got this reversal in the form of Nifty surpassing last Friday's high of 10129 and since then there has been no stopping. Now with Friday's move, we are well above daily 20-EMA and hence, we expect continuation of this relief move towards **10700-10800** in days to come. It's advisable to keep booking profits if Nifty reached this mentioned resistance zone. This is seen as a crucial hurdle because we can see multiple technical factors converging around it. Firstly, the downside gap area created on October 4 which coincides with daily '200-SMA' as well as '89 EMA'. Hence, one should stay light around it and wait for further developments to happen on charts.

On the lower side, **10480** followed by **10400** are seen as strong support levels for the forthcoming week. On Friday, we saw some profit booking happening in the midcap universe who had a stellar move throughout the week. Hence, one needs to be very agile now while making stock selection.

We take this opportunity to wish everyone a HAPPY DIWALI and a Prosperous New Year!!!

Fresh longs hints scope for further upside

Nifty spot closed at **10553** this week, against a close of **10030** last week. The Put-Call Ratio has increased from **1.44** to **1.53** and the annualized Cost of Carry is positive at **3.08%**. The Open Interest of Nifty Futures increased by **4.12%**.

Derivatives View

Nifty current month future closed with a premium of **24.05** points against a premium of **24.10** points to its spot. Next month future is trading with a premium of **70.40** points.

As far as Nifty options activities for the week are concerned, some build-up was seen in **10700** and **10800** call options. On the flip side, **10200-10500** put options added decent amount of positions. Maximum open interest for November series now stood at **10700** followed by **10800** call and **10000** followed by **10200** put options.

It was indeed one of the fabulous weeks for our market, as the benchmark index rallied more than 5% in a week after quite some time. The Nifty rallied towards **10600** from the strong support zone of **10000** to conclude the week above **10550** mark. In F&O space, we saw fresh long formation in Nifty and some short covering took place in banking index. Meanwhile, we also saw decent writing in **10500** and **10600** put options on Friday's session. Considering the above data points, we expect continuation of recent upmove towards **10750-10800**; hence, traders are advised trading with a positive bias in the near term.

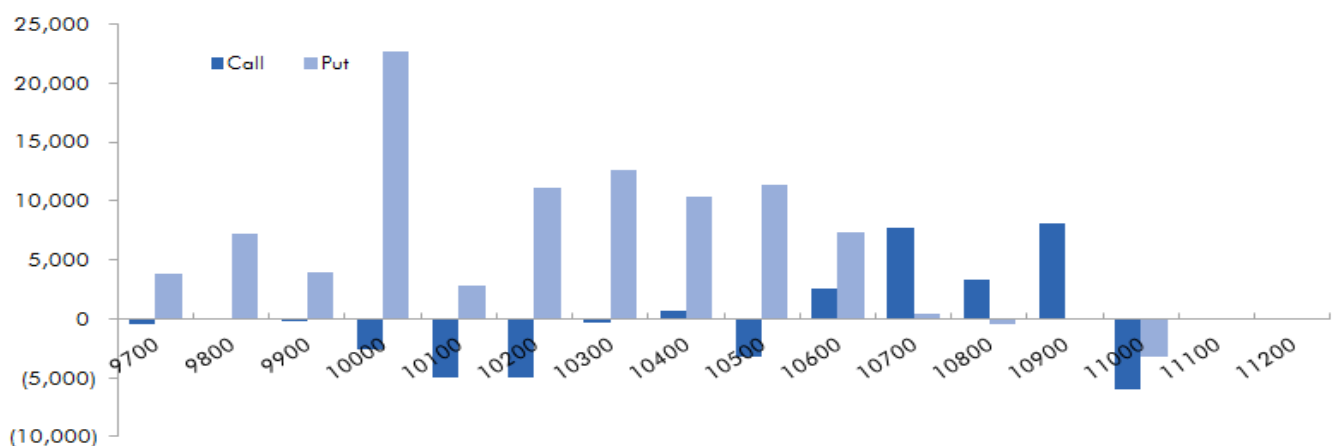
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg (%)
VOLTAS	6338000	75.52	538.15	8.35
IGL	3580500	73.14	282.55	12.35
AMBUJACEM	17527500	59.34	203.90	6.59
CUMMINSIND	1090600	52.75	772.05	14.23
DIVISLAB	3384800	45.05	1502.95	19.59

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg (%)
COALINDIA	27847600	91.76	263.00	(6.61)
KOTAKBANK	12285600	11.52	1133.45	(2.35)
HINDZINC	7782400	9.95	265.45	(2.14)
HEXWARE	6072000	2.85	313.20	(2.41)
DABUR	15492500	0.25	370.00	(6.78)

Weekly change in OI



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