

## Bulls continue with their hegemony

### Sensex (60950) / Nifty (18117)



Source: Tradingview.com

### Future outlook

Markets had a buoyant start for the new trading week on Monday and previous week's struggle around **17800** finally came to an end as we managed to open convincingly above it. After the initial upticks, index slipped into a consolidation and kept flirting with psychological mark of **18000**. The buying re-emerged towards the fag end in some of the heavyweights, which helped Nifty finally surpass this key figure with some authority. This was followed by yet another gap up on the subsequent day and then Nifty went on to surpass September month high of **18115**. During the remaining part of the week, markets looked lethargic with no intent to move beyond the **18200** mark. However, the bulls had enough strength to defend **18000** convincingly to eventually conclude the week by pocketing nearly couple of percent on a weekly basis.

We started off well as global markets continued with their recovery mode and sentiments were much improved globally over the previous weekend. In this process, we managed to go past the study wall of **18000 – 18100**; but due to lack of follow up buying, were unable to capitalize on the head start. Around the mid-week, the US markets once again looked a bit shaky and post the Fed policy, reacted adversely to haunt market participants across the globe. We did react at the opening on Thursday; but immediately this tremor was absorbed in our market. Without making any damage, we did recover on the same day and then went on to post a weekly close above **18100** on Friday. This is a clear indication; how strong our markets have been of late. Undoubtedly, the bulls continue with their hegemony in the domestic markets and are eying record highs now. If there is no aberration globally, we are good to go towards **18250 – 18350** first and then a march towards previous highs **18600** looks very much on cards in the ongoing calendar year. As far as supports are concerned, 18000 followed by 17900 should be treated as sacrosanct zone and any intra-week decline would provide opportunities to create fresh longs.

Traders are advised to continue with an optimistic approach and now, with other sectors chipping in, we expect a good broad-based buying in the forthcoming week. The banking was slightly muted in the latter half of the week; but never mind, it is just a breather around previous highs after such a spectacular rally in the recent time. Soon, we would expect banking to resume its upward trend.

## FII's long short ratio shows an encouraging sign

Nifty spot closed at **18117.15** this week, against a close of **17786.80** last week. The Put-Call Ratio remains unchanged at **1.12** on Weekly basis. The annualized Cost of Carry is positive at **7.37%**. The Open Interest of Nifty Futures increased by **9.17%**.

### Derivatives View

Nifty current month's future closed with a premium of 76.85 against a premium of 43.40 points to its spot in the previous week. Next month's future is trading at a premium of 152.90 points.

The Indian equity market witnessed a splendid start to the week, as the benchmark index reclaimed the 18000 mark and maintained its positive stature throughout. There have been mixed positions in the F&O space throughout the week, starting from long additions to unwinding in both indices, but on the net, it stayed on the long side. On the options front, the piling up of positions is visible in the 18100-18000 put strikes, indicating nearby support formation for Nifty. While on the higher end, the OI concentration is disintegrated at every 100 points, suggesting a series of resistance, starting from 18100 to 18500 call strikes. Simultaneously, the stronger hands have remained steady with their bullish bets as the 'Long Short Ratio' slightly expanded to 58% from 57% on WoW basis. Going ahead, the undertone is likely to remain bullish, and any intra-week dip could be seen as an opportunity to add long bets in the index.

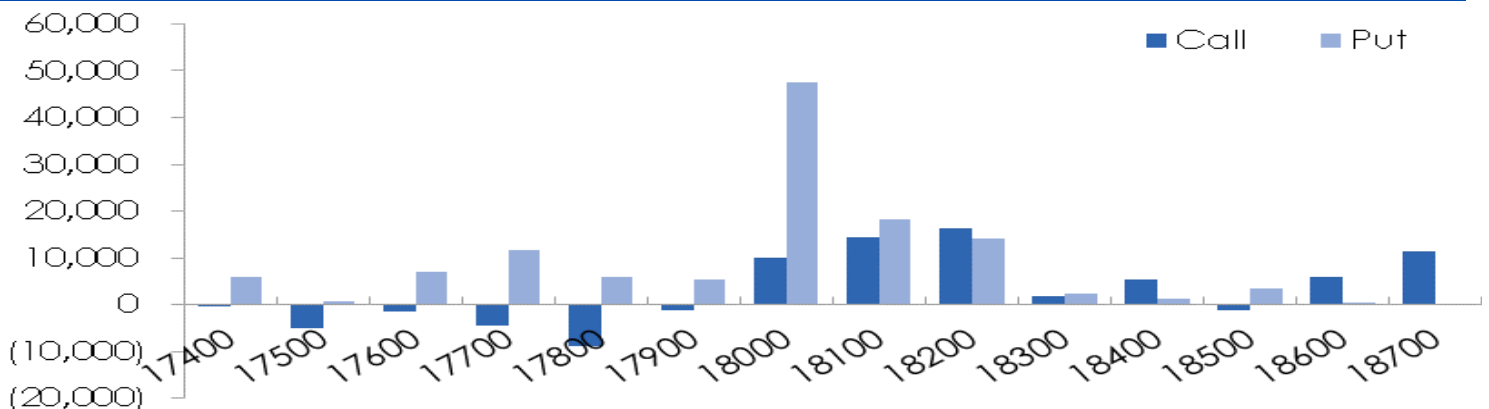
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
VEDL	44063900	49.75	324.25	13.65
JKCEMENT	517750	43.42	2797.00	8.07
TITAN	6734250	37.51	2788.90	1.65
RAIN	13443500	30.60	172.60	6.58
ALKEM	317200	30.53	3247.25	3.86

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
INTELLECT	4115500	138.37	434.35	(13.69)
COROMANDEL	2489900	130.52	957.20	(2.36)
BANDHANBNK	47635200	73.52	229.45	(13.79)
VOLTAS	6378900	59.38	847.65	(3.24)
LICHSGFIN	20198000	45.23	363.75	(14.02)

### Weekly change in OI



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