

Nifty reaches 15000 with fast and furious rally

Sensex (50732) / Nifty (14924)

NSE:NIFTY, 1D 14924.25 ▲ +28.60 (+0.19%) O:14952.60 H:15014.65 L:14864.75 C:14924.25



 TradingView

Source: Trading View

Future outlook

The year 2020 was full of unprecedented things; but 2021 also seem to be following the similar footsteps. Fortunately, it surprised us pleasantly as Finance Minister stood by her words and really presented 'Like never before' Union Budget on Monday. Since the market had lightened up ahead of the event, market participants had all the reason to grab this opportunity with both hands and hence, we could see a gargantuan move to clock probably biggest gains ever on the budget day. Market was not done yet, in fact the exuberance level kept on rising as the week progressed to clock one of the biggest weekly gains to register new high tad above the magical figure of **15000**.

Who would have thought last weekend (especially after having a terrible week of trade), Nifty and other major indices would have such a mesmerizing rally to reach record highs so soon. Many would be claiming now but practically, there would be hardly anyone who could have anticipated this. Honestly, we expected Nifty to move towards **14000 – 14200** but not beyond considering the last week's price action. But the way it conquered **14200** with some authority, there was no doubt left after Monday's session, we are heading towards record highs. The real charioteer of this spellbinding move was the financial space. Some of the banking giants took off this week as if there is no tomorrow. Now, markets have hastened towards their near term targets with this fast and furious rally so soon. Hence, it would be interesting to see how it behaves in the forthcoming week. As far as levels are concerned, **15050 – 15200 – 15400** are the important Fibonacci levels in the upward direction; whereas on the lower side, **14700 – 14500** are to be seen as key supports.

Although, the banking stocks have seen rarest weekly spurt this week, some profit booking was witnessed on Friday after a marathon rally. This led to a formation of 'Gravestone Doji' pattern on the daily chart of BANKNIFTY. The said pattern needs confirmation of price trading below the low of the candle i.e. **35545** in this case. If this happens then we would probably see some profit booking in the forthcoming week. Traders should take a note of this and ideally it's advisable to follow stock centric approach.

Short covering and new longs leads Nifty to 15000

Nifty spot closed at **14924.25** this week, against a close of **13634.60** last week. The Put-Call Ratio has increased from **0.98** to **1.41**. The annualized Cost of Carry is positive at **0.78%**. The Open Interest of Nifty Futures has increased by **1.28%**.

Derivatives View

Nifty current month future closed with a premium of **22.50** points against a premium of **74.50** points to its spot. Next month future is trading at a premium of **60.75** points.

In options segment, we witnessed some open interest addition in 15100-15500 call options. On the flipside, 14800-14500 put options witnessed good amount of open interest addition. Maximum open interest for the weekly series in nearby options are placed at 15500 call and 14500 put options.

After the recent corrective phase, the indices rallied sharply post the announcement of Budget due to a combination of short covering as well as fresh long formation. The indices then continued to move higher throughout the week and Nifty tested the 15000 mark on the last day. The Banking index and its heavyweights saw long addition which led to its outperformance. FII's were buyers in cash segment but their net activity was muted in index futures. Majority of their positions are still on the long side with their 'Long Short Ratio' over 62 percent. In last couple of sessions, stronger hands have preferred some profit booking and hence, next week may not be as robust as the current one. The supports for coming week are placed around 14800 followed by 14600 whereas resistance is seen around 15200. Traders are advised to trade with a stock specific approach and also book partial profits on existing positions on rise and take some money off the table.

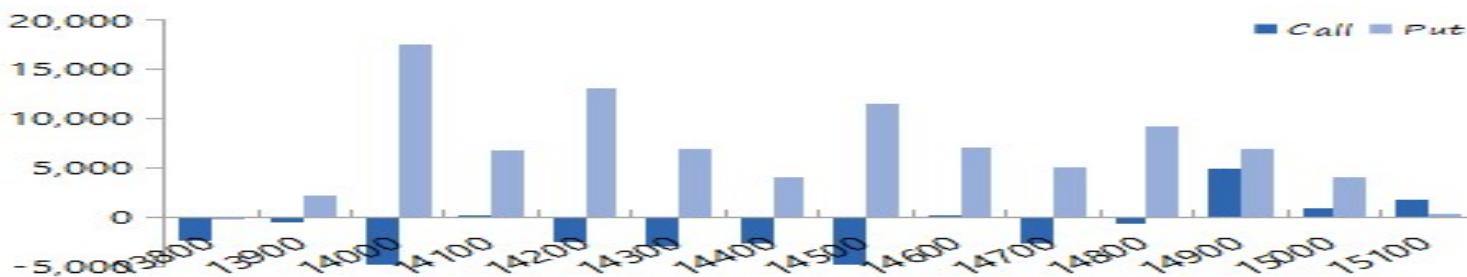
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
BHEL	164115000	60.05	43.70	21.39
INDUSINDBK	24855300	45.02	1028.90	20.98
RAMCOCEM	1823250	33.15	876.90	12.28
DLF	32046300	32.39	306.60	19.25
SBIN	103200000	30.81	394.10	38.87

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ICICIPRULI	8449500	72.16	473.90	(1.98)
ZEEL	38241000	56.92	215.80	(2.38)
ASIANPAINT	7290300	41.65	2389.35	(1.22)
-	-	-	-	-
-	-	-	-	-

Weekly change in OI



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