

Nifty ends below 15000 amid volatile swings

Sensex (50405) / Nifty (14938)

NSE:NIFTY, D 14938.10 ▼ -142.65 (-0.95%) O:14977.95 H:15092.35 L:14862.10 C:14938.10



TradingView

Source: Trading View

Future outlook

Market had a surprising gap down on previous Friday which was followed by extended sell off throughout the day to drag the Nifty towards **14500**. The way it closed along with sharp uptick in 'Volatility Index (VIX)', some decent correction was on cards. But again to surprise everyone, markets had a gap up opening on Monday which was then followed by a v-shaped recovery for the three consecutive sessions. In the process, Nifty even managed to surpass the **15200** mark; however, market was not done with its twist yet. Globally, markets had some jittery moves which had a rub off effect on our bourses as well. In last couple of sessions, we witnessed some correction to end the week with nearly three percent gains but trimmed some portion to close below **15000**.

It was a difficult week for momentum traders because the moment markets tried to decide its direction; we tend to have some surprises. Although, we did manage to recover well from previous Friday's level, market left us with some doubts. As far as levels are concerned, **15100** and **15273** are to be seen as immediate hurdles; whereas on the lower side, **14760 – 14467** are to be seen as key supports. If we take a glance at the weekly chart, we are still unsure whether market has enough strength to go beyond recent highs around **15400 – 15550** without seeing any decent price or time wise correction. But at the same time, they are just refusing to fall as well. Hence, it would be interesting to see how markets behave in the first half of the forthcoming week. It should then ideally give us some fair idea where markets are heading in the short term. Traders are advised to focus on stock specific moves but should ideally avoid aggressive leveraged positions overnight.

Sectorally, lot of themes did extremely well for the major part of the week. But some of the pockets did cool off towards the end and 'NIFTY MIDCAP 50' was clearly one of them after registering record highs. Globally, commodities saw some decent correction and hence, it would be interesting to see how this theme play out as well. Very importantly, the financial space is placed at a crucial level and any weakness from hereon would lead to short term breakdown in this pocket as well.

FII's turned net sellers in F&O space

Nifty spot closed at **14938.10** this week, against a close of **14529.15** last week. The Put-Call Ratio has increased from **0.93** to **1.12**. The annualized Cost of Carry is positive at **1.74%**. The Open Interest of Nifty Futures has increased by **21.35%**.

Derivatives View

Nifty current month future closed with a premium of **14.95** points against a premium of **27.20** points to its spot. Next month future is trading at a premium of **94.95** points.

In options segment, the fresh build-up was seen 14900-15500 call options. On the other side, 14500-15000 puts added good amount of positions. Maximum open interest for the weekly series is placed at 15500 call and 14500 put options.

Post previous Friday's sharp sell-off, we began new week with an upside gap tad above 14700 mark. As the week progressed, index inched higher to breach previous high of 15176.50 and eventually surpassed the hurdle around 15200-15250 on Wednesday. On account of global sell-off, we saw some rub-off effect in our market as well and hence, index slipped below 14900. Eventually, we concluded the week with the gains of almost 3%. In F&O space, both Nifty as well as BankNifty added huge open interest and we believe majority of the positions formed are on short side. Stronger hands too preferred adding shorts in index futures segment, resulting Long Short Ratio declining to 56% from 61% WoW. At current juncture, 15000-15100 shall act as a strong hurdle; whereas, immediate support is placed around 14800 mark.

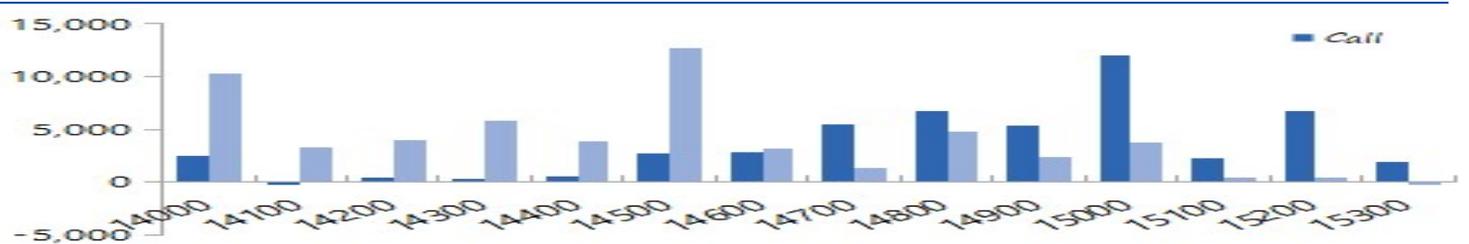
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
CUMMINSIND	1740000	37.70	842.55	6.75
WIPRO	38860800	25.84	421.00	2.26
ZEEL	43200000	21.68	218.85	8.50
IDFCFIRSTB	170905000	20.45	65.95	5.18
SUNTV	13438500	19.69	507.25	2.64

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
APOLLOHOSP	1715500	26.51	2893.45	(5.58)
JINDALSTEL	25940000	20.32	324.75	(3.72)
ASHOKLEY	40815000	16.22	126.85	(1.86)
BANKBARODA	126991800	14.51	81.65	(1.92)
COALINDIA	46498200	13.44	146.80	(1.51)

Weekly change in OI



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