

## HDFC twins pour water on weekly gains

Sensex (61054) / Nifty (18069)



Source: Tradingview.com

### Future outlook

After an extended weekend, we started the week on a pleasant note owing to smart rally in US markets on previous Friday. In the initial trades, we extended the move to challenge the **18200** mark. However, due to lack of conviction at higher levels, Nifty slipped into a consolidation first and a tiny bit profit booking was witnessed in the latter half to restrict gains. On the following day, market looked a bit tentative ahead of US Fed policy; however, on Thursday, the buying momentum accelerated throughout the session. As a result, the Nifty managed to surpass the sturdy wall of **18200** with some authority. Everything looked hunky dory but post market developments with respect to HDFC Twins, dented the market sentiments. These heavyweights opened significantly lower and extended losses in the latter half to drag Nifty below **18100** on a closing basis.

The weekly expiry panned out extremely well for our domestic participants as we not only outperformed global peers but also went on to surpass the strong hurdles around **18200**. The charioteer of this massive short-covering rally was the entire BFSI sector, which eventually turned out to be a spoilsport as it poured complete water on weekly gains. With massive sell off in these bellwether stocks, the banking and NBFC stocks started tumbling in tandem. The benchmark index Nifty still managed to fall lesser (1%), the real turmoil was in other indices like BANKNIFTY and FINNIFTY as they plunged more than 2% on Friday. Now taking a glance at the weekly chart, we can see 'Doji' formation in NIFTY and 'Dark Cloud Cover' in BANKNIFTY. Both these candlestick patterns indicate halt or reversal in the ongoing trend. If things worsened with respect to banking conglomerates, we may see some more profit booking in the forthcoming week. However, we are of the opinion that if there is no aberration globally, we may see buying resuming at key supports. As far as levels are concerned, **18000** followed by **17900** are to be seen as key supports, whereas on the flipside, the sturdy wall once again stands at **18150 – 18250**. It would be interesting to see how things shape up in the first half of the week. Meanwhile, traders should continue with a stock centric approach and should use declines to add longs with a near term perspective.

## Long Short Ratio marginally improved WoW basis

Nifty spot closed at **18069.00** this week, against a close of **18065.00** last week. The Put-Call Ratio has decreased from **1.33** to **0.85** on Weekly basis. The annualized Cost of Carry is positive at **6.13%**. The Open Interest of Nifty Futures increased by **16.74%**.

### Derivatives View

Nifty current month's future closed with a premium of 60.70 against a premium of 46.15 points to its spot in the previous week. Next month's future is trading at a premium of 131.85 points.

The Indian equity markets had a week of mixed trades and ended on a muted note, wherein the benchmark index Nifty50 had a subdued closing, a tad below the 18100 level. On the derivatives front, we noticed some mixed trade throughout the week and the sell-off in the banking index in the last session dampened some sentiments. On the options front, a meaningful addition of OI is seen at the 17900-17800 put strikes, indicating a downward shift in the support base for Nifty. On the flip side, the highest OI concentration is seen at the 18200-call strike, which is likely to be seen as the major hurdle for the time being. The 'Long Short Ratio' marginally improved to 45% from 43% on a weekly basis. We remain upbeat till the 18000-17900 zone is firmly withheld in Nifty and expect any intra-week dip to be utilized to add longs in the system.

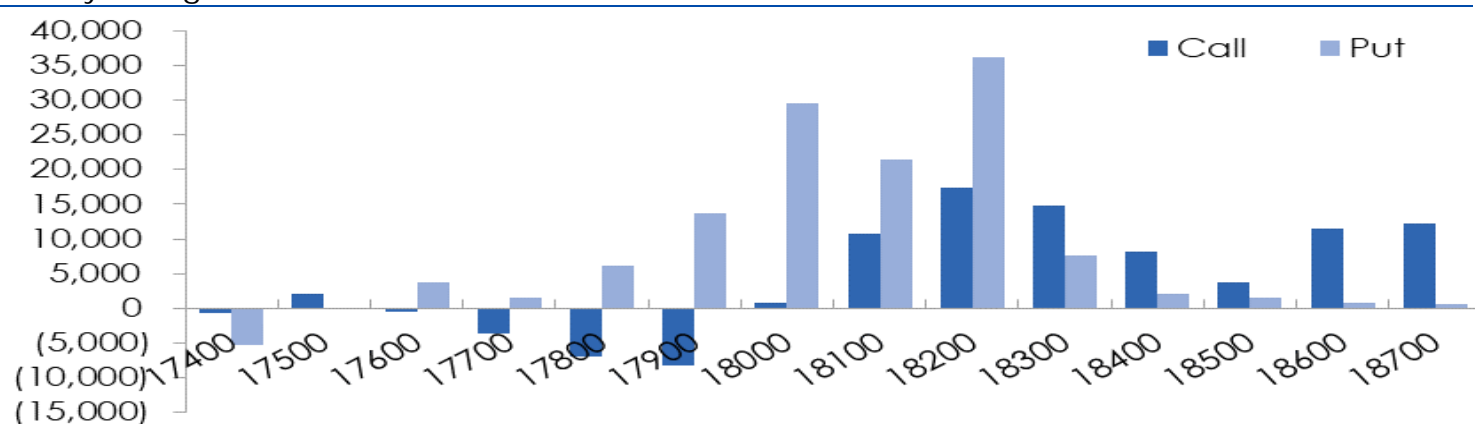
#### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MRF	64610	56.03	98857.95	10.33
CHOLAFIN	12701250	28.36	989.90	13.36
APOLLOTYRE	15003200	23.04	369.65	5.95
ESCORTS	1530650	14.13	2071.70	4.08
INDIGO	3459600	12.60	2168.35	6.56

#### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
DABUR	16907500	35.26	506.90	(5.23)
EXIDEIND	22438800	22.41	187.40	(4.90)
UPL	16662100	20.98	713.35	(4.22)
MANAPPURAM	47172000	18.05	105.10	(19.15)
BHARATFORG	9454000	17.59	764.90	(4.42)

### Weekly change in OI



Sameet Chavan	Head Research – Technical & Derivatives	<a href="mailto:sameet.chavan@angelone.in">sameet.chavan@angelone.in</a>
Sneha Seth	Senior Analyst – Technical & Derivatives	<a href="mailto:sneha.seth@angelone.in">sneha.seth@angelone.in</a>
Rajesh Bhosale	Technical Analyst	<a href="mailto:rajesh.bhosle@angelone.in">rajesh.bhosle@angelone.in</a>
Osho Krishan	Senior Analyst – Technical & Derivatives	<a href="mailto:osho.krishan@angelone.in">osho.krishan@angelone.in</a>

Research Team Tel: 022 - 39357600

Website: [www.angelone.in](http://www.angelone.in)For Technical QueriesE-mail: [technicalresearch-cso@angelone.in](mailto:technicalresearch-cso@angelone.in)For Derivative QueriesE-mail: [derivatives.desk@angelone.in](mailto:derivatives.desk@angelone.in)**DISCLAIMER**

Angel One Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager and investment advisor with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel One Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel or its associates or research analyst or his relative may have actual/beneficial ownership of 1% or more in the securities of the subject company at the end of the month immediately preceding the date of publication of the research report. Neither Angel or its associates nor Research Analysts or his relative has any material conflict of interest at the time of publication of research report.

Angel or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business. Angel or its associates did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with the research report. Neither Angel nor its research analyst entity has been engaged in market making activity for the subject company.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's

fundamentals. Investors are advised to refer the Fundamental and Technical Research Reports available on our website to evaluate the contrary view, if any.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel One Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel One Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel One Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel One Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. Angel or its associates or Research Analyst or his relative might have financial interest in the subject company. Research analyst has not served as an officer, director or employee of the subject company.