

No stopping for mighty bulls, Nifty above 13200

Sensex (45080) / Nifty (13259)

NSE:NIFTY, 1D 13258.55 ▲ +124.65 (+0.95%) O:13177.40 H:13280.05 L:13152.85 C:13258.55



TradingView

Source: Trading View

Future outlook

Trading for the week started on a flat note on Tuesday as there was no major trigger on the global as well as domestic front. The index then gradually resumed its upward trajectory to reclaim **13000** first and then clocked fresh record highs as the week progressed. Index specific, there was no major movement but overall bias remained positive as we managed to add another couple of percent to the previous weekly close.

There has been no stopping for this recent marathon rally and it's been more than one and half month now, markets are giving gravity defying moves. In the week gone by, if we look at the benchmark, we may not get the real picture of the overall action; but if we take a glance at some of the individual themes like Auto, individual stocks have given spectacular moves throughout the week. Now technically speaking, we have been hovering in the overbought territory since the last 2-3 weeks; but sometimes the market does not respect the theory and hence, it can remain overbought for a long time as well. But in our sense, the optimism has now turned into a bit of euphoria and when such a condition happens, it's advisable to be a proactive bit and take some money off of the table, especially for a momentum trader. Undoubtedly, the broader degree trend remains strongly bullish and in case of any meaningful decline, one should stick to the 'buy on decline' strategy. As far as levels are concerned, **13300 – 13500** would be seen as immediate resistance zone; whereas on the lower side, **13150 – 13100** are the levels to watch out for.

If we meticulously observe the intraday charts, we can see a formation of 'Rising Wedge' pattern on hourly chart and hence, a move below **13100** would lead to further profit booking towards **12980 – 12900**. Hence, traders are advised to take a note of all these key levels and act accordingly.

Stronger hands preferred unwinding longs in index futures

Nifty spot closed at **13258.55** this week, against a close of **12968.95** last week. The Put-Call Ratio has increased from **1.28** to **1.57**. The annualized Cost of Carry is positive at **5.41%**. The Open Interest of Nifty Futures has increased by **7.21%**.

Derivatives View

Nifty current month future closed with a premium of **53.05** points against a premium of **48.45** points to its spot. Next month future is trading at a premium of **87.10** points.

As far as Nifty options activities are concerned, we hardly saw any relevant open interest addition in call options. However, on the put side 12800-13200 strikes added decent build-up. Maximum open interest for the monthly series is placed at 13500 call and 13000 put options.

Post strong upmove in November series, we witnessed follow-up buying in the first week of December series. The benchmark index rallied another 2.26% along with addition of fresh longs. We did see some profit booking in banking index initially but Friday's smart buying led weekly closing 1.77% higher. We also saw good amount of long position in BankNifty. Stronger hands continued buying in equities but they have been unwinding their long in index futures segment. As a result, their Long Short Ratio plunged from 82% to 77%. Now, 13000-13100 is an immediate support zone for Nifty and on the higher side 13400-13500 shall act as a hurdle. Considering the above data, until we manage to sustain above 13000 mark traders' are advised trading with a positive bias.

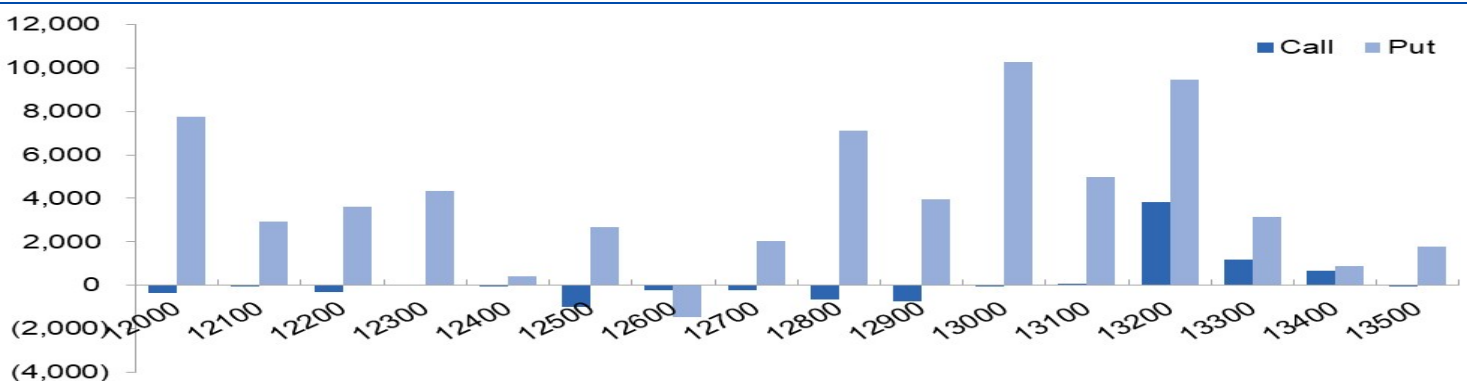
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
CANBK	43291400	137.48	110.95	6.32
TATACHEM	6108000	73.52	488.15	24.67
SAIL	76513000	35.13	55.15	13.13
NATIONALUM	48790000	32.26	42.55	9.66
MOTHERSUMI	26404000	31.06	159.35	7.81

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
AMARAJABAT	1657000	36.04	906.20	(2.69)
ACC	2847000	35.35	1675.40	(1.61)
AMBUJACEM	17787000	21.97	253.70	(3.26)
M&MFIN	19510308	12.13	168.40	(2.01)
GMRINFRA	58792500	9.88	26.15	(2.24)

Weekly change in OI



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