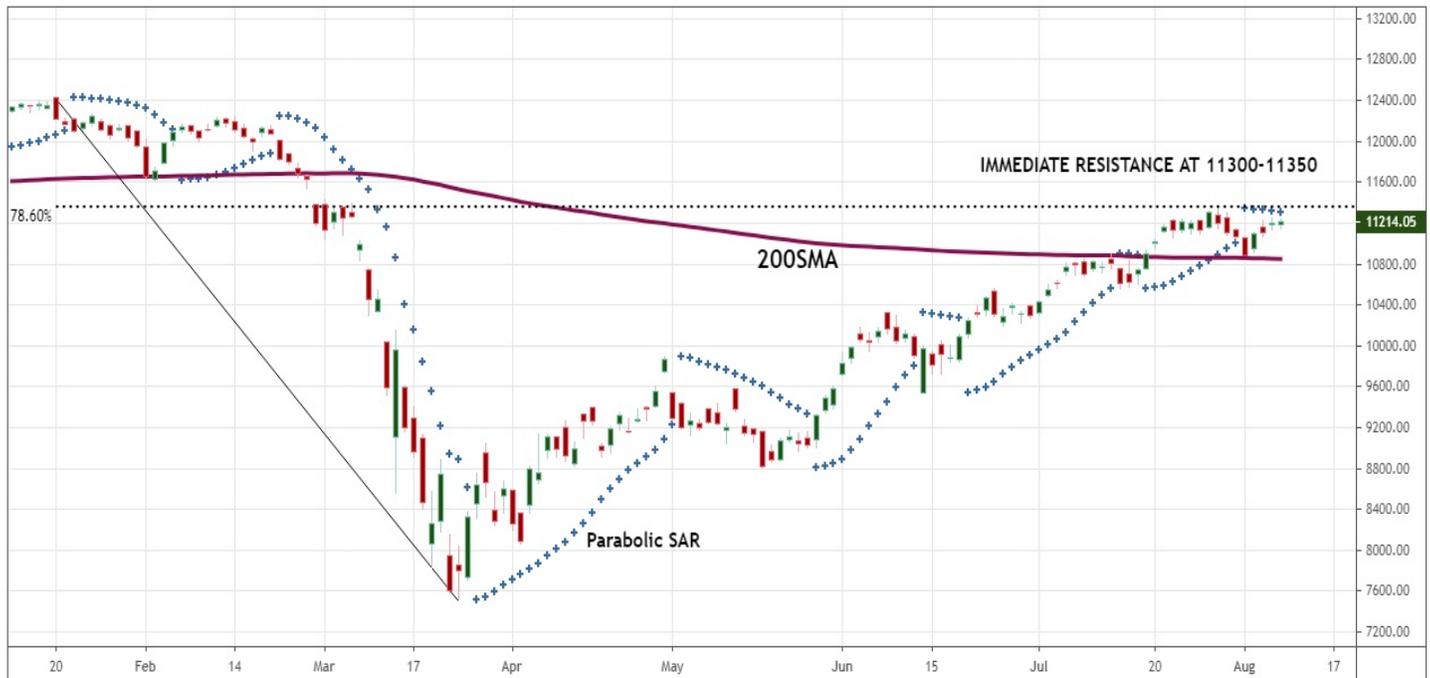


Nifty nearing crucial hurdles, still better to take some money off the table

Sensex (38041) / Nifty (11214)

NSE:NIFTY, 1D 11214.05 ▲ +13.90 (+0.12%) O:11186.65 H:11231.90 L:11142.05 C:11214.05



TradingView

Source: Trading View

Future outlook

We inaugurated the week on Monday on a flat note; however, right from the word go, markets looked a bit depressed and as a result, we witnessed sustained selling throughout the day. Eventually, the Nifty marked the weakest session in the recent past. However, the '200-SMA' level of **10870** acted as a sheet anchor for the bulls and despite the strong selling momentum there, Nifty managed to hold this sacrosanct support. The optimist traders somehow managed to sail through this difficult session and hence, with the help of positivity across the globe, our markets too started rebounding sharply. Post the smart recovery on Tuesday, the index consolidated by maintaining its positive posture to conclude the action-packed week tab above the **11200** mark.

In our opinion, the way markets are placed, the coming week would be quite crucial and hence, one should be keeping a close eye on few key levels. Although the market has managed to recover well, it would be a daunting task surpassing the sturdy wall of **11300-11350**. Till the time it is not conquered successfully, we advocate some caution. Let's understand, technically, why this should be considered an important junction. Firstly, the 78.6% retracement of the entire fall from **12430.50** to **7511.10** comes around it. Secondly, the 100% 'Price Extension' of the first up leg (**7511.10 - 9889.05**) from **8806.75** precisely coincides around **11300-11350**. And now we are standing at the pullback level of the 'Parabolic SAR' which has been following the entire uptrend, has finally given some sign of weakness (due to Monday's negative close) for the first time in the entire up move. Considering all these observations, we advise traders to stay light and should ideally take some money off the table. On the downside, a move below **11100** would lead to immediate correction towards **10950 - 10880**.

Markets were on recovery mode first and then remained in a slender range of 150 points for three sessions. Looking at the benchmark index, it might appear a boring week (especially the second half); but if we meticulously observe the price action in the broader markets, we would rate it as one of the finest weeks for individual stocks in the last few weeks. Finally, on Friday, the NIFTY MIDCAP 50 index posted a smart rally to surpass its recent hurdles. Hence, traders are advised to stay focused on individual stocks in the forthcoming week; but the aggressive positions should be avoided till the time important levels are not surpassed convincingly.

11000-11300 seen as immediate trading range

Nifty spot closed at **11214.05** this week, against a close of **11073.45** last week. The Put-Call Ratio has increased from **1.31** to **1.60**. The annualized Cost of Carry is positive at **1.98%**. The Open Interest of Nifty Futures has increased by **2.88%**.

Derivatives View

Nifty current month future closed with a premium of **12.15** points against a premium of **22.40** points to its spot. Next month future is trading at a premium of **21.45** points.

As far as Nifty options activities are concerned, 11300-11400 call options witnessed some open interest addition whereas 10800-10500 put options too added open interest. Maximum open interest for the coming weekly series is at 11500 call; while 11300 call too have decent open interest outstanding indicating immediate resistance. On the flipside, 11100 and 11000 put options have good amount of open interest indicating support range.

The indices started the week on a negative note, but it recovered in Tuesday's session due to long formation in Nifty and short covering in Bank Nifty. For the rest of the week, both the indices consolidated within a range. FI's started this series with long positions in index futures; however they unwound some of their longs in this week and their 'Long Short Ratio' now stands at 58.4 percent. In spite of some consolidation in the indices, there was good stock specific action during the week. The data indicates continuation of a trading range of 11000-11300 for the coming week and thus, traders are advised to trade with a stock specific approach.

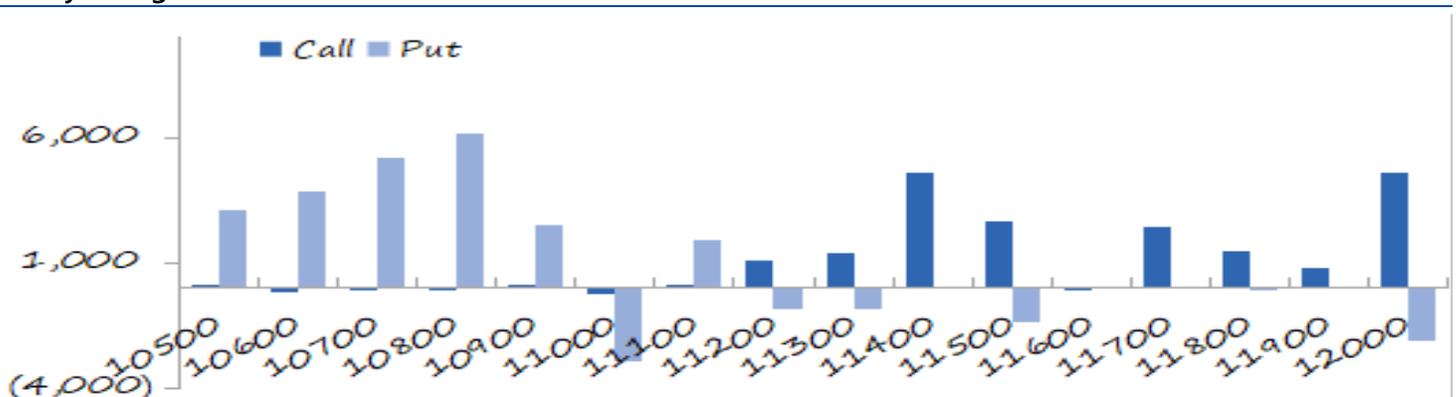
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
RBLBANK	25979200	74.56	192.00	13.48
SAIL	60420000	52.59	37.90	10.82
APOLLOTYRE	16560000	46.16	124.10	14.17
HINDALCO	29971000	22.56	178.45	9.21
TATAMOTORS	97646700	21.34	119.40	13.77

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MUTHOOTFIN	5250000	71.57	1222.90	(4.46)
MFSL	2390700	39.21	538.70	(3.74)
IGL	9565875	16.96	390.20	(3.69)
INDUSINDBK	31404800	15.99	511.65	(2.77)
SRTRANSFIN	3033516	19.84	680.25	(2.01)

Weekly change in OI



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