

2021 starts with a bang, key support at 14000

Sensex (48783) / Nifty (14347)

NSE:NIFTY, 1D 14347.25 ▲ +209.90 (+1.48%) O:14258.40 H:14367.30 L:14221.65 C:14347.25



TradingView

Source: Trading View

Future outlook

We had a head-start for the inaugural week of the calendar year 2021 on Monday. Nifty opened higher convincingly above the **14000** mark and kept reaching new milestones as the week progressed. During the mid-week, markets witnessed small intraday hiccups on the back of some uncertainty with respect to the political developments in United States. However, things settled down there in the latter half of the week, which rejuvenated the US markets. Hence, the smart rally in Nifty on Friday was mainly triggered by the overall global optimism.

This has been one of the biggest as well as longest relentless rallies in the history of Indian markets. Those who missed the bus, are completely furious and at the same time, the set of contrarian traders also must have gone for a toss. Honestly, as a momentum trader, such rallies becomes extremely difficult to trade; because whenever the short term tide reverses, it will catch lot of complacent traders on the wrong foot. Nobody knows when it's going to happen and till the time we do not see any major reversal signs, better to be with the flow by following strict money as well as risk management.

As far as levels are concerned, we are in an uncharted territory and hence, it's better to go one step at a time. For the coming week, the immediate levels can be seen around **14400 - 14550**; whereas on the lower side, the cluster of supports can be seen at **14300 - 14150 - 14000**. The first sign of real weakness would come only below **14000 - 13900**. At present, the ideal strategy for traders would be to focus on individual stocks by following a strict exit strategy. We would also advocate booking partial profits in this rally and avoiding aggressive leveraged positions.

Long formation in indices adds fuel to the rally

Nifty spot closed at **14347.25** this week, against a close of **14018.50** last week. The Put-Call Ratio has increased from **1.37** to **1.71**. The annualized Cost of Carry is positive at **3.01%**. The Open Interest of Nifty Futures has increased by **10.22%**.

Derivatives View

Nifty current month future closed with a premium of **23.65** points against a premium of **35.35** points to its spot. Next month future is trading at a premium of **54.35** points.

As far as Nifty options activities are concerned, we saw some build-up in 14200-14500 call options and 14200-14000 put options. Maximum open interest concentration in the weekly series is at 14500 call and 14200 put.

Nifty continued to clock new records and ended the week at its highest close ever around 14350. Both Nifty as well as Bank Nifty witnessed addition of fresh long positions during the week. FII's continue with their bullish positions in the index futures and added more long positions during the week. Their 'Long Short Ratio' now stands over 81 percent. In weekly options segment, we saw unwinding of positions by call writers in 14200-14300 strikes whereas writing was seen in 14200 put option. The above data continues to depict a bullish picture and hence, traders are advised to continue to trade with a positive bias. The immediate support on any declines in the coming week will be seen around 14200 whereas we could see the index approaching 14400-14500 zone.

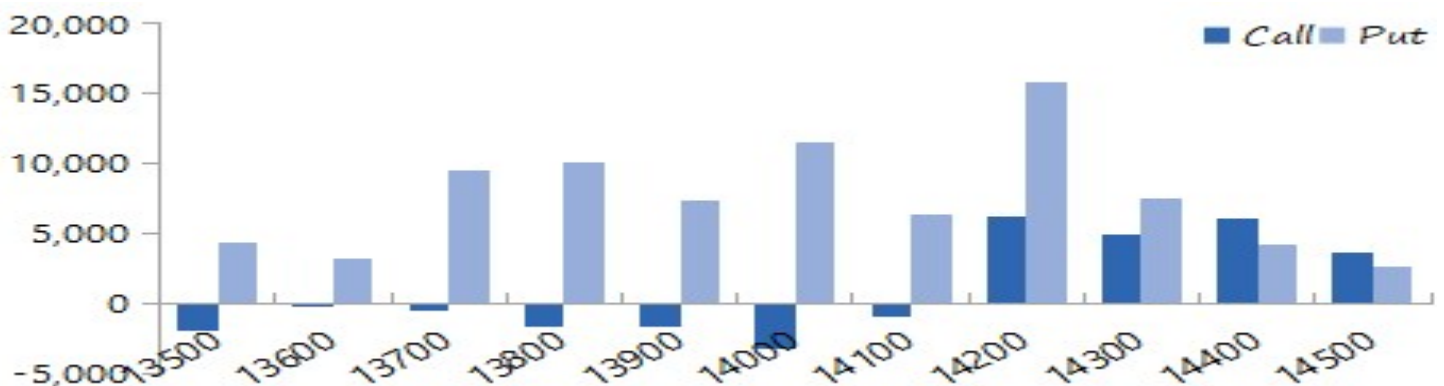
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
TORNTPOWER	5163000	66.28	337.50	5.03
MINDTREE	1741600	41.18	1748.35	4.98
CUMMINSIND	2474400	35.57	636.85	8.89
AMARAJABAT	1804000	31.30	994.70	7.45
WIPRO	33587200	26.69	428.95	10.30

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ITC	112105600	21.72	202.60	(5.77)
RELIANCE	37891000	16.91	1941.85	(2.65)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Weekly change in OI



Technical and Derivatives Team:

Sameet Chavan	Chief Analyst – Technical & Derivatives	sameet.chavan@angelbroking.com
Ruchit Jain	Senior Analyst - Technical & Derivatives	ruchit.jain@angelbroking.com
Rajesh Bhosale	Technical Analyst	rajesh.bhosle@angelbroking.com
Sneha Seth	Derivatives Analyst	sneha.seth@angelbroking.com

Research Team Tel: 022 - 39357600 (Extn – 6844)

Website: www.angelbroking.comFor Technical Queries E-mail: technicalresearch-cso@angelbroking.comFor Derivative Queries E-mail: derivatives.desk@angelbroking.com**DISCLAIMER**

Angel Broking 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 Adviser with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking 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. Angel or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months.

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.

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 Broking 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 Broking 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 Broking 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 Broking 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.