

Key indices remain lethargic, thematic moves continue

Sensex (49591) / Nifty (14835)

NSE:NIFTY, 1D 14834.85 ▼ -38.95 (-0.26%) O:14882.65 H:14918.45 L:14785.65 C:14834.85



TradingView

Source: Trading View

Future outlook

Trading for the week started on a sluggish note on Monday morning as indicated by the SGX Nifty. However things worsened as the day progressed to test sub-**14500** levels. Fortunately, there was no further damage done as we witnessed a gradual recovery throughout the remaining part of the week to reclaim the **14800** mark on a closing basis; but ended with a negligible loss as compared to the previous weekly close.

Overall if we see, major indices have gone nowhere as it was a week of boredom and consolidation for them. There were one or two odd days when we witnessed some action in index heavyweights; but didn't last too long as breakout attempts on either sides were turned unsuccessful. In the upward direction, we were seeing **14900** as a crucial hurdle on a closing basis and after nearly twelve trading sessions, bulls attempted to break this barrier on an intraday basis; but failed to maintain at the close. So **14900 – 15000** continues to remain a sturdy wall and till the time we do not surpass it, major heavyweights are not going to give any sustainable up move. Yes, at the same time, it's not falling either; in fact the undertone remained bullish for the major part of the week. On the lower side, **14700** followed by **14550** are to be seen as immediate supports.

The deciding factor in days to come has to be the financial space. Since last couple of weeks, the banking index has been hovering around its strong support zone of **32200 – 32400** which is the breakout point on the budget day as well as the '89-EMA' on daily chart. It has managed to hold this till now and if any recovery has to take place, there will not be a better place than this. But in our sense, if any bottom (short or long term) is to be formed; it does not give so many opportunities for the bulls to get in as it has been giving in last few days. It just happens in a flash and takes off before anyone could realize. This is clearly not the case at present and hence, the more it challenges any particular support, the higher it creates possibility of breaking it. Hence, all eyes would be on this development as it is likely to dictate the near term direction for the market. Throughout this week, lot of thematic moves kept buzzing and hence, one can definitely keep tracking such potential candidates; but avoid being complacent at the same time.

Nifty locked in a broad range, prefer stock specific trading

Nifty spot closed at **14834.85** this week, against a close of **14867.35** last week. The Put-Call Ratio has increased from **1.16** to **1.29**. The annualized Cost of Carry is positive at **6.71%**. The Open Interest of Nifty Futures increased by **5.26%**.

Derivatives View

Nifty current month future closed with a premium of **58.15** points against a premium of **86.00** points to its spot. Next month future is trading at a premium of **112.75** points.

In options segment, we saw some build-up in 14900 and 15000 call options while 14500-14300 put options too added some open interest. Maximum build-up in the weekly series is now placed in 15000 call and 14500 put options.

We witnessed some upmove in Nifty during the week wherein the index tried to surpass its hurdle of 14900-15000, However, the index was unable to do so without the support of banking space and ended the week tad below 14850. During the week, Nifty witnessed some long formation, while decent unwinding was seen in the Bank Nifty. FIIs have squared off some of their index futures long positions and their 'Long Short Ratio' at the end of week stands at 57.5 percent. The options data hints resistance at 14900-15000 range while support is placed in the range of 14500-14400. While Nifty is consolidating, the banking space is underperforming and stocks from other sectors such as Pharma, IT, Metals have seen good long formation. Thus, it is advisable to trade with a sector/stock specific approach until we see a clear breakout from the range on either side.

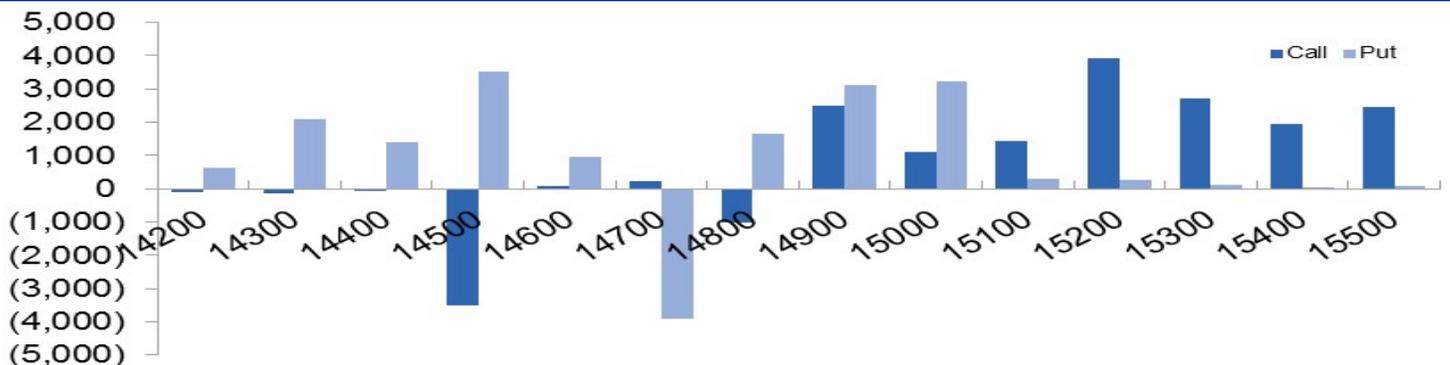
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
LALPATHLAB	347250	79.92	3149.70	15.67
GLENMARK	9234500	48.76	533.30	9.59
SHREECEM	175650	30.06	31794.10	5.71
CADILAHC	11948200	17.66	517.35	16.17
LUPIN	7488500	15.74	1086.05	5.25

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
AMARAJABAT	4365000	85.11	821.40	(5.34)
UBL	1417500	34.11	1114.10	(10.93)
PVR	1991858	25.29	1149.00	(7.60)
APOLLOTYRE	11650000	17.14	224.50	(5.59)
POWERGRID	21132000	15.27	209.20	(4.95)

Weekly change in OI



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