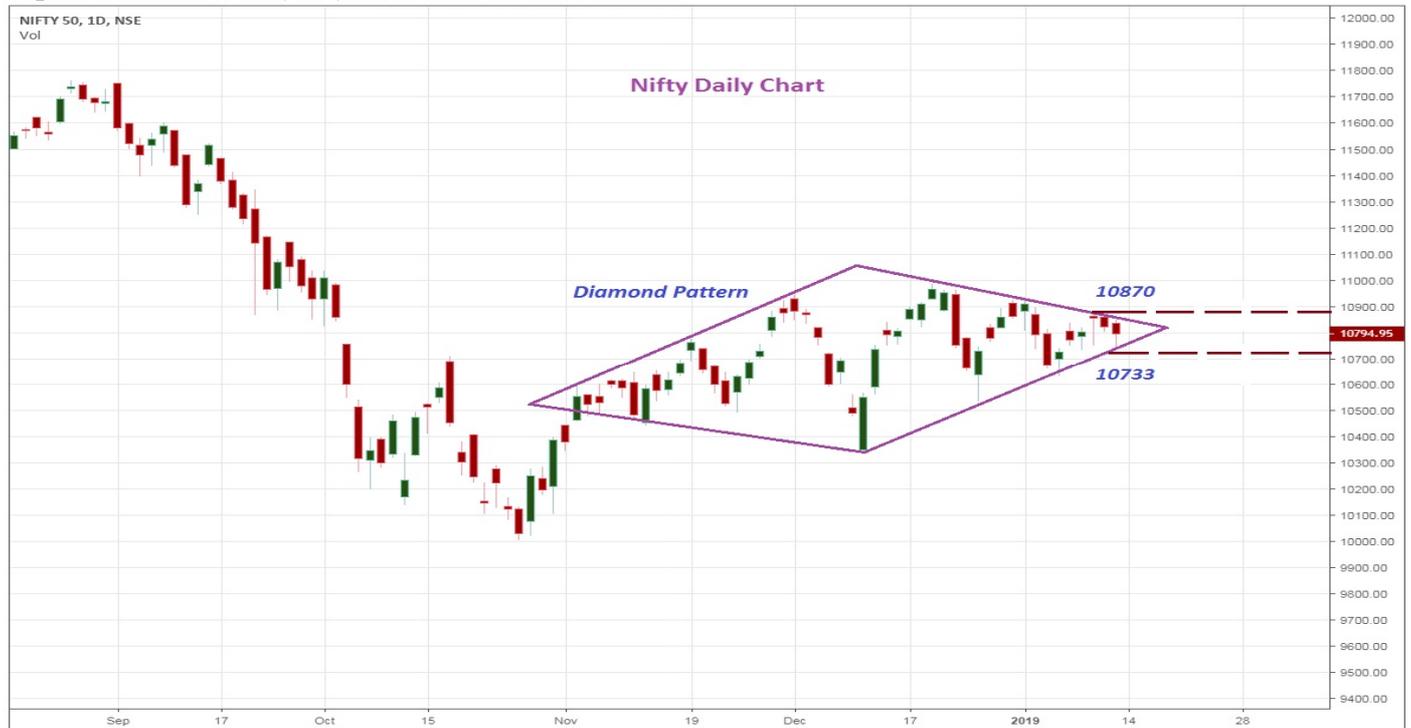


## Traders keenly awaiting breakout from recent congestion

### Sensex (36010) / Nifty (10795)

rajesh\_bhosale published on TradingView.com, January 11, 2019 16:50:37 IST  
 NSE\_DLY:NIFTY, 1D 10794.95 ▼ -26.65 (-0.25%) O:10834.75 H:10850.15 L:10739.40 C:10794.95



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Source: Trading View

### Future outlook

Last Friday's sharp recovery was followed by a gap up opening on Monday, citing positive cues from the global peers. However, the kind of follow up buying was needed after such head start, was clearly missing. Hence, we saw restricted moves on the same day and in fact, throughout the remaining part of the week. There were couple of attempts made to break this range on either sides; but index failed to do so and eventually closed at the midpoint of the weekly range by adding over six tenths of a percent from the previous week's close.

The entire week was boredom for the traders' fraternity as we saw Nifty consolidating in a slender range of merely 140 points, which is way below its average weekly range. Market participants were keenly awaiting a decisive breakout from this range; but every attempt (on both sides) eventually turned unsuccessful. Technically speaking, prices have been vacillating within the boundaries of a 'Triangle' as well as the 'Diamond' pattern and we are very close to the apex point. With reference to intra-week articles, when prices approach the apex point, we tend to see breakout in either direction and thereby would widen the trading range as well. As a trader, one must keep a close eye on two key levels i.e. **10870** on the higher side and **10733** on the downside. Considering the overall development in the broader market as well as the heavyweight banking basket, our inclination is more on the positive side. A move beyond the higher end of **10870** would unfold the next leg of the rally towards **10970 – 11150** levels. However, in case of a breach below **10733**, it would certainly not bode well for the bulls.

In such scenarios, one should wait for a confirmation to place aggressive bets. Until then a prudent strategy would be to focus on individual stocks by following a proper exit strategy.

## Stronger hands forming mixed positions

Nifty spot closed at **10794.95** this week, against a close of **10727.35** last week. The Put-Call Ratio has increased from **1.34** to **1.39**. The annualized Cost of Carry is positive at **5.52%**. The Open Interest of Nifty Futures has decreased by **1.29%**.

### Derivatives View

Nifty current month future closed with a premium of **32.65** points against a premium of **50.25** points to its spot. Next month future is trading with a premium of **66.65** points.

As far as Nifty options activities for the week are concerned, we saw decent open interest addition in, **11000** call option. Whereas, **10700 - 10900** put options added some fresh positions. Maximum open interest for January series now stands at **11200** call and **10500** put options.

It was indeed the week of boredom for our market, as the benchmark index remained in the slender range of merely 140 points. Eventually, we concluded the week tad below **10800** mark. In Index futures front, we saw mixed activity in Nifty as well as BankNifty. Despite some intraday selling on Friday we could hardly see any kind of covering by put writer, which is certainly building hopes for the bulls. At current juncture, **10700-10750** is an immediate base for the index; whereas, **10880-10900** is the wall of resistance. Unless we don't see index surpassing the above mentioned range traders are advised to prefer trading in individual counters to fetch better risk-reward ratio.

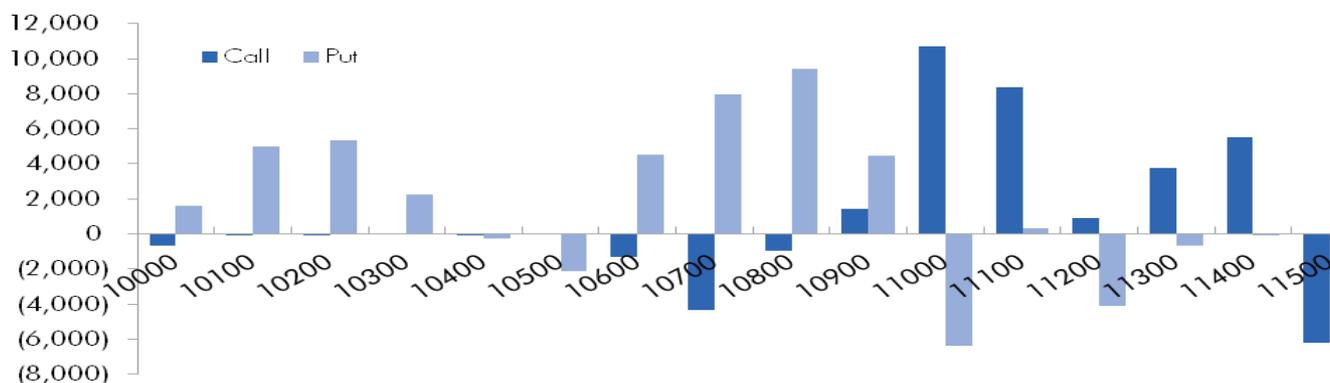
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg (%)
TORNTPHARM	672000	45.61	1877.40	3.74
SREINFRA	15264000	27.84	34.85	4.97
DISHTV	63824000	23.25	40.20	1.64
MUTHOOTFIN	2625000	22.38	531.20	5.45
BATAINDIA	2437050	20.97	1154.70	3.45

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg (%)
CEATLTD	1024400	52.99	1266.40	(3.89)
ZEEL	16179800	29.55	453.40	(2.86)
INDUSINDBK	8957700	28.95	1524.00	(2.22)
INDIACEM	21960000	28.90	87.45	(6.27)
CHENNPETRO	1398600	26.75	261.75	(8.97)

### Weekly change in OI



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