

Nifty at 52-week high, IT comes out of a slumber phase

Sensex (61795) / Nifty (18350)



Source: Tradingview.com

Future outlook

We started off on a positive note on Monday; but with some intraday swings on both sides, Nifty managed to reclaim **18200** on the same day. This was followed by a lull patch of nearly two days during which markets looked a bit tentative at higher levels. However, the global markets made a strong comeback with a bang on Thursday after cooling off an Inflation number. This resulted in reversing the tide for the biggest underperforming heavyweight space like, IT (NASDAQ). With stellar rally in US bourses, the global sentiments just got lifted overnight among the market participants. The rub off effect of the same was visible in our domestic market on Friday as we not only opened with a strong bump up but also managed to extend gains towards the **18350** mark.

The benchmark index Nifty added more than a percent this week and, in the process, it has now closed at highest level in the calendar year. We are not surprised with this move as we have been quite vocal on how strong our markets are and soon, we would see BANKNIFTY crossing 42000 to mark new highs. The banking index has finally achieved this milestone and soon we would see Nifty following these footsteps. Technically speaking, the price configuration looks promising, because Nifty finally managed to surpass the multiple times tested trendline resistance above **18200 – 18000** with some authority. For the coming week, **18200 – 18000** would now be seen as a sacrosanct support zone, whereas on the flipside, testing **18450** and **18600** is clearly on cards. In fact, if momentum persists, we will see Nifty clocking fresh record high in the coming week itself. Till now, most of the other heavyweights have been driving markets higher but with IT space coming out of its long slumber phase, the rally is likely to be robust in nature.

The broader end of the spectrum has been quiet all this while; but the way NIFTY MIDCAP50 index is placed, we will not be surprised to see it breaking its shackles quite soon. Hence, traders should brace themselves up for a good stock specific treat in the near future.

FII long short ratio now at 62%

Nifty spot closed at **18349.70** this week, against a close of **18117.15** last week. The Put-Call Ratio has increased from **1.12** to **1.21** on Weekly basis. The annualized Cost of Carry is positive at **11.37%**. The Open Interest of Nifty Futures increased by **6.97%**.

Derivatives View

Nifty current month's future closed with a premium of 74.30 against a premium of 76.85 points to its spot in the previous week. Next month's future is trading at a premium of 164.75 points.

The Indian equity market witnessed a splendid start to the week, as the benchmark index reclaimed the 18200 mark on Monday but witnessed some profit taking on the following day especially the weekly expiry session wherein index even tested the psychological mark of 18000. Fortunately, we had a bumped up opening on the final day and index not only maintained the positive posture but also clocked 52-weeks high to conclude the week tad around 18350. There has been addition of longs on a net basis especially banking index added huge longs as open interest surged 28% WoW. On the options front, the piling up of positions is visible in the 18200-18300 put strikes, indicating nearby support formation for Nifty. While on the higher end, the OI concentration is now visible in 19000 call strike. Simultaneously, the stronger hands have remained steady with their bullish bets as the 'Long Short Ratio' slightly expanded to 62% from 58% on WoW basis. Going ahead, the undertone is likely to remain bullish, and any intra-week dip could be seen as an opportunity to add long bets in the index.

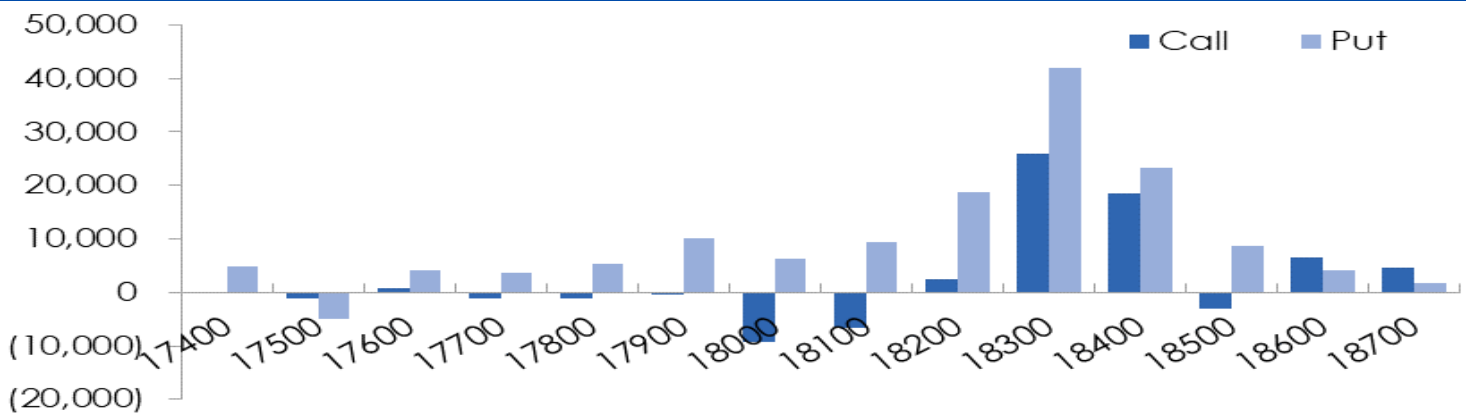
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MANAPPURAM	43986000	51.97	109.10	4.70
INTELLECT	5479750	33.15	447.15	2.95
PIIND	1959500	17.72	3451.40	4.07
COALINDIA	35880600	14.76	252.75	2.93
BRITANNIA	1917800	14.66	4117.50	7.58

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
DIVISLAB	3993600	90.72	3291.30	(12.46)
GNFC	9813700	79.40	605.10	(14.80)
RAMCOCEM	5651650	75.44	643.00	(11.64)
MRF	87210	72.05	85886.45	(6.19)
DEEPAKNTR	2533250	60.28	2104.75	(9.28)

Weekly change in OI



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