

Robust week for the bulls; Nifty settled above 18300

Sensex (62028) / Nifty (18315)



Source: Tradingview.com

Future outlook

The Indian equity markets had a spectacular start to the week, taking cues from the positive global developments over the weekend. The benchmark index Nifty50 witnessed continuation in the uptrend consecutively for the third week and settled at the highest point in the current calendar year on a closing basis. Amidst the robust trading week, Nifty soared nearly 1.40 percent from its last week's closure and decisively settled above the **18300** level.

The broader market participation showcased the eagerness of the bulls to levitate the market amidst favorable conditions, as all the intra-week dips have augured well for the bulls. Also, the ease in the US inflation data has acted as a catalyst that has provided buoyancy in the overall equity space, and that certainly was reflected in the price action of the key indices. From the technical aspect, the sustenance of Nifty at the higher band of the consolidation zone for most of the trading sessions indicates inherent strength. As far as levels are concerned, **18200** is likely to cushion any short-term blip, while the sacrosanct support lies around the **18100-18000** zone in the comparable period. On the flip side, **18500** is very much in the vicinity and with ongoing momentum, it is strongly anticipated to get tested soon. At the same time, an authoritative breach beyond the same could trigger the next leg of the rally in the upcoming weeks.

Going ahead, we remain sanguine with the current momentum and would advocate the traders to utilize the dips to add long positions in the index. Also, the high beta index – Bank Nifty, has gained buying traction, which could provide a vital role in uplifting the overall sentiments of the market. Meanwhile, one needs to keep a close tab on the mentioned levels and continue with a buy on decline strategy.

Long Short Ratio marginally improved WoW basis

Nifty spot closed at **18314.80** this week, against a close of **18065.00** last week. The Put-Call Ratio has increased from **0.85** to **1.24** on Weekly basis. The annualized Cost of Carry is positive at **2.65%**. The Open Interest of Nifty Futures increased by **14.81%**.

Derivatives View

Nifty current month's future closed with a premium of 18.60 against a premium of 60.70 points to its spot in the previous week. Next month's future is trading at a premium of 80.05 points.

The Indian equity markets has a positive start for the week and saw index heading beyond 18300 on Tuesday's session. As we progressed, index consolidated in merely 150 points during the week and eventually we manage to conclude tad below 18300. In F&O segment, we saw addition of fresh longs in key indices. The put writers added good amount of positions in 18200-18300 strikes and on the other side, build-up remained scattered 18500-18600 call options. Stronger hands continued their buying streaks in equities and added few longs in index futures segment. Their Long Short Ratio' advanced slightly from 45% to 46% Wow. Considering the above data point, we expect continuation of ongoing rally towards 18400-18500 and hence, would advocate using intraday declines to add longs.

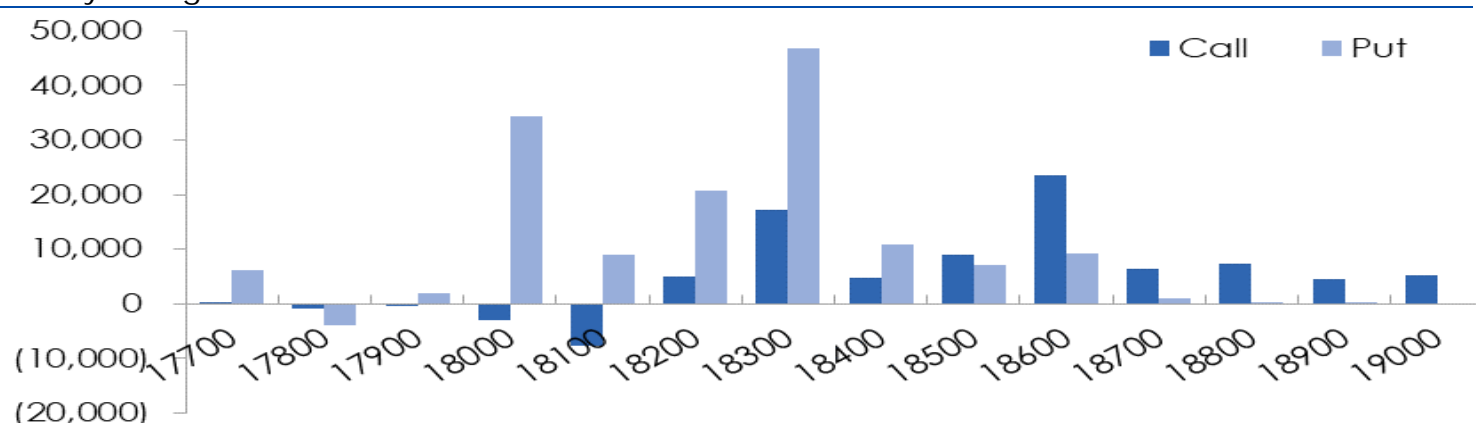
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
IGL	9257875	54.92	491.40	1.28
DELTACORP	22352400	38.96	218.55	3.16
TATACOMM	2774500	36.27	1256.40	1.45
LALPATHLAB	862700	27.68	2035.25	4.96
MGL	2272000	27.53	1052.75	7.04

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
LT	14999100	56.30	2230.20	(6.72)
DRREDDY	3956875	43.83	4483.60	(9.52)
ABFRL	31158400	38.03	199.70	(7.01)
UPL	22960600	37.80	679.95	(4.68)
HINDALCO	29986600	30.52	406.55	(6.56)

Weekly change in OI



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