

Bulls delighted ahead of Diwali, hope to have fabulous SAMVAT

Sensex (43443) / Nifty (12720)

NSE:NIFTY, 1W 12719.95 ▲ +29.15 (+0.23%) O:12399.40 H:12769.75 L:12367.35 C:12719.95



TradingView

Source: Trading View

Future outlook

Year 2020 has not been great for mankind as we had to make a lot of forceful changes in our lives. The pandemic weighed down heavily on health as well as on economies across the world. But it seems that slowly and steadily things are coming back to normal. In fact, a lot of positivity across the globe lifted markets at fresh record highs. This week, the first three trading sessions were almost a replica of each other to register a new high of **12769.75**. This was followed by some consolidation ahead of the Muhurat trading session to conclude above the **12700** mark by adding nearly four percent on a weekly basis.

Last week, we had witnessed a 'Bullish Flag' breakout around **12050** and since then markets never looked back. With its marathon rally in merely eight days, markets are very much in a commanding position. All's well that ends well and hence, from hereon we can see a brighter picture till the next SAMVAT. Looking at the daily chart, we can observe a couple of encouraging developments on charts. The 'RSI-Smoothened' is moving northwards after entering the bullish territory above 70 and adding to this, the 'ADX (14)' is becoming stronger as we can see its value rising well above the 25 mark. Generally, when we see these conditions together, it provides impetus to the rally. Hence, any dip towards **12600 – 12450** should be used as a buying opportunity. On the upside, the next milestone of **13000** is likely to be achieved very soon; in fact, we do not rule out the possibility of reaching **13100 – 13200** in the forthcoming week itself.

Traders are advised not to expect any meaningful correction in the near future and hence, do not venture into taking contradictory bets in such strong Bull Run. We are sounding extremely optimistic because almost all major sectors are contributing to this surge and hence, can be considered a robust one. The broader market has also started to give some mesmerizing moves and mind you, this is just a beginning of the mega Bull Run. So fasten your seat belts and gear up to take off post Diwali as well.

We take this opportunity to wish you all a Happy as well as Healthy Diwali and a prosperous New Year.

Stronger hands continue their buying streak in a big way

Nifty spot closed at **12720** this week, against a close of **12263.55** last week. The Put-Call Ratio has decreased from **1.77** to **1.53**. The annualized Cost of Carry is positive at **7.38%**. The Open Interest of Nifty Futures has increased by **9.91%**.

Derivatives View

Nifty current month future closed with a premium of **33.45** points against the discount of **2.10** points to its spot. Next month future is trading at a premium of **50.95** points.

It was yet another week of strong rally, wherein index inched higher to hit new life time highs. Except for Thursday, Nifty concluded each session higher to the previous close and after some hiccups on Friday, we concluded the week at highest point ever. In recent upmove, Nifty added long positions in Nifty; while, short covering took place in banking index. Stronger hands continued their buying streak in equities and index futures. We are just in the mid of the series and FIIs buying in cash has doubled to that of last series. On Friday, we witnessed massive writing in 12600 puts; which may now act as a demand zone. On the other side, build-up was scattered between 12700-13500 call options. Considering the above data points, we don't see any sign of caution. Thus, until we don't see any relevant unwinding in Nifty futures traders should prefer buy on dips strategy.

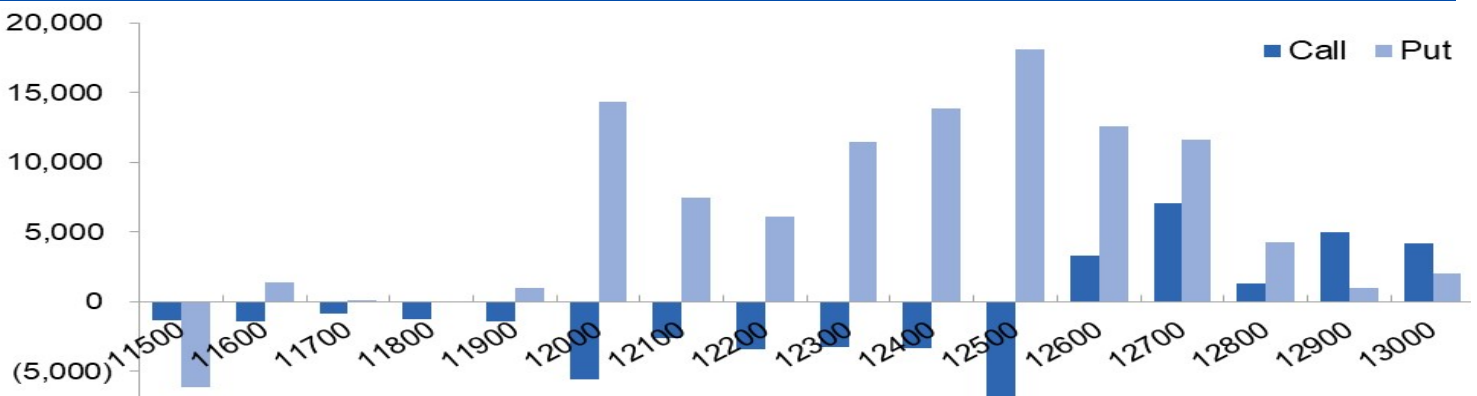
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ICICIGI	465800	183.94	1302.80	3.02
CUMMINSIND	1858800	35.64	478.40	4.67
EXIDEIND	14544000	34.00	169.20	2.73
JUBLFOOD	2112500	26.50	2494.85	10.21
PAGEIND	114420	24.76	21851.70	1.09

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MUTHOOTFIN	4452750	60.85	1193.10	(5.28)
TORNTPOWER	2421000	38.18	304.40	(5.58)
MFSL	2645500	25.08	608.60	(2.46)
MARUTI	3512500	23.90	6838.45	(1.39)
DABUR	13963750	18.46	517.60	(1.58)

Weekly change in OI



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