

## Some breather at 13000, real action in broader market

### Sensex (43882) / Nifty (12859)

NSE:NIFTY, 1D 12859.05 ▲ +87.35 (+0.68%) O:12813.40 H:12892.45 L:12730.25 C:12859.05



TradingView

Source: Trading View

### Future outlook

After an extended weekend post the Diwali festival, markets started off higher and clocked a fresh record high of **12963** during the week. Since there was no major follow up buying seen in major heavyweight constituents, Nifty was unable to show the **13000** mark on the screen. In fact, some profit booking was witnessed in the last couple of sessions to eventually conclude the week with nominal gains of six tenths of a percent.

In the previous couple of weeks, markets have already taken a giant leap and mostly all the major positive factors are already priced in; markets had no fresh trigger to continue the similar kind of pace. We still do not rule out the possibility of immediate levels of **13100 - 13200**, but the rally may not be that smooth now. The overall trend still remains strongly bullish and we continue with our 'Buy on declines' strategy but in between, we are likely to see some profit taking. For the forthcoming week, Friday's low of **12730** will now be seen as key support. A move below this will extend the corrective move towards **12600 - 12450** levels; whereas on the higher side, **12963** is the level to watch out for.

In our intra-week commentary, we had mentioned how the banking index is showing some signs of being overbought and very much on expected lines, we witnessed nearly 1200 points correction in the last couple of days. Fortunately due to the late surge in banking conglomerates, Bank Nifty closed very much in safer territory above **29200**. But the real action continued in the broader markets and hence, we can still focus on the same. Traders are advised not to trade aggressively now and should continue with a stock centric approach.

## Some consolidation ahead of expiry

Nifty spot closed at **12859.05** this week, against a close of **12719.95** last week. The Put-Call Ratio has increased from **1.53** to **1.57**. The annualized Cost of Carry is positive at **5.80%**. The Open Interest of Nifty Futures has increased by **3.04%**.

### Derivatives View

Nifty current month future closed with a premium of **12.25** points against a premium of **33.45** points to its spot. Next month future is trading at a premium of **36.05** points.

As far as Nifty options activities are concerned, 13000-13200 call options added fresh positions; whereas open interest addition was also seen in 12800-12700 put options. Maximum open interest for the November series is placed at 13000 call and 12000 put options. The 12800 put option also has decent amount of open interest outstanding.

We started the truncated week on a positive note and registered another record high, however, the index resisted around the 13000 mark and consolidated to end the week with gains of over half a percent. The BankNifty index witnessed some profit booking during the week and the open interest declined by 10 percent. FIIs continued to buy equities in the cash segment and they were buyers in the index futures segment too. Looking at the options data concentration, we expect the index to trade within a broad range of 12700-13000 till expiry. However, the data from the stronger hands continues to be positive and thus, the index should surpass the 13000 mark soon. Hence, traders are advised to avoid taking contra calls and adopt a buy-on-dip strategy.

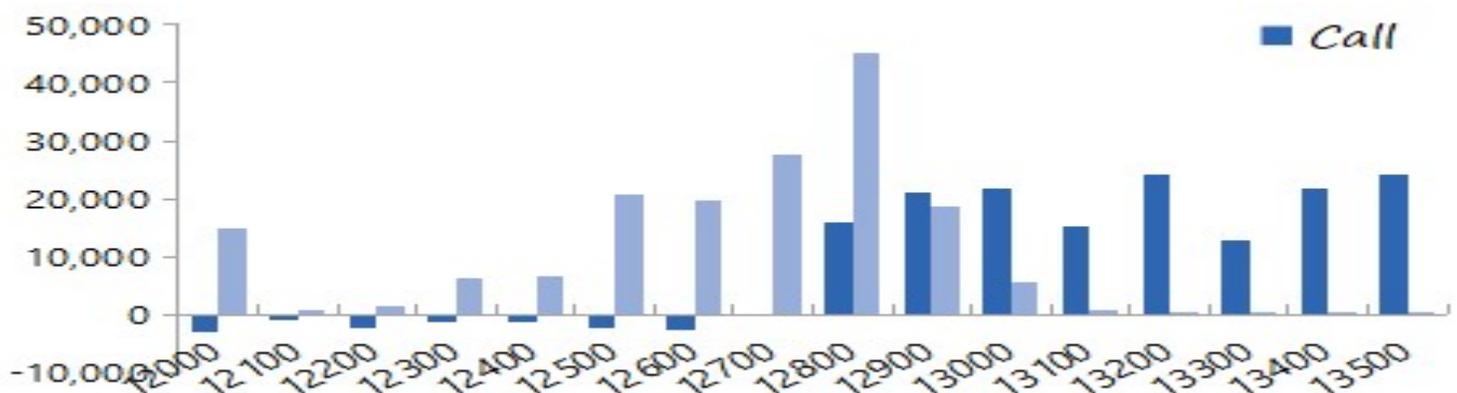
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
COFORGE	751500	27.81	2361.30	2.14
NATIONALUM	60078000	25.41	36.65	4.86
GAIL	28938400	21.45	97.60	4.72
FEDERALBNK	132228500	21.23	58.60	3.17
TATACHEM	5494000	17.90	356.70	9.65

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
BPCL	23895000	23.14	383.75	(3.01)
HEROMOTOCO	3712800	21.79	2999.00	(3.86)
DABUR	15581250	11.58	509.20	(1.62)
HINDUNILVR	6326100	9.39	2125.75	(2.84)
DRREDDY	3875375	9.01	4682.80	(4.01)

### Weekly change in OI



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