

Nifty at 5-months high, reclaims 18500

Sensex (62502) / Nifty (18499)



TradingView

Source: Tradingview.com

Future outlook

We had a promising start on Monday citing to favourable global cues. The move extended with the help of few heavyweights chipping in to close above **18300** on the same day. However, on the subsequent sessions, the tentativeness was visible at higher levels which once again pulled the benchmark index lower to retreat towards **18200** on the monthly expiry day. Fortunately, with some late recovery on Thursday, we managed to recoup all early morning losses. This was followed by yet another muted start but buying picked up around the mid-session which went on to accelerate during the latter half of the session to conclude the week at 5-months high by reclaiming the **18500** mark.

Nifty has managed to reach the highest level for the current calendar year with the participation of recent laggard, RELIANCE and importantly the IT space which is finally finding its mojo back after a slumber phase of nearly 15 months. The BFSI counters too participated but not to the tune of they generally do during such rallies. Nevertheless, the banking index seems to be spending some time before it surpasses all-time high to enter an uncharted territory. Now, as far as Nifty is concerned, we can see breakout happening on daily time frame chart which is likely to unfold the next leg of the rally to head towards **18700** first and then if momentum persists, the new high is imminent soon. On the flipside, **18350** followed by **18200** should be considered as immediate supports. Ideally, in case of any blip in the forthcoming week, we are likely to see buying emerging from the mentioned demand zone. Traders are advised to stick to optimistic stance and use intra-week dips to add bullish bets. In addition, the NIFTY MIDCAP50 index is on a roll as it has registered its new high on Friday. Hence, the midcap rally is likely to continue which should ideally provide some mesmerizing moves in cash segment stocks.

Long Short Ratio surged to 62 percent

Nifty spot closed at **18499.35** this week, against a close of **18203.40** last week. The Put-Call Ratio has increased from **1.01** to **1.37** on Weekly basis. The annualized Cost of Carry is positive at **4.29%**. The Open Interest of Nifty Futures decreased by **18.49%**.

Derivatives View

Nifty current month's future closed with a premium of 73.95 against a premium of 98.35 points to its spot in the previous week. Next month's future is trading at a premium of 140.80 points.

The Indian equity markets had seen a splendid rally in the last trading session of the week, wherein the benchmark index Nifty50 decisively breached the consolidation zone and tested the 18500 mark, procuring 1.63 percent of gains in the week. The June month contract started on a very positive note with long addition in both key indices. On the derivatives front, FII's have added new longs in the Nifty future segment and even continued their buying spree in the cash market, showcasing a robust view. On the options front, the put writers added a good amount of positions in 18400-18300 strikes, indicating an upward shift in the base. While on the higher end, OI build-up is scattered from 18500-18800 call strikes on an immediate basis. The 'Long Short Ratio' has seen a significant surge from 48% to 62% WoW. Considering the above data point, we expect the positive momentum to continue in the index and any dip towards the support is likely to augur well for the bulls in the upcoming week.

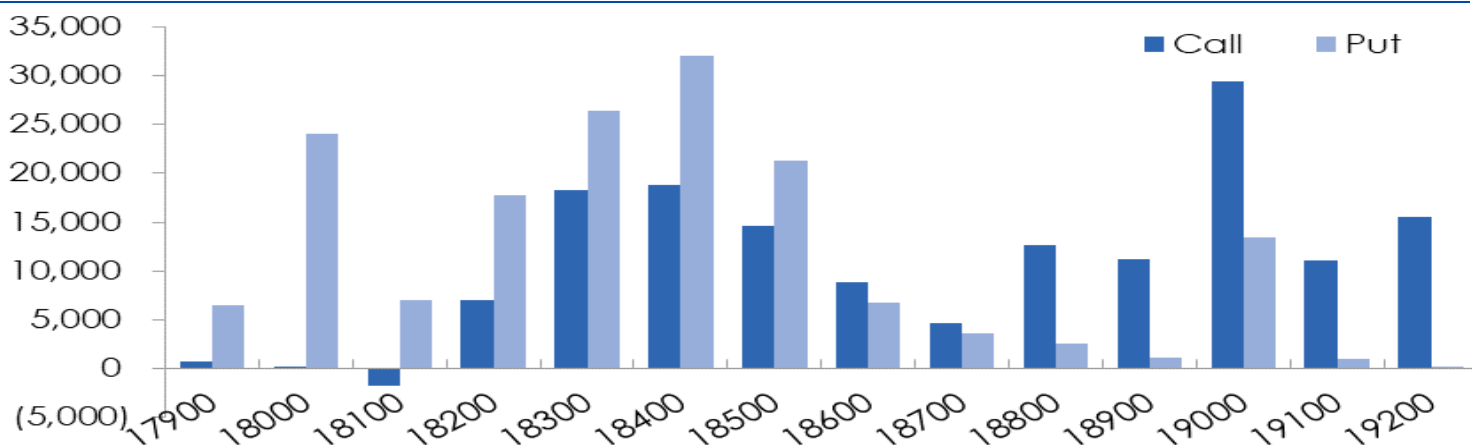
Long Formation

| Scrip | OI Futures | OI Chg (%) | Price | Price Chg(%) |
|------------|------------|------------|---------|--------------|
| CROMPTON | 19494300 | 37.42 | 274.10 | 7.89 |
| APOLLOHOSP | 1725375 | 14.60 | 4645.25 | 4.37 |
| PERSISTENT | 1321425 | 7.93 | 5092.20 | 4.52 |
| LTIM | 1531800 | 6.18 | 5034.75 | 4.61 |
| NAUKRI | 1575500 | 3.07 | 4221.30 | 10.11 |

Short Formation

| Scrip | OI Futures | OI Chg (%) | Price | Price Chg(%) |
|------------|------------|------------|----------|--------------|
| PAGEIND | 181020 | 35.11 | 37367.65 | (10.34) |
| ASHOKLEY | 68785000 | 26.40 | 146.65 | (5.17) |
| HDFC | 24522000 | 21.50 | 2672.05 | (1.57) |
| CHAMBLFERT | 7383300 | 13.60 | 282.90 | (2.41) |
| HDFCBANK | 75182250 | 6.10 | 1623.40 | (1.41) |

Weekly change in OI



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