

Global Jitters Weigh on Markets; Key Support Still Holds Firm

Sensex (81119) / Nifty (24719)



Source: Tradingview.com

Future Outlook

Geopolitical tensions dampened the market optimism. Nifty started the week on a positive note but struggled to surpass the **25200** mark, staying range-bound for the first three sessions. The lack of follow-through buying led to profit booking on the weekly expiry day on Thursday, which intensified with a gap-down opening on Friday amid fresh overnight geopolitical tensions, dragging Nifty below **24500**. Fortunately, there was no extended selling pressure after opening, and the index recovered steadily throughout the session to close near the day's high, eventually the week ended with a cut of over 1%, tad above the **24700** mark.

On the daily chart, the last two sessions were action-packed. However, the weekly chart still reflects a consolidation phase lasting for the last five weeks. Despite a brief attempt to break out earlier in the week, the index continues to move within a defined range. Friday's session paints a mixed picture, the Nifty slipped below the key short-term 20-DEMA with a bearish gap-down, a level that has previously acted as strong support. This breach raises short-term caution. That said, the **24450** zone continues to hold strong, having offered support twice before and once again forming an open-low Marubozu candle on Friday, a bullish sign in isolation. A similar setup with an open-low candle post a gap-down on April 7 had triggered a sharp rally; however, drawing a direct comparison may not be appropriate given the differing macro triggers. We believe **24400-24450**, aligning with the 50-DEMA, will be a critical support zone. **24550** is the first immediate support to watch. On the upside, filling the gap near **24825** and reclaiming the **25000** mark will be key for bulls. Given the prevailing volatility and geopolitical uncertainties, we maintain a cautious stance and advise a wait-and-watch approach. Traders should look to accumulate near the mentioned supports and consider trimming positions near resistance zones.

Sectorally, Nifty IT outperformed, gaining over 3% for the week. While we maintain our positive bias, the sector remains sensitive to global developments, and hence a buy-on-dips approach is preferred. Nifty Pharma also showed strength and may continue to offer good trading opportunities in the coming week.

Long Short Ratio slipped to 19%

The Nifty spot closed at 24718 this week, compared to 25003 last week. The weekly Put-Call Ratio has decreased from 1.05 to 0.89. The Open Interest of Nifty Futures increased by **3.39%**.

Derivatives View

Nifty current month's future closed with a premium of 8.80 against a premium of 93.25 points to its spot in the previous week. Next month's future is trading at a premium of 138.20 points.

The Indian equity markets experienced a volatile trading week, marked by whipsaw moves. Eventually, the Nifty50 index concluded the week with a cut of over a percent and settled a tad above the 24700 zone. In the derivatives segment, there have been short additions in both key indices, led by a sell-off in the last trading session. For the upcoming weekly series, scattered positioning is observed from 24700-24500 PE, indicating a potential downshift in the support zone. On the other hand, decent positioning among CE writers is evident from 24800-25000 strikes, indicating potential resistance zones. The Long-Short Ratio slightly decreased to 19% from 21% on a WoW basis amidst short additions in index futures. Considering the recent price action, the index is likely to be volatile. Hence, traders are advised to adopt a cautious stance for the time being.

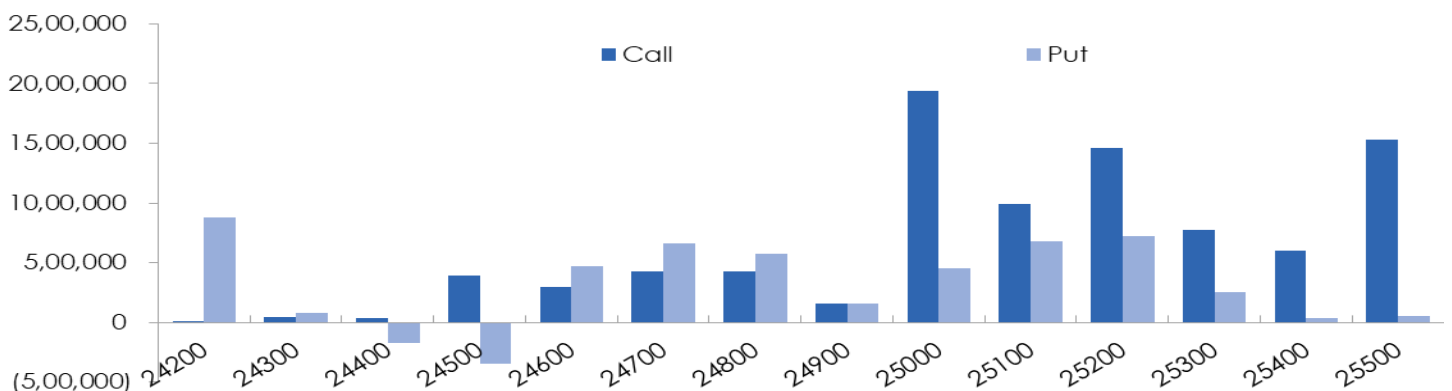
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
BLUESTARCO	897325	119.13	1641.30	2.77
OFSS	959400	35.98	9484.50	7.63
OIL	14733100	19.95	477.00	11.92
DRREDDY	11855625	7.72	1360.50	3.30
TECHM	15371400	5.90	1659.40	5.08

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
KAYNES	280300	86.74	5487.50	(4.78)
PPLPHARMA	7955000	86.74	200.79	(3.15)
RVNL	10132375	46.27	407.10	(5.51)
MAZDOCK	2712325	35.60	3209.10	(6.20)
KALYANKJIL	15616825	28.05	520.45	(7.86)

Nifty Put-Call Analysis (June series)



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