

Sensex (61338) / Nifty (18269)

On Friday, we had a nervous start in line with the weak global cues. Subsequently, there was recovery during the mid-session to recover all the lost ground. However, during the penultimate hour there was one more round of sell-off that remained towards the end to eventually end with loss of 0.79%

The benchmark index Nifty has now sneaked below the key swing low of **18350** on a closing basis. Ideally looking at the price structure, the development does not augur well for the bulls. A close below this support opens the possibility of extended correction in this week. We may be biased, but we are still not convinced with this close. Only a follow through selling may lead to further weakness towards **18130 - 18000 - 17900** in coming sessions. Even if this scenario pans out, we do not expect the correction to aggravate below the lower end of this support range. The higher degree up trend remains intact as long as we manage to hold this. Since market was deeply overbought, we must consider this as a running correction. On the flipside, **18450 - 18600** are to be treated as immediate hurdles. If bulls have to regain their strength, **18450** needs to be surpassed with some authority, which will negate the breakdown from small 'Head and Shoulder' pattern on daily time frame chart.

Nifty Bank Outlook (43219)

The stellar up move in the banking space has come to a halt post ten weeks of consecutive rally. The sell-off in the last two trading sessions has led the Bank Nifty index to plunge towards the 20 DEMA on the daily chart and snapped its winning streak. The index concluded the week with a cut of nearly a percent and settled a tad above **43200** levels.

On the technical front, the cycle of higher highs – higher lows is still intact, but the narrowing down of the momentum signifies the tiredness in the bulls. As far as levels are concerned, **43000-42800** is the intermediate support, followed by the sacrosanct support of the unfilled gap placed around **42550-42500**. On the flip side, **43650-43700** is likely to act as immediate resistance, breaching which the index is expected to reclaim its lifetime high zone in the comparable period. The index is placed at a crucial level and one needs to keep a close tab of the mentioned levels for the time being.

Exhibit 1: Nifty Daily Chart



Traders are advised to stay light for a while. Let either market complete its correction first or reclaim key levels on the upside to resume the bullish trend. First half of this week would be quite crucial for our markets. Let's see how global market behaves and hopefully, there is no major aberration on the global front.

Key Levels

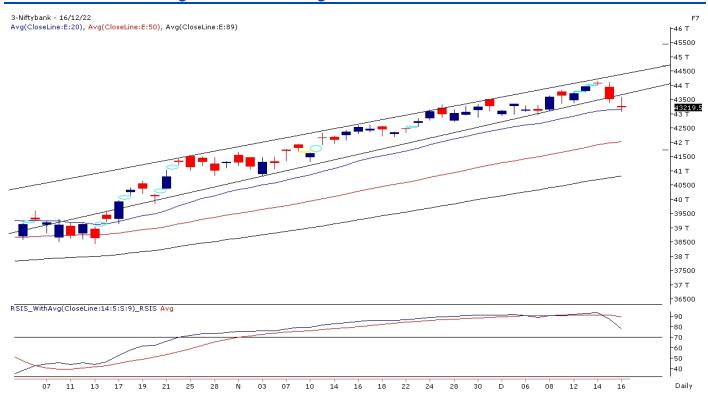
Support 1 – 18130

Resistance 1 – 18450

Support 2 – 18000

Resistance 2 – 18500

Exhibit 2: Nifty Bank Daily Chart



Key Levels

Support 1 – 43000

Resistance 1 – 43650

Support 2 – 42800

Resistance 2 – 43700

Comments

- The Nifty futures open interest has decreased by 2.91% and Bank Nifty futures open interest has decreased by 6.80% as the market closed at 18269.
- The Nifty December future closed with a premium of 59.65 point against a premium of 52.10 point in the last trading session. The January series closed at a premium of 174.40 point.
- The INDIA VIX increased from 13.73 to 14.07. At the same time, the PCR-OI of Nifty has increased from 0.76 to 0.81.
- Few of the liquid counters where we have seen high cost of carry are POLYCAP, DRREDDY, GLENMARK, McDOWELL-N and PNB.

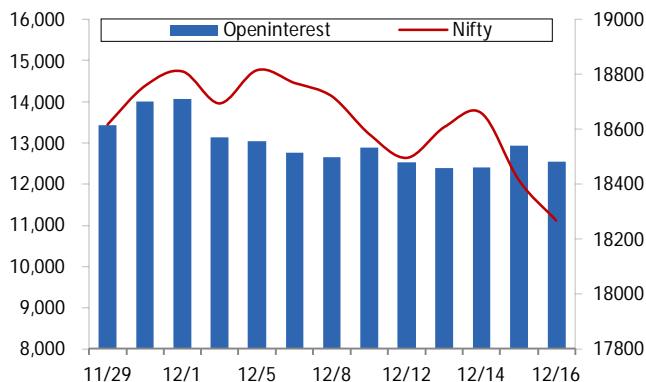
View

- Our market tumbled over the weak global cues, wherein the benchmark index Nifty50 witnessed a strong sell-off in the last two trading sessions and settled the week with a cut of 1.23%, a tad below 18300 level.
- FII's were net sellers in the cash market segment to the tune of Rs. 1975 crores. Simultaneously, in Index futures, they bought worth Rs. 514 crores with a decrease in open interest, indicating a short covering.
- Looking at the F&O data, we witnessed long unwinding in both indices on a weekly basis. On the options front, the piling up of OI is seen at 18100-18000 put strikes, indicating downward shift in the support base. On the flip side, the maximum OI concentration is seen at the 18400-18600 call strike, signifying a stiff resistance for the Nifty. Meanwhile, the stronger hands have covered their longs and added a few in the short side, contracting the 'Long Short Ratio' to 55% from 58%, on a weekly basis. Considering the recent price action, we would advocate to avoid undue risk and also to stay abreast with global developments in the near period.

Historical Volatility

SCRIP	HV
IDEA	72.81
IBULHSGFIN	69.12
RBLBANK	67.68
GNFC	58.41
HINDCOPPER	58.16

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
DRREDDY	2438875	37.07	4309.10	-3.16
BALRAMCHIN	11185600	25.24	393.90	2.50
TATAMOTORS	82897950	12.26	421.60	0.39
MPHASIS	2699750	7.75	1913.25	-2.31
HDFCAMC	1767900	6.43	2238.55	-1.24
BEL	116519400	6.20	99.45	-3.86
NAVINFLUOR	477600	5.24	4143.40	-3.47
TCS	9398975	4.85	3240.25	-1.71

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
PNB	218000000	-8.16	56.75	-4.61
COLPAL	2621150	-7.37	1581.80	1.24
CONCOR	7794000	-4.68	741.30	-3.28
APOLLOTYRE	14507500	-4.38	323.05	-0.06
BHEL	92683500	-4.15	80.80	-3.97
MOTHERSON	95951250	-4.11	70.55	-1.40
IRCTC	20811875	-3.99	672.15	-2.38
GUJGASLTD	4690000	-3.70	521.00	-1.99

Put-Call Ratio

SCRIP	PCR (OI)	PCR (VOL)
NIFTY	0.81	0.94
BANKNIFTY	0.76	1.04
RELIANCE	0.39	0.41
ICICIBANK	0.43	0.56
INFY	0.40	0.61

FII Statistics for December 16, 2022

Detail	Buy	Sell	Net	Contracts	Open Interest Value (in Cr.)	CHANGE	Turnover on December 16, 2022			
	Instrument						No. of Contracts	Turnover (in Cr.)	Change (%)	
INDEX FUTURES	5504.23	4990.45	513.78	168995	16312.02	(3.10)	Index Futures	415365	4108425.50	33.17
INDEX OPTIONS	1184737.61	1182902.79	1834.82	1906081	182231.38	33.18	Index Options	137240588	5232714.33	15.48
STOCK FUTURES	11060.68	10794.10	266.58	1987646	135752.94	1.38	Stock Futures	873235	6074902.56	24.31
STOCK OPTIONS	14077.29	14057.16	20.13	166964	11673.00	0.41	Stock Options	4071127	345510.42	9.11
Total	1215379.81	1212744.50	2635.31	4229686	345969.34	13.32	Total	40,71,127	345510.42	22.95

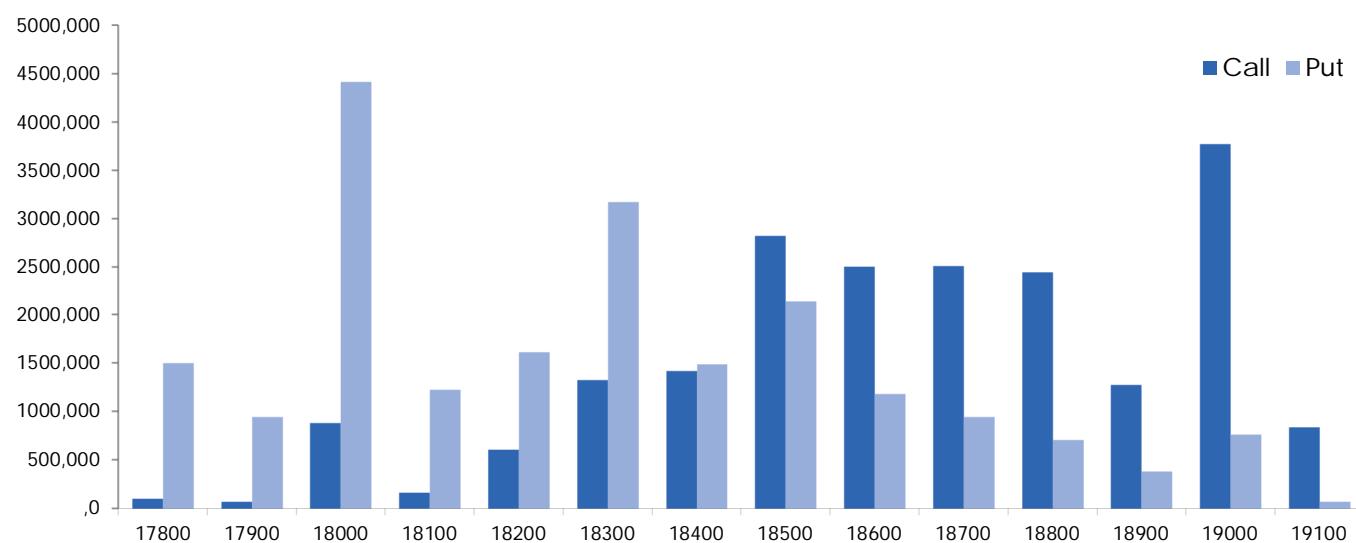
Nifty Spot = 18269.00
Bull-Call Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	18300	185.85	52.20	47.80	18352.20
Sell	18400	133.65			
Buy	18300	185.85	92.15	107.85	18392.15
Sell	18500	93.70			
Buy	18400	133.65	39.95	60.05	18439.95
Sell	18500	93.70			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	18300	157.70	41.25	58.75	18258.75
Sell	18200	116.45			
Buy	18300	157.70	70.30	129.70	18229.70
Sell	18100	87.40			
Buy	18200	116.45	29.05	70.95	18170.95
Sell	18100	87.40			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (Dec Series) are given as an information and not as a recommendation.

Nifty Put-Call Analysis


Daily Pivot Levels for Nifty Constituents

Scrips	S2	S1	PIVOT	R1	R2
ADANIENT	3,887	3,934	3,991	4,038	4,095
ADANIPORTS	832	846	869	883	905
APOLLOHOSP	4,499	4,532	4,585	4,618	4,671
ASIANPAINT	3,008	3,032	3,074	3,099	3,141
AXISBANK	920	928	936	944	953
BAJAJ-AUTO	3,483	3,516	3,572	3,605	3,661
BAJFINANCE	6,482	6,540	6,617	6,675	6,753
BAJAJFINSV	1,564	1,576	1,593	1,604	1,622
BPCL	334	338	345	348	355
BHARTIARTL	812	818	825	830	838
BRITANNIA	4,386	4,415	4,446	4,476	4,507
CIPLA	1,073	1,081	1,095	1,103	1,116
COALINDIA	219	222	226	229	233
DIVISLAB	3,272	3,300	3,340	3,367	3,407
DRREDDY	4,145	4,227	4,343	4,425	4,541
EICHERMOT	3,239	3,265	3,306	3,333	3,374
GRASIM	1,728	1,742	1,766	1,780	1,804
HCLTECH	1,009	1,019	1,033	1,043	1,057
HDFCBANK	1,595	1,617	1,631	1,654	1,667
HDFCLIFE	566	571	578	583	590
HDFC	2,613	2,640	2,659	2,686	2,705
HEROMOTOCO	2,686	2,705	2,737	2,756	2,787
HINDALCO	447	452	457	462	468
HINDUNILVR	2,636	2,654	2,671	2,688	2,705
ICICIBANK	891	897	905	911	919
INDUSINDBK	1,188	1,209	1,229	1,250	1,269
INFY	1,490	1,506	1,528	1,544	1,565
ITC	328	331	335	339	343
JSW STEEL	729	736	742	749	755
KOTAKBANK	1,822	1,832	1,844	1,853	1,866
LT	2,132	2,153	2,183	2,204	2,233
M&M	1,226	1,239	1,263	1,276	1,300
MARUTI	8,365	8,425	8,507	8,567	8,649
NESTLEIND	19,433	19,586	19,723	19,876	20,013
NTPC	167	168	171	172	175
ONGC	145	146	148	149	152
POWERGRID	209	211	215	217	220
RELIANCE	2,520	2,543	2,581	2,604	2,642
SBILIFE	1,233	1,244	1,261	1,272	1,289
SBIN	594	598	607	612	621
SUNPHARMA	978	986	995	1,003	1,013
TCS	3,186	3,213	3,252	3,280	3,319
TATACONSUM	791	796	801	806	810
TATAMOTORS	406	414	421	429	436
TATASTEEL	108	110	111	112	114
TECHM	999	1,010	1,022	1,033	1,044
TITAN	2,454	2,469	2,494	2,509	2,534
ULTRACEMCO	6,886	6,950	7,057	7,122	7,229
UPL	753	762	768	777	783
WIPRO	384	387	391	394	398

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