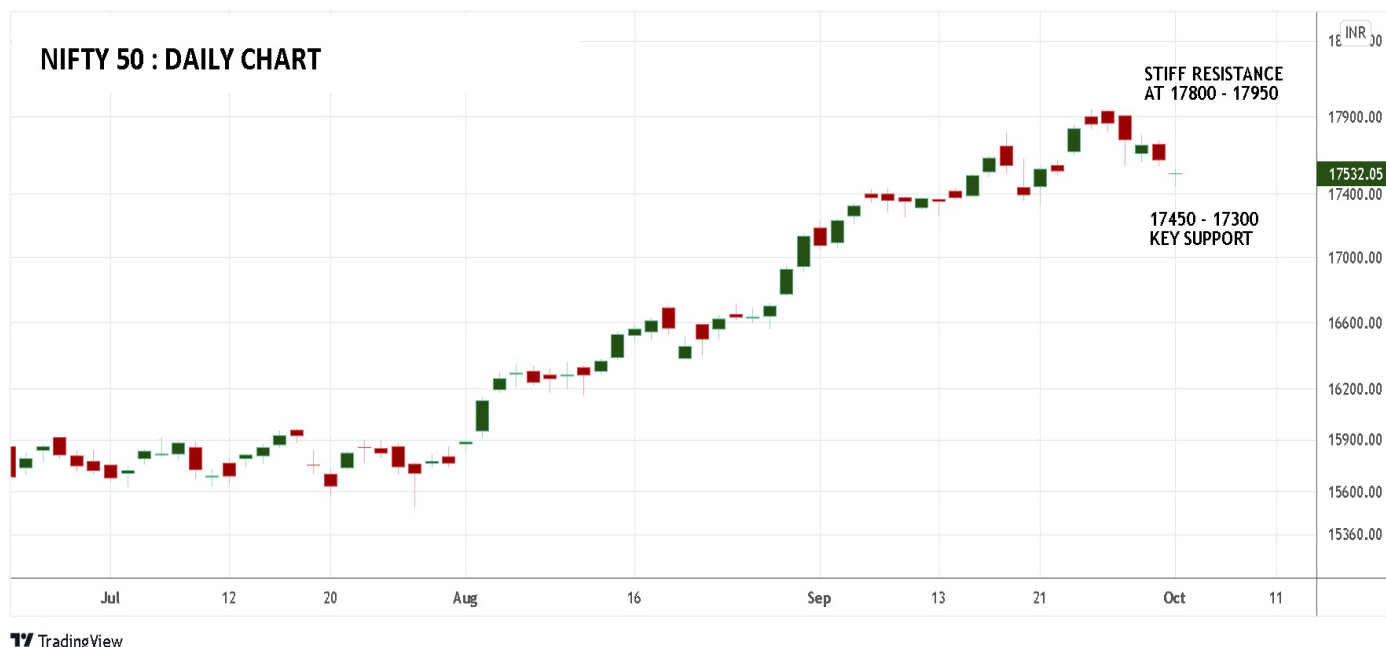


Nifty finally snaps its winning streak

Sensex (58766) / Nifty (17532)



Source: Tradingview.com

Future outlook

Monday's session started on a positive note owing to favourable global cues. Nifty was about to clock fresh high but a modest profit booking at higher levels pulled it lower from the kissing distance of the previous high. On the subsequent day, we witnessed some nervousness in the global markets which had a rub off effect on our markets as well. Nifty came off sharply to test sub-**17600** levels but also saw a sharp recovery towards the day end as well to reclaim the **17700** mark at the close. This was followed by some consolidation and again some weakness on the last day of the week to conclude tad below **17500**.

With this week's price action, Nifty has finally snapped its recent winning streak as it ended with nearly couple of percent cut. Although, this week so far, Nifty came off a bit from its all-time highs, the September month panned out extremely well for the bulls as they added nearly 3% (month on month) to their kitty. Honestly for the second half of the September month, we maintained a cautious stance on the market and it moved much more than we had expected. In such kind of strong Bull Run, it may not be a wise ploy to stay sceptical; but the kind of time-projections and negative divergence in momentum oscillators we are observing, we would continue with the same. The over stretched market can surprise us any time and hence we reiterate staying light in the market. We have already witnessed a glimpse of this possibility this week, but structurally nothing has been dented yet.

As far as levels are concerned, the upside in the coming week seems capped and we do not expect the Nifty to go beyond the sturdy wall of **17800 – 17950**. On the flip side, **17450 – 17300** are to be seen as key supports. First sign of weakness would be visible only after breaking this lower range. In addition, the fear index INDIA VIX also spiked up a bit in the first of the week. Hence, we expect the volatility to remain on the higher side in the coming week as well. We advise traders to stay light and follow strict stop losses for existing positions. Also, we are observing good stock specific action in the market. One can continue following it but try to book timely profits as well.

FII's 'Long Short Ratio' tanked to 57%

Nifty spot closed at **17532.05** this week, against a close of **17853.20** last week. The Put-Call Ratio has decreased from **1.27** to **0.98**. The annualized Cost of Carry is negative at **0.14%**. The Open Interest of Nifty Futures decreased by **17.31%**.

Derivatives View

Nifty current month future closed with a discount of 1.85 points against a premium of 26 points to its spot. Next month future is trading at a premium of 33.30 points.

After strong recovery seen in the week gone by, we began Monday's session on a strong note almost towards 17950 mark but in absence of follow-up buying interest we saw decent selling pressure to drag index below the recent support zone of 17800. This was just a beginning as the selling got aggravated on Tuesday to push index below 17600 first after some attempt of recovery on Wednesday we once again saw another round of selling to almost touch 17450 on Friday. Eventually, we concluded the week with a cut of 1.80%. Being an expiry week, we saw decent open interest reduction. Nifty and BankNifty rollovers stood at 74.98% and 83.49% respectively. Stronger hands preferred lightening up their longs and carrying bearish bets in October series, this certainly doesn't bode well for Bulls. Now as a result, their index futures 'Long Short Ratio' plunged from 65% to 57%. The development seen in derivatives segment hints limited upside going forward and hence we would advocate traders exiting longs and continue with stock specific trades for a time being.

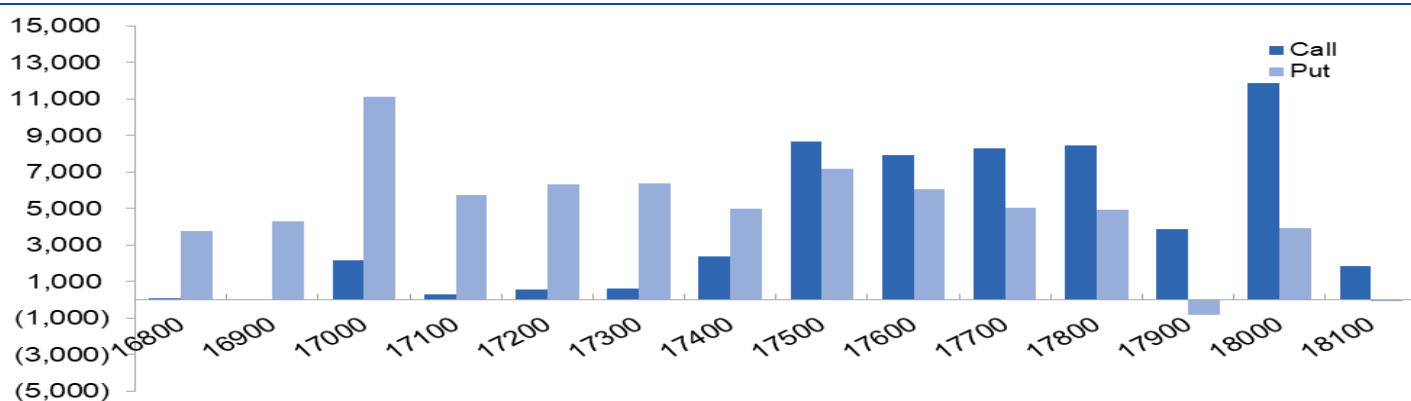
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
IPCALAB	514125	45.17	2422.55	1.00
CANFINHOME	4788225	35.29	674.85	2.67
SUNPHARMA	33479600	8.39	827.75	7.40
COALINDIA	64180200	7.45	189.65	14.25
MUTHOOTFIN	3827250	7.09	1537.25	2.20

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
HDFCAMC	3264600	117.38	2942.25	(8.18)
TECHM	13359000	24.85	1373.40	(9.29)
METROPOLIS	502000	21.61	2741.10	(9.84)
MPHASIS	2211300	20.19	3042.65	(9.21)
OFSS	722750	18.92	4524.90	(3.81)

Weekly change in OI



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