

Nifty defends 15650, week concluded with some hopes

Sensex (52485) / Nifty (15722)

NSE:NIFTY, 1D 15722.20 ▲ +42.20 (+0.27%) O:15705.85 H:15738.35 L:15635.95 C:15722.20



Source: Trading View

Future outlook

Trading for the week started with an upside gap on Monday at new record high. However, since there was follow up buying missing in the heavyweight constituents, the Nifty kept descending gradually after registering a high of **15915.65** in the opening trade. For the major part of the day, index consolidated with a mild negative bias to eventually conclude tad above the **15800** mark by shedding nearly three tenths of a percent. The similar trend continued for the following sessions and in the process, Nifty went on to test sub-**15700** levels. Fortunately on Friday, there was some buying observed at lower levels, which resulted in defending the key support of **15650** successfully.

It was probably the duller week in last fifteen months our markets have experienced. There have been many instances where key indices undergo some sort of consolidation and trades in a slender range, but mostly in such times, the action continues in individual themes and there are ample of opportunities available in the market to keep the traders engrossed. Barring Friday, stock specific moves were also missing throughout this week which was frustrating for momentum traders. Now as far as levels are concerned, we managed to hold crucial support of **15650**. As long as **15650 – 15450** are being held, the bulls have no reason to worry for. On the upside, reaching the new milestone of **16000** has become challenging and the market clearly seem to be waiting for some sort of trigger to reach there. Before this, **15800** followed by **15900** are to be seen as immediate hurdles.

With Friday's some positivity, the hopes have certainly built for benchmark index to head higher towards the millstone in the forthcoming week. But we reiterate, if that has to happen, the banking space certainly needs to come out of its slumber phase. Let's see how things pan out going ahead and till then it's better to keep a close tab of all the mentioned levels.

Trended move to unfold only above 15800

Nifty spot closed at **15722.20** this week, against a close of **15860.35** last week. The Put-Call Ratio has decreased from **1.20** to **1.09**. The annualized Cost of Carry is positive at **1.66%**. The Open Interest of Nifty Futures decreased by **2.10%**.

Derivatives View

Nifty current month future closed with a premium of **25** points against a premium of **27.65** points to its spot. Next month future is trading at a premium of **70.95** points.

In options segment, open interest addition was seen in 15800-16000 strikes while 15500 and 15200 put options witnessed open interest build up. Highest open interest for coming weekly series is placed at 15800 call and 15700 put options.

Nifty started the week on an optimistic note above 15900, but it failed to show any follow-up move and corrected gradually during the week to end tad above 15700 mark. During the week, we have not seen any major build-up in Nifty, but some shorts were added in the banking index. FIIs unwound some of their longs in the index futures and their 'Long Short Ratio' has declined to 74.70 percent from last week's 80 percent. In weekly options segment, build up is seen in 15800 call option which has the highest open interest and thus is the near term resistance. The data is scattered in 15700-15500 puts indicating supports at every 100 point difference. The option IV have declined significantly resulting in lower premiums. The index is trading close to the support end and hence, traders should look for buying opportunities on dips. Although, the momentum on the higher side too could be restricted and only if we see the index surpassing 15800 and call writers unwind their positions, then a trended move would unfold on upside.

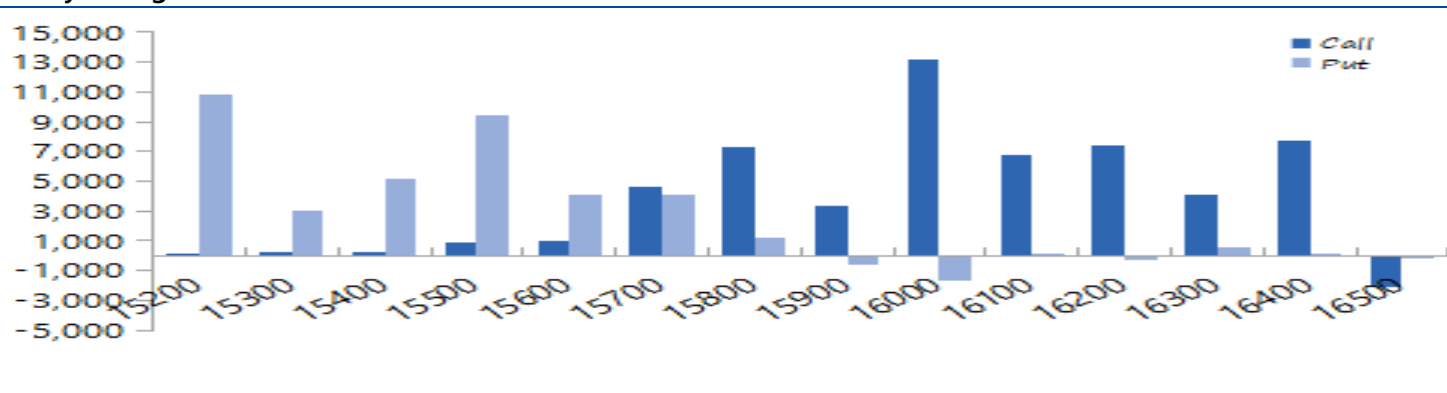
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
TATACHEM	9003000	30.93	770.95	7.01
TORNTPHARM	776000	26.69	2962.60	2.00
SRF	353625	18.27	7516.05	6.00
LALPATHLAB	454750	16.68	3318.15	5.25
DABUR	7538750	15.87	590.45	4.16

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
HDFCLIFE	20387400	121.59	689.90	(5.07)
CHOLAFIN	10503750	54.18	512.15	(4.18)
IDFCFIRSTB	168150000	42.09	54.25	(7.42)
SHREECEM	148925	28.91	27143.55	(5.77)
INDUSTOWER	15080800	18.69	235.90	(4.11)

Weekly change in OI



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