

## Bulls in cruise control, Nifty enters uncharted territory

Sensex (64719) / Nifty (19189)



Source: Tradingview.com

### Future outlook

Our markets started the week on a flat note on Monday and remained lethargic like previous few days. On the following session, the bulls started making some efforts to elevate markets higher from the key support zone of **18600 – 18700**. This was aided by the piece of news flow with respect to HDFC twin's merger towards the fag end of the day. The entire financial space became buoyant after this development, resulted in lifting Nifty beyond the **18800** mark convincingly. This optimism was then fueled by the spectacular rally in US markets later that night. We were set to have a head start on Wednesday and the momentum just took off thereafter. We not only managed to clock new high but went on to reach the milestone of **19000** on the expiry day. On Friday's session, the bulls took it forward to close tad below **19200** by adding massive 2.80% to the bulls' kitty on a weekly basis.

It was a truncated week for our domestic bourses but by no means it was short of any action. A long slumber phase finally came to an end and there couldn't have been a better timing for this as it happened in the monthly expiry week. As we alluded to in the previous commentary, market is awaiting some trigger and it's a matter of time, we would see Nifty clocking fresh highs and then a milestone of **19000**. It's finally a reality now and the recent laggard financial space became the charioteer for this move. Technically speaking, we are amazed with how things fall into place so accurately sometimes. If we take a glance at the weekly time frame chart of Nifty, we were observing 8th zone of 'Fibonacci Time Series' completing in this week only. Precisely, it happened and as we are stepping into the 9th zone, market is at new highs with all heavyweights participating collectively. Price-wise, we can clearly see a configuration of 'V' pattern which has been broken out in the upward direction. The theoretical target of this is much higher but with the short to medium term view, we continue to remain upbeat on the market. As far as levels are concerned, we can see Nifty heading towards **19350 – 19500** in the forthcoming week. However, one needs to be very selective going ahead because the low hanging fruit is gone for the momentum traders. In between, we may see bout of profit booking, but the directional bias remains strongly bullish till the time 18600 is not violated. Before this, **19000** followed by **18800** are to be seen as key supports.

## Long Rollovers for key indices

Nifty spot closed at **19189.05** this week, against a close of **18665.50** last week. The Put-Call Ratio has increased from **0.93** to **1.58** on Weekly basis. The annualized Cost of Carry is positive at **4.90%**. The Open Interest of Nifty Futures decreased by **0.95%**.

### Derivatives View

Nifty current month's future closed with a premium of 72.20 against a premium of 131.60 points to its spot in the previous week. Next month's future is trading at a premium of 159.85 points.

The final week of June series turned out to be a lucky one for the Bulls, as index surpass yet another milestone of 19000 mark and on Friday also went to touch 19200. On the derivatives front, we witnessed addition of fresh longs on net basis in key indices and these positions have been rolled over too. On the first day of July series as well fresh longs were added in both the index. Stronger hands continue pouring liquidity in Indian equity market. Meanwhile, they also added fresh longs in index futures, hence their Long Short Ratio' has surges to 69% from 53% WoW. Considering the above data points, we maintain our optimistic stance on market and expect continuation ongoing rally in coming series towards 19400-19500.

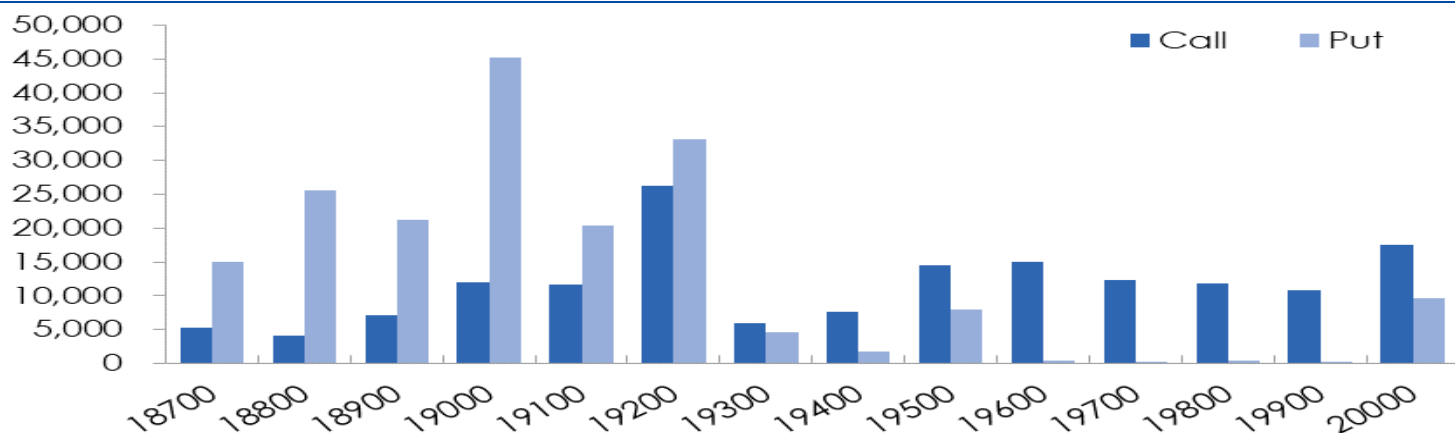
#### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ESCORTS	1567225	36.86	2264.55	5.12
BANDHANBNK	42205000	19.11	243.40	2.96
HDFCLIFE	23114300	18.58	651.90	3.73
GRANULES	10588000	13.75	299.20	4.36
INDUSTOWER	86740800	9.76	165.55	2.13

#### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MCX	2220400	42.01	1499.95	(4.27)
PIDILITIND	2375000	2.39	2610.05	(1.97)
DEEPAKNTR	2154300	2.12	2162.75	(1.86)
-	-	-	-	-
-	-	-	-	-

### Weekly change in OI



Sameet Chavan	Head Research – Technical & Derivatives	<a href="mailto:sameet.chavan@angelone.in">sameet.chavan@angelone.in</a>
Sneha Seth	Senior Analyst – Technical & Derivatives	<a href="mailto:sneha.seth@angelone.in">sneha.seth@angelone.in</a>
Rajesh Bhosale	Analyst – Technical	<a href="mailto:rajesh.bhosle@angelone.in">rajesh.bhosle@angelone.in</a>
Osho Krishan	Senior Analyst – Technical & Derivatives	<a href="mailto:osho.krishan@angelone.in">osho.krishan@angelone.in</a>
Hitesh Rathi	Analyst – Technical & Derivatives	<a href="mailto:hitesh.rathi@angelone.in">hitesh.rathi@angelone.in</a>

Research Team Tel: 022 - 39357600

Website: [www.angelone.in](http://www.angelone.in)For Technical QueriesE-mail: [technicalresearch-cso@angelone.in](mailto:technicalresearch-cso@angelone.in)For Derivative QueriesE-mail: [derivatives.desk@angelone.in](mailto:derivatives.desk@angelone.in)**DISCLAIMER**

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