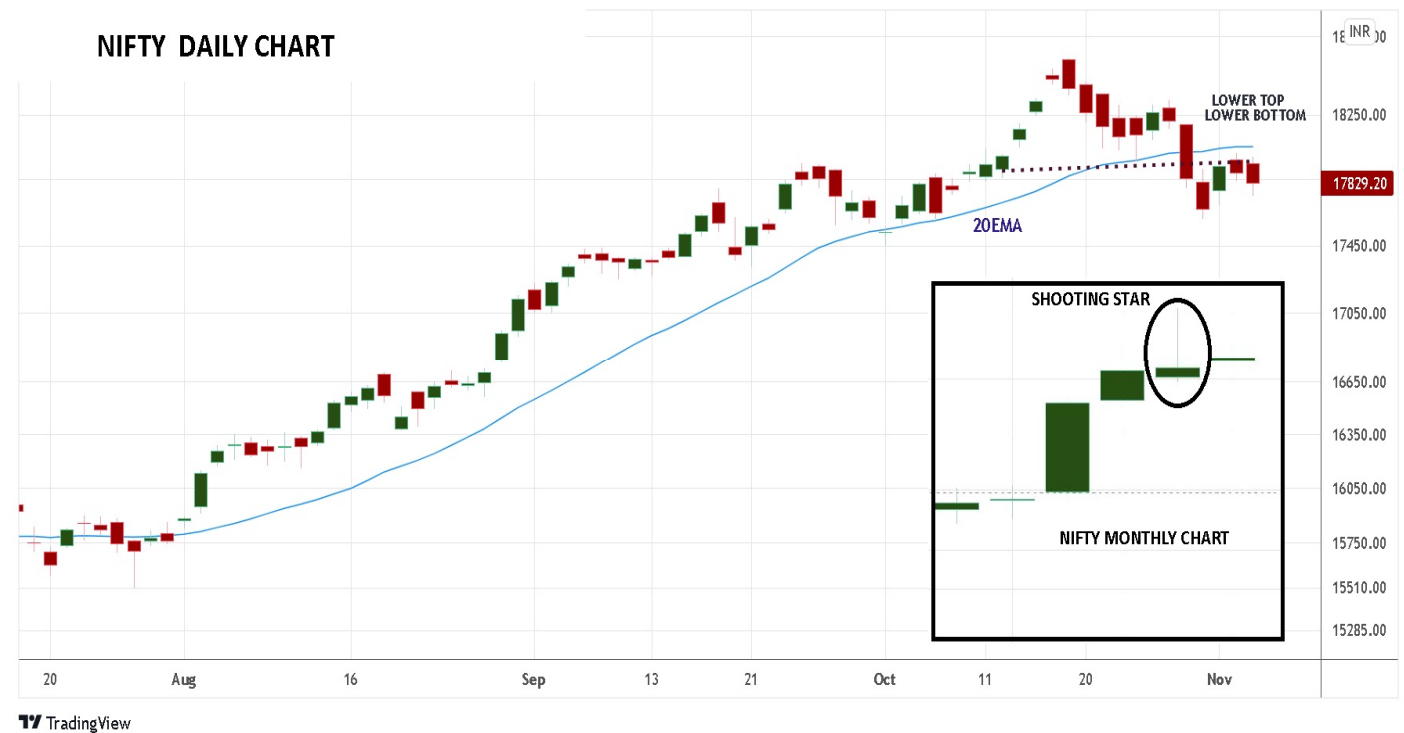


## Nifty ends the truncated week around 17800

Sensex (59772) / Nifty (17829)



Source: Tradingview.com

### Future outlook

We inaugurated the festive week on a cheerful note on Monday and witnessed some hiccups in the initial two hours of trade. As we progressed, the buying interest emerged to slowly and steadily move beyond **17950**. On the following day, we again started positively but failed to sustain at higher levels after retesting the psychological barrier of **18000**. After undergoing a small correction on Tuesday, the subsequent session started positively and Nifty made one more attempt towards **18000**. Once again we witnessed some nervousness at higher levels as the selling augmented in the latter half to pull the Nifty back to **17800**.

Since it was a truncated week on the back of Diwali festival, markets remained more or less in a range of merely 300 points, where both the support and resistance range played out accurately. Historically it's observed that market do not correct during the Diwali week and this is what we witnessed in last three sessions. But we must accept the fact; markets were a bit tentative in last couple of sessions. Since there was no major action in the week gone by, our overall view remains the same as we had mentioned in our previous commentary. We continue to remain cautious on the market because of few technical developments, they are as follows: 1) the 'Lower Top Lower Bottom' on daily chart got confirmed last Friday after breaking below **18000**. 2) this coincided with the violation of the key short term moving average of '20-day EMA', which is now acting as a sturdy wall. 3) More importantly, if we take a glance at the monthly chart, we can see a formation of 'Shooting Star' pattern, which certainly does not bode well for the bulls.

Traders are advised not to carry aggressively bets on the long side as long as we remain below **18000 – 18100** on a closing basis. On the flipside, we may see this corrective move extending towards **17450** first and if things worsened then the possibility of sliding towards **17200 – 17000** cannot be ruled out. The coming week would be quite crucial for the market as it may dictate the near term direction.

## No meaningful change in F&O space

Nifty spot closed at **17829.20** this week, against a close of **17671.65** last week. The Put-Call Ratio has increased from **0.75** to **0.81**. The annualized Cost of Carry is positive at **1.69%**. The Open Interest of Nifty Futures decreased by **3.06%**.

### Derivatives View

Nifty current month future closed with a premium of 17.95 points against a premium of 43.65 points to its spot. Next month future is trading at a premium of 80.45 points.

It was a truncated festive week with no major price action and open interest activities. The benchmark index grinded in the range of merely 300 points to concluded ninth tenth per cent higher to previous week's close. In F&O space, we saw some open interest reduction in Nifty; whereas, no relevant change was observed in banking index. 18000 call options added good amount of build-up; suggesting market may face strong hurdle around this zone. On the other side, some build-up was seen in 17800 strike. Throughout the week, we hardly saw any relevant development in derivatives segment hence, we would stick to the view of staying light in index and opt for stock specific trades

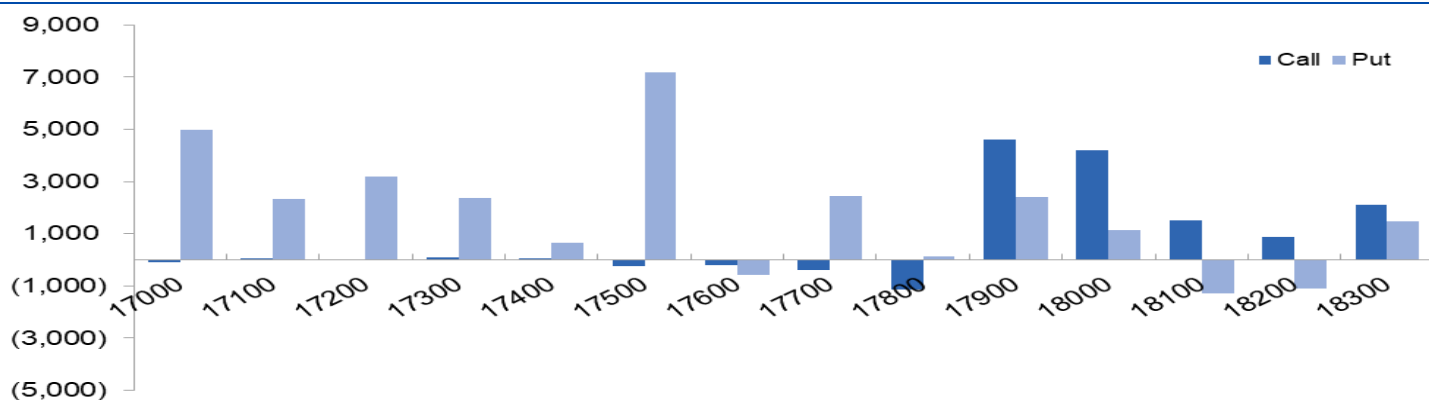
#### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ABFRL	11809200	27.44	286.15	8.72
SBIN	120505500	21.51	530.30	5.05
INDIAMART	264450	20.46	7356.15	2.86
IBULHSGFIN	31334800	20.12	226.20	3.93
TRENT	2348275	17.87	1097.40	8.82

#### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
M&M	10761100	38.70	852.70	(3.83)
IRCTC	14476375	23.56	822.25	(3.22)
MARICO	7229000	20.93	552.50	(2.43)
PIIND	1504000	19.03	2733.60	(9.08)
ESCORTS	9710800	14.76	1506.30	(4.54)

#### Weekly change in OI



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