

## 17750 to be seen as key pivotal point

Sensex (59900) / Nifty (17859)



Source: Tradingview.com

### Future outlook

The SGX Nifty had indicated a soft opening for new calendar year. However, our markets completely shrugged off these cues as they started the session marginally in the green on Monday. We did see some ambiguity in the first half; but with few heavyweights attracting strong buying around the midsession, Nifty picked up decent momentum in the upward direction. Eventually, we ended the inaugural session around day's high by adding half a percent to previous close. The following session looked promising; but Nifty was struggling to surpass the sturdy wall around **18250 – 18300**. Finally, this failure translated into a price drop around the mid-week. The selling augmented towards the fag end of the week and in the process, we went on to slide below **17900** during Friday's session.

The start was promising but the end was certainly disappointing for the opening week of the calendar year 2023. The benchmark index Nifty gave up all previous week's gain and has closed around the lower end of the recent trading range. Now taking a glance at daily time frame chart, undoubtedly the price structure looks a bit weak and in fact, the price decline in last two sessions has certainly caught us on the wrong foot as we were not expecting Nifty to slide below the **18000** mark. Nevertheless, previous week's low of **17750** would now be seen as a crucial pivotal point for our market. As of now, we are still a bit hopeful of recovery; but in case, if Nifty slides and sustains below **17750**, we must prepare for extension of this corrective move towards **17600 – 17450** in coming week. On the flipside, in order to regain the strength, Nifty must reclaim **18000** first on a closing basis. The major trend deciding level remains at **18300**, which would turn the tide once again in favor of bulls.

Traders are advised to keep a close tab on all these above-mentioned scenarios. The only positive takeaway at the end of the week would be the resilience of the broader market. Unlike last-to-last week's decline, this time, the Nifty MIDCAP50 index remained firm and did not participate in this week's hammering. In case of recovery, the broader end of the spectrum would outperform heavyweights and we would probably then witness a beginning of the pre-budget rally. Also, with result season kicking in on Monday, all focus would first be on major IT heavyweights, which would dictate the near-term direction for this underperforming space.

## PCR-OI and FII positioning hints market is a bit oversold

Nifty spot closed at **17859.45** this week, against a close of **18105.30** last week. The Put-Call Ratio has decreased from **0.88** to **0.75** on Weekly basis. The annualized Cost of Carry is positive at **9.01%**. The Open Interest of Nifty Futures increased by **11.19%**.

### Derivatives View

Nifty current month's future closed with a premium of 83.75 against a premium of 166.50 points to its spot in the previous week. Next month's future is trading at a premium of 148.90 points.

Post selling seen on the final trading day of calendar year 2022, market rebounded back to reclaim 18200. But once again, we witnessed decent selling pressure and this time every pull back move was being sold into to correct for three straight sessions to almost touch previous swing lows. In F&O space, we observed mixed bets but considering the price action for major part of the week it seems decent short have been added in both the indices. Stronger hands continued with their selling streak in our Indian equities market, they sold to the tune of Rs. 7813 crores. On the net basis, addition of bearish bets was seen in index futures hence the Long Short Ratio has plunged to 41% from 50%. At current juncture, PCR-OI and FII LSR clearly suggest market is a bit oversold and positive trigger can lead to a short covering rally. Traders for now are advised to be very selective and avoid taking undue risk.

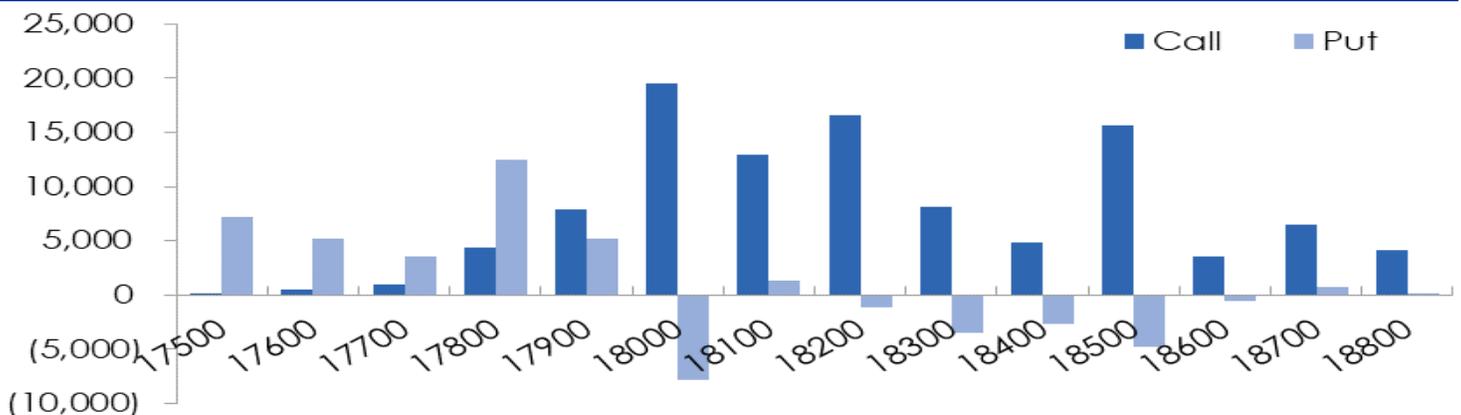
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MANAPPURAM	48048000	24.44	119.15	1.84
ASTRAL	1703075	22.54	2070.85	5.07
GNFC	8416200	20.90	591.20	5.51
GODREJCP	5851000	20.54	920.30	4.66
PFC	66457800	18.19	157.65	10.98

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ATUL	121275	32.43	7802.00	(5.51)
COALINDIA	30353400	26.90	214.05	(5.33)
AUBANK	9777000	25.09	619.45	(4.49)
NAUKRI	1429000	22.89	3685.40	(6.43)
CHOLAFIN	8022500	20.55	669.70	(7.84)

### Weekly change in OI



Sameet Chavan	Chief Analyst – 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	Technical Analyst	<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>

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**

Angel One Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager and investment advisor with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel One Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel or its associates or research analyst or his relative may have actual/beneficial ownership of 1% or more in the securities of the subject company at the end of the month immediately preceding the date of publication of the research report. Neither Angel or its associates nor Research Analysts or his relative has any material conflict of interest at the time of publication of research report.

Angel or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business. Angel or its associates did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with the research report. Neither Angel nor its research analyst entity has been engaged in market making activity for the subject company.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals. Investors are advised to refer the Fundamental and Technical Research Reports available on our website to evaluate the contrary view, if any.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel One Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel One Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel

One Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel One Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. Angel or its associates or Research Analyst or his relative might have financial interest in the subject company. Research analyst has not served as an officer, director or employee of the subject company.