

Struggle continues for 16000, global sell off became spoilsport

Sensex (52386) / Nifty (15690)

NSE:NIFTY, 1D 15689.80 ▼ -38.10 (-0.24%) O:15688.25 H:15730.85 L:15632.75 C:15689.80



Source: Trading View

Future outlook

Previous Friday's tail end recovery was followed by a gap up opening on Monday to kick-start the new trading week. We clearly shrugged off mixed global cues early in the morning and traded firmly post the opening as well. Although we did not add significant gains after the opening hour, the Nifty maintained its positive posture throughout the session to close tad below the **15850** mark. Throughout the first half of the week, our markets traded positively to once again challenge the all-time high. However on the weekly expiry day, markets had a rough day which was mainly on the back of the negative development across the globe. Fortunately, the fall got arrested in the vicinity of the support zone to eventually conclude the week tad below **15700**.

In last month or so, we have seen multiple attempts to reach the millstone of **16000**; but markets are clearly struggling as something or other appears from nowhere to dampen the sentiments. The way we closed on Wednesday, we were all set to see the magical figure; but global sell off became the spoilsport on this occasion. Fortunately there was no follow through to this selling momentum as we saw Nifty stabilising after entering the key support zone of **15650 – 15600**. Honestly when market fails to surpass a specific level after the multiple attempts, it is considered as an ominous sign. But fortunately there has not been any brutal correction seen so far, which bodes well for the bulls. After last two days' of price action, our confidence of predicting Nifty towards **16000** or beyond in the ongoing leg has certainly shaken a bit; but we would still remain hopeful as long as Nifty holds a strong support zone of **15600 – 15450**. If these levels are violated then one should get prepared for a decent short term correction in the market. Until then better to trade with a positive bias.

During the first half, **15750 – 15800** are the levels to watch out for and the first of sign of strength would come only after reclaiming **15800** on a closing basis. We reiterate that, if this has to happen, the banking continues to be the key factor as it's trading around its crucial support area. Traders are advised to remain light and stick to stock centric approach by following strict stop losses. Also, it's important to keep a close eye on the global developments as well which is likely to set the tone for the forthcoming week.

FII's Long Short Ratio plunged to 55%

Nifty spot closed at **15689.80** this week, against a close of **15722.20** last week. The Put-Call Ratio has decreased from **1.09** to **0.94**. The annualized Cost of Carry is positive at **3.80%**. The Open Interest of Nifty Futures increased by **4.33%**.

Derivatives View

Nifty current month future closed with a premium of **32.65** points against a premium of **25.00** points to its spot. Next month future is trading at a premium of **77.80** points.

In options segment, hardly saw any relevant open interest addition in the monthly expiry series. In weekly series, 14600-14700 put strikes added decent positions. On the other side, 14700 call added meaningful positions. Highest open interest for coming weekly series is placed at 15800 call and 15600 put options.

Post last Friday's final recovery, we started-off the fresh week on a cheerful note and traded strong to reclaim 15900 mark. However, index consolidated in the midst of week wherein 15900 acted as a sturdy hurdle. On the weekly expiry day, we witnessed decent selling pressure due to nervousness been throughout the globe to drag Nifty below 15700 mark. In absence of any relevant recovery, we concluded the week around the support zone of 15700. During the week, hardly saw any fresh build-up when market witnessed strength, however, short addition was seen in last two trading sessions. Stronger hands were net sellers in equities and also preferred adding good amount of shorts in index futures. This resulted, their index futures long short ratio falling to 55%. Interestingly, the PCR-OI at 0.94 hints market is oversold and surge in Nifty Futures premium bodes well for Bulls. Hence, trades are advised to wait and watch for follow-up action before initiating any aggressive directional bets and prefer trading in individual counters.

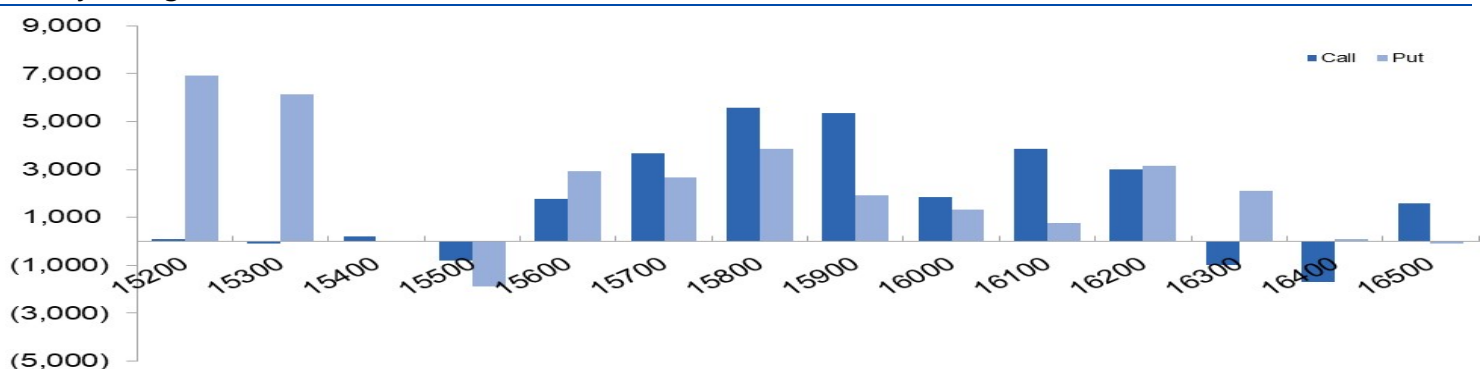
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
LALPATHLAB	551500	21.28	3460.55	4.29
BAJFINANCE	4219625	21.00	6165.15	2.61
BERGEPAINT	3172400	16.57	844.75	4.27
MFSL	3030950	16.46	1079.10	3.72
AMBUJACEM	19110000	15.82	364.10	6.96

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
TATAMOTORS	140579100	54.30	304.80	(11.77)
NMDC	93190300	44.12	170.60	(6.95)
TVSMOTOR	6771800	24.47	602.25	(1.75)
BANDHANBNK	17919000	21.57	317.35	(1.26)
TCS	9537000	17.92	3216.75	(3.56)

Weekly change in OI



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