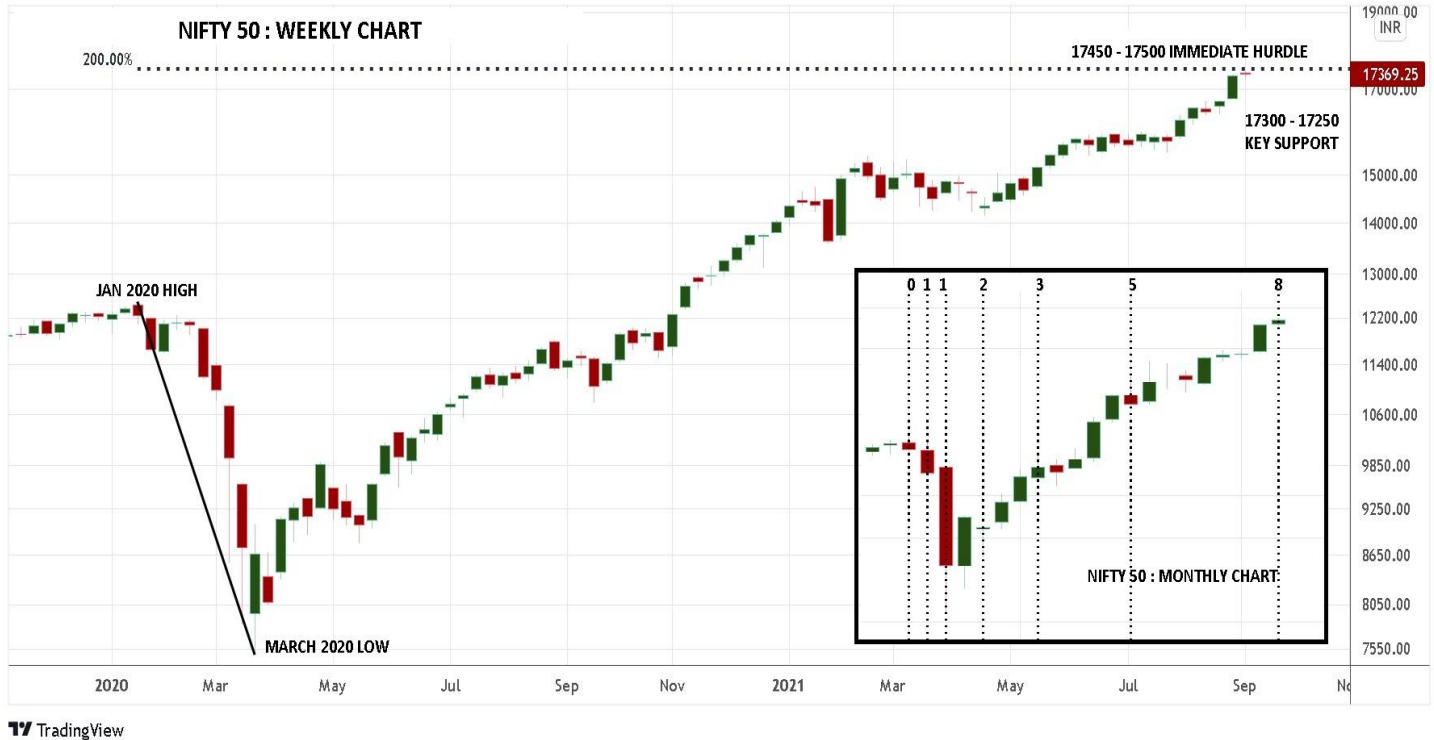


Thinnest weekly range at record highs

Sensex (58305) / Nifty (17369)



Source: Trading View

Future outlook

Markets had a positive start on Monday and without wasting much of a time, Nifty continued with its streak of achieving new milestones. During the first couple of sessions, Nifty clocked back to back fresh highs beyond **17400**; but failed to close beyond it on both the occasions. In the latter half, we saw some hint of profit booking but mighty bulls came back strongly not only to defend key supports but also to lift the benchmark index beyond **17350** comfortably to mark highest ever weekly close.

The price action in key indices this week was extremely dull as we witnessed one of the thinnest weekly trading ranges for a long time now. Although Nifty looked a bit uncomfortable around **17400** throughout this week, we did not see any major weakness overall. The moment it falls by nearly a percent, the buying tends to happen immediately. As of now, clearly bulls are having a firm grip on the market but as we have been mentioning since a week or so, they would find a bit difficult now going ahead. We reiterate our observations for becoming slightly cautious at current levels. They are, 1) we can see Nifty reaching the 200% 'Fibonacci Retracement' of the last year's massive decline from Jan'20 high to March'20 low, 2) Time-wise, Nifty has entered 7th zone as per 'Fibonacci Time Series' on the monthly time frame chart.

It may look a bit contradictory to adopt a cautious stance when market is making new highs almost every day. But these mentioned evidences have proved their efficacy in the past and hence cannot be overlooked. So let's see how things shape up going ahead. As far as levels are concerned, **17450 – 17500** would now be seen as sturdy wall; whereas on the flipside, the first sign of weakness would come only after confirming a single day close below the support zone of **17300 – 17250**. We advise traders to continue with a stock centric approach by following strict stop losses and booking timely profit is also highly recommended.

No meaningful change in data, be stock specific

Nifty spot closed at **17369.25** this week, against a close of **17323.60** last week. The Put-Call Ratio has decreased from **1.35** to **1.27**. The annualized Cost of Carry is negative at **0.50%**. The Open Interest of Nifty Futures decreased by **0.58%**.

Derivatives View

Nifty current month future closed with a premium of **1.75** points against a premium of **5.75** points to its spot. Next month future is trading at a premium of **27.75** points.

Nifty started the week on a positive note and registered new records above 17400. However, we then saw a consolidation throughout the week wherein the benchmark resisted in the range of 17400-17450 while buying interest was seen on dips at 17300-17250. The index ended the week on a strong foot around 17370 but no major change in open interest was seen in indices. FI's unwound some of their longs in the index futures and their 'Long Short Ratio' is above 63 percent. There was no fresh build up in indices this week but we believe the previous longs in Nifty are still intact. In the nearby strikes, 17400 call and 17300 put has highest open interest outstanding. The near term trading range for index is seen at 17200-17500 and hence, traders should prefer trading with a stock specific approach.

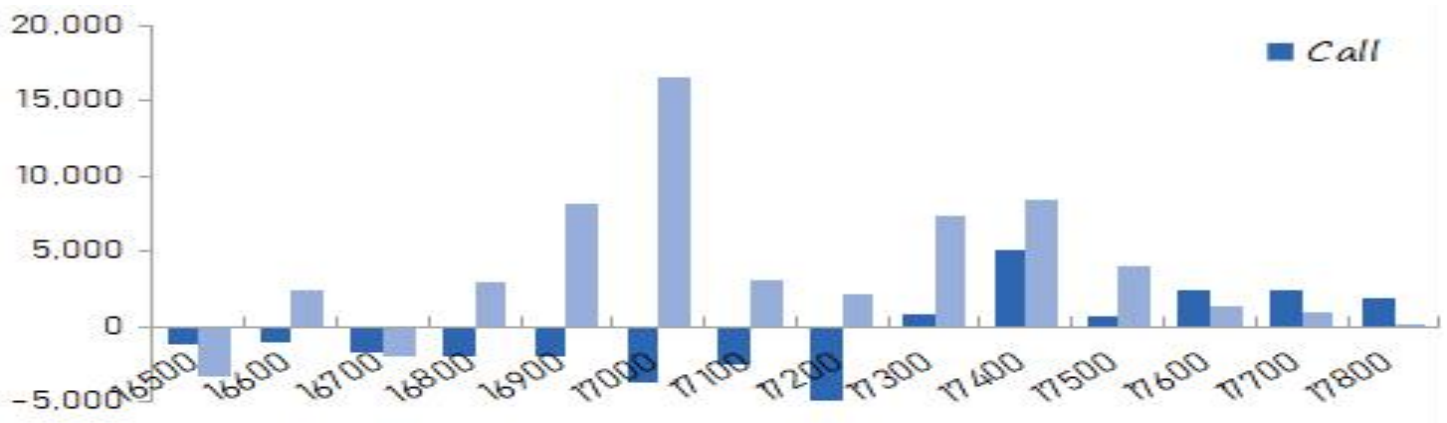
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
CANFINHOME	3828825	123.00	626.90	6.56
INDIAMART	277800	81.12	8911.55	9.27
IDEA	830900000	42.53	8.45	15.75
POLYCAB	572700	39.04	2392.20	7.18
IEX	8885000	30.06	600.80	10.94

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
SBILIFE	10861500	58.45	1172.20	(5.79)
GUJGASLTD	3856250	33.20	682.30	(2.72)
BAJAJ-AUTO	3113500	20.62	3714.60	(1.54)
APOLLOHOSP	2584000	19.77	4737.05	(5.86)
NAVINFUOR	493650	15.05	3969.60	(3.34)

Weekly change in OI



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