

Nifty surrenders 16000, recent lows in jeopardy

Sensex (52794) / Nifty (15782)



Source: Tradingview.com

Future outlook

Monday's session started on a nervous note as global sentiments remained nervous over the weekend. The index remained in a range throughout the first half of the week and despite some challenges, Nifty managed to hold **16000** on a closing basis. However, on Thursday, the banking finally succumbed to the sell off, leading Nifty below the psychological point to mark lowest close in last ten months. On Friday, we started off significantly higher on the back of global relief; but once again our market failed to sustain at higher levels and eventually erased all gains in the latter half. With this, Nifty once again lost nearly 4% on a weekly basis.

The global macro factors have weighed down heavily on financial markets across the globe and we are certainly not spared with it. The oversold market is in a denial mode to give small recovery, in fact, Friday's rebound got completely sold into towards the fag end. This certainly does not augur well for the bulls. The recent low of **15671** is not far from current levels now and the moment we slide below it, it will create a panic kind of situation in the market. Below this, **15350 - 15200** are the next levels to watch out for. On the flipside, **16000 - 16200** has now become a stiff hurdle. First sign of relief is possible only above these levels. Till this time, one should avoid trading aggressively in the market.

If we take glance at the weekly time frame chart, we can see sheet anchor in the form of '89-EMA' placed around **15600**. Historically, this moving average has proved it's mettle and has provided cushion to severe falls. It would be very interesting to see how market behaves around it. Hence, although the trend is strongly bearish at this moment, we advise investors with a slightly broader time frame, should start nibbling in quality propositions in a staggered manner. Also, since the global factors are driving the markets completely, traders should keep a close tab on all these developments.

FII's halts their selling in index futures

Nifty spot closed at **15782.15** this week, against a close of **16419.40** last week. The Put-Call Ratio has decreased from **0.74** to **0.73**. The annualized Cost of Carry is positive at **0.78%**. The Open Interest of Nifty Futures decreased by **4.53%**.

Derivatives View

Nifty current month's future closed with a premium of 4.45 points against a premium of 8.15 points to its spot. Next month's future is trading at a premium of 3.85 points.

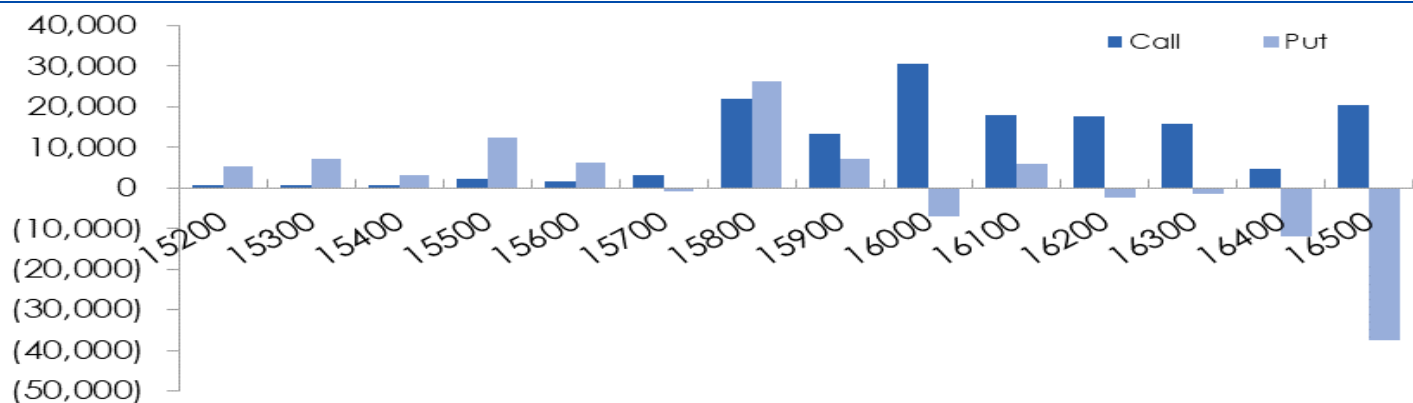
It was the second consecutive week of selling pressure in our Indian equity market, the benchmark index remained in the tight grip of bears and any pullback move were being sold into to settle the week tad below 15800 with a cut of almost four percent. Surprising, despite decent sell-off we could hardly see fresh shorts in Nifty, the correction was mainly due to long unwinding. However, we observed few shorts in banking index, but the quantum wasn't significant considering the price. Stronger hand continued to curb liquidity from equity market but preferred covering their shorts in index futures segment on Friday. On options front, hardly any build-up was seen in both call and put option; however, some unwinding was seen in 15900 strike. At this point in time, market has an immediate support 15600; whereas, sustainable pullback move beyond the resistance of 16100-16200 shall be a positive development. Traders are advised staying light as volatility is likely to stay on the higher side.

Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
NAVINFLUOR	400275	33.16	3921.65	5.60
BAJAJ-AUTO	3227750	21.14	3631.40	3.87
COLPAL	3011400	13.36	1597.35	1.01
PVR	2606428	9.88	1747.80	2.72
MRF	124500	9.71	71572.70	4.56

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
GNFC	5913700	60.91	617.95	(23.07)
HONAUT	10260	52.34	34019.85	(14.51)
INDUSTOWER	17460800	37.63	183.05	(8.34)
SRF	4084875	27.79	2232.80	(3.06)
LTI	2253600	26.06	4116.00	(10.69)

Weekly change in OI



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