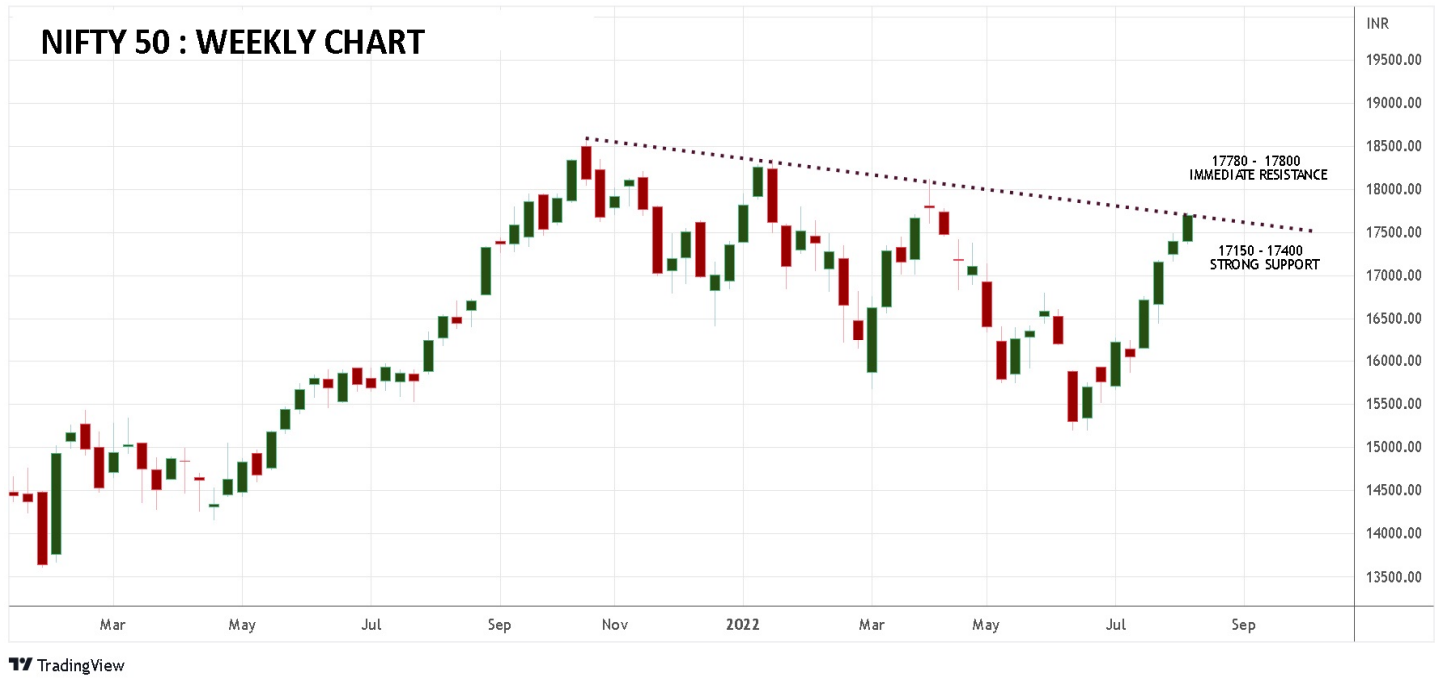


Nifty placed at crucial resistance; undertone remains bullish

Sensex (59463) / Nifty (17698)



Source: Tradingview.com

Future outlook

Our market started the truncated week on a flat note taking cues from the muted global markets, but soon after, the momentum accelerated led by a rally in the heavyweights, and the Nifty reclaimed the **17500** mark. As the week progressed, our markets also extended their rally, which was generally due to the improvement in the global markets and the positive contribution of the FILs. However, the follow-up buying interest was missing for the entire week, showcasing the tentativeness among the market participants at the higher levels. Eventually, the benchmark index continued its winning streak for the fourth consecutive week and ended the session a tad below **17700** by procuring over 1.73 percent to the previous week's close.

Technically speaking, the winning streak in the index has brought it towards the sloping trendline on the weekly chart, which might be considered as the major hurdle for the index in the near period. Also, the recent upward move has been vertical in nature, so one should not rule out the possibility of profit booking at the critical resistance zone. And any sort of correction in the upcoming week should be considered healthy post such a strong rally, as structurally, we may get a higher bottom. The undertone is likely to remain strongly bullish, and any dip towards the consolidation zone of **17150-17400** could be seen as an opportunity to add new longs in the index from a directional point of view. As far as levels are concerned, **17780-17800** is the crucial supply zone, and any decisive breach above the same could only trigger the next set of rallies in the index.

Considering the recent price action, traders are advised not to carry aggressive overnight bets for a while and should adapt the strategy to follow one step at a time and respect levels on either side. The favorable global scenario was one of the major catalysts for the entire bull run in the week; hence, one should stay abreast with global developments and the key domestic macro data. Also, one can continue to focus on individual stocks as the thematic moves are still playing out well in the market.

17800-18000 to be seen as strong resistance

Nifty spot closed at **17698.15** this week, against a close of **17397.50** last week. The Put-Call Ratio has increased from **1.05** to **1.24**. The annualized Cost of Carry is positive at **8.59%**. The Open Interest of Nifty Futures increased by **9.67%**.

Derivatives View

Nifty current month's future closed with a premium of 14.90 against a premium of 18.65 points to its spot in the previous week. Next month's future is trading at a premium of 84.00 points.

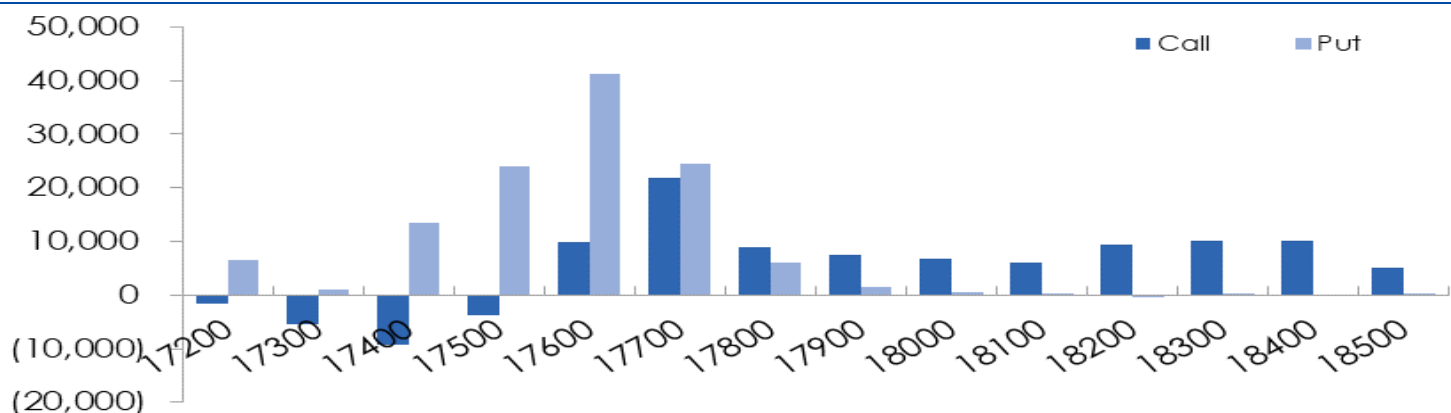
Nifty extended the northward move for the fourth consecutive week to reclaim 17700 with an authority. In F&O space, addition of fresh longs was visible in both the key indices during the week; especially banking index which added 27% of fresh contracts. FII's continue their buying streak as they added shares of worth Rs. 7850 crores this week. In index futures they added some mixed bets, as a resulted 'Long Short Ratio' remains unchanged at 55% WoW. Call writers added fresh positions in 17800-18000 strikes suggest strong hurdle around these strikes; whereas 17500 put strikes holds maximum positions which could act as immediate support zone. After a strong run-up, any kind of profit booking at higher levels can't be ruled out. Hence, traders are advised not to carry aggressive overnight bets for the time being and keep focusing on individual space.

Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
TATACHEM	9463000	91.02	1123.40	17.81
INDIACEM	15184400	50.20	193.50	1.28
PFC	41788000	41.09	121.15	1.51
GSPL	4090000	24.60	247.90	5.13
IRCTC	16373875	23.84	657.25	2.68

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
IPCALAB	1747850	110.74	919.20	(9.30)
DIVISLAB	3272550	28.90	3734.00	(4.05)
MFSL	1966900	23.71	796.70	(3.26)
MRF	87520	23.58	83161.65	(6.43)
INDUSTOWER	22643600	15.36	196.90	(1.67)

Weekly change in OI



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