

## Market had a lull week; undertone remains bullish

**Sensex (61663) / Nifty (18308)**



Source: Tradingview.com

### Future outlook

Market had a mild start to the new trading week post the strong closure from its previous week's rally and managed to withhold at the higher grounds. After the initial up moves, the index slipped into a consolidation zone for the rest of the trading week and kept hustling in a slender range of 200 odd points. By the weekend, a sell-off triggered in the broader market, which dragged the benchmark index lower, but bulls retaliated well to safeguard the support zone and concluded the week with a mere cut of 0.23 percent. With the weekly closure, Nifty snapped its four weeks of winning streak and settled a tad above the **18300** level.

It has been a lackluster week for the market participants as the follow-up buying was clearly missing to uplift the market, and this resulted in a lull movement in the benchmark index. Global concerns over rising inflation have led to mixed action, mirroring which our market remained tentative at the higher levels. On the technical front, the structure remains upbeat. As far as levels are concerned, the bullish gap of **18100-18250** is likely to provide a cushion to any intra-week blip, and it is highly anticipated that the dip would augur well for the bulls. On the flip side, the **18450-18500** is a significant hurdle for the bulls, and any decisive breach above the same could only trigger a fresh round of rally in the market. Meanwhile, the market awaits some trigger points to have an upsurge, and in the meantime, the index is expected to remain in the mentioned range.

We remain sanguine with the up trend and would advocate the traders to utilize the dips to add long position in the index. Also, despite the lethargic moves in the index throughout the week, some of the individual pockets kept buzzing. Hence, we expect some interesting moves to unfold in a larger pool of stocks, which is likely to provide better opportunities for momentum traders. We advise traders to stay with a similar buy on decline strategy till the time important supports are held comfortably.

## FIIs remained steady with their bullish bet

Nifty spot closed at **18307.65** this week, against a close of **18349.70** last week. The Put-Call Ratio has decreased from **1.21** to **0.89** on Weekly basis. The annualized Cost of Carry is positive at **16.03%**. The Open Interest of Nifty Futures decreased by **4.58%**.

### Derivatives View

Nifty current month's future closed with a premium of 48.25 against a premium of 74.30 points to its spot in the previous week. Next month's future is trading at a premium of 135.25 points.

The Indian equity market witnessed a lackluster week of trade, wherein the benchmark index Nifty50 stayed in a slender range throughout the week. The index has witnessed some long unwinding over the week and concluded the week with a mere cut of 0.23 percent. Looking at the F&O data, we have witnessed a mixed trade in both indices. On the options front, the piling up of positions is visible in the 18200-18300 put strike, indicating nearby support formation for Nifty. While on the higher end, the OI concentration is now visible in the 18400 call strike, followed by 18500 CE, signifying stiff resistance for Nifty. Simultaneously, the stronger hands have remained steady with their bullish bets as the 'Long Short Ratio' slightly expanded to 65% from 62% on WoW basis. Going ahead, the undertone is likely to remain bullish, and any intra-week dip could be seen as an opportunity to add long bets in the index.

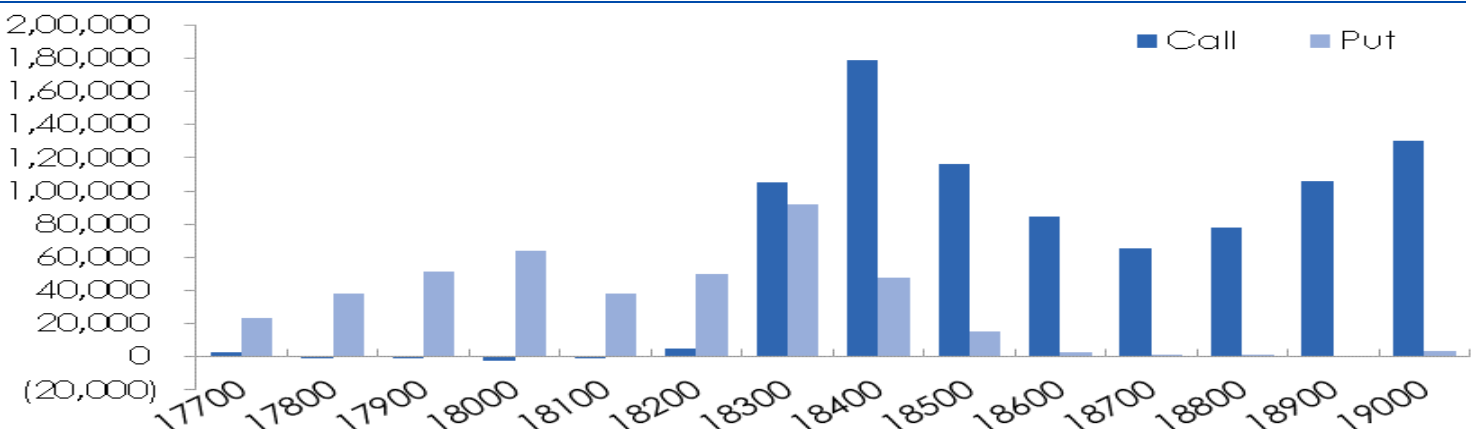
#### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ONGC	52656450	40.21	142.50	1.32
HEROMOTOCO	3045000	17.33	2710.15	1.62
JKCEMENT	539750	13.04	2929.70	3.29
EXIDEIND	31147200	12.03	184.95	7.72
GAIL	65697000	11.59	90.85	1.85

#### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
METROPOLIS	1345600	77.05	1451.05	(8.48)
POLYCAB	1281900	47.91	2542.10	(6.28)
MFSL	3363100	43.52	664.35	(4.06)
PVR	3539272	31.00	1736.10	(5.11)
ICICIPRULI	11334000	26.42	471.75	(3.97)

### Weekly change in OI



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