

## Amidst profit-booking, Nifty withheld 18200

Sensex (61730) / Nifty (18203)



Source: Tradingview.com

### Future outlook

The Indian equity markets had a strong start to the week, with the Nifty50 index soaring to new highs of the calendar year (**18458.90**) and levitating the market sentiments. However, the grip got loosened from the bulls at the highs and the market slid to a lower zone throughout the week. Eventually, some sign of relief was seen at the last trading session as Nifty precisely rebounded from the 20-EMA on the daily chart and had a positive closure. Amidst all the hustles, Nifty concluded the week with a cut of nearly 0.60 percent and settled a tad above the **18200** level.

Technically, the recent correction was certainly expected post the decent run and the overall chart structure remains robust, with bulls firmly able to withhold the pivotal support. Even on the hourly chart, the formation of the 'Wolfe Wave' pattern with the positive divergence in the RSI-smoothened contributes to the positive development for the index, and we may expect the runup to continue in the coming period. On the technical levels, the **18050-18000** was firmly safeguarded, showcasing the importance of pivotal support and is expected to act as a sheet anchor in the comparable period. On the higher end, **18400-18450** is likely to act as the sturdy wall and a decisive breach would only trigger fresh longs in the system in the future.

Going forward, we remain sanguine with a robust approach post the price-wise correction in the index. Also, the banking index is nearing the lifetime high zone, and any breach could contribute to the upliftment of the market sentiments. Simultaneously, amidst the broader market participation, one needs to keep a stock-centric approach for better trading opportunities and stay abreast of global developments.

## Long Short Ratio marginally improved on WoW basis

Nifty spot closed at **18203.40** this week, against a close of **18314.80** last week. The Put-Call Ratio has decreased from **1.24** to **1.01** on Weekly basis. The annualized Cost of Carry is positive at **7.35%**. The Open Interest of Nifty Futures decreased by **2.82%**.

### Derivatives View

Nifty current month's future closed with a premium of 22 against a premium of 18.60 points to its spot in the previous week. Next month's future is trading at a premium of 98.35 points.

The Indian equity markets had a positive start for the week but failed to capitalize on the gains and underwent profit-booking from the highs. The benchmark index Nifty50 witnessed long unwinding on a weekly basis and shed 0.61% to settle a tad above the 18200 (spot) level. In the F&O segment, we saw mixed trade in the key indices, wherein the Banking index had a long formation on a weekly basis. On the options front, the put writers added a good amount of positions in 18200-18000 strikes, and on the other side, build-up remained scattered in 18200-18500 call options. The stronger hands were quite robust in the cash segment with their consecutive buying except for the last day; also, they added a few longs in the index futures segment in the previous week. Their Long Short Ratio' advanced slightly to 48% from 46% WoW. Considering the above data point, we expect a range-bound movement in the index with a bullish undertone and expect any dip toward the support to augur well for the bulls.

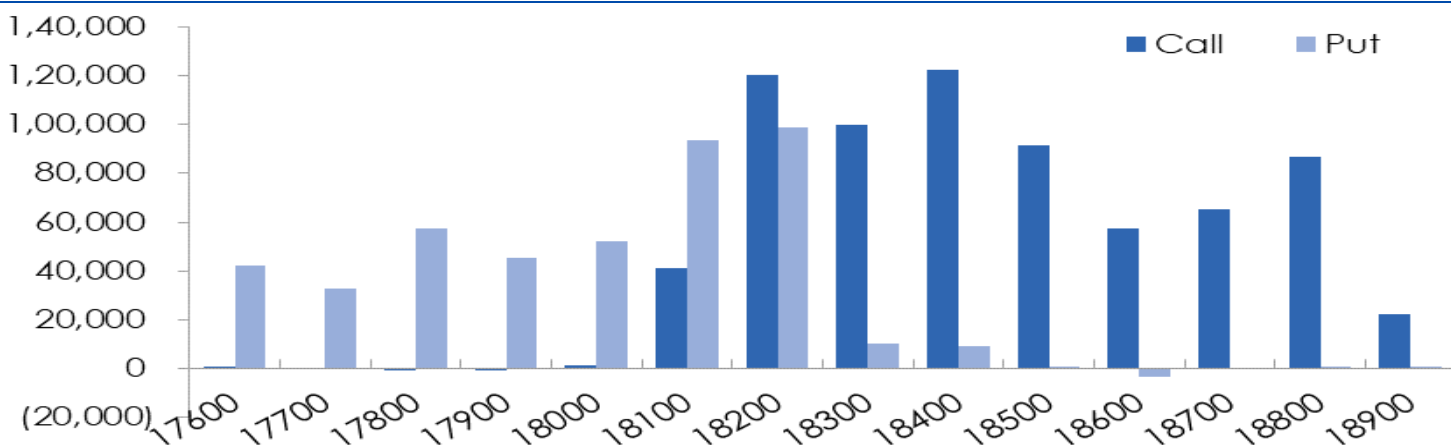
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ASHOKLEY	54420000	28.97	154.65	2.86
RAMCOCEM	4751500	27.42	842.35	9.50
EXIDEIND	25344000	23.40	204.35	7.24
DIXON	1089075	19.79	3043.65	5.95
PERSISTENT	1224300	13.46	4871.80	4.41

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ATUL	256800	26.72	6591.55	(4.91)
JINDALSTEL	22131250	26.27	523.50	(8.97)
GAIL	73309800	25.66	105.00	(3.00)
INDIAMART	378300	19.47	5604.75	(5.57)
DIVISLAB	4368250	17.02	3080.15	(6.79)

### Weekly change in OI



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