

Nifty registers highest ever close, now record high is imminent

Sensex (63385) / Nifty (18826)



TradingView

Source: Tradingview.com

Future outlook

Our domestic markets started the week on a promising note on Monday. However, on the same day itself, we had a muted price action with bulls remaining at the dominant position. This was followed by a good traction mainly in Nifty, courtesy to marquee names like, RELIANCE and few Metal counters. In this process, Nifty managed to reclaim **18750** on a closing basis. However, on Thursday, our market reacted quite unexpectedly post the FED policy, which practically was considered a non-event globally. Maybe it coincided with the (weekly) expiry factor as markets corrected quite sharply, especially the BANKNIFTY and FINNIFTY. Fortunately, things seem to have stabilized on Friday as we witnessed a sustained buying throughout the session across the board. Eventually, the Nifty managed to register a highest close ever above the **18800** mark.

It was certainly an action-packed week for our markets and by far, we have outperformed the US bourses in recent times. Amid the ambiguity, the Nifty is now knocking on the door of clocking fresh record highs and even reaching yet another milestone of **19000**. Considering a strong close above **18800** and with recent laggard, BFSI space participating in the move on Friday, we will not be surprised to see this achievement in the first half of forthcoming week. On the flipside, the base has shifted higher towards **18600 – 18550**, before which **18700** is to be considered as an immediate support. We continue to remain sanguine and would reiterate on using intra-week decline to add bullish bets in the market. Meanwhile, all eyes would be on global market as they play a vital role in next leg of the rally. Also, it's important for high beta financial space to start showing its buoyant nature. If things fall in place as per the expectations, we are likely to have merry run in the near term.

F&O data showing continuation of ongoing rally

Nifty spot closed at **18826** this week, against a close of **18563.40** last week. The Put-Call Ratio has increased from **0.84** to **1.29** on Weekly basis. The annualized Cost of Carry is positive at **10.91%**. The Open Interest of Nifty Futures increased by **7.66%**.

Derivatives View

Nifty current month's future closed with a premium of 73.15 against a premium of 68.15 points to its spot in the previous week. Next month's future is trading at a premium of 151.60 points.

It was indeed a week full of actions, we saw index gradually inching higher until a sharp selling on the weekly expiry session. However, smart buying emerged on the final day of the week to mark highest close ever. On the derivatives front, addition of fresh longs was witnessed in Nifty during the week, whereas banking index hardly added any relevant build-up. On the options front, 18800 put strike added meaningful fresh positions. On the flip side, the build-up remained scattered between 18900-19200 call strikes wherein 19000 strike now holds highest open interest concentration. Stronger hands continue buying in equities and added fresh longs in index futures segment. Hence, the 'Long Short Ratio' surged to 55% from 46% WoW Considering the above development, we expect continuation of ongoing rally towards the magical mark of 19000.

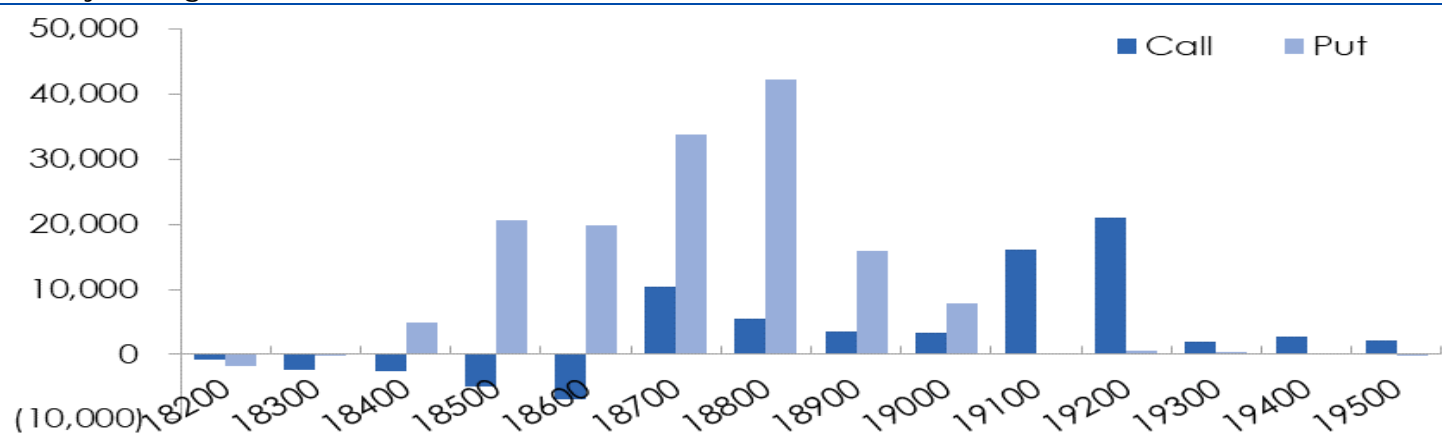
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
OFSS	413800	48.85	3890.95	9.61
METROPOLIS	1300000	36.15	1356.50	5.50
TATACOMM	4180000	34.62	1615.55	11.08
DIXON	1212875	29.98	4500.65	11.12
LALPATHLAB	999200	29.97	2037.35	4.25

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
WIPRO	45973500	45.14	382.35	(2.97)
FEDERALBNK	105905000	25.34	124.30	(1.00)
SRF	3636000	20.55	2403.15	(1.32)
SBIN	75832500	14.46	573.60	(1.41)
INDIGO	3708300	11.51	2437.10	(1.46)

Weekly change in OI



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