

Market took a breather; Nifty withholds the pivotal support

Sensex (59655) / Nifty (17624)



Source: Tradingview.com

Future outlook

The Indian equity markets took a breather post three weeks of consecutive rally, wherein the benchmark index witnessed a cool-off from the higher grounds. Overall, it has been a decent week where the Bulls opted to take some money off the table. However, the broader market had a splendid move that kept the momentum for the market participants. Amidst profit booking, the Nifty50 index corrected just over a percent and settled the week a tad above the **17600** level.

The market movement was very much in line with the in-house expectation post the strong rally and to be considered healthy from a technical point of view. Technically speaking, amidst the price-wise correction in the market, the chart structure construes optimism, and it is highly anticipated to continue the cheerful run in the upcoming week. As far as levels are concerned, till the index firmly withholds the pivotal support of **17500**, there is no sign of caution in the market. While on the higher end, **17700-17800** holds stiff resistance and a decisive move beyond which could trigger the next leg of rally in the comparable period.

Going forward, we remain sanguine with the current momentum and would advocate the traders to utilize the dips to add long positions in the index. Simultaneously, one should stay abreast with global and domestic developments regularly and continue with a buy on decline strategy for the time being. Also, we expect strong moves in the broader market with the ongoing earning season; hence, one needs to have a stock-centric approach for better trading opportunities.

Long Short Ratio remained unchanged at 39%

Nifty spot closed at **17624.05** this week, against a close of **17828.00** last week. The Put-Call Ratio has decreased from **1.19** to **0.93** on Weekly basis. The annualized Cost of Carry is positive at **11.48%**. The Open Interest of Nifty Futures increased by **1.43%**.

Derivatives View

Nifty current month's future closed with a premium of 33.25 against a premium of 51.65 points to its spot in the previous week. Next month's future is trading at a premium of 90.60 points.

The Indian equity markets took a breather post three consecutive weeks of rally, wherein the benchmark index Nifty50 corrected 1.14 percent and settled a tad above the 17600 level. On the derivatives front, we noticed some mixed trade throughout the week and eventually ended up with a mere short position in key indices on a weekly basis. On the options front, a meaningful addition of OI is seen at the 17600-17500 put strikes, indicating a nearby support base for Nifty. On the flip side, the highest OI concentration is seen at the 17700-call strike, which is likely to be seen as the major hurdle for the time being. The 'Long Short Ratio' remained unchanged at 39% WoW, indicating a subdued view of the stronger hands. We remain upbeat till the 17500 zone is firmly withheld in Nifty and expect any intra-week dip to be utilized to add longs in the system.

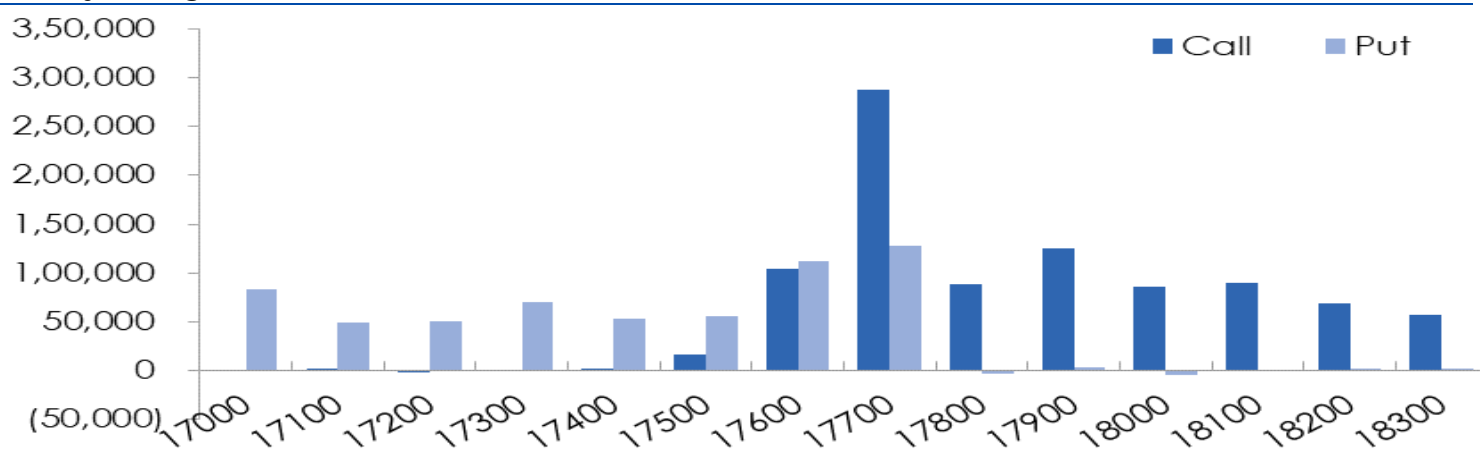
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
NESTLEIND	413480	55.82	20544.40	5.64
NAVINFLUOR	669150	47.62	4718.20	4.46
CUB	28130000	29.04	130.45	3.00
JUBLFOOD	22597500	14.24	441.65	2.01
PAGEIND	142650	14.03	40074.30	6.16

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
COFORGE	1047150	53.26	3833.90	(4.13)
LTTS	2033800	35.73	3335.10	(3.91)
LAURUSLABS	14690500	30.53	303.85	(3.34)
INFY	47821600	24.50	1230.75	(11.46)
SHREECEM	417375	24.19	23967.05	(7.22)

Weekly change in OI



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