

## Market looks clueless, banking continues to disappoint

Sensex (57197) / Nifty (17172)



Source: Tradingview.com

### Future outlook

After four days of massive break, our markets started the week on a miserable note, taking unfavorable global cues into a consideration. The weakness extended as the day progressed and in the process, the Nifty went on to slide below **17100**. Fortunately, some respite was seen at lower levels and due to modest recovery towards the end, the Nifty ended Monday's session with over 1.70% cut, tad below the **17200** mark. The subsequent session looked a bit promising but last hour massive sell off across the board caught most of the traders on the wrong foot. With immense velocity, the index closed below **17000**. Around the mid-week, we saw good recovery and in the process, the penultimate weekly expiry ended around **17400**. However, Friday's session poured complete water on this attempt as we witnessed heavyweight sulking once again to conclude the week slightly below the **17200** mark.

It was a complete roller-coaster move for our markets but unfortunately for most part of the week, we remained timid and the way banking space ended the week, it certainly does not bode well for the bulls. Honestly, this week's movement indicates clueless market and so as we. Although, we remain hopeful till the time **17000 – 16800** remains defended, the overall positioning at the end of the week is not so convincing. So, first couple of sessions of the forthcoming week remains crucial for markets. Also, one must keep a close tab on how global markets behave. As far as levels are concerned, **17300 – 17450** are to be treated as immediate hurdles; whereas on the flipside, the crucial support remains at **17000 – 16800**. Traders are advised not to trade aggressively till the time trend becomes clear and also, unlike the previous weeks, we are not left with any convincing idea in individual stock as well. So one needs to be very selective when it comes to stock centric approach and should ideally follow strict stop losses for momentum bets.

## Mixed position in F&O data, affirms the tentativeness

Nifty spot closed at **17171.95** this week, against a close of **17475.65** last week. The Put-Call Ratio has increased from **0.72** to **0.91**. The annualized Cost of Carry is positive at **2.05%**. The Open Interest of Nifty Futures decreased by **1.28%**.

### Derivatives View

Nifty current month's future closed with a premium of 5.80 points against a premium of 43.60 points to its spot. Next month's future is trading at a premium of 55.15 points.

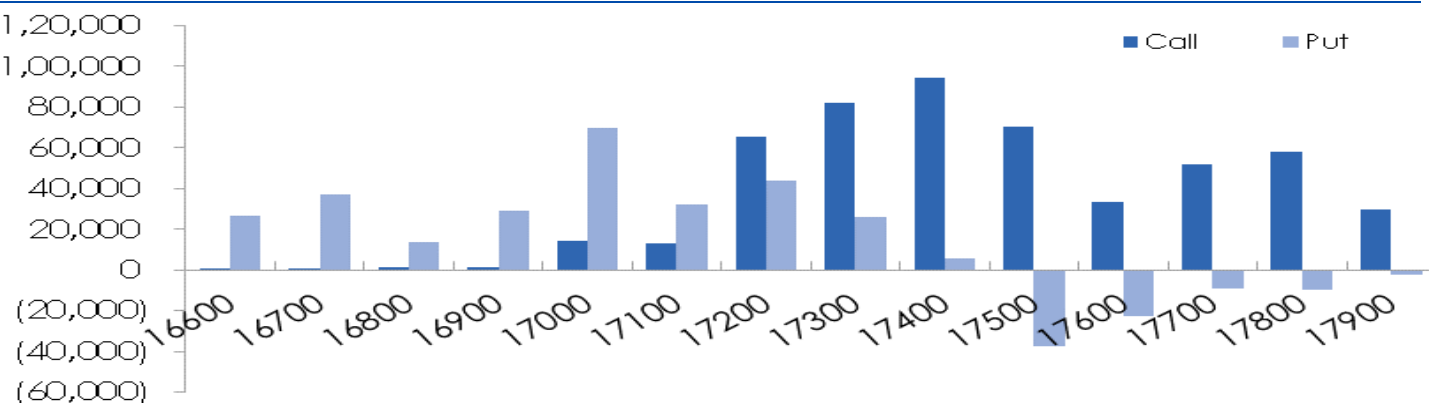
A timid start for our equity market tracking the weakness among global bourses, that further got aggravated on the next day. The benchmark index Nifty50 plummeted below the psychological mark of 17000 but soon over recouped the fall. It has been an action-packed week with an intense tug of war between the bulls and the bears. Looking at the F&O data, we observed mixed activity, wherein the stronger hands started with adding short positions, followed by a mix of long formation and unwinding throughout the week, which kept the traders on their toes. The pile-up is visible in the 17000 Put strike in the options segment, which is expected to act as a key support zone. While on the contrary, a considerable OI concentration is built on the 17300-17400 call strikes, breaching which some momentum could be seen in the expiry week. Considering recent development, some indecisiveness could be sensed in the market, and thus traders are advised to stay cautious until the trend gets clear.

### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
L&TFH	61843320	33.53	89.00	7.81
COALINDIA	49408800	24.00	202.20	8.19
NTPC	84057900	21.28	160.40	3.82
MARUTI	2628700	16.07	7902.30	5.74
IOC	62933000	10.10	134.55	4.91

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
POLYCAB	1003800	51.54	2526.05	(3.69)
HDFCBANK	91047550	50.87	1357.60	(7.81)
PERSISTENT	641400	45.54	4034.60	(7.18)
LTI	1751250	34.61	5090.85	(15.85)
AUBANK	2889500	28.48	1374.55	(1.85)

### Weekly change in OI



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