

Wait continues for 16000, monthly expiry to bring some action

Sensex (52976) / Nifty (15856)

NSE:NIFTY, 1D 15856.05 ▲ +32.00 (+0.2%) O:15856.80 H:15899.80 L:15768.40 C:15856.05



TradingView

Source: Trading View

Future outlook

The truncated week kick started with a surprising gap down on Monday owing to some nervousness across the globe. As the day progressed, the selloff augmented to close below the **15800** mark. In fact there was a follow through seen to it on the subsequent day to test sub-**15600** levels. Fortunately the global peers had a good relief move thereafter which resulted in a v-shaped recovery in our markets in the latter half. Eventually, Nifty ended the action packed week with negligible losses.

It's been more than a month now; the Nifty is trapped in a range of merely 500 points. This certainly is a slender range considering the fact we are trading at much elevated levels. For the most part of June, we were confined to domestic triggers only; but as we stepped into the July month, the global factors started to influence our markets to a great extent. Unfortunately, global peers experiences some sell off when Nifty is about to reach the milestone of **16000** and on the other hand, some relief comes when we are at crucial supports. This week's price action is exactly a replica of this. After undergoing some price correction for first couple of days, we witnessed a good relief rally to reclaim the important level of **15800** on a weekly closing basis.

This certainly bodes well for the bulls but considering the recent trend, we are still not out of the woods yet. So rather than pre-empting and getting caught on the wrong foot, we would wait for Nifty to surpass the sturdy wall of **16000**. If this happens then the next immediate levels to watch out for would be **16200 – 16400**. Although they may appear not so far levels from **16000**, we would see good stock specific action in this period. Now as we reiterate, if Nifty has to reach and surpass the magical figure of **16000**, the banking certainly plays a vital role here. It would be very important for the banking index to surpass the **36000** mark, if we have to see benchmark at new highs. Until then **35000 – 35500** are to be considered as intermediate hurdles. On the lower side, the cluster of supports for Nifty is placed at **15700 – 15550 – 15450** and for BANKNIFTY, **34200 – 33900** are to be seen as make or break levels. Any sustainable move below the lower end of this support zone would reverse the short term trend in the downward direction. Traders should keep a note of it and position accordingly.

Shorts out of the system, all eye on magical figure of 16000

Nifty spot closed at **15856.05** this week, against a close of **15923.40** last week. The Put-Call Ratio has decreased from **1.24** to **1.15**. The annualized Cost of Carry is negative at **1.13%**. The Open Interest of Nifty Futures decreased by **2.37%**.

Derivatives View

Nifty current month future closed with a discount of **2.95** points against a premium of **15.35** points to its spot. Next month future is trading at a premium of **36.10** points.

In options segment, build-up was scattered between 15800-16100 call and 15600-15800 put options. Maximum open interest in the monthly series is placed at 16000 call and 15800 put options.

It was indeed a volatile week for our market, we saw index sliding below 15600 levels and smart recovery in next two sessions led closing above 15850 mark. In F&O space, we hardly saw fresh build-up in both the indices; the open interest reduction was seen especially in banking index wherein OI plunged 12.59%. In F&O space, we saw decent writing in 15800 put strike; resulting highest open interest shifting to 15800 from 15500. Considering the short covering seen in index futures segment and writing in ATM puts, it looks market may continue to strengthen in the coming week. Hence, traders are advised trading with positive biasness and should prefer trading individual counters.

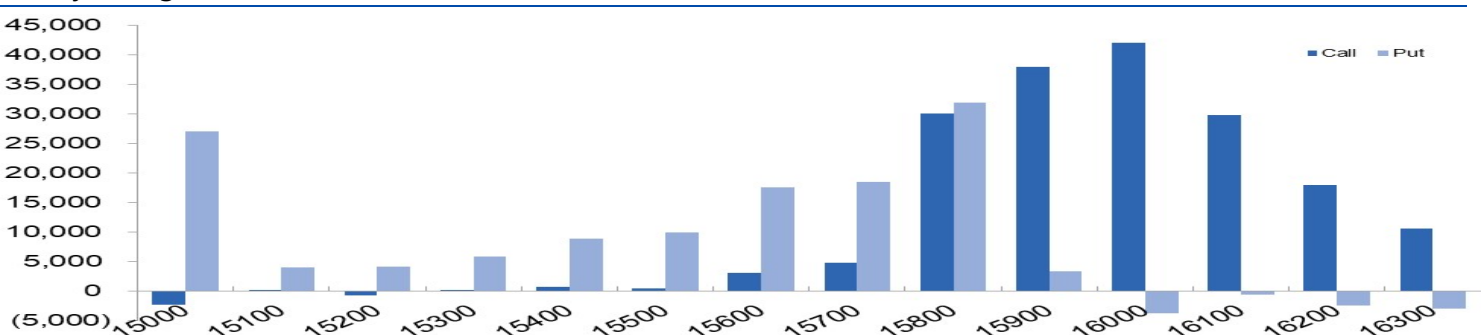
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
JUBLFOOD	1877500	27.66	3564.25	12.90
ICICIPRULI	7516500	20.37	645.85	2.59
BERGEPAINT	3936900	20.02	856.75	1.40
NESTLEIND	243550	15.54	18115.20	2.54
APOLLOHOSP	2318250	14.57	3930.15	3.57

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
NATIONALUM	95268000	45.45	82.70	(6.34)
NMDC	95086400	24.58	173.90	(3.07)
RAMCOCEM	2237200	22.36	1097.10	(2.91)
HDFCBANK	30906150	20.41	1445.50	(5.29)
TVSMOTOR	6666800	18.11	581.55	(5.20)

Weekly change in OI



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