

## Despite early hiccups, benchmark ends at new highs

**Sensex (60048) / Nifty (17853)**



Source: Tradingview.com

### Future outlook

Monday morning, the global screen was looking extremely terrible and in line with SGX Nifty, we started the week around the **17450** mark. Surprisingly, after the initial hiccup, we witnessed a v-shaped recovery not only to erase losses but also to trade in the green above **17600**. However, it could not decouple itself from the global peers for a long time as the markets took a U-turn post the mid-session, to finally sneak below **17400** on a closing basis. The following session initially traded weak but thereafter the global markets stabilized so as ours. After entering a key support zone of **17350 – 17250**, the Nifty reversed in the upward direction and then kept thrashing all intermediate hurdles one after another. In fact, due to decent rally in the latter half of the week, Nifty went on to register a new high convincingly above the **17900** mark.

Our markets had a remarkable comeback in last four sessions as we not only managed to recover from lows but also went on to clock fresh highs. We have clearly outperformed the global peers because despite a relief move in last two days, they are still trading well below their highs. Honestly speaking, the recovery beyond **17600** has certainly surprised us but eventually market is superior. Ideally, after market surpassing previous highs, our cautious stance should have been negated; but there are a few time-wise projections as well as negative divergence in 'RSI-Smoothened' oscillator, clearly holding us back. Hence we would keep reassessing the situation closely for next few days. As far as levels are concerned, every 100 points psychological level from here would be seen as immediate resistance i.e. **17900 – 18000**. On the flipside, **17700 – 17650** are to be seen as key supports.

We advise traders to continue with a stock specific approach but keep booking timely profits as well and also avoid carrying aggressive overnight bets. Meanwhile all eyes on global markets and on how banking index move ahead from here on which could probably decide the next path of action for markets.

## Options data hints support at 17800-17700

Nifty spot closed at **17853.20** this week, against a close of **17585.15** last week. The Put-Call Ratio has increased from **1.15** to **1.27**. The annualized Cost of Carry is positive at **0.14%**. The Open Interest of Nifty Futures decreased by **4.77%**.

### Derivatives View

Nifty current month future closed with a discount of 4.85 points against a premium of 19.85 points to its spot. Next month future is trading at a premium of 26 points.

Nifty started the week on a negative note where unwinding was seen in Nifty while Bank Nifty corrected due to short formation. Nifty almost corrected upto 17300, but we witnessed a sharp recovery on the weekly expiry day as the index marked new high before end of the week. The Banking index too witnessed short covering and recovered all the losses seen at the start of the week. FII's unwound some of their index futures longs but were buyers in the stock futures segment. In options segment, the call writers ran to cover their positions on the weekly expiry day as the index surpassed its important hurdles. Now highest open interest is placed at 18000 call which would be seen as immediate resistance. On the flipside, 17800-17700 is seen as immediate supports. Traders are advised to trade with a stock specific approach and avoid aggressive overnight positions.

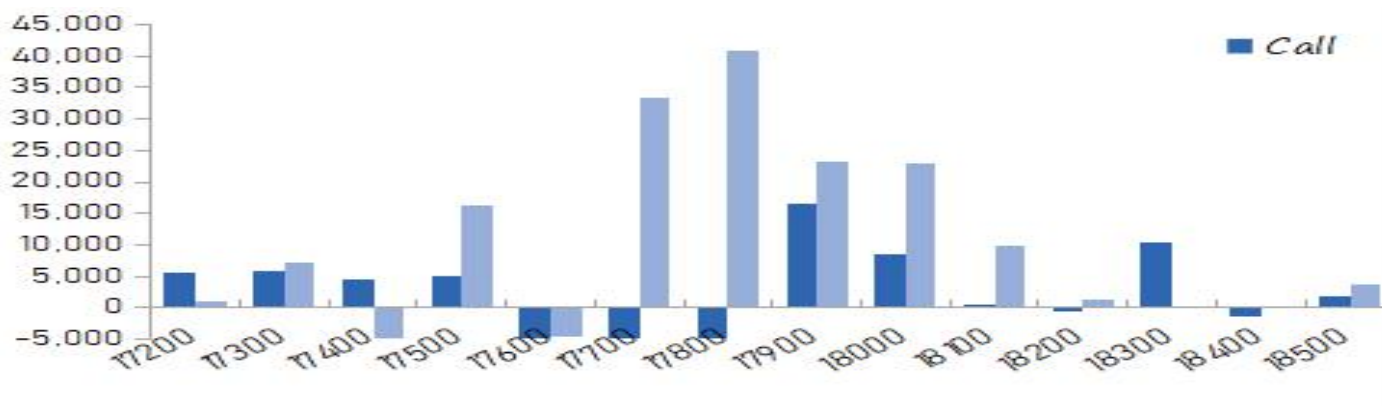
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
GODREJPROP	3277300	75.37	2194.65	35.50
INDHOTEL	17569500	36.35	179.25	19.82
PVR	3348389	28.29	1512.95	8.32
BALKRISIND	1744000	28.08	2663.20	6.70
GMRINFRA	120577500	21.05	36.10	14.24

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
AUBANK	6495500	33.57	1072.45	(4.25)
METROPOLIS	412800	27.41	3040.15	(3.27)
GUJGASLTD	6371250	25.57	622.25	(6.24)
TATACONSUM	10733850	25.21	838.10	(4.34)
RAMCOCEM	2404650	21.31	967.40	(4.45)

### Weekly change in OI



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