

## Nifty continues to hit new milestones

**Sensex (56125) / Nifty (16705)**



Source: Trading View

### Future outlook

Post previous weeks volatility, Nifty started the week on a positive note as the global markets recovered which led to some positive sentiment. Market participants looked a bit perplexed on Monday, but the broader markets saw buying interest on Tuesday which led to an upmove in the index to march towards new highs again. In next couple of sessions, Nifty consolidated within a range till expiry and it again resumed the momentum on the last day to end the week above **16700**.

Inspite of the volatility in the midcap and smallcap space, the index has managed to hold on and has continued to register new highs. However, the broader markets got its mojo back as many stocks witnessed buying interest from their respective supports. The index continues to be in an uptrend and thus one should continue to trade with a positive bias and avoid taking any contra trades until any reversal seen. The only concern that we have been highlighting is the banking index which has shown a relative underperformance for so long. But, this index is still in a consolidation phase and has not breached its important supports. Hence, there's a good probability of some buying interest emerging in this sector which would then lead to further support to the benchmark. The immediate supports for Nifty are placed around **16600** and **16500** while the levels to watch on upside will be **16800** and then **17000** mark.

Recently we have seen that when everything looks hunky dory, we see some volatile stock specific moves. Also how the global markets shape up in the near term due to events can have an impact on our markets. Hence, one should keep track on the global developments and also book timely profits in trading positions.

## Nifty support base shifts higher to 16600

Nifty spot closed at **16705.20** this week, against a close of **16450.50** last week. The Put-Call Ratio has increased from **1.21** to **1.40**. The annualized Cost of Carry is positive at **0.83%**. The Open Interest of Nifty Futures increased by **1.88%**.

### Derivatives View

Nifty current month future closed with a discount of **9.10** points against a premium of **16.95** points to its spot. Next month future is trading at a premium of **31.80** points.

Nifty started the week on a positive note following the global cues. The index gradually moved higher and ended the week above 16700 with gains of over one and a half percent. The rollover data indicates that long positions in Nifty have been rolled to September series while the shorts in the banking space have not been rolled to the next series. FII's have rolled good amount of stock futures longs and currently their 'Long Short Ratio' in index futures stands at 66 percent. The above mentioned data is optimistic and hints that we should see a continuation of the rally in the near term and hence traders should trade with a positive bias. It would be crucial to see how positions develop in the BankNifty index hereon and if there's any addition of fresh long formation in this space, then it could take the leadership in lifting the benchmark higher. As per the open interest data, 16600 would be seen as a support for the coming week while 16800 and 17000 are levels to watch on the higher side.

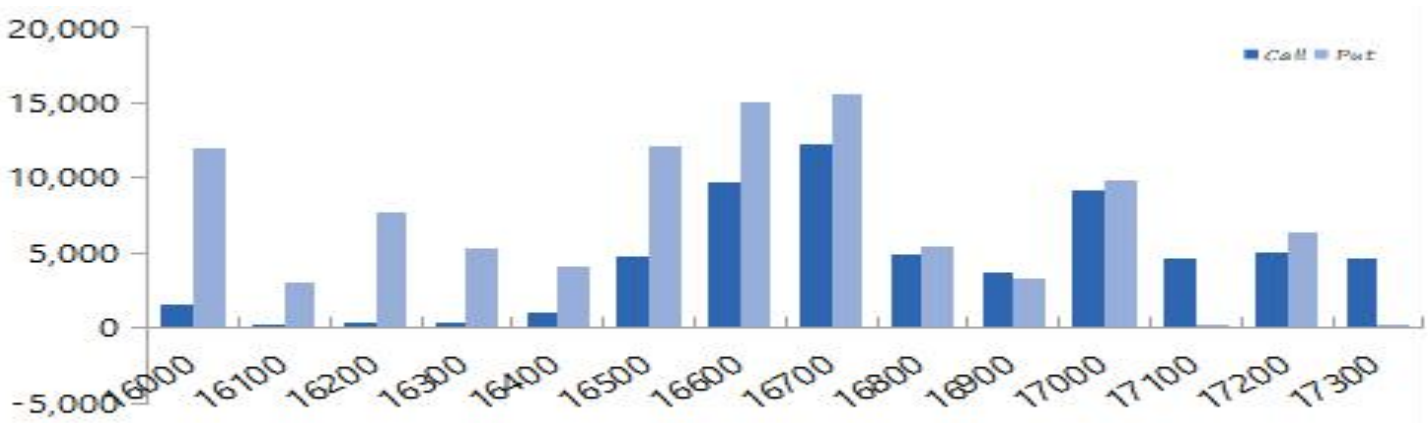
### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
TORNTPOWER	3042000	11.55	490.10	8.50
ESCORTS	5894900	7.73	1353.10	13.46
HDFCAMC	950200	6.57	3043.75	3.85
ICICIBANK	86297750	5.60	700.90	2.78
NAUKRI	958000	4.39	5918.65	9.83

### Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
MARUTI	3506600	14.31	6656.55	(2.75)
BHARATFORG	8544000	6.31	730.60	(2.92)
EICHERMOT	4130000	5.66	2556.15	(1.23)
MARICO	10336000	5.47	527.30	(2.00)
TITAN	4750500	4.44	1830.20	(2.50)

### Weekly change in OI



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