

## Market remains directionless, 16900 – 16800 becomes a key support

Sensex (57061) / Nifty (17103)



Source: Tradingview.com

### Future outlook

On Monday, our market started the week with a surprising gap down to test sub-**16900** levels on the back of weak global cues. Things improved as the week progressed but in between some nervousness was clearly visible. In fact, On Friday, the way we remained around the higher range of the week, things looked extremely rosy. However, all of a sudden, the markets took a nosedive as we entered the last half an hour of trade and before anyone could realize, Nifty not only erased all gains but also ended the week around **17100** with a cut over eight tenths of percent. The velocity at which market fell like a bottomless pit, it was intimidating. Whether it's a deception or not, time will tell; but with this, market has certainly not made a good start for the May series.

In last week and a half, our markets have shown some resilience in comparison with most of the global peers. This is what we have clearly observed where most of the developed markets have corrected nearly 5 - 7% and we remained in merely 2 - 3% band all this while. This is an indication of the inherent strength and hence, the moment we see some relief globally, our markets would be the first one to take a leap. We continue to remain hopeful as long as **16900 – 16800** are defended successfully. Now with last two weeks' of range bound movement, the daily time frame chart exhibits a 'Triangle' pattern and prices are inching closer to its apex point. Hence, the breakout in either direction is imminent. As of now, we expect it to happen in the northward direction where **17400 – 17450** are the levels to watch out for. The moment we surpass this, we could see lot of individual stocks participating in the next leg of the rally. This view would be negated if index slides and sustains below the lower range.

Most of the key indices are placed at a crucial juncture and they are waiting for some trigger to make a move. We hope to witness a much awaited breakout in the early part of May which will certainly bring back the wider smile in traders' fraternity.

## FII positions look short heavy in index futures

Nifty spot closed at **17102.55** this week, against a close of **17171.95** last week. The Put-Call Ratio has increased from **0.91** to **0.96**. The annualized Cost of Carry is positive at **2.58%**. The Open Interest of Nifty Futures decreased by **8.88%**.

### Derivatives View

Nifty current month's future closed with a premium of 32.70 points against a premium of 55.15 points to its spot. Next month's future is trading at a premium of 61.15 points.

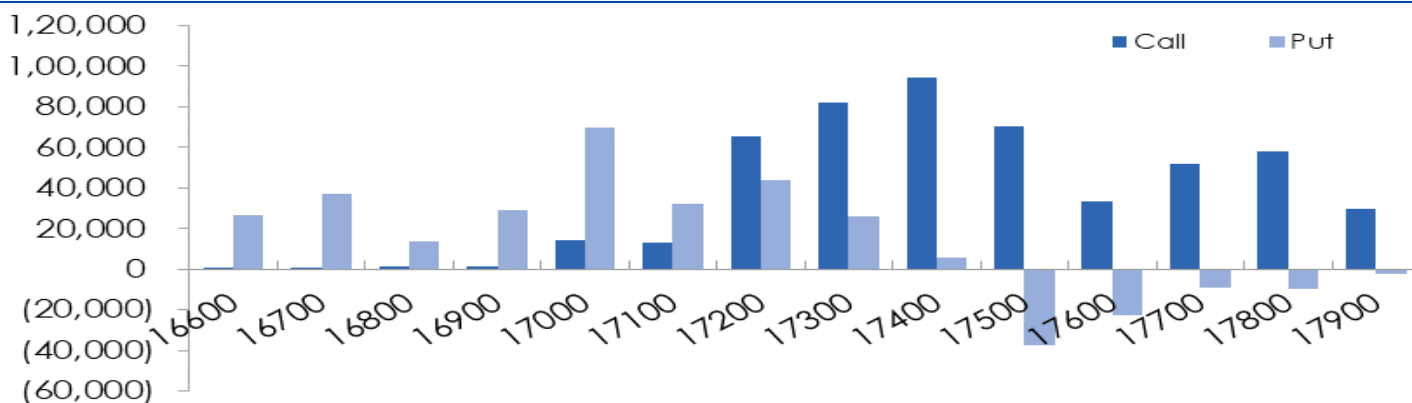
Final week of April series remained direction less as we saw index recovering for the support zone around 16800 but every upmove was being sold into. On Friday, things looked encouraging as index witnessed some follow-up buying to reclaim 17350 but in midst sharp selling emerged to almost test 17050 and eventually conclude the week slightly above 17100. Rollover in Nifty and BankNifty stood at 78% and 85% respectively, which is on the lower side if compared with three-month average. This figure clearly suggests majority of the shorts have been lightened up. Whereas it's observed that stronger hands have rolled over their bearish bets created during the series. Considering the recent price action, we believe 16800-16900 remains a strong demand zone whereas 17300-17400 remains the sturdy hurdle and until we don't see breaching of above-mentioned levels things remain unclear. Hence, we advocate traders to be very selective while picking stocks for now.

### Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
BAJAJ-AUTO	2435250	22.44	3725.35	2.05
SRTRANSFIN	5241400	16.83	1205.15	8.57
COROMANDEL	1413500	6.43	898.05	8.15
ABCAPITAL	23372800	5.38	121.05	7.79
INDUSINDBK	26055900	1.85	981.90	2.21

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ATUL	181275	33.98	8858.25	(10.19)
GUJGASLTD	4186250	29.81	475.45	(7.64)
BAJFINANCE	5141625	27.45	6704.80	(5.64)
NAM-INDIA	3611200	26.37	317.30	(3.10)
AXISBANK	58233600	25.14	730.80	(6.49)

### Weekly change in OI



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