

Nifty adieu 2022 with gains of over 4%; settled a tad above 18100

Sensex (60841) / Nifty (18105)



Source: Tradingview.com

Future outlook

Our market has witnessed a pleasant move through the week post the havoc from the previous week. The firm recovery from the lows of **17800** showcased the resilience of the bulls and made a merry Santa rally to close the year on a cheerful note. The benchmark index Nifty50 snapped three consecutive weeks of sell-off and concluded the week with gains of over 1.60 percent. Nifty had a subtle closure to the calendar year 2022, procuring over 4 percent to settle a tad above the **18100** level.

Technically speaking, post the recent price-wise correction in the market, the chart structure construes optimism, and it is highly anticipated to continue the cheerful run in the new calendar year. The broad-based buying in the last week has levitated market sentiments and can be seen as a sign of progression as we outclass our major global peers. As far as levels are concerned, **18000** is expected to cushion any short-term blip, with the sacrosanct support placed around **17800** for the time being. While on the higher end, a decisive move above **18400-18450** would affirm the continuation of the uptrend in the market.

Going forward, we remain sanguine with the current momentum and would advocate the traders to utilize the dips to add long positions in the index in the comparable period. Simultaneously, one should stay abreast with global and domestic developments regularly and continue with a buy on decline strategy for the time being. Also, we expect strong moves in the broader market, so one needs to have a stock-centric approach for better trading opportunities.

Nifty surged on back of encouraging F&O data

Nifty spot closed at **18105.30** this week, against a close of **17806.80** last week. The Put-Call Ratio has increased from **0.72** to **0.88** on Weekly basis. The annualized Cost of Carry is positive at **7.87%**. The Open Interest of Nifty Futures decreased by **14.95%**.

Derivatives View

Nifty current month's future closed with a premium of 101.55 against a premium of 166.50 points to its spot in the previous week. Next month's future is trading at a premium of 185.45 points.

Our market witnessed the Santa rally to snap its losing streak, wherein the benchmark index Nifty50 surged nearly 1.70 percent on the last trading week of the calendar year 2022 to conclude on an optimistic note and settle well above the 18100 level. In the F&O segment, we witnessed a short covering rally in both indices for the major part of the week. The stronger hands also preferred to unwind shorts in the system, resulting in the expansion of the 'Long Short Ratio', which surged to 50% from 44% on a weekly basis. On the options front, the 18000 put strike holds the maximum OI concentration, indicating nearby support for Nifty. While on the flip side, 18200-18300 has seen a decent piling up of OI, signifying a stiff resistance in the comparable period. Considering the recent price action, the undertone is likely to remain upbeat, wherein any intra-week blip could be seen as an opportunity to add long positions in the index.

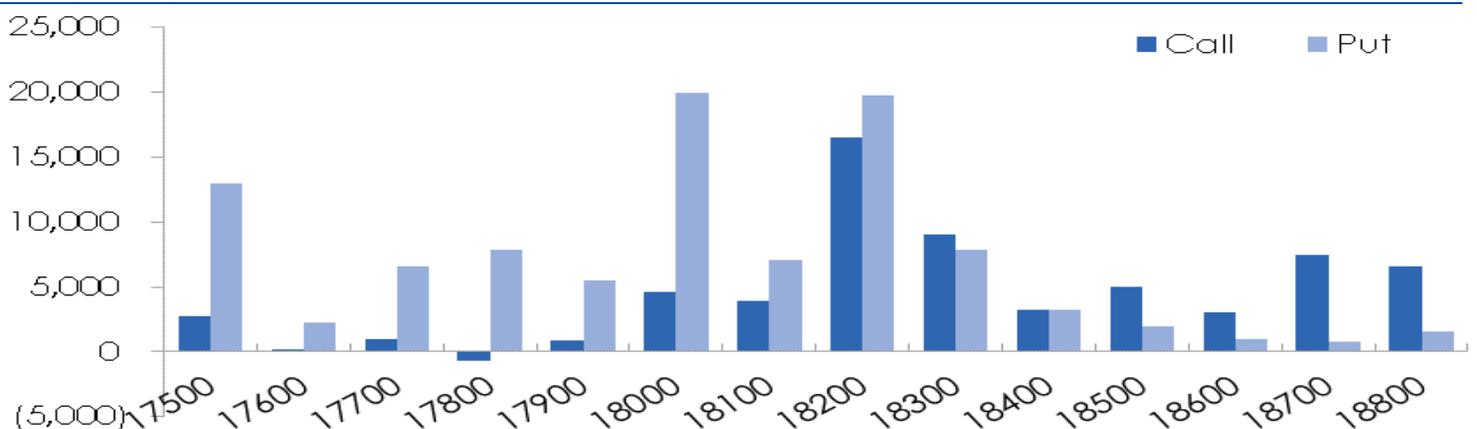
Long Formation

| Scrip | OI Futures | OI Chg (%) | Price | Price Chg(%) |
|------------|------------|------------|---------|--------------|
| NATIONALUM | 68505000 | 17.61 | 81.00 | 12.81 |
| GNFC | 6961500 | 10.73 | 560.35 | 7.18 |
| NMDC | 33628500 | 10.11 | 123.85 | 10.58 |
| TVSMOTOR | 7746200 | 6.46 | 1080.45 | 7.14 |
| PFC | 56227800 | 4.61 | 142.05 | 7.49 |

Short Formation

| Scrip | OI Futures | OI Chg (%) | Price | Price Chg(%) |
|------------|------------|------------|---------|--------------|
| HINDUNILVR | 7804800 | 5.83 | 2577.00 | (2.03) |
| APOLLOHOSP | 1571875 | 5.79 | 4508.65 | (4.36) |
| TATACONSUM | 8577000 | (0.41) | 771.15 | (1.13) |
| CIPLA | 7926100 | (1.52) | 1083.05 | (3.58) |
| GRANULES | 7378000 | (3.30) | 320.55 | (2.51) |

Weekly change in OI



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