

Nifty adieu FY-23 on a positive note, reclaimed 17350

Sensex (58992) / Nifty (17360)



Source: Tradingview.com

Future outlook

The financial year 2023 adieu on a positive note, wherein the benchmark index finally headway to emerge from the slumber phase on the very last day of the year. Overall, the truncated week was quite challenging as the market initially stayed within a slender range, but the last two sessions were surprisingly buoyant, which levitated the sentiments and led to the hope of revival in the coming period. Amidst all the whipsaw moves throughout the week, the Nifty50 index concluded on a positive note, procuring nearly 2.50 percent from its previous closure and settled a tad above the **17350** level.

Technically speaking, the last two trading sessions construe positive developments and it is highly anticipated to continue the cheerful run in the upcoming financial year. The broad-based buying has levitated market sentiments and can be seen as a sign of progression as we emerged from the slumber phase. As far as levels are concerned, the bullish gap of the **17200-17130** odd zone is expected to cushion any short-term blip, with the sacrosanct support placed around the psychological mark of **17000** for the time being. While on the higher end, a decisive move beyond the bearish gap of **17450-17580** would affirm the trend reversal 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.

Short covering led to a strong rebound in market

Nifty spot closed at **17359.75** this week, against a close of **16945.05** last week. The Put-Call Ratio has increased from **0.78** to **1.27** on Weekly basis. The annualized Cost of Carry is positive at **6.46%**. The Open Interest of Nifty Futures decreased by **21.79%**.

Derivatives View

Nifty current month's future closed with a premium of 82.90 against a premium of 102.85 points to its spot in the previous week. Next month's future is trading at a premium of 137.90 points.

The last week of the financial year witnessed a splendid move in our market, wherein the benchmark index Nifty50 rebounded nearly 2.50 percent amid robust short covering. On the derivatives front, we noticed a mixed bag of trade, which was eventually followed by a strong short-covering rally amid the monthly expiry in both indices. The stronger hands curtailed some of their shorts in the system by the weekend; however, the 'Long Short Ratio' shrunk a bit to 11% from 13% WoW. On the options front, a decent piling of OI is seen at 17200-17300 put strikes, followed by the highest OI concentration at the 17000 PE, suggesting an upward shift in the support base. On the flip side, a decent piling of OI is seen at 17500-17700 call strikes, indicating an upsurge in the resistance for Nifty in the comparable period. With the start of the new financial year, we remain sanguine and expect any intra-week blip to augur well for the bulls.

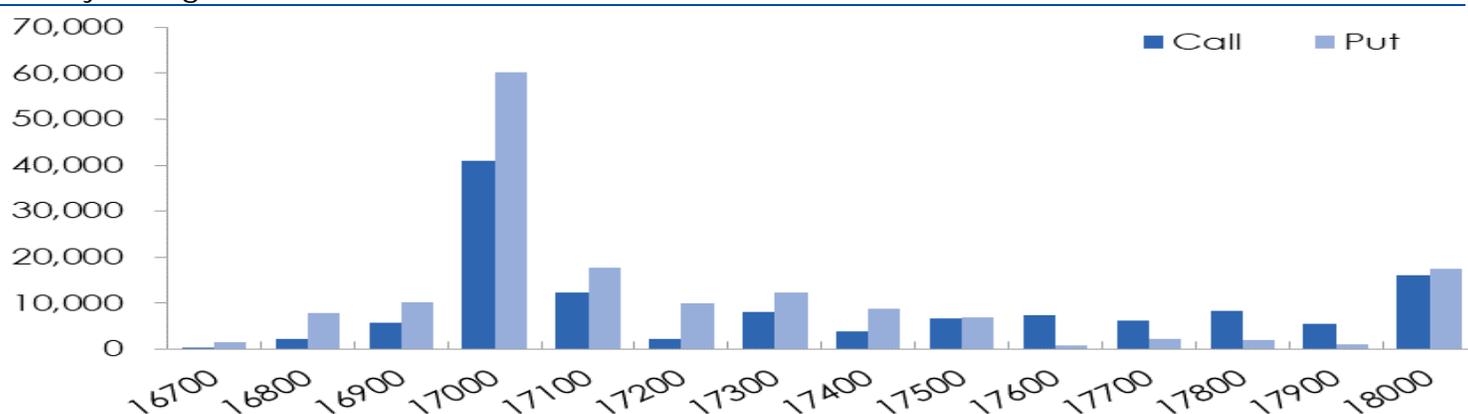
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
GLENMARK	6664200	16.71	468.05	9.79
SYNGENE	2603000	9.78	598.95	4.12
JKCEMENT	457250	4.45	2940.45	4.79
TRENT	3508400	1.55	1380.20	5.31
NESTLEIND	217400	1.27	19621.15	3.62

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
IEX	46391250	17.35	128.90	(10.02)
LAURUSLABS	11271700	10.42	295.20	(1.37)
BHEL	80619000	10.22	70.60	(1.74)
BANDHANBNK	50070600	8.52	197.00	(3.03)
ACC	4942750	1.00	1677.25	(1.50)

Weekly change in OI



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