

Wild moves likely to persist; Nifty above 22450

Sensex (73917) / Nifty (22466)



Source: Tradingview.com

Future Outlook

The Indian equity market started the week on a bleak note, considering the pessimistic developments of the week went by. The benchmark index slipped towards the previous swing high, coinciding with the 100 DEMA on the daily chart, but the bulls took care of the same and made a strong recovery to eventually settle the week above all its major EMAs on the daily time frame. It had been a robust week for the bulls, with Nifty50 soaring nearly 2 percent and settling above the **22450** zone.

For the entire week, many stock adjustments and sectoral rotations helped the index retain momentum. Amidst the broader participation, Nifty recouped the losses of its previous week and is now eyeing reclaiming the lifetime high zone. It was surprising how Bulls launched a scathing attack on bears and turned around the overall sentiments amidst the elevated volatility index. On the level-specific front, **22350-22300** is likely to cushion any upcoming intra-week blips, followed by the sacrosanct support of **22200** in the short term. On the higher end, **22600-22650** remains a sturdy resistance before Nifty could claim its lifetime high of **22800**.

It had been a tremendous week for the bulls, as Nifty levitated above its significant EMAs with strong participation from broader markets, especially the MIDCAP index, which registers its lifetime high. However, the major heavyweight BANKNIFTY still lacks conviction, and its participation is crucial to strengthening momentum in the upcoming week. Meanwhile, voting participation is likely to sway the market on both sides; hence, one needs to stay light on positions on either of the sides for key indices.

Long Short Ratio declined to 28%

Nifty spot closed at **22466** this week, against a close of **22055.20** last week. The Put-Call Ratio has increased from **0.91** to **1.24** on a weekly basis. The annualized Cost of Carry is positive at **5.66%**. The Open Interest of Nifty Futures increased by **2.85%**.

Derivatives View

Nifty current month's future closed with a premium of 41.90 against a premium of 85.40 points to its spot in the previous week. Next month's future is trading at a premium of 143.55 points.

The Indian equity market initially struggled but saw a strong recovery, with the benchmark index bouncing back from the previous swing low and closing the week above all major resistance zones. Nifty50 surged nearly 2 percent, ending the week around the 22500 zone. In the derivatives market, the key index saw addition of fresh long positions WoW. In the options market for the upcoming weekly series, fresh writing was seen in 22400 and 22500 put strikes. For now, 22400 put and 22800 call strikes are attracting trader's attention. Foreign Institutional Investors (FIIs) continued their selling spree in equities and index futures segments. Hence, their index futures Long Short Ratio declined to 28% from 34% Wow. With the notable recovery seen in latter half of the week, we anticipate the uptrend to continue towards the 22700 followed by 22800, with 22,400 serving as an immediate support zone.

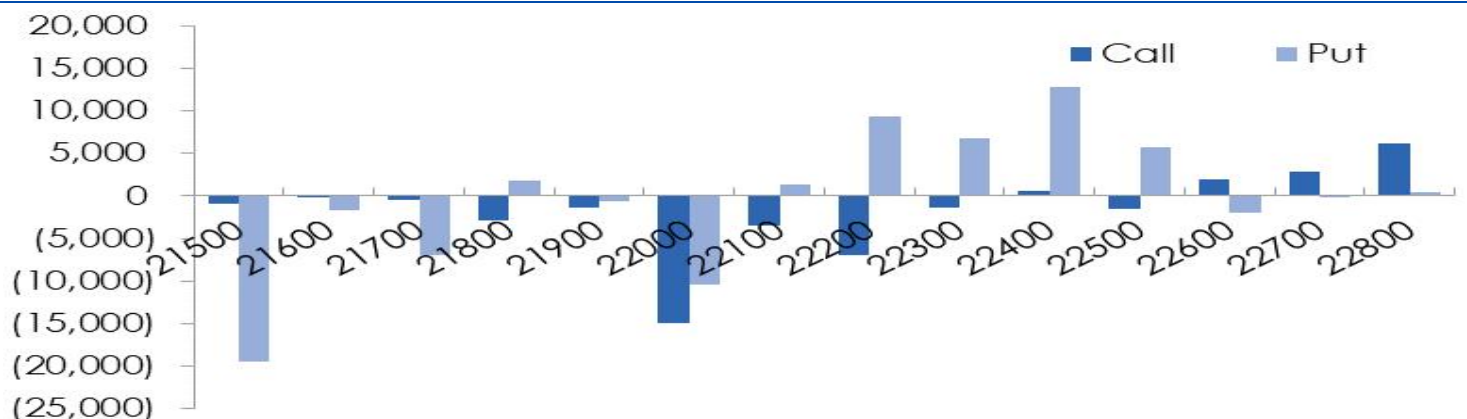
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
DIXON	1429900	37.78	8970.70	5.86
ZYDUSLIFE	10390500	37.34	1107.10	12.01
METROPOLIS	1866400	33.73	1828.35	4.88
CONCOR	16964000	27.75	1100.20	9.19
HAL	10685100	26.48	4738.80	21.65

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
TATAMOTORS	89924125	26.23	954.70	(9.27)
COLPAL	3726100	16.82	2658.80	(4.83)
MCDOWELL-N	11532500	10.84	1181.70	(2.26)
BAJAJ-AUTO	2614775	10.59	8835.00	(2.20)
PEL	12547500	9.90	829.20	(2.82)

Weekly change in OI



Report as on Friday, May 17, 2024 closing

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