

Bears turned the market red; Nifty plummeted over 2.50%

Sensex (75939) / Nifty (22929)



Source: Tradingview.com

Future Outlook

The Indian equity markets have witnessed a devastating trading week, completely overshadowing the positive momentum built over the past two weeks. This week was marked by an unsettling trend of eight straight sessions of sell-offs, creating a climate of concern among investors. During midweek, there was a glimmer of hope as the benchmark indices attempted to find stability near a key psychological threshold. However, this optimism was short-lived, as the final session of the week underscored the dominant bearish sentiment gripping the market. As a result of this sharp decline, the Nifty index plummeted over 2.50 percent for the week, ultimately settling around **22900**, highlighting the ongoing volatility and uncertainty that investors are currently grappling with.

The current weekly setup in the market raises considerable concerns regarding uncertainty among participants. As we observe the price action testing both the swing low and the lower boundary of the 'Falling Wedge' pattern, it indicates a bearish sentiment in the market. If a breakdown occurs, it could trigger a significant sell-off, leading to increased volatility and further downward movement in asset prices. From a technical standpoint, any decisive breakdown below the **22800-22700** zone (lower band) could trigger fresh room for **22500-22400** in the near period, potentially a decline of nearly 15 percent from the all-time high. On the flip side, a series of resistances could be seen, starting from **23300-23350** (20 DEMA & Neckline of the Breakdown), followed by **23500** (upper band of Wedge). Only a breach of these levels could provide some relief for market participants.

In the absence of key domestic triggers, global developments are more likely to provide impetus in setting up our market tone. However, looking at the ongoing scenario, it is advisable to avoid aggressive bets and stay light on positions on either side. Simultaneously, the vulnerability of the market emphasizes the need for traders to remain vigilant and consider risk management strategies as market conditions evolve.

FII LSR and PCR-OI hints at oversold conditions

Nifty spot closed at **23,925** this week, against a close of **23,560** last week. The Put-Call Ratio has slightly decreased from **0.83** to **0.77** on a weekly basis. The Open Interest of Nifty Futures increased by **8.34%**.

Derivatives View

Nifty current month's future closed with a premium of 66.40 against a premium of 55.00 points to its spot in the previous week. Next month's future is trading at a premium of 199.80 points.

The Indian equity markets had a tough week, wiping out recent gains with eight straight sell-offs, ending over 2.50% lower near the 22900 mark. On the derivatives front, significant short positions were added in both Nifty and Bank Nifty, with Bank Nifty's open interest surging over 30% during the week. For the upcoming weekly series, the 22800 put and 23200 call strikes are drawing traders' attention. Institutional players continued their selling spree in equities and index futures, while the Long-Short Ratio remained unchanged at 16% on a weekly basis. Given the prevailing market uncertainty, traders should maintain a cautious stance until a decisive breakout occurs beyond the 22800–23200 range

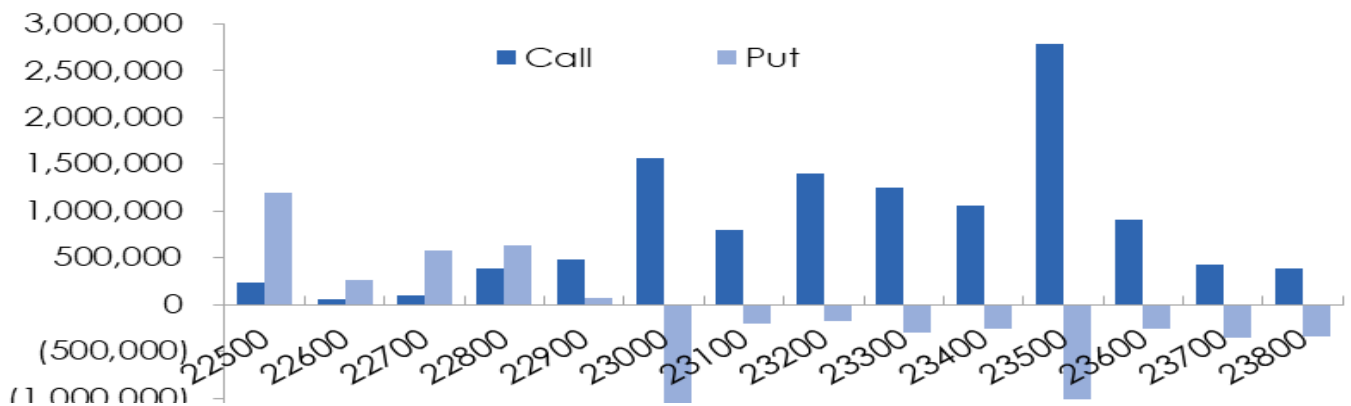
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
SBICARD	19140800	27.71	856.15	4.81
SHREECEM	296725	10.35	28235.40	0.76
BHARTIARTL	41372025	2.32	1717.10	1.98
BAJAJFINSV	14154500	1.57	1841.85	2.02
-	-	-	-	-

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
DEEPAKNTR	3596400	108.52	1905.45	(19.33)
PHOENIXLTD	887950	76.79	1569.75	(4.69)
ESCORTS	1534200	50.35	2954.90	(9.77)
GLENMARK	4770675	32.48	1325.60	(14.28)
OIL	12103425	32.40	390.10	(6.92)

Nifty Put-Call Analysis (Feb series)



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