

Nifty Marks Highest Close in 3 Months; Bank and Financials Lead the Charge

Sensex (78553) / Nifty (23852)



Source: Tradingview.com

Future Outlook

Despite being a truncated week with just three trading sessions, the bulls made a strong statement. The week kicked off with a robust gap-up of nearly 500 points, driven by positive developments on the tariff front over the weekend. This was followed by two relatively quiet yet positive sessions. However, Thursday turned out to be the highlight, as the market, after a tentative start, witnessed one of the sharpest intraday rallies in recent times. As a result, the Nifty ended the week with stellar gains of around 4.5%, closing just above the **23850** mark.

From a technical perspective, resistance levels were taken out with remarkable ease. Last week, we noted a reversal from the lower end of a 'Falling Channel Pattern'. This week, not only did the Nifty test the upper boundary, but it also closed comfortably above it, reclaiming the March swing highs and posting the highest close in the past three months. The Bank Nifty and Financial Nifty led this rally with spectacular strength, each surging over 6% for the week. While Bank Nifty marked its highest closing, the Financial Nifty soared into uncharted territory. Nifty still trails its all-time high. If it continues to mirror the strength in financials, the next level to watch is **24050**, coinciding with the 50% retracement of the fall from the all-time high of **26277** to the recent low of **21743**, and aligning with the 200 DSMA. Beyond this, the next key retracement is at **24545** (61.8%). These levels should be viewed as immediate upside targets in the near term. On the flip side, the Falling Channel breakout point around **23600** now becomes immediate support, followed by a strong base near **23250**, where the 89 DEMA provided support during the last three sessions.

We maintain our positive outlook, although the next leg of the up-move may not be as swift going forward. Hence, we continue to advise buying on intraday dips, avoiding contra bets, and staying aligned with the prevailing positive bias.

FIIs Turn Net Buyers in Equities: Supportive Undertone for Markets

Nifty spot closed at **23852** this week, against a close of at **22829** last week. The Put-Call Ratio has slightly increased from **0.96** to **1.17** on a weekly basis. The Open Interest of Nifty Futures decreased by **1.36%**.

Derivatives View

Nifty current month's future closed with a discount of 0.35 against a premium of 89.10 points to its spot in the previous week. Next month's future is trading at a premium of 104.75 points.

Despite a truncated three-session week, bulls dominated as Nifty surged 4.5%, closing above 23,850. A strong gap-up and sharp Thursday rally fueled the gains. On the derivatives front, we observed a blend of long build-up and short covering in both key indices over the week. For the upcoming weekly expiry, significant open interest at the 23,500 PE, followed by 23,300 PE, points to a shift in the support zone. On the higher side, the 24,000 CE holds the highest OI, indicating an immediate resistance level. The Long-Short Ratio rose from 25% to 30% week-on-week. With strong buying witnessed in Thursday's session, a follow-through move towards 24,000 appears likely, while dips around 23,600–23,700 may present opportunities to add fresh longs.

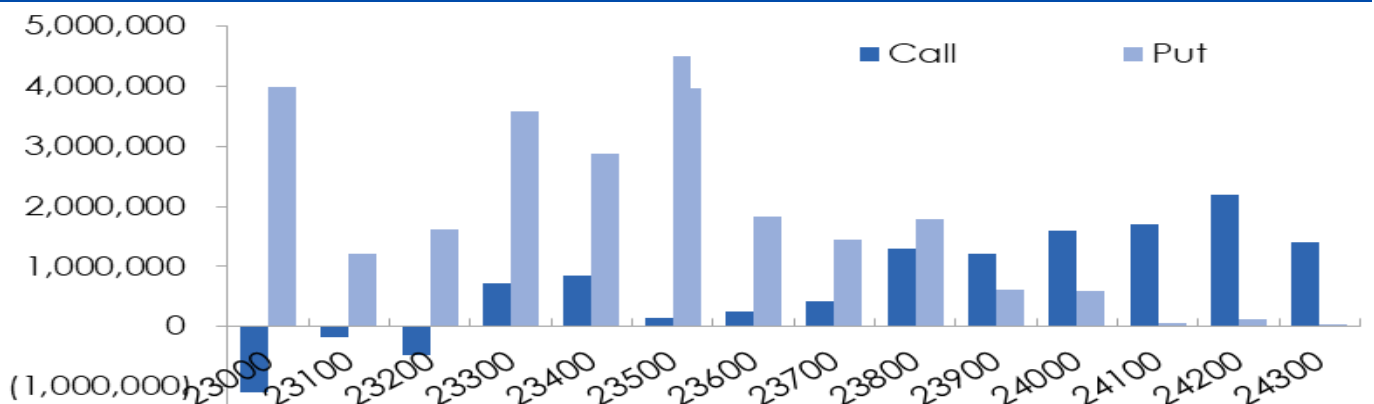
Long Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
HINDZINC	4827725	63.26	440.85	6.80
INOXWIND	10455450	38.07	163.30	7.97
IREDA	62573300	28.78	170.18	11.95
NBCC	42548800	28.63	96.90	8.90
INDIANB	6129400	25.04	573.15	6.93

Short Formation

Scrip	OI Futures	OI Chg (%)	Price	Price Chg(%)
ZYDUSLIFE	14182200	28.53	833.15	(4.14)
TIINDIA	2293200	18.81	2498.50	(0.76)
LTIM	3274650	9.58	4191.00	(1.24)
GLENMARK	5704725	8.52	1342.80	(2.74)
LUPIN	7212675	6.65	1939.00	(1.85)

Nifty Put-Call Analysis (April series)



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