

Wednesday, June 14, 2017

Market Recap








Yet again, it was a choppy session today on the D- Street ahead of the outcome from the US Fed meet. The index Nifty spot traded in a narrow band throughout the session to close again above the 9600 mark. During the process, the PSU BANK remained under focus after the news that they would have to raise the provisioning levels after the Reserve Bank of India on Tuesday identified 12 of the largest loan defaulters and said it will direct lenders to begin insolvency proceedings around them. Meanwhile, the wholesale price index based inflation eased to 2.17 per cent in May this year from 3.85 per cent in April.

On the stock front, Reliance Industries surged more than 3% during the session after the news that Reliance Jio has added 3.9 million subscribers.

For past seven trading sessions Nifty has been trading in a downward sloping channel formation. Therefore, we expect market to be confined in a range of 9650 on the upside and 9580 on the downside. A decisive move below 9580 can drag index to 9465 levels. In case, Nifty manages to break 9650 mark on a sustainable basis, only then market could head towards new highs.

Similarly, last thirteen sessions price action has formed an upward sloping channel. Hence, Nifty bank index can find strong support around 23400 levels. On the flipside, a move above 23565 would lead to fresh momentum in the banking stock. In that case Nifty bank index can head towards 23800 levels.

Key Market Data Points

NIFTY	14-Jun-17	Chg	Last 10 days
Price	9637.60	0.23%	
OI	22,382 cr	-1.3%	
Volume	82707	13.6%	
IV	10.17	-0.09	
Basis	19.45	+11.25	
PCR	1.20	+0.05	
Roll%	7.7%	+0.3%	

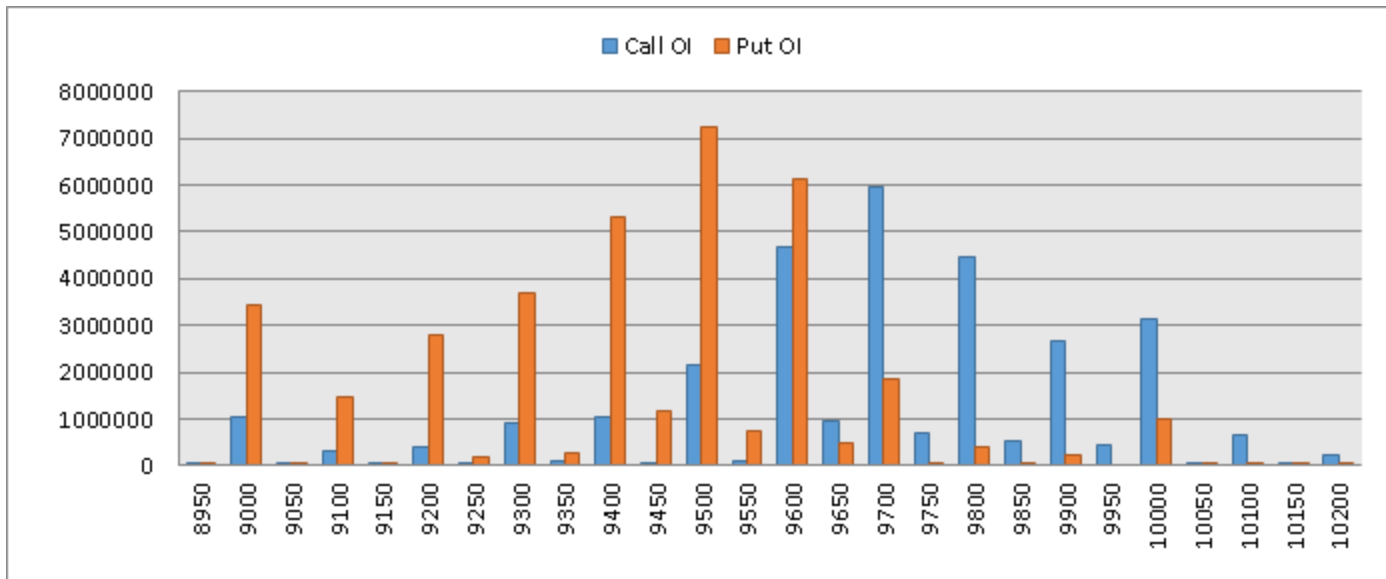


NIFTY Trend Tracker

Time Frame	View	Actionable	Resistance	Support
1-5 days	Cautious	Hold long with trailing sl of 9600 on a closing basis	9710	9550
1-4 Weeks	Cautious	Stay Hedged at higher levels	9740	9450
1-3 Months	Cautious	look for weakness to short	9740	9270

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NIFTY OPTION OPEN INTEREST



- **NIFTY:** For the June series, OI concentration is at 9500 strike PE 72.5 Lakh shares and highest OI is in 9700 strike CE 59.5 Lakh shares.
- Significant short addition was seen in 9600 strike PE to the tune of 5.65 Lakh shares.
- At the same time unwinding was seen in 9600 & 9700 strike CE to the tune of 8 Lakh shares.

Stocks In Action

Stock	View	CMP	TGT	Rationale
TCS	Bullish	2470	2530	<ul style="list-style-type: none"> • The stock is resting at 50% FIB level of the previous rally. • Also, it has a support of Super Trend on the daily chart. • The price pattern indicates beginning of fresh impulse after the corrective move. • Buy the stock in the range 2470 - 2465 with a sl below 2440 for target of 2530.

Conclusion

The FII's have gone long on index Fut (Net addition of 1766 Contracts) and gone short on Stock Futures (Net addition of 4918 contracts). Similarly, on the option front, they have done short CE unwinding of 1046 contracts while they have done unwinding of short position of PE of 4965 contracts. Therefore, short term traders should keep stock centric approach, till Nifty breaks out on the either side of the channel formation.

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