

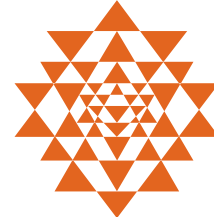


Nifty: Periodical update

FNO & Technical updates

Research

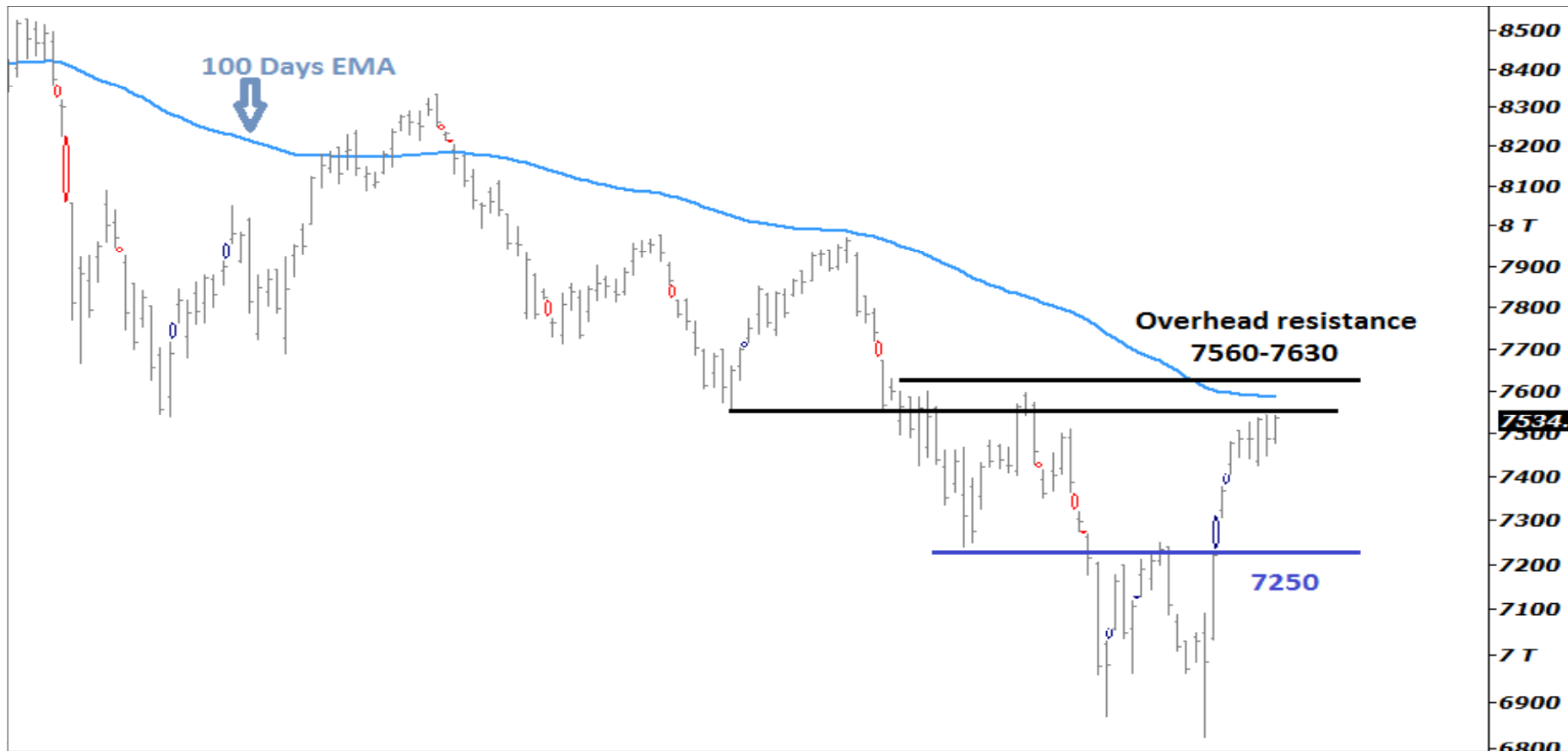
March 11, 2016



Strategy

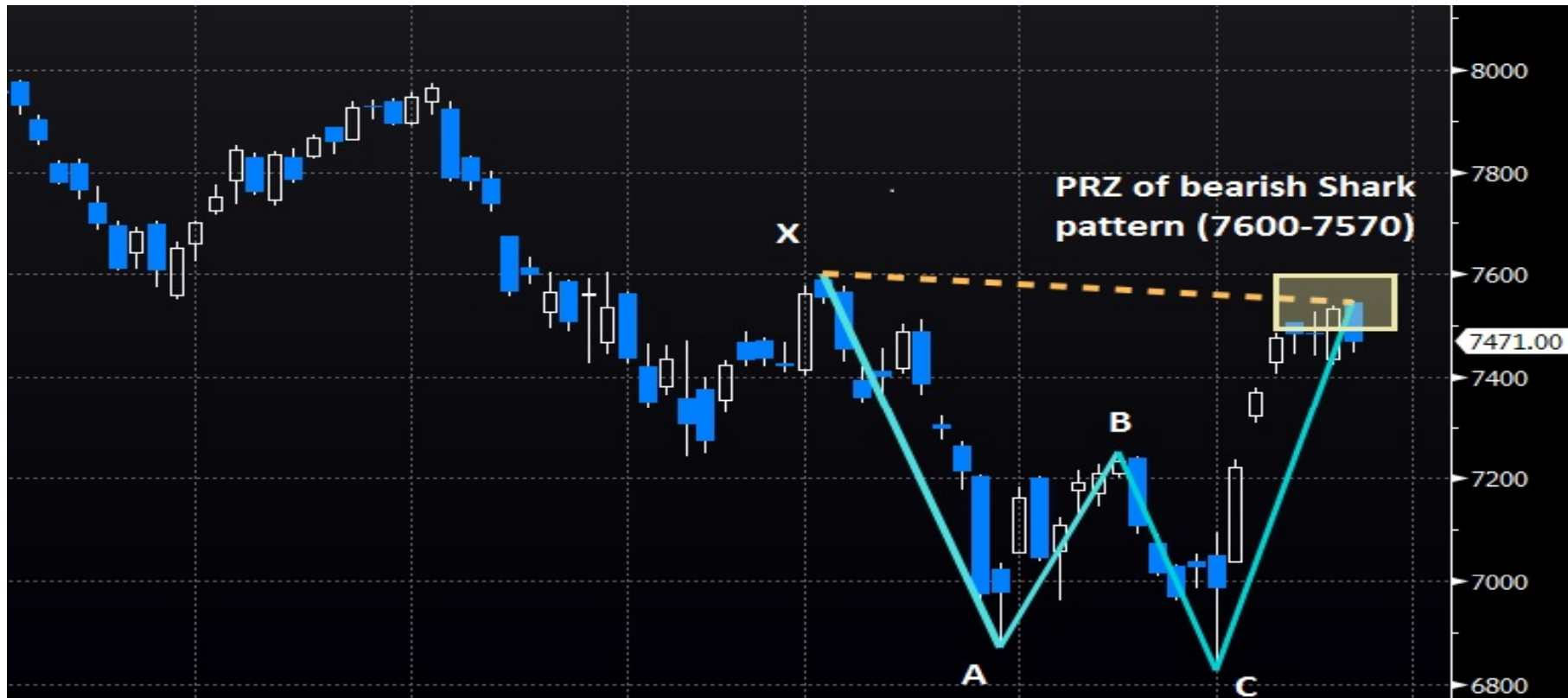
- Nifty chart check
- Open interest distribution
- Strategy to follow

Nifty Chart check..!



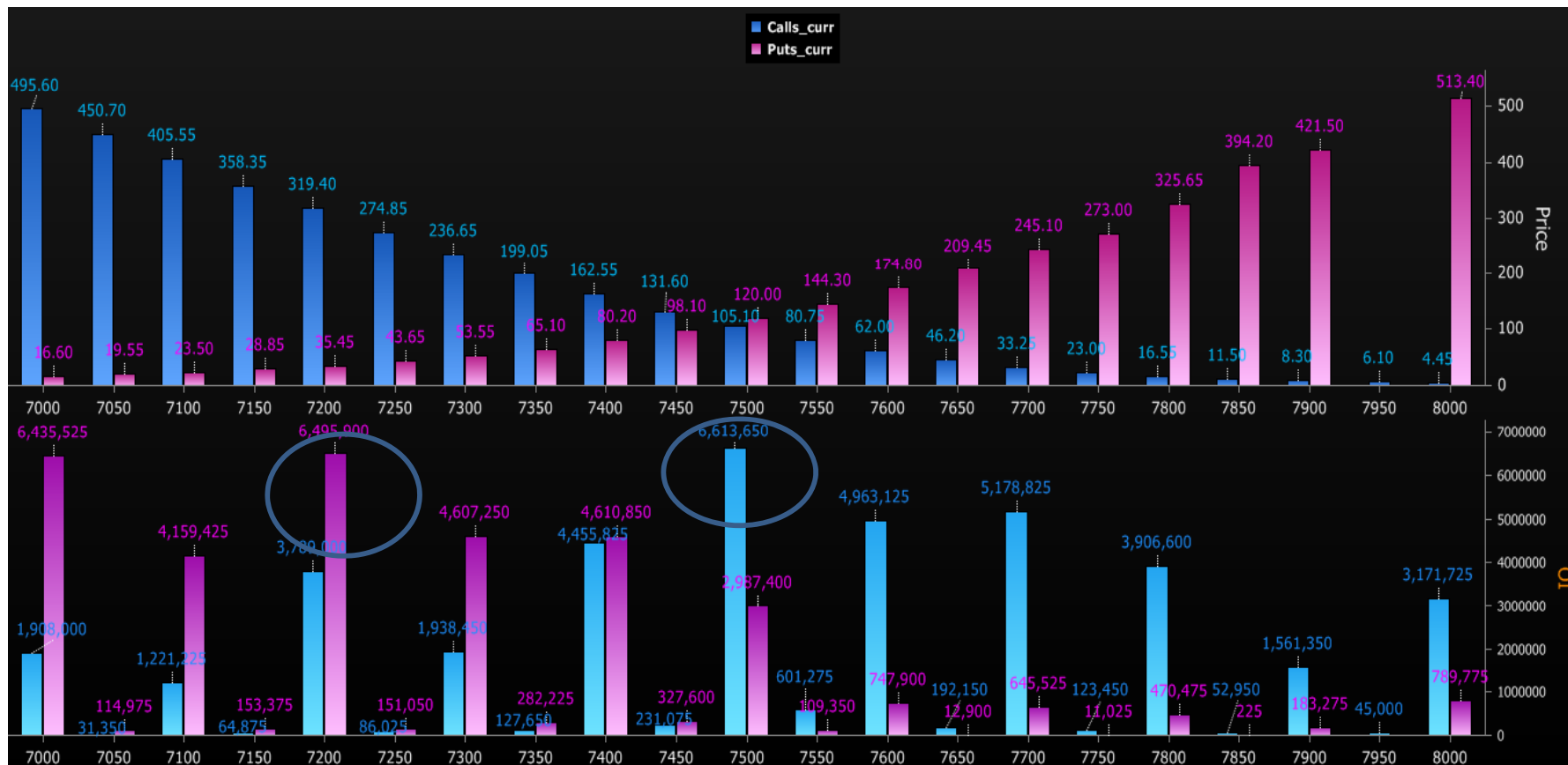
- Nifty recovered over 10% from recent low 6826 levels, due to sharp recoveries with gapping action Nifty entered into overbought zone on intraday charts
- On levels front, important resistance zone seen at 7560-7600 levels, while on flip failure to sustain above 7450 may invite some profit taking and it may digest its recent sharp upward moves

Nifty Bearish shark pattern visible...



- Bearish Shark on Nifty indicates failure to sustain above 7550, suggesting profit booking from current levels.

Nifty options chain: Open interest distribution



- Nifty started March series with maximum OI base at 7000 put which is now shifted to 7200 put indicating traders confident of defending 7200 levels for the series, while 7500 call max base will keep traders active as above 7570 more short covering could be seen.
- Since start of the series India VIX fallen by 23% so far , considering important support at 17-16 levels, rise in VIX from current levels might stroke some profit booking ahead of FED policy event.



Strategy to follow for traders

- With the given overbought condition on short term charts and increasing open interest activity across out of money call and puts strikes, we reckon some consolidation cannot be ruled out before any further directional moves on the either side.
- From trading perspective 7570 on nifty futures and 15450 on BankNifty, traders should work with range bound strategies going for March series.
- Strategies on Index open for March series:
 - Short Strangle Nifty 7100 put & 7700 call
 - Short Strangle Bank Nifty 14000 put and 16000 call.

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