



19th Feb 2024

Nifty Outlook:

The index has been inching towards previous ATH levels post the support near the 50-Day EMA. FII activity has been on a mixed note since the sell off that was witnessed during the end of January series. In cash segment, the bias continues to remain bearish as FII's have been selling consistently. Additionally, in the index futures front, they have been cautious with their bias as they are holding significant short contracts. On 16th February; 10,499 long contracts were added compared to the addition of 4,091 short contracts in index futures. The long/short ratio has improved from the lows of 22% to 38%; indicating unwinding of short positions. However, on the index options front, the bias has been dynamic in nature as FII's have now added significant put shorts at lower levels and at the same time have added more put longs; when combined together indicates a mildly bullish outlook. To conclude, the data is still neutral to slightly bullish from FII's point of view now. Option data is indicating further momentum is likely to continue as long as the index does not close below 22,000 levels.

Weekly Expiry Point of View:

Option chain data for this weekly expiry is indicating a trading range of 22,000-22,100 zones. On the call side, 22,100 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 21,000 is the strike with highest OI. As per the data, net call-put writing is indicating a slightly bullish stance from the FII's. They have added put shorts at lower levels; resulting in a support for the index. Further momentum action is likely to continue if the index does not breach 22,000 levels on closing basis. Immediate resistance at 22,100 levels.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. However the strategy can be a short straddle strategy.

Nifty Short Straddle:

SELL 1 LOT PUT NIFTY 22FEB2024 22,050 @ 150 | SELL 1 LOT CALL NIFTY 22FEB2024 22,050 @ 155

Target – COMBINED PREMIUM OF 120 | Stop Loss – Below 21,750 or above 22,350 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	23,000	0.95
	22,600	0.88
Addition in OI Calls	22,100	0.46
	22,800	0.44
Max Put OI	21,000	1.30
	22,000	1.04
Addition in OI Put	22,000	0.69
	22,050	0.35

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	23,000	1.12
	22,800	0.60
Addition in OI Calls	22,000	0.15
	22,100	0.04
Max Put OI	21,000	0.81
	22,000	0.68
Addition in OI Put	22,000	0.31
	21,000	0.12



Net Change in Index Futures (Contracts)		
Date	FII	Pro
16-02-2024	-68,790	24,079
15-02-2024	-75,198	29,387
14-02-2024	-80,530	43,521
13-02-2024	-82,275	43,954
12-02-2024	-86,335	23,861

Sentiment Indicator				
Particulars	16-Feb	15-Feb	14-Feb	13-Feb
Nifty Premium/ (Discount)	57.10	94.30	76.80	80.50
PCR	1.22	1.20	1.24	0.99
A/D Ratio	3.45	1.08	2.34	3.54
VIX	15.22	15.22	15.43	15.80

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
16-02-2024	-161,826	-211,718
15-02-2024	-48,438	-160,785
14-02-2024	-255,096	-187,955
13-02-2024	-149,192	5,091
12-02-2024	26,600	341,526

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
16-02-2024	-27,409	-337,718
15-02-2024	22,601	-227,194
14-02-2024	-80,748	-286,586
13-02-2024	-9,550	-132,602
12-02-2024	229,520	891,918



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
16-02-2024	253.25	1,571.00
15-02-2024	-3,064.15	2,276.93
14-02-2024	-3,920.60	2,897.98
13-02-2024	376.32	273.94

Index Long Short Ratio	
FII	Pro
38%	62%

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
NATIONALUM	161.1	3.14%	900.75	25.4%
METROPOLIS	1,786.2	4.37%	12.65	14.6%
MPHASIS	2,812.2	3.52%	36.04	13.13%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
GUJGASLTD	543.25	-6.91%	88.71	34.34%
COROMANDEL	1,093.3	-1.18%	14.76	11.59%
AUBANK	584.15	-0.1%	239.46	3.26%



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