



20th Feb 2024

Nifty Outlook:

The index has been inching on a higher note to scale new ATH levels post the support near the 50-Day EMA. However; FI activity has been on a muted note since the sell off that was witnessed during the end of January series. In cash segment, the bias continues to remain bearish as FI'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 19th February; 4,647 long contracts were added compared to the liquidation of 334 short contracts in index futures. The long/short ratio has improved from the lows of 22% to 39%; indicating unwinding of short positions. However, on the index options front, the bias has been dynamic in nature as FI'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 FI'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 FI'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 22,150 levels.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. However the strategy can be deployed via theta scalping.

Nifty Theta Scalping:

SELL 1 LOT PUT NIFTY 22FEB2024 21,850 @ 48 | SELL 1 LOT CALL NIFTY 22FEB2024 22,350 @ 39

Target – COMBINED PREMIUM OF 40 | Stop Loss – COMBINED PREMIUM OF 105

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	23,000	1.18
	22,600	1.11
Addition in OI Calls	22,200	0.26
	23,000	0.23
Max Put OI	22,000	1.46
	21,000	1.45
Addition in OI Put	22,100	0.51
	22,000	0.41

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	23,000	1.16
	22,000	0.60
Addition in OI Calls	22,200	0.07
	22,600	0.04
Max Put OI	21,000	0.82
	22,000	0.76
Addition in OI Put	22,000	0.07
	22,100	0.07



Net Change in Index Futures (Contracts)		
Date	FII	Pro
19-02-2024	-63,809	22,752
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

Sentiment Indicator				
Particulars	19-Feb	16-Feb	15-Feb	14-Feb
Nifty Premium/ (Discount)	49.15	57.10	94.30	76.80
PCR	1.25	1.22	1.20	1.24
A/D Ratio	1.17	3.45	1.08	2.34
VIX	16.01	15.22	15.22	15.43

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
19-02-2024	-185,240	-232,712
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

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
19-02-2024	-63,067	-372,262
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



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
19-02-2024	-754.59	452.70
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

Index Long Short Ratio	
FII	Pro
39%	62%

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BIOCON	291.9	0.99%	4743.5	21.39%
BAJAJ-AUTO	8,370.35	0.83%	22.33	10.99%
METROPOLIS	1,788.8	0.15%	13.95	10.31%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
LUPIN	1,592.35	-2.08%	82.39	12.06%
HDFC AMC	3,744.85	-3.28%	31.19	8.32%
SBILIFE	1,494	-1.08%	81.63	7.85%



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Regd. Office: Chola Crest, C54 – 55 & Super B-4, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai – 600032.

Website: www.cholawealthdirect.com | **Email id** – csecsupport@chola.murugappa.com | CIN U65993TN1994PLC028674

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RESEARCH			
Dharmesh Kant	Head of Equity Research	+91- 44 - 4004 7360	dharmeshkt@chola.murugappa.com
Mugilan K	Technical Analyst	+91- 44 - 4004 7353	mugilank@chola.murugappa.com
Balaji H	Compliance Officer	044 - 30007226	balajih@chola.murugappa.com
Lakshmi Sundaram	Customer service	1800 425 4477	lakshmis@chola.murugappa.com

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