

Nifty Outlook:

The Nifty has been trading in a falling channel since multiple weeks now. The index has formed a lower low structure on a weekly scale. FI's activity in Cash and F&O space is indicating weakness as they have been selling for consecutive sessions. On the index futures front, short-built up is seen from the FI's. The long/short ratio is at the lower levels of 39%. The total number of short contracts stands at 41,248. On 16th August; 1,118 long contracts were added compared to the addition of 239 short contracts in index futures. On the index options front, the net call-put is indicating marginal liquidation of call writers. To conclude, sentiments are neutral on the index. Expect the index to consolidate. The uptrend is intact as long as the index is trading above 19,200-19,300 levels.

Weekly Expiry Point of View:

Option chain data for today's weekly expiry is indicating a trading range of 19,300-19,600 zones. On the call side, 19,600 is the strike with highest OI indicating resistance. On the put side, 19,300 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating there's marginal liquidation of call writers which is a positive indicator. 19,300 still remains a key level for the index. However, expect Nifty to trade between a range of 19,300 to 19,600 levels.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. Index is expected to test the resistance zone of 19,600. Hence, the strategy can be played out by selling 1 OTM CALL and buying 1 ITM CALL.

Nifty Bull-Call Spread:

SELL 1 LOT CALL NIFTY 17AUG2023 19,600 @ 6

BUY 1 LOT CALL NIFTY 17AUG2023 19,400 @ 68

Max Profit – 60

Stop Loss – 19,400 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,600	2.62
	19,500	2.32
Addition in OI Calls	19,600	0.60
	19,400	0.58
Max Put OI	19,300	2.90
	19,400	2.77
Addition in OI Put	19,300	1.18
	19,400	0.95

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.63
	19,500	0.54
Addition in OI Calls	19,700	0.04
	19,400	0.03
Max Put OI	19,000	0.85
	19,500	0.49
Addition in OI Put	19,400	0.09
	19,300	0.04

Sentiment indicator:

Particulars	16-Aug	14-Aug	11-Aug	10-Aug
Nifty Premium / (Discount)	2.00	43.80	76.05	53.70
PCR	1.12	1.00	0.90	0.91
A/D Ratio	1.00	0.81	0.26	0.58
VIX	12.12	12	11.52	11.4

Net Change in Index Futures (Contracts)

Date	FI	Pro
16/08/2023	-41,248	-989
14/08/2023	-42,127	2,487
11/08/2023	-36,290	7,915
10/08/2023	-33,560	5,312
09/08/2023	-18,607	-10,102

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
16/08/2023	-107326	-14740
14/08/2023	-28402	45918
11/08/2023	44854	15327
10/08/2023	-114009	-67643
09/08/2023	149041	7333

Net Change in Index Option Writing (Call - Put = Contracts)

Date	FII	Pro
16/08/2023	8999	22906
14/08/2023	12857	214459
11/08/2023	164509	434860
10/08/2023	23778	155916
09/08/2023	208172	40788

Index Long Short Ratio

FII	39%
Pro	49%

Institutional activity in cash segment - Net Value (in crore)

	16-Aug	14-Aug	11-Aug	10-Aug
FII	722.76	-2,324.23	-3,073.28	331.22
DII	2,406.19	1,460.90	500.35	703.72

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
SYNGENE	809.85	1.57%	48.10	50.69%
OFSS	4,106.05	2.70%	2.75	26.10%
ESCORTS	2,709.80	4.17%	13.92	22.20%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
INDIGO	2,470.45	-3.50%	86.49	62.23%
HINDCOPPER	143.85	-6.04%	347.52	45.71%
CROMPTON	282.10	-6.29%	148.17	19.76%

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