

Nifty Outlook:

Time correction story continues to remain the same. The index has been trapping both; bulls & bears. The rangebound movement has been seen for the major part of august and is continuing to do so as we are in the last week of august series. The index is unable to cross 20DEMA on the upside after sustaining above 50DEMA. FI's activity in Cash and F&O space for the month of August has been negative as they have been constantly selling. On the index futures front, the FI's have added more short contracts. The total number of short positions from the FI's stands at 24,098. The long/short ratio is at 46% indicating some short addition. On 30th August; 8,773 long contracts were added compared to the addition of 10,034 short contracts in index futures. On the index options front, the net call-put is indicating dominance of more call writers. To conclude, sentiments are neutral on the index. The index needs to break 19,250 decisively for any momentum down move. Until then expect the index to consolidate. Moreover; index needs to reclaim 19,500 for any meaningful longs. Although as things stand; the uptrend is still intact as long as the index is trading above 19,200 levels.

Weekly Expiry Point of View:

Option chain data for today's monthly expiry is indicating a trading range of 19,200-19,500 zones. On the call side, 19,500 is the strike with highest OI indicating resistance. On the put side, 19,300 is the strike with highest OI indicating support. Majority of addition of put writing was seen at 19,300. As per the data, net call-put writing is indicating there are more call-writers; which is a bearish indicator. 19,300 remains a key level for the index on a closing basis for any shorts. If the index breaks 19,250 decisively; we can expect the index heading towards 19,000.

Strategy:

The sentiment on Nifty is neutral. However; one can expect directional move since today is the monthly expiry. The strategy can be played out by buying 1 OTM CALL and buying 1 OTM PUT.

Nifty Strategy:

BUY 1 LOT CALL NIFTY 31AUG2023 19,400 @ 18

BUY 1 LOT PUT NIFTY 31AUG2023 19,300 @ 24

Target – 40 POINTS

Stop Loss – 20 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	3.23
	19,400	3.18
Addition in OI Calls	19,450	1.04
	19,400	0.81
Max Put OI	19,300	2.62
	19,200	2.19
Addition in OI Put	19,350	0.81
	19,250	0.34

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	3.23
	19,400	3.18
Addition in OI Calls	19,450	1.04
	19,400	0.81
Max Put OI	19,300	2.62
	19,200	2.19
Addition in OI Put	19,350	0.81
	19,250	0.34

Sentiment indicator:

Particulars	30-Aug	29-Aug	28-Aug	25-Aug
Nifty Premium / (Discount)	93.55	93.75	115.20	99.15
PCR	0.92	0.97	1.00	0.84
A/D Ratio	1.38	3.17	1.38	0.22
VIX	11.8	12.22	12.4	12.08

Net Change in Index Futures (Contracts)

Date	FI	Pro
30/08/2023	-24,098	-1,354
29/08/2023	-22,837	-11,725
28/08/2023	-30,958	-12,172
25/08/2023	-39,055	-411
24/08/2023	-24,156	-6,497

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
30/08/2023	127785	399609
29/08/2023	-95454	-17542
28/08/2023	-276171	-134079
25/08/2023	-232120	-1951
24/08/2023	-221409	5214

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

Date	FII	Pro
30/08/2023	260814	845457
29/08/2023	66818	31406
28/08/2023	-119633	-187618
25/08/2023	47207	282318
24/08/2023	-20190	120106

Index Long Short Ratio

FII	46%
Pro	49%

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

	30-Aug	29-Aug	28-Aug	25-Aug
FII	-494.68	61.51	-1,393.25	-4,638.21
DIIs	1,323.24	305.09	1,264.01	1,414.35

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BHEL	118.00	3.15%	1316.38	58.60%
SUNPHARMA	1,112.75	0.05%	370.18	56.54%
TVSMOTOR	1,414.55	2.31%	113.68	44.20%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
INDIACEM	237.85	-2.88%	310.47	70.56%
MOTHEERSON	95.85	-0.26%	1034.18	43.59%
ABBOTINDIA	23,333.80	-0.18%	0.99	35.89%

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