

17th November 2023
Derivatives Update | Private Client Group
Nifty Outlook:

Post the correction phase that began at the highs of 20,222 levels that was achieved on 15th September. Nifty took support at the 200-Day EMA (18,830). Post this, the index has rallied 1000 points on the upside. On a daily time frame, a higher high pattern is intact indicating an uptrend. FIIs have been constant net sellers in the cash segment. However; in the index futures front the FIIs have started covering their short positions. Total number of short contracts now stands at 127,080. On 16th November; 4,220 long contracts were added compared to liquidation of 11,927 short contracts in index futures; indicating short covering. Additionally; the long/short has started to move up from 11% to 23% now; highest since 25th October. On the index options front, the net call-put is indicating significant liquidation of call writers; which is a positive indicator. To conclude, the data is getting better from FII's point of view. Option chain data is indicating a positive movement for the index with 19,600 as a SL.

Weekly Expiry Point of View:

Option chain data for next weekly expiry is indicating a trading range of 19,700-19,900 zones. On the call side, 19,900 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 19,700 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating dominance of put writers; which is a bullish indicator. Expect the index to show further strength with 19,700 as a sl for intra-day.

Strategy:

The sentiment on Nifty is bullish but is likely to be range bound. The strategy can be played out by selling 1 OTM PUT & selling 1 OTM CALL.

Nifty Theta Scalping:

SELL 1 LOT PUT NIFTY 23NOV2023 20,000 @ 28

SELL 1 LOT CALL NIFTY 23NOV2023 19,500 @ 19

Target – COMBINED PREMIUM 15 POINTS

Stop Loss – COMBINED PREMIUM 65 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,900	1.00
	20,000	0.93
Addition in OI Calls	19,900	0.73
	20,500	0.69
Max Put OI	19,700	0.86
	19,600	0.77
Addition in OI Put	19,700	0.59
	19,800	0.56

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.68
	19,800	0.54
Addition in OI Calls	20,300	0.09
	20,400	0.08
Max Put OI	19,000	0.85
	19,500	0.67
Addition in OI Put	19,800	0.19
	20,000	0.11

Net Change in Index Futures (Contracts)

Date	FII	Pro
16/11/2023	-1,27,080	31,605
15/11/2023	-1,43,227	31,533
13/11/2023	-1,47,443	32,200
10/11/2023	-1,56,828	38,535
09/11/2023	-1,51,863	30,231

Sentiment indicator:

Particulars	16-Nov	15-Nov	13-Nov	10-Nov
Nifty Premium/ (Discount)	64.50	48.15	53.60	57.30
PCR	1.18	1.19	1.00	1.03
A/D Ratio	1.63	15.67	0.47	1.63
VIX	11.65	11.14	11.19	11.11

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
16/11/2023	-273181	-40526
15/11/2023	-303330	-63373
13/11/2023	-222158	-20923
10/11/2023	-236361	-86857
09/11/2023	-259656	-27064

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
16/11/2023	-20001	10080
15/11/2023	-51530	-97784
13/11/2023	1041	53657
10/11/2023	-22073	-24091
09/11/2023	42153	135531

Index Long Short Ratio	
FII	23%
Pro	66%

Institutional activity in cash segment - Net Value (in crore)	16-Nov	15-Nov	13-Nov	10-Nov
FII	550.19	-1,244.44	-190.06	-1,712.33
DII	609.82	830.40	95.31	1,512.14

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
INDIACEM	219.20	2.57%	285.44	23.58%
COFORGE	5,691.00	6.42%	12.65	21.83%
MANAPPURAM	161.00	7.15%	788.52	18.40%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
MARICO	519.05	-0.41%	146.18	7.03%
TORNTPHARM	2,048.00	-0.58%	17.74	6.77%
BEL	143.20	-0.35%	606.76	6.58%

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