

10th 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 has taken support and reversed near the 200-Day EMA (18,830). On a daily time frame, a higher high pattern is intact indicating an uptrend. FI's have been constant sellers in the cash segment. However; in the index futures front the FI's have started covering their short positions. Total number of short contracts now stands at 151,863. On 9th November; 367 long contracts were liquidated compared to the addition of 54 short contracts in index futures; indicating marginal addition of shorts. Additionally; the long/short has started to move up from 11% to 19% now; this is a bullish indicator. On the index options front, the net call-put is indicating addition of call writers. To conclude, the data is getting better from FI's point of view. Option chain data is indicating a positive movement for the index with 19,250 as a SL.

Weekly Expiry Point of View:

Option chain data for next expiry is indicating a trading range of 19,400-19,500 zones. On the call side, 19,500 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 19,400 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating addition of call writers; which is a bearish indicator. However; Expect the index to show further strength with 19,250 as a SL.

Strategy:

The sentiment on Nifty is neutral. The strategy can be played out by selling 1 OTM CALL & selling 1 OTM PUT.

Nifty Theta Scalping:

SELL 1 LOT CALL NIFTY 16NOV2023 19,600 @ 35

SELL 1 LOT PUT NIFTY 16NOV2023 19,250 @ 33

Target – COMBINED PREMIUM 20 POINTS

Stop Loss – COMBINED PREMIUM 95 POINTS

Sentiment indicator:

Particulars	09-Nov	08-Nov	07-Nov	06-Nov
Nifty Premium/ (Discount)	89.30	47.35	70.20	74.75
PCR	0.92	0.98	1.08	1.15
A/D Ratio	0.72	1.94	1.17	7.33
VIX	10.98	11.04	11.19	11.1

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	1.22
	20,000	0.93
Addition in OI Calls	20,000	0.68
	21,000	0.67
Max Put OI	19,400	0.84
	18,800	0.58
Addition in OI Put	18,000	0.6
	18,800	0.47

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	0.71
	20,000	0.62
Addition in OI Calls	19,500	0.06
	21,000	0.04
Max Put OI	19,000	0.95
	18,500	0.72
Addition in OI Put	18,500	0.05
	19,000	0.04

Net Change in Index Futures (Contracts)

Date	FI	Pro
09/11/2023	-1,51,863	30,231
08/11/2023	-1,51,442	26,761
07/11/2023	-1,46,381	16,841
06/11/2023	-1,47,370	11,503
03/11/2023	-1,62,694	19,282

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
09/11/2023	-259656	-27064
08/11/2023	-182871	-47929
07/11/2023	-208900	-7539
06/11/2023	-235824	-387
03/11/2023	-259725	33587

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
09/11/2023	42153	135531
08/11/2023	98375	183105
07/11/2023	-2344	-218362
06/11/2023	-31074	-156967
03/11/2023	34959	121948

Index Long Short Ratio	
FII	19%
Pro	63%

Institutional activity in cash segment - Net Value (in crore)	09-Nov	08-Nov	07-Nov	06-Nov
FII	-1,712.33	-84.55	-497.21	-549.37
DII	1,512.14	524.47	700.28	595.70

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
RAMCOCEM	1,030.00	1.54%	44.23	33.20%
LALPATHLAB	2,726.75	1.70%	10.72	14.36%
CHAMBLFERT	302.00	1.65%	191.78	14.00%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
TECHM	1,129.85	-1.24%	163.83	17.41%
LUPIN	1,211.50	-0.42%	102.94	13.46%
NATIONALUM	89.55	-4.38%	727.87	12.89%

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