

28th 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. FII's have been constant net sellers in the cash segment, however; the last two trading sessions the data has been positive. Additionally; in the index futures data is getting better. Total number of short contracts now stands at 130,029. On 24th November; 4,265 long contracts were added compared to the addition of 2,252 short contracts in index futures. The long/short stands at 23% now. On the index options front, the net call-put is indicating a significant neutral stance from the FII's. To conclude, the data is getting better from FII's point of view. Option chain data is indicating a range bound activity for the index with 19,700 as a SL.

Weekly Expiry Point of View:

Option chain data for this weekly expiry is indicating a trading range of 19,800-19,900 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, 19,800 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating a neutral stance with a marginal dominance from call writers. Expect the index to be range bound with 19,700 as a SL for intra-day.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. However, the strategy can be played out by selling 1 OTM CALL & selling 1 OTM PUT.

Nifty Theta Scalping:

SELL 1 LOT PUT NIFTY 30NOV2023 19,700 @ 31

BUY 1 LOT CALL NIFTY 30NOV2023 20,000 @ 16

Target – COMBINED PREMIUM 25 POINTS

Stop Loss – COMBINED PREMIUM 65 POINTS

Sentiment indicator:

Particulars	24-Nov	23-Nov	22-Nov	21-Nov
Nifty Premium/ (Discount)	32.25	66.75	72.25	57.90
PCR	0.99	0.86	1.07	1.02
A/D Ratio	0.69	0.96	1.17	1.27
VIX	11.33	11.32	11.86	12.23

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,800	1.73
	19,900	1.68
Addition in OI Calls	19,800	0.69
	19,900	0.58
Max Put OI	19,800	1.69
	19,000	1.55
Addition in OI Put	19,800	0.37
	19,000	0.3

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,800	1.73
	19,900	1.68
Addition in OI Calls	19,800	0.69
	19,900	0.58
Max Put OI	19,800	1.69
	19,000	1.55
Addition in OI Put	19,800	0.37
	19,000	0.3

Net Change in Index Futures (Contracts)

Date	FII	Pro
24/11/2023	-1,30,029	16,148
23/11/2023	-1,32,042	30,722
22/11/2023	-1,26,748	26,638
21/11/2023	-1,30,113	26,338
20/11/2023	-1,36,111	28,033

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
24/11/2023	-294169	8179
23/11/2023	-276476	-24234
22/11/2023	-236623	-92307
21/11/2023	-92248	89649
20/11/2023	-322564	107028

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
24/11/2023	-28041	42119
23/11/2023	-13806	79564
22/11/2023	-20683	-8334
21/11/2023	123343	394712
20/11/2023	18580	627816

Index Long Short Ratio	
FII	23%
Pro	57%

Institutional activity in cash segment - Net Value (in crore)	24-Nov	23-Nov	22-Nov	21-Nov
FII	2,625.21	255.53	-306.56	-455.59
DII	134.46	457.39	721.24	721.52

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BHEL	151.95	6.18%	1529.53	52.11%
NMDC	173.50	0.29%	1231.02	37.97%
GRANULES	385.00	3.86%	164.04	26.38%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
MFSL	968.80	-0.88%	100.04	39.22%
SHREECEM	25,713.20	-1.16%	2.55	31.51%
APOLLOHOSP	5,426.90	-1.31%	28.96	31.29%

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