

Nifty Outlook:

The Nifty has been trapping both; bulls & bears. The range bound movement has been seen for the major part of August. The index has closed below 50 DEMA for the first time since 03rd April 2023. Time correction story continues to remain the same. FII's activity in Cash and F&O space for the month of August has been negative as they have been selling. On the index futures front, the short positions from the FII's have gone up as the total number of short contracts stand at 39,055. The long/short ratio is at 40% indicating short built-up. On 25th August; 02 long contracts were liquidated compared to the addition of 14,897 short contracts in index futures. On the index options front, the net call-put is indicating there are more call writers. To conclude, sentiments are neutral to slightly bearish 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 coming monthly expiry is indicating a trading range of 19,000-19,500 zones. On the call side, 19,500 is the strike with highest OI indicating resistance. On the put side, 19,000 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating there are more call-writers; which is a bearish indicator. 19,250 remains a key level for the index on a closing basis for any shorts. If the index breaks 19,250; we can expect the index heading towards 19,000.

Strategy:

The sentiment on Nifty is neutral to slightly bearish. The strategy can be played out by selling 1 OTM PUT and selling 1 OTM CALL.

Nifty Theta-Scalping Strategy:

SELL 1 LOT CALL NIFTY 31AUG2023 19,500 @ 17

SELL 1 LOT PUT NIFTY 31AUG2023 19,000 @ 27

Target – 35 POINTS

Stop Loss – 75 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	2.57
	19,300	2.10
Addition in OI Calls	19,300	1.73
	19,400	1.00
Max Put OI	19,000	1.69
	19,300	1.38
Addition in OI Put	19,100	0.49
	19,200	0.48

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	2.57
	19,300	2.10
Addition in OI Calls	19,300	1.73
	19,400	1.00
Max Put OI	19,000	1.69
	19,300	1.38
Addition in OI Put	19,100	0.49
	19,200	0.48

Sentiment indicator:

Particulars	25-Aug	24-Aug	23-Aug	22-Aug
Nifty Premium / (Discount)	71.20	122.30	-13.10	-10.15
PCR	0.84	0.78	1.06	0.93
A/D Ratio	0.22	0.52	1.38	1.27
VIX	12.08	11.7	11.73	11.75

Net Change in Index Futures (Contracts)

Date	FII	Pro
25/08/2023	-39,055	-411
24/08/2023	-24,156	-6,497
23/08/2023	-18,465	-21,514
22/08/2023	-28,078	-8,455
21/08/2023	-27,473	-13,494

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
25/08/2023	-232120	-1951
24/08/2023	-221409	5214
23/08/2023	-57216	-379568
22/08/2023	154345	-5468
21/08/2023	-67135	-75715

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

Date	FII	Pro
25/08/2023	47207	282318
24/08/2023	-20190	120106
23/08/2023	68816	-681503
22/08/2023	339429	161473
21/08/2023	-29921	-89000

Index Long Short Ratio

FII	40%
Pro	50%

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

	25-Aug	24-Aug	23-Aug	22-Aug
FII	-4,638.21	1,524.87	614.32	-495.17
DII	1,414.35	5,796.61	125.03	533.75

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
ESCORTS	3,026.50	2.57%	23.11	37.71%
SUNTV	603.65	3.79%	120.76	31.06%
PEL	1,058.85	3.79%	118.86	17.83%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
PERSISTENT	5,115.05	-0.27%	13.80	23.11%
PIIND	3,630.85	-1.43%	27.63	22.63%
PFC	267.95	-1.00%	602.14	16.48%

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