

Nifty Outlook:

The Nifty has formed a lower low pattern on a weekly scale as we are witnessing a correction. FII's have been selling both in Cash and F&O space for the past two trading sessions. On the index futures front, FII's have further liquidated long contracts in index futures as the august series has begun. The long/short ratio in index futures has come down from 51% to 49% indicating more short contracts. On 2nd August, 9,010 long contracts were liquidated compared to addition of 753 short contracts in index futures. On the index options front, the net call-put writing has gone up by 28,821 contracts indicating concentration of call writers. To conclude, sentiments are neutral to slightly bearish on the index. However, the primary uptrend is intact as the index has closed above 19,500 in yesterday's session.

Weekly Expiry Point of View:

Option chain data for today/s weekly expiry is indicating a trading range of 19,400-19,600 zones. Call writing is seen at 19,600 and 19,700. On the call side, 19,700 is the strike with highest OI indicating resistance. On the put side, 19,500 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 setup. 19,300 remains a key support area and the index is likely to trade between the range of 19,400 – 19,600.

Strategy:

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

Bear Put Spread Strategy:

BUY 1 LOT PUT NIFTY 03AUG2023 19,600 @ 109

SELL 1 LOT PUT NIFTY 03AUG2023 19,400 @ 16

Max Profit – 40 POINTS

Stop Loss – 19,650 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,800	2.77
	19,700	2.66
Addition in OI Calls	19,600	2.18
	19,700	1.12
Max Put OI	19,500	1.69
	19,000	1.68
Addition in OI Put	19,450	0.7
	19,400	0.64

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.56
	20,500	0.41
Addition in OI Calls	20,000	0.12
	19,500	0.09
Max Put OI	19,000	0.8
	19,500	0.62
Addition in OI Put	19,000	0.09
	19,300	0.06

Sentiment indicator:

Particulars	02-Aug	01-Aug	31-Jul	28-Jul
Nifty Premium / (Discount)	60.45	79.00	90.15	105.75
PCR	0.75	0.92	1.01	0.83
A/D Ratio	0.16	0.81	2.57	1.27
VIX	11.28	10.28	10.41	10.14

Net Change in Index Futures (Contracts)

Date	FII	Pro
02/08/2023	-4,343	-6,185
01/08/2023	5,420	2,628
31/07/2023	5,667	-2,280
28/07/2023	13,814	-5,318
27/07/2023	33,241	-3,324

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
02/08/2023	89283	338735
01/08/2023	122158	-113314
31/07/2023	139185	-22039
28/07/2023	138580	30685
27/07/2023	41548	-20884

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

Date	FII	Pro
02/08/2023	232033	785688
01/08/2023	203212	76803
31/07/2023	205811	1559
28/07/2023	282702	390340
27/07/2023	100109	260449

Index Long Short Ratio

FII	49%
Pro	46%

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

	02-Aug	01-Aug	31-Jul	28-Jul
FII	-1,877.84	-92.85	-701.17	-1,023.91
DIIs	-2.23	1,035.69	2,488.07	1,634.37

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BERGEPAIN	712.50	1.21%	77.07	10.99%
PVRINOX	1,617.00	2.37%	30.74	9.43%
TVSMOTOR	1,383.45	0.44%	70.89	7.15%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BOSCHLTD	18,383.95	-4.08%	2.32	38.76%
ABCAPITAL	190.75	-3.27%	250.18	24.54%
GNFC	588.90	-4.03%	100.13	23.84%

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