

### Nifty Outlook:

The Nifty has been trading in range for the last week and has formed a double bottom pattern on weekly scale. The index has reversed from those levels as buying was seen at the support zone of 19,600. Range Bound movement is still intact. FI's have further liquidated long contracts in index futures as the august series has begun. FI's are now holding 5,420 long contracts as against an average of 80,000 contracts. The long/short ratio in index futures is unchanged at 51% in the ongoing week. On 1<sup>st</sup> August, 1,828 long contracts were liquidated compared to liquidation of 1,581 short contracts in index futures. On the index options front, the net call-put writing has marginally declined by 2,599 contracts indicating concentration of call writers. To conclude, sentiments are neutral to slightly bullish on the index. Moreover, the primary uptrend is intact as long the index is trading above 19,500. Hence, any dips towards this level can be utilized as a buy on dip strategy.

### Weekly Expiry Point of View:

Option chain data for tomorrow's weekly expiry is indicating a trading range of 19,600-19,800 zones. Call writing is seen at 19,800 and 19,900. On the call side, 19,800 is the strike with highest OI 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 there are more call writers which is a bearish setup. 19,600-19,650 remains a key support area and the index is likely to trade between the range of 19,600 – 19,800.

### Strategy:

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

SELL 1 LOT CALL NIFTY 03AUG2023 19,900 @ 12

SELL 1 LOT PUT NIFTY 03AUG2023 19,600 @ 20

Max Profit – 32 POINTS

Stop Loss – 50 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,800	2.80
	19,900	1.61
Addition in OI Calls	19,800	1.07
	19,750	0.75
Max Put OI	19,600	1.99
	19,700	1.94
Addition in OI Put	19,700	0.35
	19,750	0.31

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,500	0.45
	21,000	0.31
Addition in OI Calls	20,400	0.04
	21,000	0.03
Max Put OI	19,000	0.71
	19,500	0.57
Addition in OI Put	19,200	0.02
	19,000	0.02

### Sentiment indicator:

Particulars	01-Aug	31-Jul	28-Jul	27-Jul
Nifty Premium / (Discount)	78.45	90.15	105.75	0.00
PCR	0.92	1.01	0.83	0.72
A/D Ratio	0.81	2.57	1.27	0.52
VIX	10.28	10.41	10.14	10.51

### Net Change in Index Futures (Contracts)

Date	FI	Pro
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
26/07/2023	84,908	-25,176

**Net Index Options Long (Call - Put = Contracts)**

Date	FII	Pro
01/08/2023	122158	-113314
31/07/2023	139185	-22039
28/07/2023	138580	30685
27/07/2023	41548	-20884
26/07/2023	114083	29829

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

Date	FII	Pro
01/08/2023	203212	76803
31/07/2023	205811	1559
28/07/2023	282702	390340
27/07/2023	100109	260449
26/07/2023	220131	51341

**Index Long Short Ratio**

FII	51%
Pro	52%

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

	01-Aug	31-Jul	28-Jul	27-Jul
FII	-92.85	-701.17	-1,023.91	-3,979.44
DII	1,035.69	2,488.07	1,634.37	2,528.15

**Top 3 Long Buildups**

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
ESCORTS	2,588.10	1.18%	24.01	29.51%
ASTRAL	2,016.55	1.57%	29.84	24.72%
HINDCOPPER	151.65	6.53%	387.05	19.72%

**Top 3 Short Buildups**

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
POWERGRID	253.80	-5.17%	444.9	24.31%
HEROMOTOCO	3,100.75	-3.48%	43.98	21.10%
INDIGO	2,599.00	-0.62%	51.21	16.16%

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