

**21<sup>st</sup> 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 15<sup>th</sup> 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. FI's have been constant net sellers in the cash segment. Additionally; in the index futures front the FI's have not covered the majority of their short positions. Total number of short contracts now stands at 136,111. On 18<sup>th</sup> November; 2,237 long contracts were liquidated compared to liquidation of 2,542 short contracts in index futures. Additionally; the long/short has come down from 23% to 20% now. On the index options front, the net call-put is indicating significant addition of call writers; which is a negative indicator. To conclude, the data is negative from FI's point of view. Option chain data is indicating a range bound activity for the index with 19,600 as a SL.

**Weekly Expiry Point of View:**

Option chain data for this weekly expiry is indicating a trading range of 19,600-19,800 zones. On the call side, 19,800 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 19,600 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating significant addition of call writers; which is a bearish indicator. Expect the index to be range bound with 19,600 as a sl for intra-day.

**Strategy:**

The sentiment on Nifty is bullish but is likely to be range bound. The strategy can be played out by selling 1 OTM PUT & selling 1 OTM CALL.

**Nifty Theta Scalping:**

SELL 1 LOT PUT NIFTY 23NOV2023 19,550 @ 22

SELL 1 LOT CALL NIFTY 23NOV2023 19,900 @ 21

Target – COMBINED PREMIUM 20 POINTS

Stop Loss – COMBINED PREMIUM 55 POINTS

**Sentiment indicator:**

Particulars	20-Nov	17-Nov	16-Nov	15-Nov
Nifty Premium/ (Discount)	57.20	74.70	64.50	48.15
PCR	0.90	1.03	1.18	1.19
A/D Ratio	0.69	1.27	1.63	15.67
VIX	12.15	11.83	11.65	11.14

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,800	2.34
	19,900	1.42
Addition in OI Calls	19,800	0.82
	19,700	0.60
Max Put OI	19,700	1.17
	19,000	1.15
Addition in OI Put	19,600	0.2
	19,700	0.18

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.76
	19,800	0.73
Addition in OI Calls	19,700	0.11
	19,900	0.11
Max Put OI	19,000	0.90
	19,500	0.64
Addition in OI Put	19,700	0.1
	19,000	0.05

**Net Change in Index Futures (Contracts)**

Date	FI	Pro
20/11/2023	-1,36,111	28,033
17/11/2023	-1,36,416	33,240
16/11/2023	-1,27,080	31,605
15/11/2023	-1,43,227	31,533
13/11/2023	-1,47,443	32,200

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
20/11/2023	-322564	107028
17/11/2023	-308728	21180
16/11/2023	-273181	-40526
15/11/2023	-303330	-63373
13/11/2023	-222158	-20923

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
20/11/2023	18580	627816
17/11/2023	16806	557136
16/11/2023	-20001	10080
15/11/2023	-51530	-97784
13/11/2023	1041	53657

Index Long Short Ratio	
FII	20%
Pro	65%

Institutional activity in cash segment - Net Value (in crore)	20-Nov	17-Nov	16-Nov	15-Nov
FII	-645.72	-477.76	957.25	550.19
DII	77.77	-565.48	705.65	609.82

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
EXIDEIND	283.00	0.23%	203.04	12.85%
COALINDIA	348.50	0.88%	678.42	12.13%
COFORGE	5,731.35	0.75%	12.75	10.66%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BALKRISIND	2,498.35	-5.81%	22.14	18.85%
BAJFINANCE	7,096.00	-2.14%	69.27	12.85%
BANDHANBNK	214.65	-1.20%	708.15	9.90%

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