

## Nifty Outlook:

The index has been navigating on the upside to scale newer ATH levels post taking the support near the 50-Day EMA. However; FII activity has been on a slightly muted note since the sell off that was witnessed during the end of January series. In cash segment, the bias continues to remain bearish as FII's have been selling consistently. However, in the index futures front, they have been unwinding the short positions as their bias has become neutral. On 28<sup>th</sup> February; 476 long contracts were liquidated compared to the addition of 2,449 short contracts in index futures. The long/short ratio has improved from the lows of 22% to 45%; indicating unwinding of short positions. However, on the index options front, the bias has been dynamic in nature as FII's have now added significant call shorts at higher levels and at the same time have added more put longs; when combined together indicates a bearish outlook. To conclude, the data is still neutral to slightly bearish from FII's point of view now. Option data is indicating further weakness is expected if the index does not reclaim 22,000 levels on the upside.

## Weekly Expiry Point of View:

Option chain data today's expiry is indicating a trading range of 21,800-22,200 zones. On the call side, 22,200 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 21,800 is the strike with highest OI. As per the data, net call-put writing is indicating a bearish stance from the FII's. They have added call shorts at higher levels; resulting in resistance for the index to move upwards. Further weakness is likely to continue if the index does not reclaim 22,000 levels.

## Strategy:

The sentiment on Nifty is neutral to slightly bearish. Hence, the strategy can be deployed via a spread.

### Nifty Bear Call Spread:

SELL 1 LOT CALL NIFTY 29FEB2024 22,000 @ 44 | BUY 1 LOT CALL NIFTY 29FEB2024 22,150 @ 18

Target – 25 POINTS | Stop Loss – ABOVE 22,050 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	22,200	3.13
	23,000	2.83
Addition in OI Calls	22,200	1.64
	22,100	1.49
Max Put OI	21,500	1.88
	21,000	1.18
Addition in OI Put	21,800	0.16
	21,550	0.12

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	22,200	3.13
	23,000	2.83
Addition in OI Calls	22,200	1.64
	22,100	1.49
Max Put OI	21,500	1.88
	21,000	1.18
Addition in OI Put	21,800	0.16
	21,550	0.12



Net Change in Index Futures (Contracts)		
Date	FII	Pro
28-02-2024	-29,967	-12,546
27-02-2024	-27,042	-21,257
26-02-2024	-29,137	-20,500
23-02-2024	-37,058	-4,091
22-02-2024	-34,669	-1,975

Sentiment Indicator				
Particulars	28-Feb	27-Feb	26-Feb	23-Feb
Nifty Premium/ (Discount)	-29.80	4.70	19.60	16.15
PCR	0.66	1.00	0.97	1.02
A/D Ratio	0.08	1.27	0.32	0.66
VIX	16.33	15.72	15.60	14.97

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
28-02-2024	132,789	330,620
27-02-2024	-93,142	-171,165
26-02-2024	-113,256	-78,117
23-02-2024	-157,598	-73,468
22-02-2024	-163,719	-42,540

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
28-02-2024	381,444	1,162,946
27-02-2024	71,433	66,329
26-02-2024	70,401	301,668
23-02-2024	32,529	178,814
22-02-2024	-41,429	42,725



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
28-02-2024	-1,879.23	1,827.45
27-02-2024	-1,509.16	2,861.56
26-02-2024	-285.15	-5.33
23-02-2024	1,276.09	176.68

Index Long Short Ratio	
FII	Pro
45%	45%

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
HAVELLS	1,527.8	4.29%	55.02	16.58%
MOTHERSON	118.75	3.22%	1181.2	8.89%
BEL	205.5	0.12%	1288.8	2.18%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
MARUTI	11,143	-3.05%	28.42	13.26%
BATAINDIA	1,393.25	-3.17%	32.84	13.26%
TITAN	3,593.95	-1.7%	55.31	8.2%



Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL

**Regd. Office:** Chola Crest, C54 – 55 & Super B-4, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai – 600032.

**Website:** [www.cholawealthdirect.com](http://www.cholawealthdirect.com) | **Email id –** [cs.ecsupport@chola.murugappa.com](mailto:cs.ecsupport@chola.murugappa.com) | CIN U65993TN1994PLC028674

**Cholamandalam Securities Limited (CSEC) is a SEBI registered stock broker and depository participant. CSEC does not provide investment advisory services.**

**Investors are advised to consult an independent financial advisor before taking any investment decisions.**

RESEARCH			
<b>Dharmesh Kant</b>	Head of Equity Research	+91- 44 - 4004 7360	<a href="mailto:dharmeshkt@chola.murugappa.com">dharmeshkt@chola.murugappa.com</a>
<b>Mugilan K</b>	Technical Analyst	+91- 44 - 4004 7353	<a href="mailto:mugilank@chola.murugappa.com">mugilank@chola.murugappa.com</a>
<b>Balaji H</b>	Compliance Officer	044 - 30007226	<a href="mailto:balajih@chola.murugappa.com">balajih@chola.murugappa.com</a>
<b>Lakshmi Sundaram</b>	Customer service	1800 425 4477	<a href="mailto:lakshmis@chola.murugappa.com">lakshmis@chola.murugappa.com</a>

### Disclaimer:

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited. No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent. The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate.