

Nifty Outlook:

The Nifty has been trading in a falling channel pattern on a weekly scale. The index has formed a lower low structure. FII's activity in Cash and F&O space is indicating weakness as they have been selling for consecutive sessions. On the index futures front, short-built up is seen from the FII's. The long/short ratio is at the lower levels of 39%. The total number of short contracts stands at 41,783. On 17th August; 2,545 long contracts were added compared to the addition of 3,080 short contracts in index futures. On the index options front, the net call-put is indicating dominance of call writers. To conclude, sentiments are neutral on the index. Expect the index to consolidate. The uptrend is intact as long as the index is trading above 19,200-19,300 levels.

Weekly Expiry Point of View:

Option chain data for next weekly expiry is indicating a trading range of 19,300-19,500 zones. On the call side, 19,400 is the strike with highest OI indicating resistance. On the put side, 19,300 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating there's marginal liquidation of call writers which is a positive indicator. 19,300 still remains a key level for the index. However, expect Nifty to trade between a range of 19,300 to 19,500 levels.

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.

Nifty Bull-Put Spread:

SELL 1 LOT PUT NIFTY 24AUG2023 19,200 @ 45

BUY 1 LOT PUT NIFTY 24AUG2023 19,400 @ 116

Max Profit – 60

Stop Loss – 19,450 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,400	1.03
	19,500	1.01
Addition in OI Calls	19,400	0.85
	19,500	0.71
Max Put OI	19,300	0.69
	19,400	0.66
Addition in OI Put	18,500	0.39
	18,800	0.38

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.63
	19,700	0.53
Addition in OI Calls	19,400	0.19
	19,500	0.19
Max Put OI	19,000	0.84
	19,500	0.57
Addition in OI Put	19,300	0.16
	19,400	0.12

Sentiment indicator:

Particulars	17-Aug	16-Aug	14-Aug	11-Aug
Nifty Premium / (Discount)	20.75	19.55	43.80	76.05
PCR	0.88	1.12	1.00	0.90
A/D Ratio	0.52	1.00	0.81	0.26
VIX	12.14	12.13	12	11.52

Net Change in Index Futures (Contracts)

Date	FII	Pro
17/08/2023	-41,783	349
16/08/2023	-41,248	-989
14/08/2023	-42,127	2,487
11/08/2023	-36,290	7,915
10/08/2023	-33,560	5,312

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
17/08/2023	-124073	-36419
16/08/2023	-107326	-14740
14/08/2023	-28402	45918
11/08/2023	44854	15327
10/08/2023	-114009	-67643

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

Date	FII	Pro
17/08/2023	52347	108633
16/08/2023	8999	22906
14/08/2023	12857	214459
11/08/2023	164509	434860
10/08/2023	23778	155916

Index Long Short Ratio

FII	39%
Pro	50%

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

	17-Aug	16-Aug	14-Aug	11-Aug
FII	-1,510.86	722.76	-2,324.23	-3,073.28
DII	-313.97	2,406.19	1,460.90	500.35

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BATAINDIA	1,736.10	5.36%	33.77	28.09%
ESCORTS	2,796.95	3.34%	16.19	24.69%
PNB	63.55	2.75%	3257.76	14.55%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
RELIANCE	2,536.00	-1.46%	298.35	15.33%
SYNGENE	808.50	-0.09%	37.91	11.37%
KOTAKBANK	1,771.60	-1.15%	323.84	10.88%

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