

**03<sup>rd</sup> November 2023**
**Derivatives Update | Private Client Group**
**Nifty Outlook:**

The index has been in a corrective phase since the highs of 20,222 levels that was achieved on 15<sup>th</sup> September. Nifty has breached multiple month's low and has now taken support near the 200-Day EMA (18,830). FIIs have been constant sellers in the cash segment. In the index futures front the FIIs have further added short positions. Total number of short contracts now stands at 175,698 vs prev 157,326. On 2<sup>nd</sup> November; 6,060 long contracts were added compared to the addition of 19,589 short contracts in index futures; indicating further addition of short contracts. However; the long/short has started to move up from 11% to 16% now. On the index options front, the net call-put is indicating significant liquidation of put writers. To conclude, the data is negative from FII's point of view. Option chain data is indicating a range bound activity with a bearish bias.

**Weekly Expiry Point of View:**

Option chain data for next weekly expiry is indicating a trading range of 19,000-19,200 zones. On the call side, 19,200 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 19,000 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating dominance of call writers; which is a bearish indicator. Expect the index to show bearish bias with 19,000 as support.

**Strategy:**

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

**Nifty Theta-Scalping:**

SELL 1 LOT PUT NIFTY 09NOV2023 18,800 @ 17

SELL 1 LOT CALL NIFTY 09NOV2023 19,500 @ 15

Target – 25 POINTS

Stop Loss – 50 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,200	0.88
	21,000	0.71
Addition in OI Calls	21,000	0.65
	19,400	0.48
Max Put OI	18,000	0.98
	19,000	0.78
Addition in OI Put	18,000	0.67
	19,100	0.58

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	0.56
	19,000	0.52
Addition in OI Calls	19,800	0.06
	20,000	0.04
Max Put OI	19,000	0.98
	18,000	0.79
Addition in OI Put	18,600	0.05
	19,200	0.01

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

Date	FII	Pro
02/11/2023	-1,75,698	20,865
01/11/2023	-1,62,169	23,994
31/10/2023	-1,57,326	24,821
30/10/2023	-1,57,842	21,422
27/10/2023	-1,52,790	19,771

**Sentiment indicator:**

Particulars	02-Nov	01-Nov	31-Oct	30-Oct
Nifty Premium/ (Discount)	105.60	71.10	78.60	80.00
PCR	0.89	0.82	0.92	1.10
A/D Ratio	4.56	0.32	0.96	1.08
VIX	11.08	12.05	11.82	11.49

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
02/11/2023	-232452	-59367
01/11/2023	-252645	-1320
31/10/2023	-273546	69500
30/10/2023	-389062	-177794
27/10/2023	-200728	-3603

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
02/11/2023	72166	127339
01/11/2023	45883	290869
31/10/2023	57294	376163
30/10/2023	-136558	-344880
27/10/2023	48733	83767

Index Long Short Ratio	
FII	16%
Pro	61%

Institutional activity in cash segment - Net Value (in crore)	02-Nov	01-Nov	31-Oct	30-Oct
FII	-1,261.19	-1,816.91	-696.02	-1,761.86
DII	1,380.15	1,622.05	340.25	1,328.47

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
ALKEM	3,829.95	2.32%	10.29	22.73%
DELTACORP	135.00	7.48%	146.07	18.23%
IOC	95.40	2.69%	1331.46	17.87%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
HEROMOTOCO	3,078.70	-0.84%	40.33	16.45%
LICHSGFIN	451.45	-1.93%	298.10	16.39%
ONGC	186.10	-0.21%	310.46	8.65%

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