

Nifty Outlook:

The index has been navigating on the upside to scale newer ATH levels post taking the support near the 50-Day EMA. The structure has been higher lows since the end of January series. FII activity has been improving slightly in both cash and index futures front. In cash segment, the month of March has seen a positive bias as FII's have been buyers. As far as index futures is concerned, they have begun to liquidate short contracts. On 7th March; 2,392 long contracts were liquidated compared to the liquidation of 14,938 short contracts in index futures. The long/short ratio has moved from 35% to 42%; indicating unwinding of short positions. Additionally, on the index options front, the bias has been dynamic in nature as FII's have now added significant put shorts at lower levels and at the same time have unwinded more call shorts; when combined together indicates a bullish outlook. To conclude, the data is still neutral to slightly bullish from FII's point of view now. Option data is indicating further strength is expected if the index does not breach 22,200 levels on the downside.

Weekly Expiry Point of View:

Option chain data this weekly expiry is indicating a trading range of 22,400-22,500 zones. On the call side, 22,500 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 22,400 is the strike with highest OI. As per the data, net call-put writing is indicating a bullish stance from the FII's. They have added put shorts at lower levels; resulting in room for the index to move upwards. Further strength is likely to continue if the index does not breach 22,200 levels.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. The strategy can be deployed by a bull put spread.

Nifty Strategy:

SELL 1 LOT PUT NIFTY 14MAR2024 22,500 @ 129 | BUY 1 LOT PUT NIFTY 14MAR2024 22,350 @ 70

Target – 40 POINTS | Stop Loss – BELOW 22,350 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	23,000	0.69
	22,500	0.83
Addition in OI Calls	22,500	0.53
	23,500	0.41
Max Put OI	22,400	0.78
	22,500	0.72
Addition in OI Put	22,500	0.56
	22,400	0.50

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	23,000	0.67
	22,500	0.45
Addition in OI Calls	23,000	0.02
	23,200	0.01
Max Put OI	21,000	0.91
	22,000	0.71
Addition in OI Put	21,500	0.05
	22,500	0.04



Net Change in Index Futures (Contracts)		
Date	FII	Pro
07-03-2024	-33,795	1,277
06-03-2024	-46,341	21,096
05-03-2024	-64,941	8,259
04-03-2024	-50,047	-7,165
02-03-2024	-61,332	2,800

Sentiment Indicator				
Particulars	10-Mar	06-Mar	05-Mar	04-Mar
Nifty Premium/ (Discount)	58.80	119	76.95	92.35
PCR	1.27	1.32	1.23	1.30
A/D Ratio	1.50	2.33	0.72	1.00
VIX	13.61	14.29	14.38	14.92

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
07-03-2024	-75,836	-92,252
06-03-2024	-195,538	-65,619
05-03-2024	-151,041	-133,638
04-03-2024	-26,681	-230,241
02-03-2024	-224,143	129,418

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
07-03-2024	-43,749	-6,687
06-03-2024	-128,154	-288,321
05-03-2024	-85,752	-416,164
04-03-2024	-33,516	-492,630
02-03-2024	-99,620	-459,875



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
07-03-2024	7,304.11	2,601.81
06-03-2024	2,766.75	2,149.88
05-03-2024	574.28	1,834.61
04-03-2024	-564.06	3,542.87

Index Long Short Ratio	
FII	Pro
42%	51%

Top 3 Long Buildups					
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change	
TATACHEM	1,297.05	10.51%	1644.8	18.24%	
TATAPOWER	428.65	7.96%	9653.8	17.13%	
TATASTEEL	157.9	3.47%	2482.6	11.18%	

Top 3 Short Buildups					
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change	
SAIL	139.6	-0.18%	18364.00	22.3%	
APOLLOTYRE	516.05	-4.08%	1083.07	17.55%	
M&M	1,904.3	-3.91%	143.05	11.79%	



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