

01st 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 15th September. Nifty has breached multiple month's low and has now taken support near the 200-Day EMA (18,830). FII's have been constant sellers in the cash segment. In the index futures front the FII's have the highest number of short contracts since 3rd April. Total number of short contracts now stands at 157,326 vs prev 157,842. On 31st October; 3,098 long contracts were added compared to the addition of 2,582 short contracts in index futures; indicating no significant long addition. The long/short ratio is at the extreme levels of 13%. 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 tomorrow's 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 significant covering of put writers; which is a bearish indicator. Expect the index to show bearish bias with 19,000 as an immediate 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 CALL NIFTY 02NOV2023 19,250 @ 22

SELL 1 LOT PUT NIFTY 02NOV2023 18,950 @ 27

Target – 32 POINTS

Stop Loss – 60 POINTS

Sentiment indicator:

Particulars	31-Oct	30-Oct	27-Oct	26-Oct
Nifty Premium/ (Discount)	78.60	80.00	84.10	115.35
PCR	0.92	1.10	0.97	0.71
A/D Ratio	0.96	1.08	7.33	0.11
VIX	11.82	11.49	10.9	11.73

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,200	2.03
	19,500	1.77
Addition in OI Calls	19,200	0.97
	19,250	0.85
Max Put OI	19,000	1.65
	19,100	1.43
Addition in OI Put	19,100	0.34
	18,900	0.19

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.56
	19,000	0.51
Addition in OI Calls	19,200	0.05
	20,000	0.03
Max Put OI	19,000	1.09
	18,500	0.67
Addition in OI Put	19,200	0.07
	18,400	0.03

Net Change in Index Futures (Contracts)

Date	FII	Pro
31/10/2023	-	24,821
30/10/2023	1,57,326	21,422
27/10/2023	-	19,771
26/10/2023	1,57,842	16,512
25/10/2023	1,52,790	12,150

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
31/10/2023	-273546	69500
30/10/2023	-389062	-177794
27/10/2023	-200728	-3603
26/10/2023	-161605	111809
25/10/2023	347329	638718

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
31/10/2023	57294	376163
30/10/2023	-136558	-344880
27/10/2023	48733	83767
26/10/2023	212607	461655
25/10/2023	652899	1288227

Index Long Short Ratio	
FII	13%
Pro	63%

Institutional activity in cash segment - Net Value (in crore)	31-Oct	30-Oct	27-Oct	26-Oct
FIIs	-696.02	-1,761.86	-1,500.13	-7,702.53
DIIIs	340.25	1,328.47	313.69	6,558.45

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
MCX	2,349.80	2.91%	24.06	20.06%
GNFC	694.00	0.72%	119.91	13.86%
PERSISTENT	6,175.00	1.37%	16.26	12.69%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
SIEMENS	3,352.65	-2.93%	24.66	13.47%
PETRONET	200.45	-0.99%	330.27	13.27%
EICHERMOT	3,306.20	-1.88%	32.41	12.00%

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