

Nifty Outlook:

The index has been oscillating between 20DEMA & 50DEMA; indicating no directional move. However; as we have begun the September series; the index has crossed the short-term moving average of 20DEMA and has sustained above the same. FII's activity in Cash and F&O space for the month of August was negative. However; they have begun this month on a positive note. In the index futures front, the FII's have covered their short positions. The total number of long positions from the FII's stands at 3,209. The long/short ratio is at 51% indicating more long contracts. On 01st September; 1,857 long contracts were liquidated compared to liquidation of 3,102 short contracts in index futures. On the index options front, the net call-put is indicating more put writers. To conclude, sentiments are bullish on the index. The index needs to break 19,500 decisively for any momentum up move. Until then expect the index to consolidate. Although as things stand; the data is positive above 19,300.

Weekly Expiry Point of View:

Option chain data for this weekly expiry is indicating a trading range of 19,400-19,600 zones. On the call side, 19,600 is the strike with highest OI indicating resistance. On the put side, 19,300 is the strike with highest OI indicating support. Majority of addition of put writing was seen at 19,300. As per the data, net call-put writing is indicating there are more put-writers; which is a bullish indicator. 19,500 remains a key level for the index on a closing basis for any meaningful longs. If the index crossed the same decisively; we can expect the index heading towards 19,800.

Strategy:

The sentiment on Nifty is slightly bullish up to 19,600. The strategy can be played out by selling 1 OTM CALL & selling 1 OTM PUT.

Nifty Theta-Scalping Strategy:

SELL 1 LOT CALL NIFTY 07SEP2023 19,600 @ 24

SELL 1 LOT PUT NIFTY 07SEP2023 19,300 @ 32

Target – 40 POINTS

Stop Loss – 80 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,600	1.36
	19,500	1.33
Addition in OI Calls	19,600	0.46
	19,750	0.37
Max Put OI	19,300	1.87
	19,400	1.47
Addition in OI Put	19,300	1.13
	19,350	0.66

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.56
	19,500	0.40
Addition in OI Calls	20,000	0.06
	19,800	0.05
Max Put OI	19,000	1.30
	19,500	0.61
Addition in OI Put	19,500	0.08
	18,600	0.04

Sentiment indicator:

Particulars	01-Sep	31-Aug	30-Aug	29-Aug
Nifty Premium / (Discount)	170.80	175.20	97.85	93.75
PCR	1.30	0.90	0.92	0.97
A/D Ratio	6.29	0.35	1.38	3.17
VIX	11.36	12.06	11.8	12.22

Net Change in Index Futures (Contracts)

Date	FII	Pro
01/09/2023	3,209	3,029
31/08/2023	1,694	16,112
30/08/2023	-24,098	-1,354
29/08/2023	-22,837	-11,725
28/08/2023	-30,958	-12,172

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
01/09/2023	-264326	-141848
31/08/2023	-173701	-90623
30/08/2023	127785	399609
29/08/2023	-95454	-17542
28/08/2023	-276171	-134079

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

Date	FII	Pro
01/09/2023	-133785	-310887
31/08/2023	-11516	110547
30/08/2023	260814	845457
29/08/2023	66818	31406
28/08/2023	-119633	-187618

Index Long Short Ratio

FII	51%
Pro	52%

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

	01-Sep	31-Aug	30-Aug	29-Aug
FII	487.94	-494.68	61.51	-1,393.25
DII	2,294.93	1,323.24	305.09	1,264.01

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BHEL	136.95	11.98%	9971.85	38.54%
INDIACEM	262.95	10.39%	2364.66	28.23%
IDEA	10.15	10.93%	103280.00	22.00%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
TORNTPHARM	1,799.45	-3.14%	22.49	26.88%
IBULHSGFIN	197.25	-1.18%	7032.90	23.64%
ESCORTS	3,156.40	-0.63%	14.43	16.34%

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CIN – U65993TN1994PLC028674