



23rd Feb 2024

Nifty Outlook:

The index has been navigating on the upside to scale newer ATH levels post taking the support near the 50-Day EMA. However; FI activity has been on a slightly muted note since the sell off that was witnessed during the end of January series. In cash segment, the bias continues to remain bearish as FI's have been selling consistently. However, in the index futures front, they have been unwinding the short positions as their bias has become neutral. On 23rd February; 3,668 long contracts were added compared to the liquidation of 9,093 short contracts in index futures. The long/short ratio has improved from the lows of 22% to 44%; indicating unwinding of short positions. However, on the index options front, the bias has been dynamic in nature as FI's have now unwinded significant call shorts at higher levels and at the same time have unwinded more call longs; when combined together indicates a bearish outlook. To conclude, the data is still neutral from FI's point of view now. Option data is indicating further momentum is likely to continue as long as the index does not close below 22,000 levels.

Weekly Expiry Point of View:

Option chain data for next weekly/monthly expiry is indicating a trading range of 22,000-22,800 zones. On the call side, 22,800 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 22,000 is the strike with highest OI. As per the data, net call-put writing is indicating a bullish stance from the FI's. They have unwinded call shorts at higher levels; resulting in a more room for the index. Further momentum action is likely to continue if the index does not breach 22,000 levels. Advisable to buy on dips.

Strategy:

The sentiment on Nifty is neutral. However the strategy can be deployed via theta scalping.

Nifty Theta Scalping Strategy:

SELL 1 LOT PUT NIFTY 29FEB2024 21,800 @ 36 | SELL 1 LOT CALL NIFTY 29FEB2024 22,700 @ 25

Target – COMBINED PREMIUM OF 30 | Stop Loss – COMBINED PREMIUM OF 90

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	23,000	2.01
	22,800	0.80
Addition in OI Calls	23,000	0.59
	22,800	0.38
Max Put OI	21,000	1.44
	22,000	1.26
Addition in OI Put	21,000	0.63
	21,900	0.42

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	23,000	2.01
	22,800	0.80
Addition in OI Calls	23,000	0.59
	22,800	0.38
Max Put OI	21,000	1.44
	22,000	1.26
Addition in OI Put	21,000	0.63
	21,900	0.42



Net Change in Index Futures (Contracts)		
Date	FII	Pro
22-02-2024	-34,669	-1,975
21-02-2024	-47,430	8,097
20-02-2024	-54,814	19,406
19-02-2024	-63,809	22,752
16-02-2024	-68,790	24,079

Sentiment Indicator				
Particulars	22-Feb	21-Feb	20-Feb	19-Feb
Nifty Premium/ (Discount)	25.80	15.10	20.25	49.15
PCR	1.19	0.85	1.24	1.25
A/D Ratio	2.33	0.29	1.22	1.17
VIX	15.19	15.92	16.07	16.01

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
22-02-2024	-163,719	-42,540
21-02-2024	-88,751	14,086
20-02-2024	-327,274	-135,963
19-02-2024	-185,240	-232,712
16-02-2024	-161,826	-211,718

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
22-02-2024	-41,429	42,725
21-02-2024	8,766	14,086
20-02-2024	-182,814	-662,618
19-02-2024	-63,067	-372,262
16-02-2024	-27,409	-337,718



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
22-02-2024	-1,410.05	1,823.68
21-02-2024	284.66	-411.57
20-02-2024	-1,335.51	1,491.33
19-02-2024	-754.59	452.70

Index Long Short Ratio	
FII	Pro
44%	49%

Top 3 Long Buildups					
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change	
ABB	5,428.1	8.57%	20.32	13.21%	
EICHERMOT	3,946.4	3.09%	40.00	10.19%	
SIEMENS	5,564	2.57%	12.84	9.11%	

Top 3 Short Buildups					
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change	
SAIL	129.6	-0.84%	1610.7	21.98%	
BATAINDIA	1,413.45	-0.82%	36.47	10.00%	
JUBLFOOD	492.35	-0.64%	206.9	9.50%	



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