



27<sup>th</sup> 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 26<sup>th</sup> February; 5,167 long contracts were added compared to the liquidation of 2,754 short contracts in index futures. The long/short ratio has improved from the lows of 22% to 45%; indicating unwinding of short positions. However, on the index options front, the bias has been dynamic in nature as FI's have now added significant call shorts at higher levels and at the same time have added more call longs; when combined together indicates a mildly 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 this weekly/monthly expiry is indicating a trading range of 22,000-22,300 zones. On the call side, 22,300 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 bearish stance from the FI's. They have added call shorts at higher levels; resulting in resistance for the index to move upwards. Further momentum 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. Hence, the strategy can be deployed via a short strangle.

Nifty Short Strangle Strategy:

SELL 1 LOT PUT NIFTY 29FEB2024 21,900 @ 47 | SELL 1 LOT CALL NIFTY 29FEB2024 22,450 @ 28

Target – 50 POINTS | Stop Loss – Below 21,800 or above 22,500 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	23,000	2.59
	22,300	1.36
Addition in OI Calls	22,200	0.55
	22,900	0.42
Max Put OI	21,000	1.45
	21,500	1.37
Addition in OI Put	21,500	0.31
	22,100	0.28

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	23,000	2.59
	22,300	1.36
Addition in OI Calls	22,200	0.55
	22,900	0.42
Max Put OI	21,000	1.45
	21,500	1.37
Addition in OI Put	21,500	0.31
	22,100	0.28



Net Change in Index Futures (Contracts)		
Date	FII	Pro
26-02-2024	-29,137	-20,500
23-02-2024	-37,058	-4,091
22-02-2024	-34,669	-1,975
21-02-2024	-47,430	8,097
20-02-2024	-54,814	19,406

Sentiment Indicator				
Particulars	26-Feb	23-Feb	22-Feb	21-Feb
Nifty Premium/ (Discount)	19.60	16.15	25.80	15.10
PCR	0.97	1.02	1.19	0.85
A/D Ratio	0.32	0.66	2.33	0.29
VIX	15.60	14.97	15.19	15.92

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
26-02-2024	-113,256	-78,117
23-02-2024	-157,598	-73,468
22-02-2024	-163,719	-42,540
21-02-2024	-88,751	14,086
20-02-2024	-327,274	-135,963

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
26-02-2024	70,401	301,668
23-02-2024	32,529	178,814
22-02-2024	-41,429	42,725
21-02-2024	8,766	14,086
20-02-2024	-182,814	-662,618



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
26-02-2024	-285.15	-5.33
23-02-2024	1,276.09	176.68
22-02-2024	-1,410.05	1,823.68
21-02-2024	284.66	-411.57

Index Long Short Ratio	
FII	Pro
45%	41%

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BOSCHLTD	28,778.6	1.44%	2.56	12.88%
SUNTV	634.3	0.01%	68.55	10.63%
HDFCAMC	3,885.45	1.83%	33.06	10.08%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BANDHANBNK	202.8	-2.97%	1070.1	10.99%
ATUL	6,284.7	-0.11%	10.58	3.88%
MARICO	525.05	-1.11%	117.9	9.45%



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