

15th November 2023
Derivatives Update | Private Client Group
Nifty Outlook:

Post the correction phase that began at the highs of 20,222 levels that was achieved on 15th September. Nifty has taken support and reversed near the 200-Day EMA (18,830). On a daily time frame, a higher high pattern is intact indicating an uptrend. FIIs have been constant sellers in the cash segment. However; in the index futures front the FIIs have started covering their short positions. Total number of short contracts now stands at 147,443. On 13th November; 1,285 long contracts were added compared to liquidation of 8,100 short contracts in index futures; indicating marginal covering of short positions. Additionally; the long/short has started to move up from 11% to 19% now; this is a bullish indicator. On the index options front, the net call-put is indicating addition of put writers. To conclude, the data is getting better from FII's point of view. Option chain data is indicating a positive movement for the index with 19,250 as a SL.

Weekly Expiry Point of View:

Option chain data for tomorrow's expiry is indicating a trading range of 19,400-19,500 zones. On the call side, 19,500 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 19,400 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating addition of put writers; which is a bullish indicator. Expect the index to show further strength with 19,250 as a support.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. The strategy can be played out by selling 1 OTM CALL & buying 1 ITM CALL.

Nifty Bull Call Spread:

SELL 1 LOT CALL NIFTY 16NOV2023 19,600 @ 13

BUY 1 LOT CALL NIFTY 16NOV2023 19,300 @ 90

Target – 45 POINTS

Stop Loss – 19,650 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	2.00
	19,600	1.57
Addition in OI Calls	19,500	0.54
	19,650	0.53
Max Put OI	19,400	1.53
	19,300	1.17
Addition in OI Put	19,100	0.39
	19,250	0.36

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	0.63
	20,000	0.62
Addition in OI Calls	20,100	0.02
	19,450	0.02
Max Put OI	19,000	0.98
	19,200	0.55
Addition in OI Put	19,000	0.03
	19,400	0.03

Net Change in Index Futures (Contracts)

Date	FII	Pro
13/11/2023	-1,47,443	32,200
10/11/2023	-1,56,828	38,535
09/11/2023	-1,51,863	30,231
08/11/2023	-1,51,442	26,761
07/11/2023	-1,46,381	16,841

Sentiment indicator:

Particulars	13-Nov	10-Nov	09-Nov	08-Nov
Nifty Premium/ (Discount)	53.60	57.30	89.30	47.35
PCR	1.00	1.03	0.92	0.98
A/D Ratio	0.47	1.63	0.72	1.94
VIX	11.19	11.11	10.98	11.04

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
13/11/2023	-222158	-20923
10/11/2023	-236361	-86857
09/11/2023	-259656	-27064
08/11/2023	-182871	-47929
07/11/2023	-208900	-7539

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
13/11/2023	1041	53657
10/11/2023	-22073	-24091
09/11/2023	42153	135531
08/11/2023	98375	183105
07/11/2023	-2344	-218362

Index Long Short Ratio	
FII	19%
Pro	66%

Institutional activity in cash segment - Net Value (in crore)	13-Nov	10-Nov	09-Nov	08-Nov
FIIs	-1,244.44	-190.06	-1,712.33	-84.55
DIIIs	830.40	95.31	1,512.14	524.47

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
HINDCOPPER	162.65	8.80%	454.21	25.35%
NTPC	246.75	1.19%	903.21	9.16%
BHEL	136.95	5.75%	1134.21	9.12%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
GLENMARK	726.80	-5.12%	111.02	17.40%
TATACHEM	937.30	-2.21%	132.79	13.94%
PAGEIND	37,086.05	-3.34%	1.35	9.10%

Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL
Regd. Office: Chola Crest, C54 – 55 & Super B-4, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai – 600032.
Website: www.cholawealthdirect.com
Email id – csecsupport@chola.murugappa.com
 CIN U65993TN1994PLC028674

Cholamandalam Securities Limited (CSEC) is a SEBI registered stock broker and depository participant. CSEC does not provide investment advisory services. Investors are advised to consult an independent financial advisor before taking any investment decisions.

RESEARCH			
Dharmesh Kant	Head of Equity Research	+91-44-4004 7360	dharmeshkt@chola.murugappa.com
Mugilan K	Technical Analyst	+91-44-4004 7353	mugilank@chola.murugappa.com
Balaji H	Compliance Officer	044-30007226	balajih@chola.murugappa.com
Lakshmi Sundaram	Customer service	1800 425 4477	lakshmis@chola.murugappa.com

Disclaimer:

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited. No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent. The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate.