

Nifty Outlook:

The Nifty has been trapping both; bulls & bears. The range bound movement has been seen for the major part of August and is continuing to do so as we have commenced the last week of August series. The index has closed just above 50 DEMA. Time correction story continues to remain the same. FII's activity in Cash and F&O space for the month of August has been negative as they have been constantly selling. On the index futures front, the short positions from the FII's have marginally come down as the total number of short contracts stand at 30,958. The long/short ratio is at 44% indicating some long additions. On 28th August; 15,541 long contracts were added compared to addition of 7,444 short contracts in index futures. On the index options front, the net call-put is indicating there are more put writers. To conclude, sentiments are neutral on the index. The index needs to break 19,250 decisively for any momentum down move. Until then expect the index to consolidate. Moreover; index needs to reclaim 19,500 for any meaningful longs. Although as things stand; the uptrend is still intact as long as the index is trading above 19,200 levels.

Weekly Expiry Point of View:

Option chain data for coming monthly expiry is indicating a trading range of 19,200-19,500 zones. On the call side, 19,500 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. 19,300 remains a key level for the index on a closing basis for any shorts. If the index breaks 19,250 decisively; we can expect the index heading towards 19,000.

Strategy:

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

Nifty Theta-Scalping Strategy:

SELL 1 LOT CALL NIFTY 31AUG2023 19,500 @ 14

SELL 1 LOT PUT NIFTY 31AUG2023 19,000 @ 7

Target – 20 POINTS

Stop Loss – 40 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	2.62
	19,400	2.00
Addition in OI Calls	19,350	0.25
	19,550	0.24
Max Put OI	19,300	2.34
	19,000	1.93
Addition in OI Put	19,300	1.19
	19,200	0.49

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	2.62
	19,400	2.00
Addition in OI Calls	19,350	0.25
	19,550	0.24
Max Put OI	19,300	2.34
	19,000	1.93
Addition in OI Put	19,300	1.19
	19,200	0.49

Sentiment indicator:

Particulars	28-Aug	25-Aug	24-Aug	23-Aug
Nifty Premium / (Discount)	113.95	99.15	123.80	95.75
PCR	1.00	0.84	0.78	1.06
A/D Ratio	1.38	0.22	0.52	1.38
VIX	12.4	12.08	11.7	11.73

Net Change in Index Futures (Contracts)

Date	FII	Pro
28/08/2023	-30,958	-12,172
25/08/2023	-39,055	-411
24/08/2023	-24,156	-6,497
23/08/2023	-18,465	-21,514
22/08/2023	-28,078	-8,455

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
28/08/2023	-276171	-134079
25/08/2023	-232120	-1951
24/08/2023	-221409	5214
23/08/2023	-57216	-379568
22/08/2023	154345	-5468

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

Date	FII	Pro
28/08/2023	-119633	-187618
25/08/2023	47207	282318
24/08/2023	-20190	120106
23/08/2023	68816	-681503
22/08/2023	339429	161473

Index Long Short Ratio

FII	43%
Pro	43%

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

	28-Aug	25-Aug	24-Aug	23-Aug
FII	-1,393.25	-4,638.21	1,524.87	614.32
DIIs	1,264.01	1,414.35	5,796.61	125.03

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
IBULHSGFIN	192.50	11.30%	1093.59	110.72%
PNB	62.35	1.63%	4020.64	54.20%
ULTRACEMCO	8,125.30	0.61%	21.54	45.73%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BALKRISIND	2,363.35	-0.35%	27.77	49.23%
MPHASIS	2,330.90	-2.62%	34.98	42.42%
DABUR	553.70	-0.79%	206.66	30.77%

Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL
Regd. Office: Dare House,2 (Old) # 234) N.S.C Bose Road, Chennai – 600001.
Website: www.cholawealthdirect.com
Email id – customercarewm@chola.murugappa.com CIN
 U65993TN1994PLC028674

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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

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Cholamandalam Securities Limited

(A subsidiary of Cholamandalam Investment and Finance Company Ltd.)

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91.44.40907172 / 91.44.40047370 Fax: 91.44.40047373

Website: www.cholawealthdirect.com

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