

31st October 2023
Derivatives Update | Private Client Group
Nifty Outlook:

The index has been in a corrective phase since the highs of 20,222 levels that was achieved on 15th September. Nifty has breached multiple month's low and has now taken support near the 200-Day EMA (18,830). FIIs have been constant sellers in the cash segment. In the index futures front the FIIs have the highest number of short contracts since 3rd April. Total number of short contracts have further gone up from 157,842 vs prev 152,790. On 30th October; 1,03 long contracts were added compared to the addition of 6,084 short contracts in index futures; indicating further addition of short contracts. The long/short ratio is at the extreme levels of 12%. On the index options front, the net call-put is indicating significant addition of put writers. To conclude, the data is negative from FII's point of view. However; option chain data is indicating positive bias towards 19,200 zones.

Weekly Expiry Point of View:

Option chain data for this week's expiry is indicating a trading range of 19,000-19,200 zones. On the call side, 19,200 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 19,000 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating significant addition of put writers; which is a bullish indicator. Expect the index to show strength with 19,200 as an immediate resistance.

Strategy:

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

Nifty Bull-Call Ratio:

BUY 1 LOT CALL NIFTY 02NOV2023 19,150 @ 97

SELL 1 LOT CALL NIFTY 02NOV 2023 19,250 @ 49

Target – 40 POINTS

Stop Loss – 75 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	1.34
	19,200	1.10
Addition in OI Calls	19,150	0.34
	19,100	0.21
Max Put OI	19,000	2.01
	18,800	1.15
Addition in OI Put	19,000	0.93
	18,950	0.58

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	20,000	0.52
	19,000	0.52
Addition in OI Calls	19,100	0.09
	20,000	0.06
Max Put OI	19,000	1.08
	18,000	0.81
Addition in OI Put	19,100	0.1
	19,000	0.06

Net Change in Index Futures (Contracts)

Date	FII	Pro
30/10/2023	-	21,422
27/10/2023	1,57,842	19,771
26/10/2023	-	16,512
25/10/2023	1,52,790	12,150
23/10/2023	92,320	27,100

Sentiment indicator:

Particulars	30-Oct	27-Oct	26-Oct	25-Oct
Nifty Premium/ (Discount)	80.00	84.10	115.35	102.80
PCR	1.10	0.97	0.71	0.68
A/D Ratio	1.08	7.33	0.11	0.25
VIX	11.49	10.9	11.73	11.31

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
30/10/2023	-389062	-177794
27/10/2023	-200728	-3603
26/10/2023	-161605	111809
25/10/2023	347329	638718
23/10/2023	111395	291066

Net Change in Index Option Writing (Call - Put = Contracts)		
Date	FII	Pro
30/10/2023	-136558	-344880
27/10/2023	48733	83767
26/10/2023	212607	461655
25/10/2023	652899	1288227
23/10/2023	390677	840964

Index Long Short Ratio	
FII	12%
Pro	61%

Institutional activity in cash segment - Net Value (in crore)	30-Oct	27-Oct	26-Oct	25-Oct
FII	-1,761.86	-1,500.13	-7,702.53	-4,236.60
DII	1,328.47	313.69	6,558.45	3,569.36

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
DLF	560.20	4.03%	363.90	14.13%
GNFC	689.55	2.95%	105.32	9.59%
METROPOLIS	1,404.00	0.76%	18.81	7.57%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
PETRONET	202.00	-8.76%	326.55	47.95%
SBICARD	744.75	-6.51%	119.77	40.45%
COROMANDEL	1,035.25	-4.00%	15.91	40.11%

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.