

Nifty Outlook:

The Nifty has been trading in a falling channel on a daily scale. 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 selling constantly from 2nd August. On the index futures front, the short positions from the FII's have come down as the total number of short contracts stand at 18,465. The long/short ratio is at 45% indicating marginal short covering. On 23rd August; 6,342 long contracts were added compared to liquidation of 3,271 short contracts in index futures. On the index options front, the net call-put is indicating there were additions of put writers. To conclude, sentiments are neutral to slightly bullish on the index. Expect the index to consolidate. The index needs to close above 19,500 for any meaningful longs. The uptrend is still intact as long as the index is trading above 19,200-19,300 levels.

Weekly Expiry Point of View:

Option chain data for today's expiry is indicating a trading range of 19,350-19,500 zones. On the call side, 19,500 is the strike with highest OI 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 there's a greater addition of put-writers; which is a bullish indicator. 19,500 remains a key level for the index on a closing basis. However, expect Nifty to trade between a range of 19,350 to 19,500 levels.

Strategy:

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

Nifty Bull-Call Spread:

SELL 1 LOT CALL NIFTY 24AUG2023 19,550 @ 9

BUY 1 LOT CALL NIFTY 24AUG2023 19,400 @ 62

Max Profit – 50 POINTS

Stop Loss – 19,400 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,500	2.85
	19,600	2.46
Addition in OI Calls	19,500	0.51
	19,550	0.37
Max Put OI	19,400	2.77
	19,300	2.72
Addition in OI Put	19,400	1.65
	19,300	0.81

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,700	0.78
	19,500	0.76
Addition in OI Calls	19,650	0.18
	19,700	0.16
Max Put OI	19,000	1.05
	19,400	0.78
Addition in OI Put	19,400	0.24
	19,200	0.12

Sentiment indicator:

Particulars	23-Aug	22-Aug	21-Aug	18-Aug
Nifty Premium / (Discount)	100.00	-10.15	5.95	21.35
PCR	1.06	0.93	1.08	0.98
A/D Ratio	1.38	1.27	3.55	0.39
VIX	11.73	11.75	11.96	12.14

Net Change in Index Futures (Contracts)

Date	FII	Pro
23/08/2023	-18,465	-21,514
22/08/2023	-28,078	-8,455
21/08/2023	-27,473	-13,494
18/08/2023	-30,274	-7,866
17/08/2023	-41,783	349

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
23/08/2023	-57216	-379568
22/08/2023	154345	-5468
21/08/2023	-67135	-75715
18/08/2023	-11011	-61619
17/08/2023	-124073	-36419

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

Date	FII	Pro
23/08/2023	68816	-681503
22/08/2023	339429	161473
21/08/2023	-29921	-89000
18/08/2023	76475	152172
17/08/2023	52347	108633

Index Long Short Ratio

FII	45%
Pro	38%

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

	23-Aug	22-Aug	21-Aug	18-Aug
FII's	614.32	-495.17	-1,901.10	-266.98
DIIs	125.03	533.75	626.25	339.18

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
MFSL	885.85	0.25%	86.00	52.04%
SUNTV	567.65	4.69%	128.35	46.88%
COLPAL	1,946.00	0.38%	27.04	16.14%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
COFORGE	4,862.20	-2.25%	12.54	27.73%
APOLLOTYRE	392.55	-0.68%	134.45	12.97%
ONGC	175.25	-0.45%	440.20	10.09%

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