

Nifty Outlook:

The Nifty has been trading inside a broader range of previous week's candle indicating indecisiveness or consolidation after taking support at 50% Fibonacci retracement of the previous trend. FII's were net sellers both in Cash and F&O space for the last week and have commenced the week with selling in cash; indicating weakness. On index futures front, long covering is seen from the FII's indicating the consolidation to continue. The long/short ratio in index futures has come down from 47% to 45% indicating marginal long covering. The total number of short contracts has gone up by 6,057 contracts. On 9th August, 5,438 long contracts were liquidated compared to addition of 619 short contracts in index futures. On the index options front, the net call-put writing has gone up by 131,810 contracts indicating addition of heavy call writing. To conclude, sentiments are neutral on the index. Expect the index to consolidate. The uptrend is 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 weekly expiry is indicating a trading range of 19,500-19,800 zones. Call writing is seen at 19,800. On the call side, 19,800 is the strike with highest OI indicating resistance. On the put side, 19,500 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating there have been addition of more call writers which is a bearish setup. 19,300 remains a key level for the index. However, expect Nifty to trade between a range of 19,500 to 19,800 levels.

Strategy:

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

Nifty Bull-Call Spread:

SELL 1 LOT CALL NIFTY 10AUG2023 19,800 @ 4

SELL 1 LOT PUT NIFTY 10AUG2023 19,500 @ 11

Max Profit – 15 POINTS

Stop Loss – 40 POINTS

| Nifty Weekly Series | Strike | OI (Lakh) |
|----------------------|--------|-----------|
| Max Call OI | 19,800 | 2.10 |
| | 19,700 | 2.00 |
| Addition in OI Calls | 19,800 | 0.44 |
| | 19,750 | 0.36 |
| Max Put OI | 19,500 | 2.76 |
| | 19,400 | 1.86 |
| Addition in OI Put | 19,500 | 1.01 |
| | 19,650 | 0.62 |

| Nifty Monthly Series | Strike | OI (Lakh) |
|----------------------|--------|-----------|
| Max Call OI | 20,000 | 0.61 |
| | 20,500 | 0.41 |
| Addition in OI Calls | 19,500 | 0.03 |
| | 20,000 | 0.01 |
| Max Put OI | 19,000 | 0.81 |
| | 19,500 | 0.64 |
| Addition in OI Put | 18,000 | 0.01 |
| | 19,700 | 0.01 |

Sentiment indicator:

| Particulars | 09-Aug | 08-Aug | 08-Aug | 07-Aug |
|----------------------------|--------|--------|--------|--------|
| Nifty Premium / (Discount) | 60.45 | 40.40 | 63.75 | 59.25 |
| PCR | 1.18 | 0.99 | 1.18 | 1.04 |
| A/D Ratio | 2.06 | 0.61 | 2.50 | 1.50 |
| VIX | 11.14 | 11.33 | 11.1 | 10.57 |

Net Change in Index Futures (Contracts)

| Date | FII | Pro |
|------------|---------|---------|
| 09/08/2023 | -18,607 | -10,102 |
| 08/08/2023 | -12,550 | -15,506 |
| 07/08/2023 | -18,743 | -4,611 |
| 04/08/2023 | -25,595 | -1,520 |
| 03/08/2023 | -40,621 | -3,761 |

Net Index Options Long (Call - Put = Contracts)

| Date | FII | Pro |
|------------|---------|--------|
| 09/08/2023 | 149041 | 7333 |
| 08/08/2023 | -6493 | -29983 |
| 07/08/2023 | -52546 | -44640 |
| 04/08/2023 | -136048 | 5284 |
| 03/08/2023 | -17075 | 9431 |

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

| Date | FII | Pro |
|------------|--------|--------|
| 09/08/2023 | 208172 | 40788 |
| 08/08/2023 | 76362 | 93954 |
| 07/08/2023 | -16097 | 131081 |
| 04/08/2023 | -2896 | 168341 |
| 03/08/2023 | 127174 | 325926 |

Index Long Short Ratio

| | |
|-----|-----|
| FII | 45% |
| Pro | 43% |

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

| | 09-Aug | 08-Aug | 08-Aug | 07-Aug |
|-------|---------|---------|-----------|---------|
| FII's | 644.11 | -711.34 | -1,892.77 | -556.32 |
| DIIs | -597.88 | 537.31 | 1,080.80 | 366.61 |

Top 3 Long Buildups

| Particulars | LTP | % Price Change | Open interest (Lakh) | % OI Change |
|-------------|----------|----------------|----------------------|-------------|
| TRENT | 1,807.90 | 4.96% | 47.36 | 24.35% |
| COALINDIA | 232.10 | 1.91% | 814.29 | 23.96% |
| BHARATFORG | 979.05 | 7.59% | 96.24 | 22.51% |

Top 3 Short Buildups

| Particulars | LTP | % Price Change | Open interest (Lakh) | % OI Change |
|-------------|----------|----------------|----------------------|-------------|
| SIEMENS | 3,745.00 | -1.33% | 22.17 | 24.78% |
| BERGEPAIN | 692.90 | -2.06% | 108.20 | 21.23% |
| BATAINDIA | 1,683.95 | -3.17% | 22.58 | 18.66% |

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