

Nifty Outlook:

The Nifty has formed 4 consecutive red candles on a weekly scale – something which has happened for the first time since Covid crisis. As we have commenced the week, Lower low structure is intact on the weekly horizon. FI'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 index futures front, the positions from the FI's are indicating there are 28,078 short contracts. The long/short ratio is at 43%. On 22nd August; 2,162 long contracts were liquidated compared to addition of 1,557 short contracts in index futures. On the index options front, the net call-put is indicating call writers back in action. To conclude, sentiments are neutral on the index. Expect the index to consolidate. 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 the weekly expiry is indicating a trading range of 19,200-19,400 zones. On the call side, 19,400 is the strike with highest OI indicating resistance. On the put side, 19,300 is the strike with highest OI indicating support. As per the data, net call-put writing is indicating there's a greater number of call-writers; which is a bearish indicator. 19,300 still remains a key level for the index on a closing basis. However, expect Nifty to trade between a range of 19,200 to 19,400 levels.

Strategy:

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

Nifty Bull-Put Spread:

SELL 1 LOT PUT NIFTY 24AUG2023 19,200 @ 11

BUY 1 LOT PUT NIFTY 24AUG2023 19,400 @ 70

Max Profit – 50 POINTS

Stop Loss – 19,450 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	19,400	3.11
	19,500	2.39
Addition in OI Calls	19,400	1.05
	19,450	0.67
Max Put OI	19,300	1.98
	19,200	1.93
Addition in OI Put	19,150	0.59
	19,200	0.43

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	19,500	0.68
	19,700	0.61
Addition in OI Calls	19,400	0.09
	19,700	0.07
Max Put OI	19,000	1.06
	19,400	0.54
Addition in OI Put	18,000	0.06
	19,400	0.05

Sentiment indicator:

Particulars	22-Aug	21-Aug	18-Aug	17-Aug
Nifty Premium / (Discount)	-7.45	5.95	21.35	28.65
PCR	0.93	1.08	0.98	0.88
A/D Ratio	1.27	3.55	0.39	0.52
VIX	11.75	11.96	12.14	12.24

Net Change in Index Futures (Contracts)

Date	FII	Pro
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
16/08/2023	-41,248	-989

Net Index Options Long (Call - Put = Contracts)

Date	FII	Pro
22/08/2023	154345	-5468
21/08/2023	-67135	-75715
18/08/2023	-11011	-61619
17/08/2023	-124073	-36419
16/08/2023	-107326	-14740

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

Date	FII	Pro
22/08/2023	339429	161473
21/08/2023	-29921	-89000
18/08/2023	76475	152172
17/08/2023	52347	108633
16/08/2023	8999	22906

Index Long Short Ratio

FII	43%
Pro	45%

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

	22-Aug	21-Aug	18-Aug	17-Aug
FII	-495.17	-1,901.10	-266.98	-1,510.86
DII	533.75	626.25	339.18	-313.97

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
ESCORTS	2,917.00	2.89%	21.07	28.30%
BHEL	110.90	9.69%	1328.77	21.69%
DIXON	5,005.15	1.93%	15.66	11.85%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
GRASIM	1,809.40	-0.01%	173.63	32.49%
GUJGASLTD	452.85	-0.41%	90.33	12.61%
HDFCBANK	1,584.00	-0.63%	1378.08	11.64%

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