



1st March 2024

Nifty Outlook:

The index has been navigating on the upside to scale newer ATH levels post taking the support near the 50-Day EMA. However; FII activity has been on a slightly muted note since the sell off that was witnessed during the end of January series. In cash segment, the bias continues to remain bearish as FII's have been selling consistently. Additionally, in the index futures front, they have liquidated significant long contracts. On 29th February; 73,101 long contracts were liquidated compared to the liquidation of 44,100 short contracts in index futures. The long/short ratio has dedined from the highs of 45% to 35%; indicating unwinding of long positions. However, on the index options front, the bias has been dynamic in nature as FII's have now liquidated significant call shorts at higher levels and at the same time have unwinded more put longs; when combined together indicates a bullish outlook. To condude, the data is still neutral to slightly bearish from FII's point of view now. Option data is indicating further strength is expected if the index does not breach 22,000 levels on the downside.

Weekly Expiry Point of View:

Option chain data next expiry is indicating a trading range of 22,000-22,200 zones. On the call side, 22,200 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 22,000 is the strike with highest OI. As per the data, net call-put writing is indicating a bullish stance from the FII's. They have liquidated call shorts at higher levels; resulting in room for the index to move upwards. Further strength is likely to continue if the index does not breach 22,000 levels.

Strategy:

The sentiment on Nifty is neutral to slightly bullish. Hence, the strategy can be deployed via a bull put spread

Nifty Bull Put Spread Strategy:

SELL 1 LOT PUT NIFTY 07MAR2024 22,100 @ 159 | BUY 1 LOT PUT NIFTY 07MAR2024 21,900 @ 85

Target – 60 POINTS | Stop Loss – BELOW 21,950 (SPOT)

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	23,000	0.84
	22,200	0.66
Addition in OI Calls	23,000	0.58
	22,700	0.36
Max Put OI	21,000	0.89
	22,000	0.70
Addition in OI Put	21,000	0.66
	20,000	0.42

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	23,000	0.55
	22,000	0.49
Addition in OI Calls	22,200	0.21
	22,000	0.11
Max Put OI	21,000	0.84
	22,000	0.69
Addition in OI Put	22,000	0.09
	21,500	0.05



Net Change in Index Futures (Contracts)		
Date	FII	Pro
29-02-2024	-58,968	7,409
28-02-2024	-29,967	-12,546
27-02-2024	-27,042	-21,257
26-02-2024	-29,137	-20,500
23-02-2024	-37,058	-4,091

Sentiment Indicator				
Particulars	29-Feb	28-Feb	27-Feb	26-Feb
Nifty Premium/ (Discount)	177.70	-29.80	4.70	19.60
PCR	1.09	0.66	1.00	0.97
A/D Ratio	1.77	0.08	1.27	0.32
VIX	15.57	16.33	15.72	15.60

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
29-02-2024	-96,700	4,621
28-02-2024	132,789	330,620
27-02-2024	-93,142	-171,165
26-02-2024	-113,256	-78,117
23-02-2024	-157,598	-73,468

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
29-02-2024	28,007	97,338
28-02-2024	381,444	1,162,946
27-02-2024	71,433	66,329
26-02-2024	70,401	301,668
23-02-2024	32,529	178,814



Institutional activity in cash segment Net Value (In crores)

Date	FII's	DII's
29-02-2024	3,568.11	-230.21
28-02-2024	-1,879.23	1,827.45
27-02-2024	-1,509.16	2,861.56
26-02-2024	-285.15	-5.33

Index Long Short Ratio

FII	Pro
35%	53%

Top 3 Long Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BERGEPAIN	604.15	8.12%	1786.0	20.94%
MARUTI	11,274.95	1.18%	34.05	19.82%
NTPC	335.25	0.84%	1162.5	17.08%

Top 3 Short Buildups

Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
APOLLOHOSP	6,091.95	-4.24%	23.82	30.77%
ZEEL	161	-0.34%	1279.6	27.7%
HINDUNILVR	2,412.9	-0.38%	1349.1	6.87%



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