



23rd Jan 2024

Nifty Outlook:

Post the breakout that was witnessed on 12th January. The index has been unable to sustain at higher levels and thus a sharp sell-off has wiped all the gains that was achieved over the last few trading sessions. This has been fuelled by FII's significantly selling in both cash and index futures. FII's have liquidated all their long positions and at the same time, they have added fresh shorts. On 20th January; 15 long contracts were added compared to the addition of 6,339 short contracts in index futures. The long/short ratio has significant come down from the highs of 69% to 46%; indicating unwinding of long positions. Additionally, on the index options front, FII's are liquidated a significant number of call shorts; which is a bearish indicator. To conclude, the data is negative from FII's point of view now. Option data is indicating negative bias as long as the index is trading below 21,800 level. Hence, it is now Advisable to stay cautious with 21,300 as a support.

Weekly Expiry Point of View:

Option chain data for this weekly/monthly expiry is indicating a trading range of 21,500-22,000 zones. On the call side, 22,000 is the strike with highest OI. Majority of call writing was witnessed at this level; indicating resistance. On the put side, 21,500 is the strike with highest OI. As per the data, net call-put writing is indicating significant addition of call writers; which is a bearish indicator. It is advisable to be cautious with longs. Further weakness can be expected as long as index is trading below 21,800 levels.

Strategy:

The sentiment on Nifty is bearish. However, the strategy can be played out by selling 1 OTM CALL & selling 1 OTM PUT.

Nifty Theta Scalping:

SELL 1 LOT CALL NIFTY 25JAN2024 22,000 @ 22 | SELL 1 LOT PUT NIFTY 25JAN2024 21,250 @ 26

Target – COMBINED PREMIUM 24 POINTS | Stop Loss – COMBINED PREMIUM 70 POINTS

Nifty Weekly Series	Strike	OI (Lakh)
Max Call OI	22,500	1.87
	22,000	1.62
Addition in OI Calls	21,700	0.41
	22,400	0.38
Max Put OI	20,500	1.46
	21,000	1.37
Addition in OI Put	21,000	0.18
	21,100	0.18

Nifty Monthly Series	Strike	OI (Lakh)
Max Call OI	22,500	1.87
	22,000	1.62
Addition in OI Calls	21,700	0.41
	22,400	0.38
Max Put OI	20,500	1.46
	21,000	1.37
Addition in OI Put	21,000	0.18
	21,100	0.18



Net Change in Index Futures (Contracts)		
Date	FII	Pro
20-01-2024	-22,564	883
19-01-2024	-16,240	-12,875
18-01-2024	-4,659	-18,654
17-01-2024	20,654	-9,373
16-01-2024	79,599	3,367

Sentiment Indicator				
Particulars	20-Jan	19-Jan	18-Jan	17-Jan
Nifty Premium/ (Discount)	48.20	49.75	65.20	17.60
PCR	0.86	0.96	0.96	0.72
A/D Ratio	0.67	6.14	0.61	0.25
VIX	13.80	13.87	14.07	15.08

Net Index Options Long (Call - Put = Contracts)		
Date	FII	Pro
20-01-2024	-100,689	117,959
19-01-2024	-89,513	101,000
18-01-2024	-233,479	105,043
17-01-2024	-153,829	140,123
16-01-2024	-140,490	-118,166

Net Index Options short (Call - Put = Contracts)		
Date	FII	Pro
20-01-2024	63,188	501,122
19-01-2024	125,943	619,323
18-01-2024	-22,976	551,815
17-01-2024	-10,932	728,216
16-01-2024	-32,973	-79,403



Institutional activity in cash segment Net Value (In crores)		
Date	FII	DII
20-01-2024	-545.58	-719.31
19-01-2024	-3,689.68	2,638.46
18-01-2024	-9,901.56	5,977.12
17-01-2024	-10,578.13	4,066.44

Index Long Short Ratio	
FII	Pro
46%	50%

Top 3 Long Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
BALKRISIND	2,777.95	5.02%	21.85	19.21%
GUJGASLTD	554.1	0.01%	75.50	10.72%
COALINDIA	399.85	4.03%	732.8	8.97%

Top 3 Short Buildups				
Particulars	LTP	% Price Change	Open interest (Lakh)	% OI Change
JKCEMENT	3,997.25	-1.68%	10.68	24.56%
SUNTV	665.05	-0.92%	95.02	10.08%
ATUL	6,482.15	-2.36%	3.31	8.51%



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