

Weekly Derivatives Synopsis

04-Nov-23

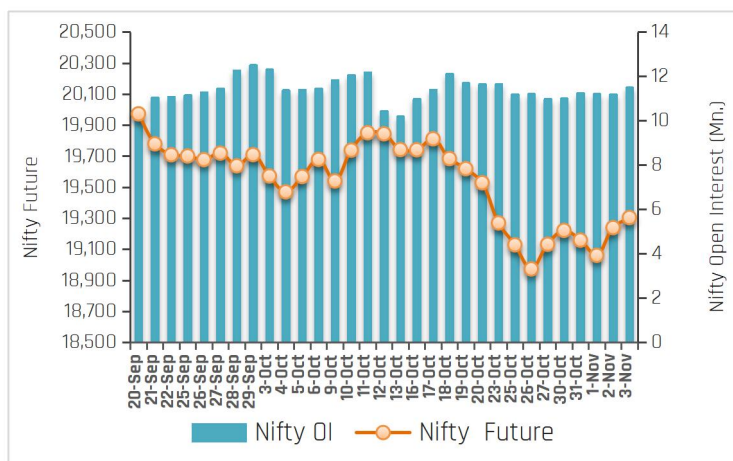


PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	19231	19047	0.96
NIFTY FUTURES	19304	19131	0.90
BANKNIFTY SPOT	43318	42782	1.25
BANKNIFTY FUTURES	43509	43043	1.08
NIFTY PCR	0.96	0.96	0.00
NIFTY PCR-VOL	1.01	0.82	23.17
NIFTY OI(In Mn)	12.41	11.54	7.54
BANKNIFTY OI(In Mn)	2.56	2.49	2.81
INDIA VIX	10.88	10.90	-0.18
NIFTY BASIS POINTS	73.00	84.10	-13.20

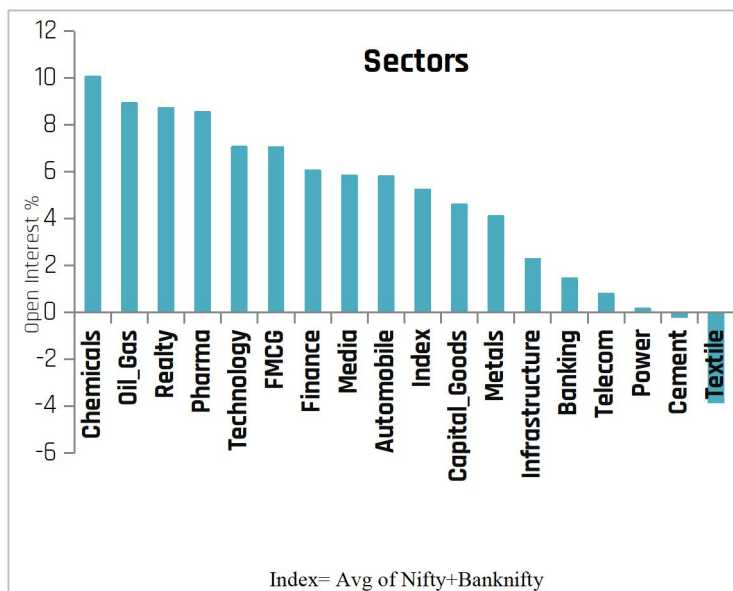
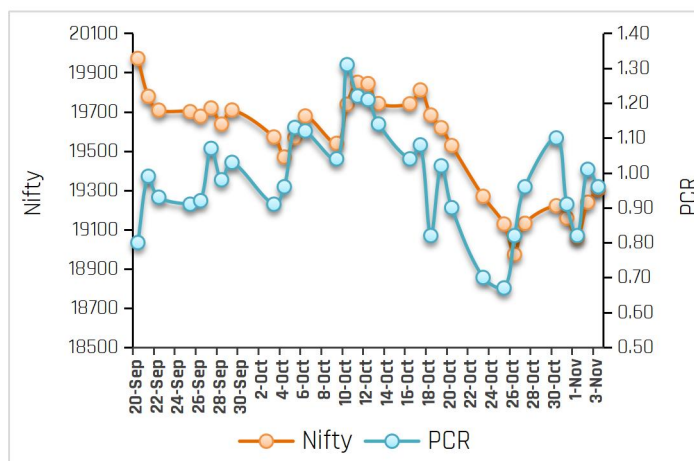
Index Outlook

Last week, domestic equity benchmarks managed to close with decent gains, supported by a combination of positive factors, including the US Federal Reserve's decision to keep interest rates steady, a decline in US bond yields, and stabilised crude oil prices. Finally, Nifty Future settled the week on positive note at 19304 up by 0.90% (WoW) with an addition in open interest of 7.54% (WoW) indicating neutral to positive bias for short term. The volatility index, India VIX declined by 0.18% and closed at 10.88 levels, which is still on lower side and supportive for the market. We expect volatility will remain to continue due to geopolitical issue, and Q2FY24 earnings. Another derivatives indicator, Nifty Put-Call ratio currently stands at 0.96 (WoW). Technically, the index has formed a head and shoulders pattern on the daily chart, as per this pattern 19,847 will act as resistance. If the index manages to sustain above this level, then index could test all-time high of 20,222. For the short term, 18800 and 18,600 will serve as support levels, whereas 19,850 and 20,222 will serve as resistance levels. Going forward, the Rupee movement against the Dollar, bond yield movement, macroeconomic data, Fii's flow, Q2FY24 earnings, assembly elections, geopolitical worries, and crude oil price movement will dictate the trend on the bourses next week.

Nifty OI Trend



Nifty Fut Vs Pcr



Sectoral Activity

- Last week, **Chemicals, Oil&Gas, Realty, Pharma, and Technology** sectors saw open interest addition. Top names included **COROMANDEL, GNFC, PETRONET, IOC, DELTACORP, DLF, ALKEM, LUPIN, MCX and LTIM.**
- Textile** sector witnessed open interest unwinding due to short covering in stocks.
- In the **Banking** space, **INDUSINDBK, RBLBANK, HDFCBANK, and PNB** witnessed long buildup, whereas short covering seen in **CUB, KOTAKBANK, BANDHANBNK, FEDERALBNK and SBIN.**
- This week, some buying can be seen in **BIOCON, ABB, EXIDEIND, RELIANCE, LTTS, CHAMBLFERT** and **ATUL** while selling pressure can be seen in **COROMANDEL, MFSL, and PETRONET.**
- From sector space, **Oil&Gas, Chemicals, Automobile, Banking, Technology, Pharma, FMCG, and FMCG** stocks are likely to remain in focus in the forthcoming week.

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Stocks to Watch Out (Weekly)

Long Build-up			
Symbol	Price	OI Change	Price Change
MCX	2,526.85	63%	12%
DELTACORP	141.55	31%	7%
IOC	96.20	31%	10%
DLF	597.6	20%	11%

Long Unwinding			
Symbol	Price	OI Change	Price Change
DIXON	5,306.05	-18%	-2%
MARUTI	10,296.95	-13%	-3%
BALKRISIND	2,556.90	-7%	-2%
AXISBANK	991.80	-5%	-1%

Short Build-up			
Symbol	Price	OI Change	Price Change
PETRONET	197.45	81%	-11%
SBICARD	751.10	32%	-6%
JINDALSTEL	598.45	20%	-8%
INDIAMART	2,604.50	17%	-6%

Short Covering			
Symbol	Price	OI Change	Price Change
MGL	1,045.50	-21%	5%
INDHOTEL	394.00	-15%	4%
CUB	139.45	-9%	4%
CANFINHOME	776.30	-7%	4%

Weekly Recommendation

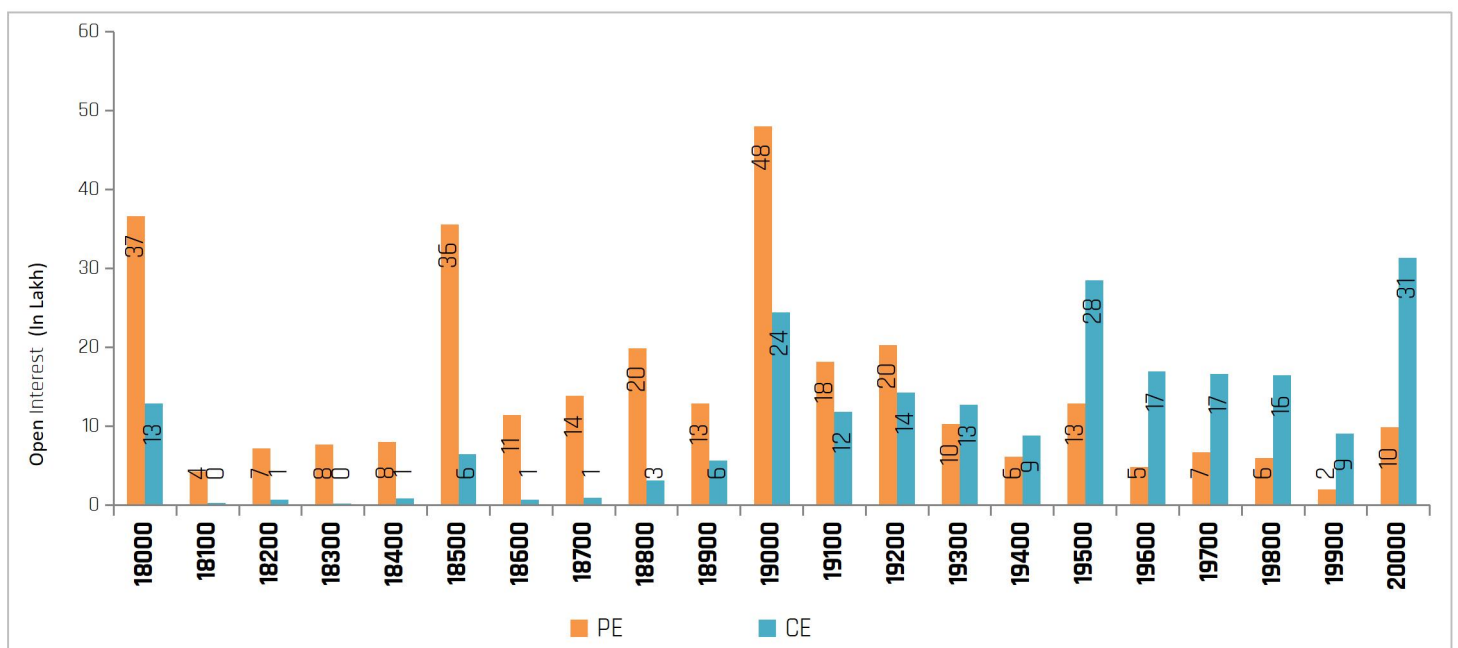
ABB (4191.65) -The stock has seen open interest addition of 33.94% along with positive price action indicating long buildup. The stock can be bought in the range of 4140-4150 with a stop loss of 4050 on closing basis for a target of 4250-4320.

Target: 4320 Stop Loss: 4050

LTTS (4251.45) -The stock has seen open interest unwinding of 5.66% along with positive price action indicating short covering. The stock can be bought in the range of 4210-4220 with a stop loss of 4155 on closing basis for a target of 4280-4330.

Target: 4330 Stop Loss: 4155

Nifty Options Snapshot



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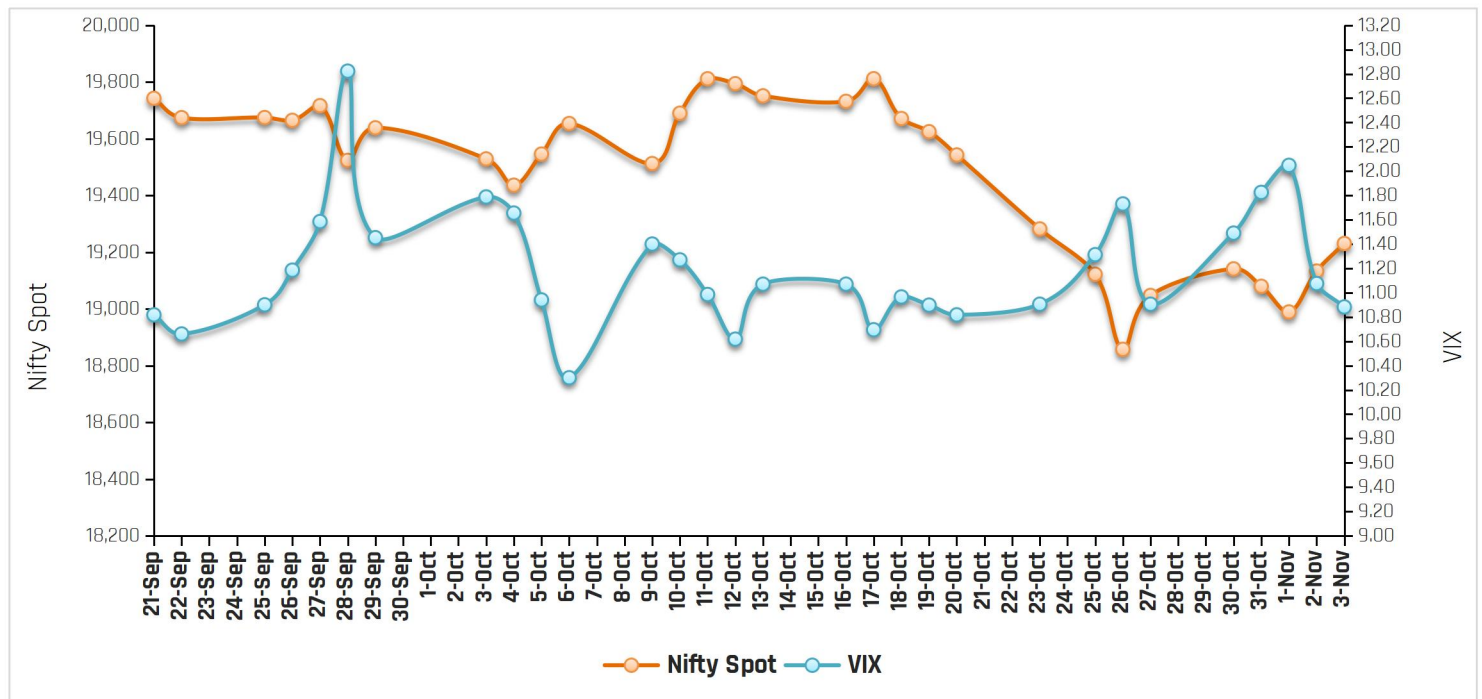
FII Stats (5 Days Trend)

(Rs. Cr.)	03-Nov	02-Nov	01-Nov	31-Oct	30-Oct
INDEX FUTURES	1022	-901	-362	68	-298
INDEX OPTIONS	-5797	-19641	5322	8124	-30623
STOCK FUTURES	2389	1352	-1208	562	-1658
STOCK OPTIONS	13	160	-102	29	205

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
27-Oct	0.14	1.23	1.58	0.89
30-Oct	0.14	1.08	1.31	0.87
31-Oct	0.16	1.15	1.53	0.88
1-Nov	0.18	1.51	2.04	0.86
2-Nov	0.19	1.35	2.02	0.88
3-Nov	0.21	1.20	1.59	0.91

NIFTY VS INDIA VIX (Last 30 Days Trend)



Observation: Any rise in India Vix this week would lead to either side movement in the Index. As per the above chart, India Vix has strong support at around 10.00 and resistance stands at 14.00.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	31
Declines	12
Unchanged	07

Technical View

Nifty 03-Nov, Weekly Chart



- The index began the month on a positive note and reached an all-time high of 20,222. Subsequently, it witnessed profit booking, leading to a low of 18,838, which coincided with the breakout point of a previously formed rounding bottom pattern. The index found support at this level and closed the month positively at 19,230.
- Recently, the index has formed a head and shoulders pattern on the daily chart, with 19,847 acting as resistance. If the index manages to sustain above this level, then index could test all-time high of 20,222.
- On a weekly basis, the momentum indicator RSI is above the centre point, indicating strength. Therefore, adopting a buy-on-dips strategy is advisable for the Nifty.
- For the short term, 18800 and 18,600 will serve as support levels, whereas 19,850 and 20,222 will serve as resistance levels.

BankNifty, 03-Nov, Weekly Chart



- The index started the month on a negative note and remained weak throughout the month. On the back of that index registered the low of 42,105, and closed the month of October on a negative note. However, the index has started the November series on positive note and settled the week at 43,318.
- The immediate support for the index is located near 42100, where the 66-week exponential moving average (66-WEMA) and trend line supports are positioned.
- In the short to medium term, the 44700 level will serve as a resistance point. Once it manages to sustain above this level, then index could gain bullish momentum.
- The momentum indicator RSI on the weekly scale is placed below the centre point, indicating weakness in the index.
- For the short to medium term, 42100 and 41,850 will act as support points, whereas 44700 and 46370 will act as resistance points.

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