

Weekly Derivatives Synopsis

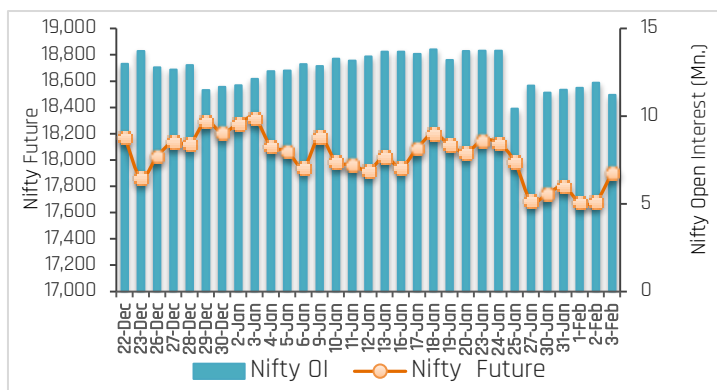
06-Feb-23

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	17,854	17,604	1.42
NIFTY FUTURES	17,902	17,687	1.22
BANKNIFTY SPOT	41,500	40,345	2.86
BANKNIFTY FUTURES	41,638	40,662	2.40
NIFTY PCR	1.17	0.74	58.11
NIFTY PCR-VOL	0.95	1.03	-7.77
NIFTY OI(In Mn)	11.19	11.73	-4.60
BANKNIFTY OI(In Mn)	2.58	2.67	-3.37
INDIA VIX	14.40	17.32	-16.86
NIFTY BASIS POINTS	48.10	93.95	-48.80

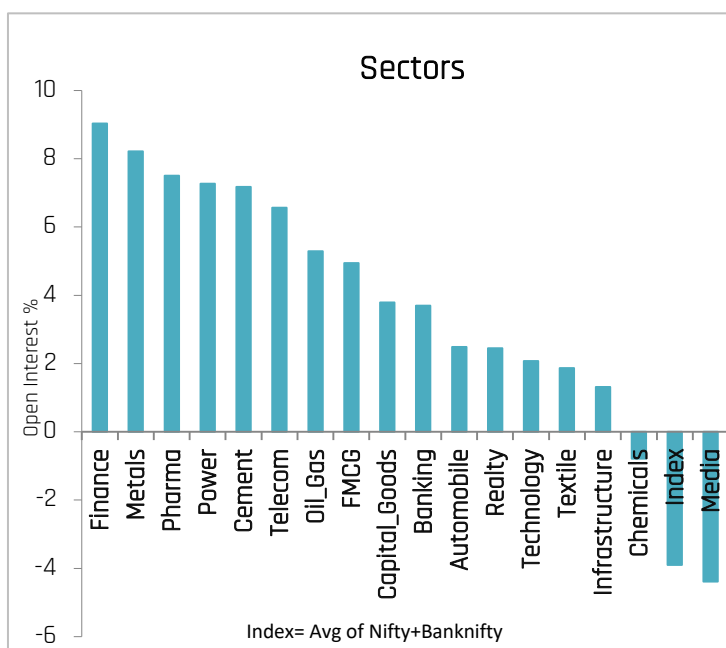
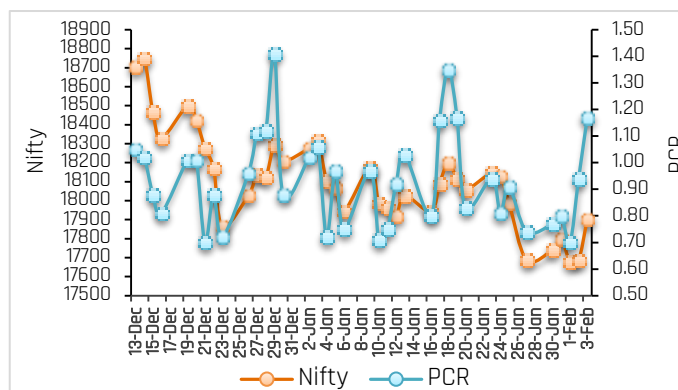
Index Outlook

Domestic equity benchmarks ended the volatile week on a positive note on the back of a growth-focused Union Budget and a less hawkish tone by the Federal Reserve. Finally, Nifty Future settled above 17900 level on a positive note at 17902 up by 1.22% (WoW) with unwinding in open interest of 4.60% (WoW) indicating short covering. The volatility index India VIX cool off by 16.86% and closed at 14.40%, supporting to the bulls. We expect volatility will remain high due to upcoming RBI's monetary policy, development in Adani group and Q3FY23 earnings. Another derivatives indicator, Nifty Put-Call ratio currently stands at 1.17 (WoW). Technically, the index on a weekly scale has been consolidating in the falling channel pattern. As per this pattern, 18100 and 18200 will act as resistance for the short term. If index closes above 18200, then it could test 18500 and 18600 levels. On the downside side 17400 and 17260 will act as a support. If index closes below 17260, then it could test 17000 and 16900 levels. Going forward, the Rupee movement against the Dollar, bond yields movement, macroeconomic data, Fii's flow, geopolitical worries, Q3FY23 earnings, RBI policy, updates on Covid-19 cases and crude oil price movement will dictate the trend on the bourses next week.

Nifty OI Trend



Nifty FutVsPcr



Sectoral Activity

- Last week, Finance, Metals, Pharma, Power, Cement, Telecom and Oil & Gas sectors saw open interest addition. Top names included, HDFCLIFE, COALINDIA, SYNGENE, JKCEMEN, DIVISLAB, DALBHARAT, CHOLAFIN, SBILIFE, POWERGRID, NTPC, GAIL and TATACOMM.
- Media and Chemicals sectors witnessed open interest unwinding.
- In the Banking space, BANKBARODA, SBIN, CANBK, PNB, and HDFCBANK witnessed long build up, whereas short covering seen in CUB, ICICIBANK, RBLBANK and IDFCFIRSTB.
- This week, some buying can be seen in SIEMENS, ACC, JSWSTEEL, INFY, M&M and AMBUJACEM while selling pressure can be seen in DIVISLAB, LALPATHLAB, BSOFT and BPCL.
- From sector space, Banking, Automobile, Capital Goods, Pharma, Power, FMCG, Technology, Metals, and Cement 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
DALBHARAT	1,876.75	32%	10%
CHOLAFIN	783.85	29%	10%
M&MFIN	243.25	26%	7%
BRITANNIA	4,648.15	19%	5%

Long Unwinding			
Symbol	Price	OI Change	Price Change
AMBUJACEM	375.15	-31%	-2%
CROMPTON	305.15	-20%	-5%
ADANIENT	1,586.00	-17%	-43%
NATIONALUM	78.85	-6%	-5%

Short Build-up			
Symbol	Price	OI Change	Price Change
HDFCLIFE	491.15	72%	-17%
WHIRLPOOL	1,263.55	47%	-10%
DIVISLAB	2,894.70	32%	-15%
SBILIFE	1,142.90	26%	-9%

Short Covering			
Symbol	Price	OI Change	Price Change
SBICARD	756.60	-14%	8%
VOLTAS	814.95	-14%	9%
IDFCFIRSTB	59.05	-10%	6%
INFY	1,603.35	-9%	5%

Weekly Recommendation

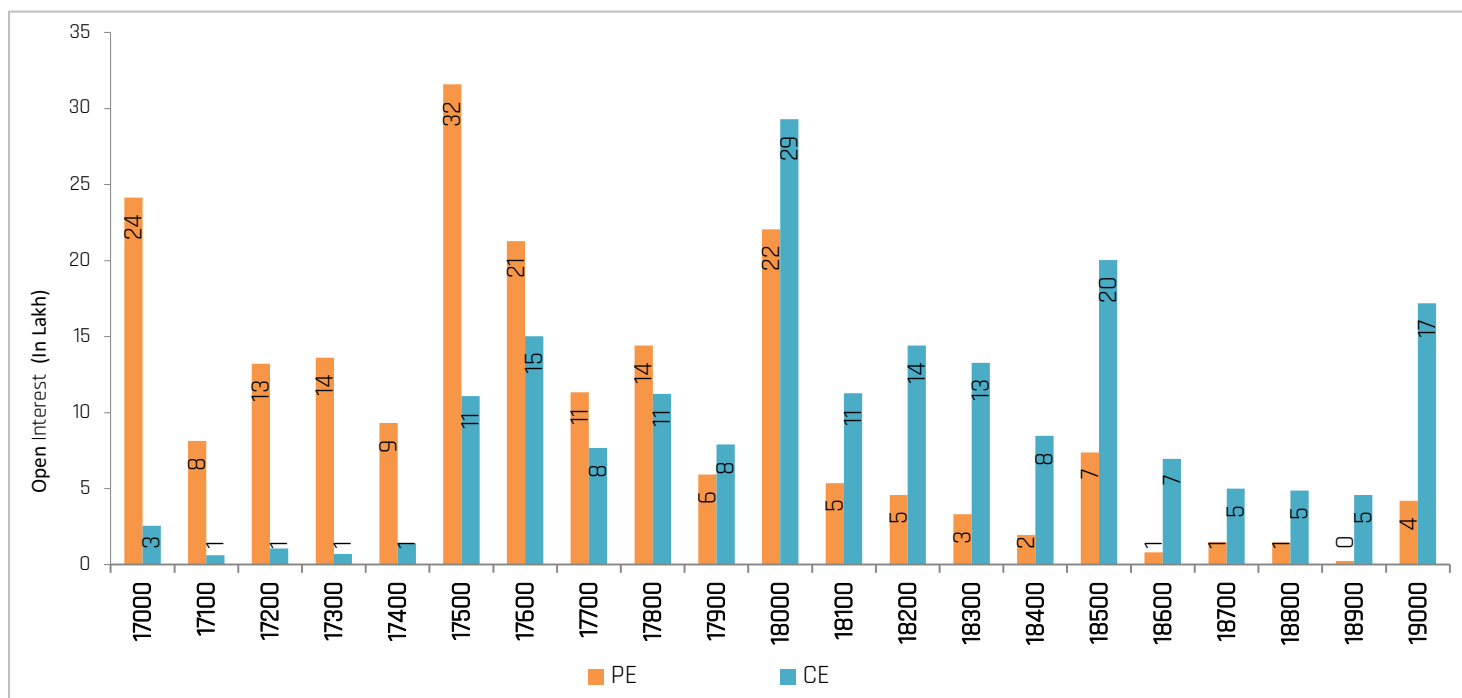
JSWSTEEL (732.00) - The stock has seen open interest addition of 5.97% along with positive price action indicating long build-up. The stock can be bought in the range of 710-720 with a stop loss of 690 on closing basis for a target of 750-770.

Target: 770 Stop Loss: 690

M&M (1391.10) -The stock has seen open interest addition of 7.14% along with positive price action indicating long build-up. The stock can be bought in the range of 1370-1380 with a stop loss of 1340 on closing basis for a target of 1420-1430.

Target:1430 Stop Loss: 1340

Nifty Options Snapshot



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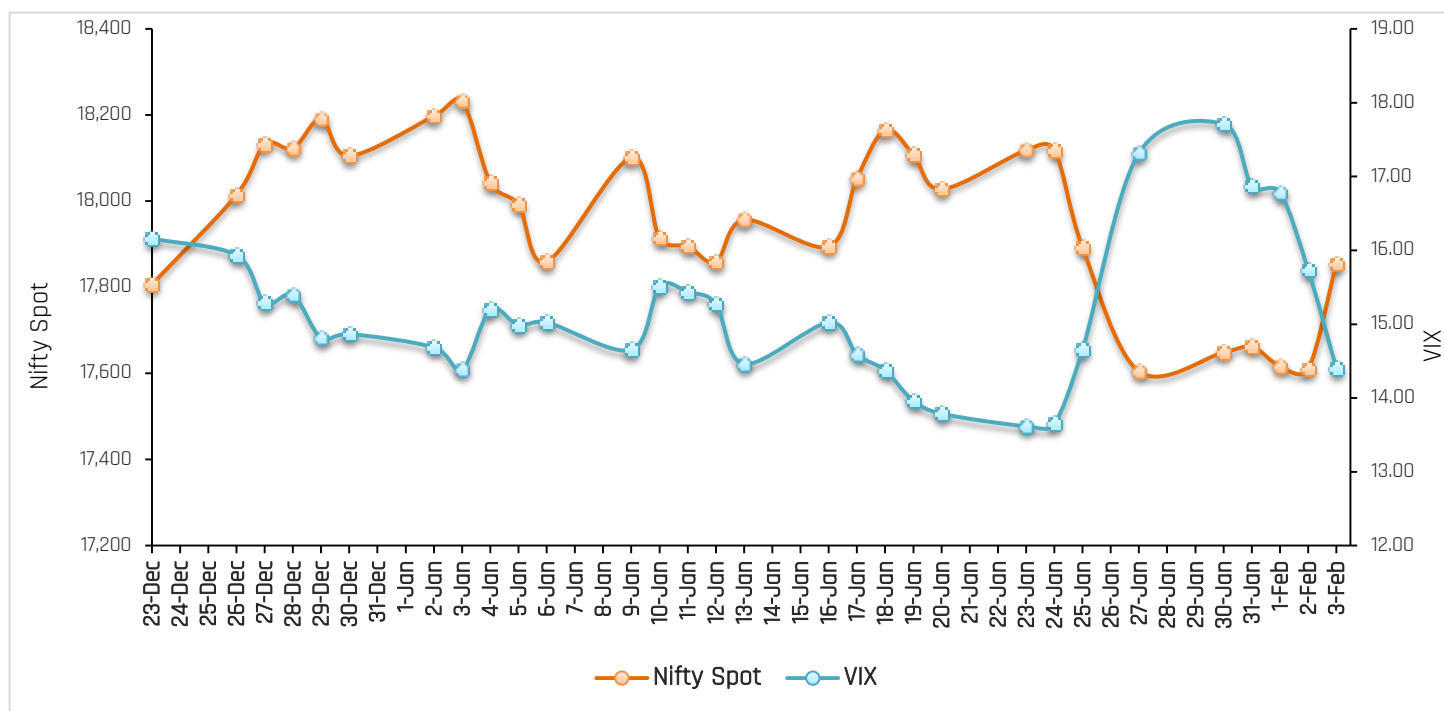
FII Stats (5 Days Trend)

(Rs. Cr.)	03-Feb	02-Feb	01-Feb	31-Jan	30-Jan
INDEX FUTURES	2344	-2464	797	-1616	-1607
INDEX OPTIONS	-15673	-1793	-14109	-3969	6354
STOCK FUTURES	1042	-323	244	-248	555
STOCK OPTIONS	-228	79	-336	577	234

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-Jan	0.34	1.28	2.28	1.08
30-Jan	0.22	1.41	2.26	1.09
31-Jan	0.21	1.46	2.14	1.09
1-Feb	0.23	1.25	1.91	1.09
2-Feb	0.20	1.43	2.73	1.08
3-Feb	0.23	1.35	1.57	1.09

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 13.00 and resistance stands at 18.00.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	25
Declines	19
Unchanged	06

Technical View

Nifty 03-Feb, Weekly Chart



- Technically, the index had witnessed the breakout of inverted head and shoulder pattern, which is valid as long as index holds the support of 16750. As per this pattern, the index could test 19000 in the medium term and 21000 in long term. However, in the short term, the index is consolidating in the falling channel pattern. Once the index cross and sustained above 18200 levels, it could gain the momentum. On the flip side, close below 17260 could lead to weakness for 17000 and 16800.
- The index on a weekly scale had found support close to 50 DSMA, which is placed near 17260. Thus, 17260 will act as first key support for the index followed by 16750.
- The index is constantly facing resistance around 18100-18200 zone. Once the index cross and sustained above 18200, then it could resume its upward journey.
- The momentum indicator RSI is currently trading above 50 mark on weekly timeframe, indicating strength. Moreover, the stochastics oscillator is placed close to an oversold zone. Thus, a "buy on dips" strategy needs to be adopted in Nifty. For the short term, 17400 and 17260 will act as support points, whereas 18200 and 19000 will act as resistance points.

BankNifty, 03-Feb, Weekly Chart



- Technically, the index has retested the breakout of a cup and handle pattern on a weekly scale as highlighted in the chart. As per this pattern, the index might test 45000 in the short term and 50000-51000 in the medium term as long as it holds the support at 37386 on a weekly closing basis.
- The trend line resistance is currently placed close to 42800 level
- On the down side, the 34 Weekly exponential moving average (WEMA) is placed close to 40280, which will act as first key support for the index followed by 37188 where the 100 WSMA is placed.
- The momentum indicator RSI is currently trading above 50 mark on weekly timeframe, indicating strength. Moreover, the stochastics oscillator has formed a bullish crossover, suggesting strength. Thus, a "buy on dips" strategy needs to be adopted in BankNifty for the medium term.
- For the short term, 40280 and 37188 will act as support points, whereas 45000 and 46000 will act as resistance points.

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ACMIIL Retail Research Products

Informational Products	Recommendation Products
Morning Notes	Momentum calls
Market Watch	Smart Delivery trades
Investor First	Positional technical calls
Preview	Investment ideas
Market Pulse	Master trades High & Medium Risk
RBI Monetary Policy	Techno Funda
Budget Report	Stock Basket
Weekly Derivatives Synopsis	Mutual fund model portfolios
Rollover Snapshot	Portfolio Doctor
Rollover Analysis (Monthly)	

For More Information on Retail Research Products please visit

<https://www.investmentz.com/research-services>

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