

Weekly Derivatives Synopsis

26-Feb-24

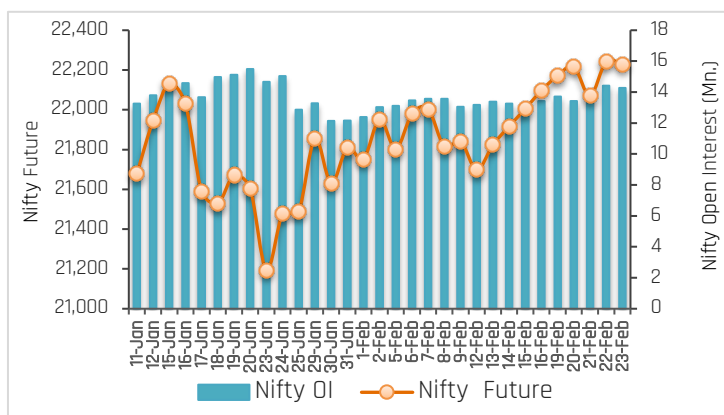


PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	22213	22041	0.78
NIFTY FUTURES	22229	22098	0.59
BANKNIFTY SPOT	46812	46385	0.92
BANKNIFTY FUTURES	46843	46503	0.73
NIFTY PCR	1.02	1.22	-16.39
NIFTY PCR-VOL	0.94	0.83	13.25
NIFTY OI(In Mn)	14.27	13.41	6.41
BANKNIFTY OI(In Mn)	3.06	3.19	-4.08
INDIA VIX	14.97	15.22	-1.64
NIFTY BASIS POINTS	16.15	57.10	-71.72

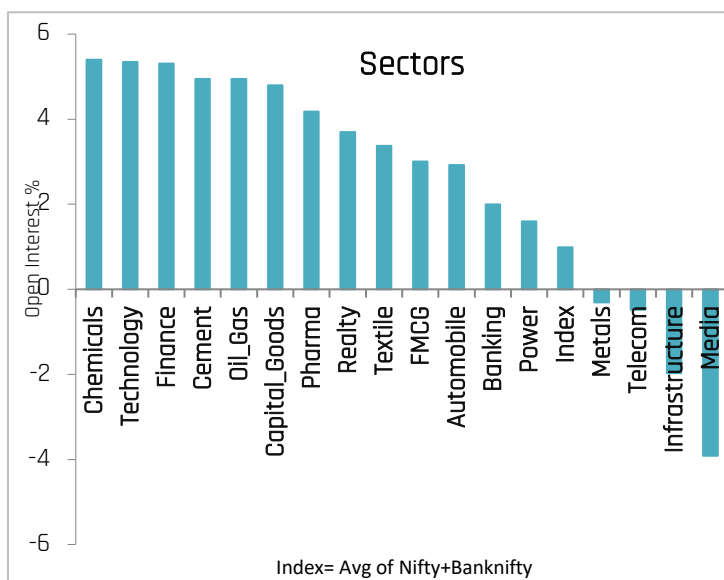
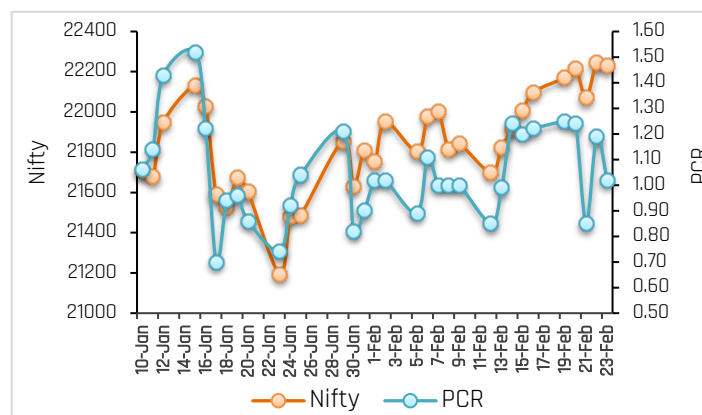
Index Outlook

Indian market extended its winning streak for a second week, buoyed by positive global cues and hopes of rate cut. The Nifty scaled a fresh peak, while the Sensex saw modest gains during the week. Selective buying across three trading sessions fuelled the rise, but questions linger about the rally's sustainability amid geopolitical tensions and global uncertainties. Finally, Nifty futures settled the week on positive note at 22229, up by 0.59% (WoW) with an addition in open interest of 6.41% (WoW) indicating neutral to positive bias for short term. The volatility index, India VIX down by 1.64% and closed at 14.97 levels. We expect volatility will continue due to geopolitical issue and F&O expiry. Another derivatives indicator, Nifty Put-Call ratio currently stands at 1.02 (WoW) which is in natural zone. Technically, on a daily scale, the index witnessed the breakout of an ascending triangle pattern. As per the ascending triangle pattern breakout, the target comes around 23,000-23,220. However, in the short term, the index is likely to encounter resistance around 22,500. Going forward, the Rupee movement against the Dollar, bond yield movement, Fii's flow, global cues, F&O expiry, macroeconomic data, 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, Technology, Finance, Cement, and Oil&Gas** sectors saw open interest addition. Top names included **COROMANDEL, DEEPAKNT, BSOFT, OFSS, CHOLAFIN, HDFCLIFE, RAMCOCEM, SHREECEM, PETRONET, and BPCL.**
- Media and Infrastructure** sectors witnessed open interest unwinding due to profit booking in stocks.
- In the **Banking** space, **KOTAKBANK, PNB, CUB, INDUSINDBK, and CANBK** witnessed short build up, whereas short covering seen in **BANDHANBNK, AXISBANK, RBLBANK, and ICICIBANK.**
- This week, some buying can be seen in **ASTRAL, DRREDDY, BAJAJ-AUTO, NESTLEIND, PIDILITIND, TITAN, RELIANCE, and INDUSTOWER** while selling pressure can be seen in **CHOLAFIN and BATAINDIA.**
- From sector space, **Technology, Chemicals, Telecom, Banking, Media, Power, Metals, and Finance** 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
ASTRAL	2,079.35	28%	5%
ABB	5,405.60	24%	19%
INDHOTEL	594.00	14%	10%
DIXON	6869.85	10%	7%

Long Unwinding			
Symbol	Price	OI Change	Price Change
NATIONALUM	158.90	-20%	-1%
ZEEL	174.00	-9%	-6%
GMRINFRA	88.20	-6%	-1%
APOLLOTYRE	522.75	-6%	-1%

Short Build-up			
Symbol	Price	OI Change	Price Change
CHOLAFIN	1,105.75	24%	-4%
BPCL	618.15	16%	-6%
HEROMOTOCO	4,507.30	16%	-8%
BSOFT	811.65	16%	-4%

Short Covering			
Symbol	Price	OI Change	Price Change
INDUSTOWER	240.80	-19%	9%
DELTA CORP	147.15	-15%	4%
M&M	1,928.20	-12%	5%
NESTLEIND	2,576.45	-11%	3%

Weekly Recommendation

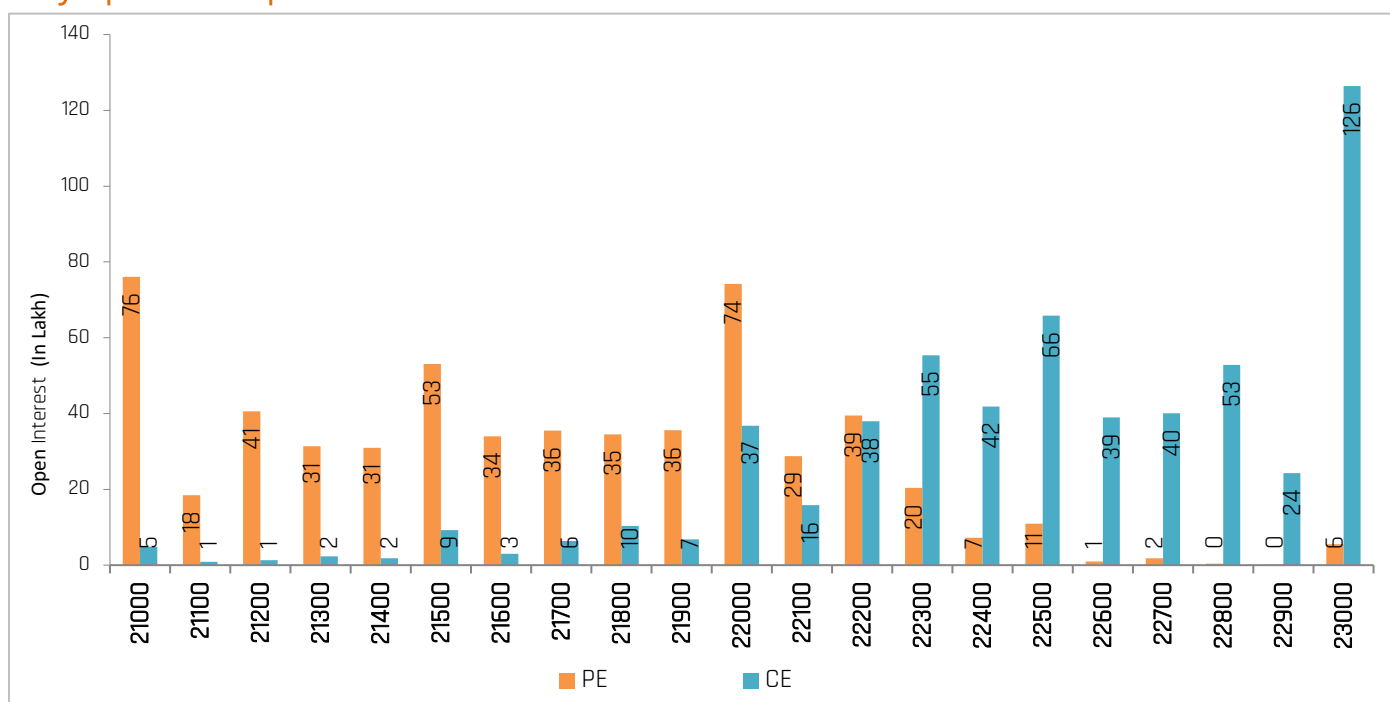
BAJAJ-AUTO (8335.15) - The stock has seen open interest addition of 14.09% along with positive price action indicating long build-up. The stock can be bought in the range of 8280-8300 with a stop loss of 8150 on closing basis for a target of 8500-8650.

Target: 8650 Stop Loss: 8150

PIDILITIND (2737.90) - The stock has seen open interest unwinding of 6.07% along with positive price action indicating short covering. The stock can be bought in the range of 2710-2720 with a stop loss of 2660 on closing basis for a target of 2780-2840.

Target: 2840 Stop Loss: 2660

Nifty Options Snapshot



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FII Stats (5 Days Trend)

(Rs. Cr.)	23-Feb	22-Feb	21-Feb	20-Feb	19-Feb
INDEX FUTURES	-136	1362	627	618	720
INDEX OPTIONS	-6391	-2414	-14792	-17767	-25424
STOCK FUTURES	3496	-1368	-280	-1704	-2107
STOCK OPTIONS	735	940	104	166	-429

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
16-Feb	0.62	0.95	1.08	1.11
19-Feb	0.65	0.90	1.01	1.09
20-Feb	0.69	0.89	1.02	1.08
21-Feb	0.73	1.04	1.17	1.08
22-Feb	0.80	1.13	1.31	1.06
23-Feb	0.78	1.03	1.24	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 11.00 and resistance stands at 16.50.

Weekly Advance Decline Ratio (Nifty Stocks)

Advances	22
Declines	17
Unchanged	11

Technical View

Nifty 23-Feb, Daily Chart



- The index started the week on a positive note and remained volatile throughout the week. Despite this, the index closed the week on a positive note at 22,213.
- Technically, on a daily scale, the index witnessed the breakout of an ascending triangle pattern. Post-breakout, the index registered a high around 22,250 and witnessed profit booking. However, the index found support near the 21-Days Exponential Moving Average (DEMA) and witnessed a strong recovery, which helped the index close above the breakout point of an ascending triangle pattern.
- As per the ascending triangle pattern breakout, the target comes around 23,000-23,220. However, in the short term, the index is likely to encounter resistance around 22,500.
- The 21-DEMA is placed near 21,900, and the 34-DEMA is placed near 21,750. Thus, 21,900 and 21,750 will act as major support for the index in the short term.
- The RSI on the daily scale is placed above the center point and witnessed the short-term trendline breakout, indicating strength.
- In the short term, 21,900 and 21,750 will act as support points, whereas 22,500 and 23,000 will act as resistance points.

BankNifty, 23-Feb, Daily Chart



- The index started the week on a positive note, and despite volatility, it managed to settle the week on a positive note at 46,812.
- Technically, the index has been consolidating in the band of 44,400-47,000 levels for the last month. Currently, the index is placed near the higher end of this consolidation zone and close to the short-term trendline resistance. Thus, 47,000-47,300 is acting as a strong hurdle for the index.
- If the index manages to close above 47,300, then the rally could strengthen towards 48,000-48,500 levels. On flip side, as long as the index remains below 47,000-47,300 band, the probability of profit booking cannot be ruled out.
- The index has left a bearish gap near 48,000 levels; thus, 48,000 will act as the next hurdle.
- The 21-Days Exponential Moving Average (DEMA) is near 46,300, and the 34-DEMA is placed near 46,285. Thus, 46,280 will act as strong support for the index in the short term.
- The RSI on the daily scale is positioned above the center point and witnessed the short-term trendline breakout, indicating strength.
- In the short term, 46,280 and 44,400 will act as support points, whereas 47,300 and 48,000 will act as resistance points.

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Informational Products	Recommendation Products
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Weekly Derivatives Synopsis	Mutual fund model portfolios
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