

Weekly Derivatives Synopsis

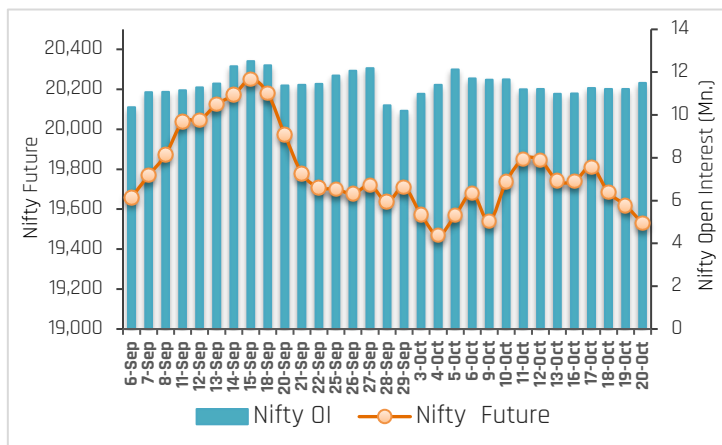
21-Oct-23

PARTICULARS	Last Closing	Previous Week	% Change
NIFTY SPOT	19543	19751	-1.06
NIFTY FUTURES	19528	19742	-1.08
BANKNIFTY SPOT	43723	44288	-1.28
BANKNIFTY FUTURES	43739	44394	-1.48
NIFTY PCR	0.90	1.14	-21.05
NIFTY PCR-VOL	0.90	0.90	0.00
NIFTY OI(In Mn)	11.50	10.98	4.74
BANKNIFTY OI(In Mn)	2.78	2.56	8.59
INDIA VIX	10.82	10.62	1.88
NIFTY BASIS POINTS	-14.80	-9.00	64.44

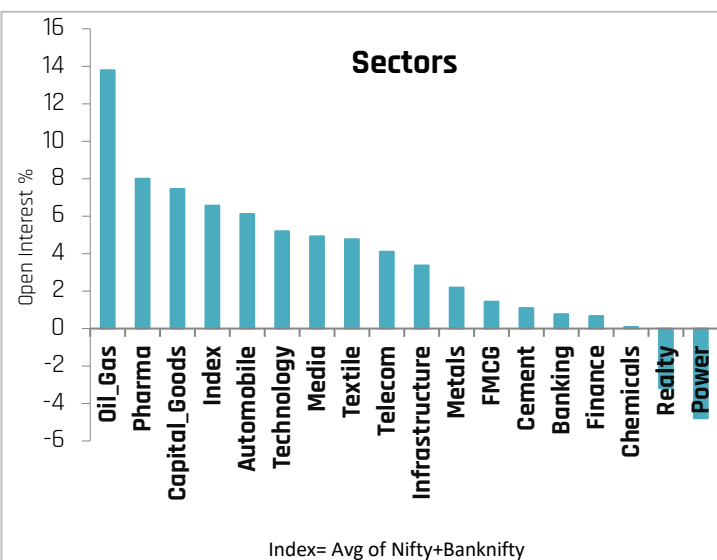
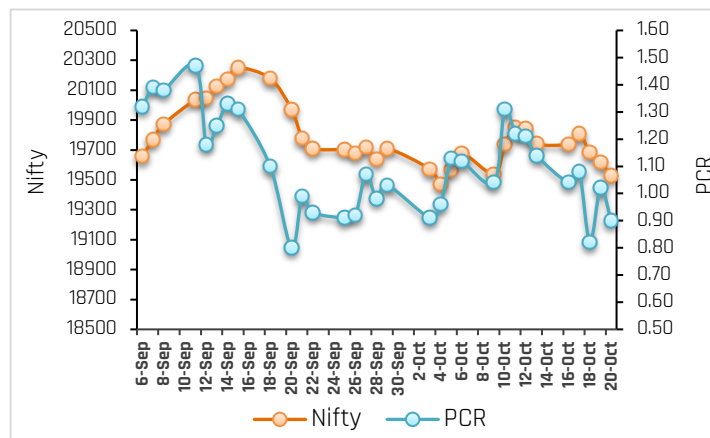
Index Outlook

Domestic benchmark indices halted a two-week upward trend, primarily due to selling pressure in key index stocks. Investors remained cautious amid global uncertainties, such as the Israel-Palestine conflict and higher bond yields. Meanwhile, Foreign Institutional Investors (FIIs) continued withdrawing funds, influenced by the US Fed Chair's emphasis on the need for ongoing monetary tightening policies and maintaining high-interest rates. Finally, Nifty Future settled the week on negative note at 19528 down by 1.08% (WoW) with an addition in open interest of 4.74% (WoW) indicating neutral to negative bias for short term. The volatility index, India VIX up by 1.88% and closed at 10.82 levels, which is still on lower levels and supportive for the market. We expect volatility will remain to continue due to geopolitical issue, F&O expiry and Q2FY24 earnings. Another derivatives indicator, Nifty Put-Call ratio currently stands at 1.14 (WoW). Technically, the trendline support is positioned near 19,430, serving as immediate support for the index. The 100-day Exponential Moving Average (100-DEMA) level and the low of a previously formed hammer candlestick are situated close to 19,330 levels, which will act as crucial support for the index, followed by 19,200. Going forward, the Rupee movement against the Dollar, bond yield movement, macroeconomic data, Fii's flow, Q2FY24 earnings, F&O expiry, geopolitical worries, and crude oil price movement will dictate the trend on the bourses next week.

Nifty OI Trend



Nifty FutVsPcr



Sectoral Activity

- Last week, **Oil&Gas, Pharma, Capital Goods, Automobile, and Technology** sectors saw open interest addition. Top names included **IGL, MGL, LAURUSLABS, IPCALAB, ABB, ASTRAL, APOLLOTYRE, BAJAJ-AUTO, LTTS, MPHASIS**.
- Power and Realty** sector witnessed open interest unwinding due to profit booking in stocks.
- In the **Banking** space, **PNB, FEDERALBNK, AUBANK, BANDHANBNK, and ICICIBANK** witnessed short buildup, whereas long unwinding seen in **BANKBARODA, AXISBANK and SBIN**.
- This week, some buying can be seen in **DIXON, UBL, NESTLEIND, HCLTECH, LTIM, POWERGRID** and **INDIACEM** while selling pressure can be seen in **BANDHANBNK, M&MFIN, and PVRINOX**.
- From sector space, **Oil&Gas, Power, Automobile, Banking, Technology, Pharma, FMCG, and Capital Goods** 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
BAJAJ-AUTO	5,486.65	27%	8%
DIXON	5,514.15	17%	3%
CIPLA	1,201.75	13%	3%
ICICIGI	1387.15	8%	5%

Long Unwinding			
Symbol	Price	OI Change	Price Change
DELTACORP	130.60	-19%	-7%
BHEL	125.10	-10%	-3%
HINDUNILVR	2,489.85	-8%	-3%
ESCORTS	3,239.05	-7%	-4%

Short Build-up			
Symbol	Price	OI Change	Price Change
LTTS	4,321.95	90%	-9%
IGL	404.15	69%	-15%
MGL	1,033.55	43%	-9%
SYNGENE	709.60	24%	-9%

Short Covering			
Symbol	Price	OI Change	Price Change
HDFCLIFE	639.45	-18%	2%
LTIM	5,427.30	-12%	6%
MCX	2,269.70	-5%	8%
MUTHOOTFIN	1,275.80	-5%	3%

Weekly Recommendation

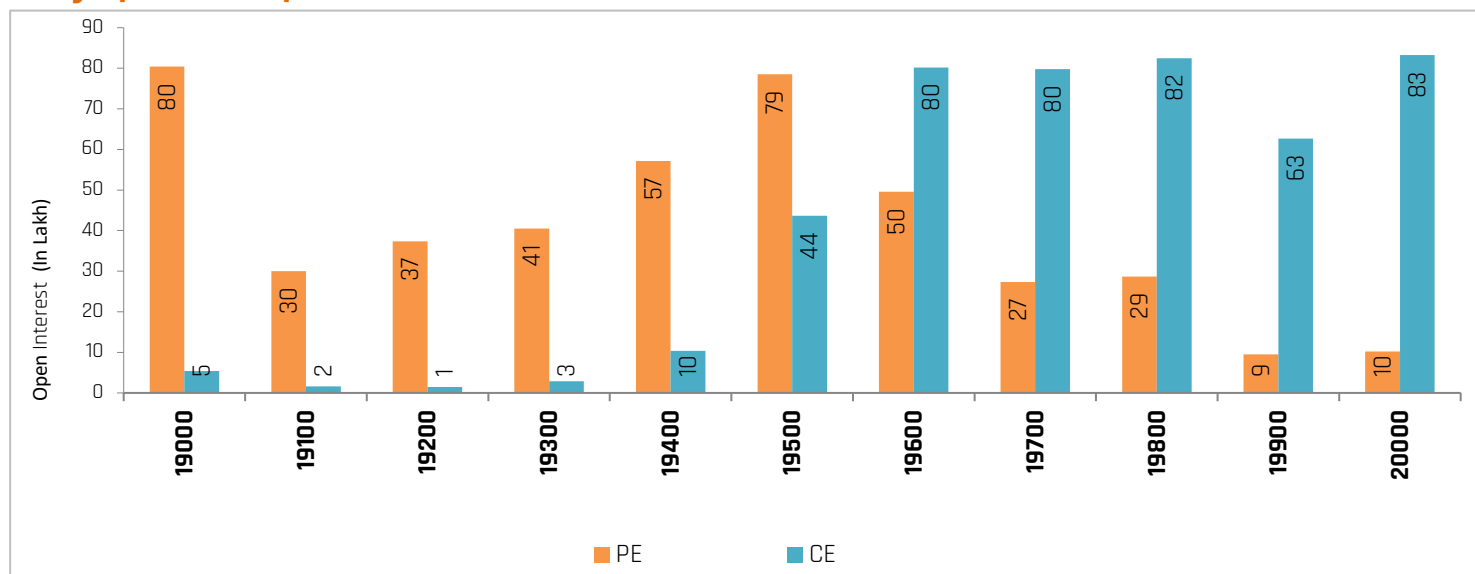
HCLTECH (1257.05) -The stock has seen open interest addition of 7.31% along with positive price action indicating long buildup. The stock can be bought in the range of 1250-1252 with a stop loss of 1238 on closing basis for a target of 1265-1280.

Target: 1280 Stop Loss: 1238

BANDHANBNK (225.45) -The stock has seen open interest addition of 4.61% along with negative price action indicating short buildup. The stock can be sold in the range of 228-230 with a stop loss of 235 on closing basis for a target of 223-218.

Target: 218 Stop Loss: 235

Nifty Options Snapshot



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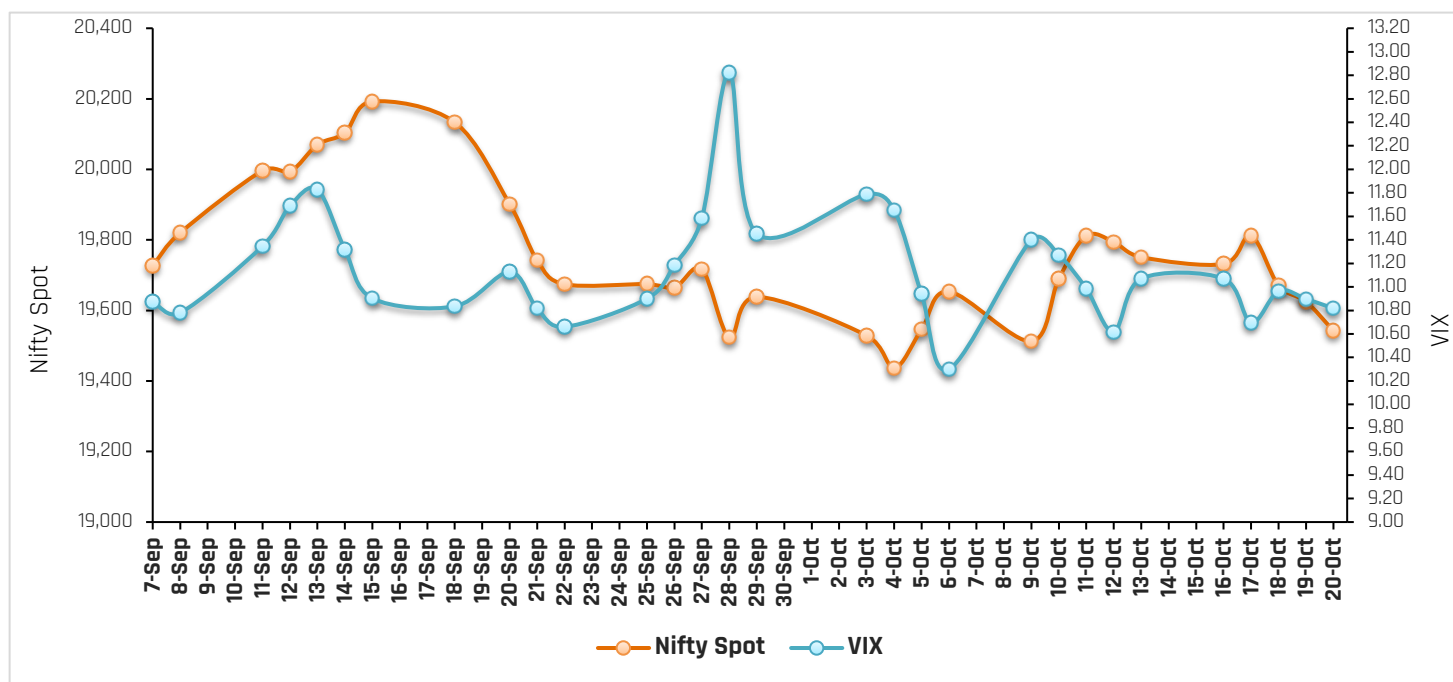
FII Stats (5 Days Trend)

(Rs. Cr.)	20-Oct	19-Oct	18-Oct	17-Oct	16-Oct
INDEX FUTURES	-636	-392	-385	465	28
INDEX OPTIONS	8186	29012	-28426	8838	-21333
STOCK FUTURES	-812	593	-1496	2188	-215
STOCK OPTIONS	33	17	351	-474	354

FII Open Interest Activity (Long & Short Ratio)

Date	Index Fut: Long/Short	Index Option: Long /Short	Index put: long /Short	Stock Fut Long/Short
13-Oct	0.37	1.11	1.43	0.87
16-Oct	0.37	1.05	1.36	0.87
17-Oct	0.41	1.37	1.88	0.89
18-Oct	0.41	1.29	1.74	0.88
19-Oct	0.40	1.26	1.85	0.88
20-Oct	0.35	1.22	1.78	0.87

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	12
Declines	30
Unchanged	08

Technical View

Nifty 20-Oct, Daily Chart



- The index started the week on a negative note, maintained its negative momentum, and consequently closed on a negative note at 19,543 levels.
- From a technical perspective, the trendline support is positioned near 19,430, serving as immediate support for the index. The 100-day Exponential Moving Average (100-DEMA) level and the low of a previously formed hammer candlestick are situated close to 19,330 levels, which will act as crucial support for the index, followed by 19,200.
- The index is encountering resistance around 19,850, as highlighted in the chart above. Once the index surpasses the 19,850 resistance level, it may advance toward the previous all-time high of 20,222.
- On a daily basis, the momentum indicator RSI on the daily scale is positioned below the center point, indicating weakness.
- In the short term, support levels are at 19,330 and 19,200, while resistance levels are at 19,850 and 20,230.

BankNifty, 20-Oct, Daily Chart



- The index began the week with a gap down and continued its negative momentum throughout the week, ultimately closing the week on a negative note at 43,723.
- From a technical perspective, the index has been consolidating within a channel pattern for the last 4-5 months, and it currently resides near the lower end of the channel pattern. According to this pattern, 43,500 serve as a key short-term support. The 200-day Exponential Moving Average (200-DEMA) is positioned near 43,270, making 43,200 a major short-term support for the index.
- On the upside, the index will encounter resistance around 44,700-44,800 levels. A sustained break above 44,800 may indicate a fresh bullish momentum for the index.
- The daily scale RSI is currently below the center point, signaling weakness.
- For the short to medium term, 43,500 and 43,200 are the support levels, while 44,800 and 46,000 are the resistance levels.

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