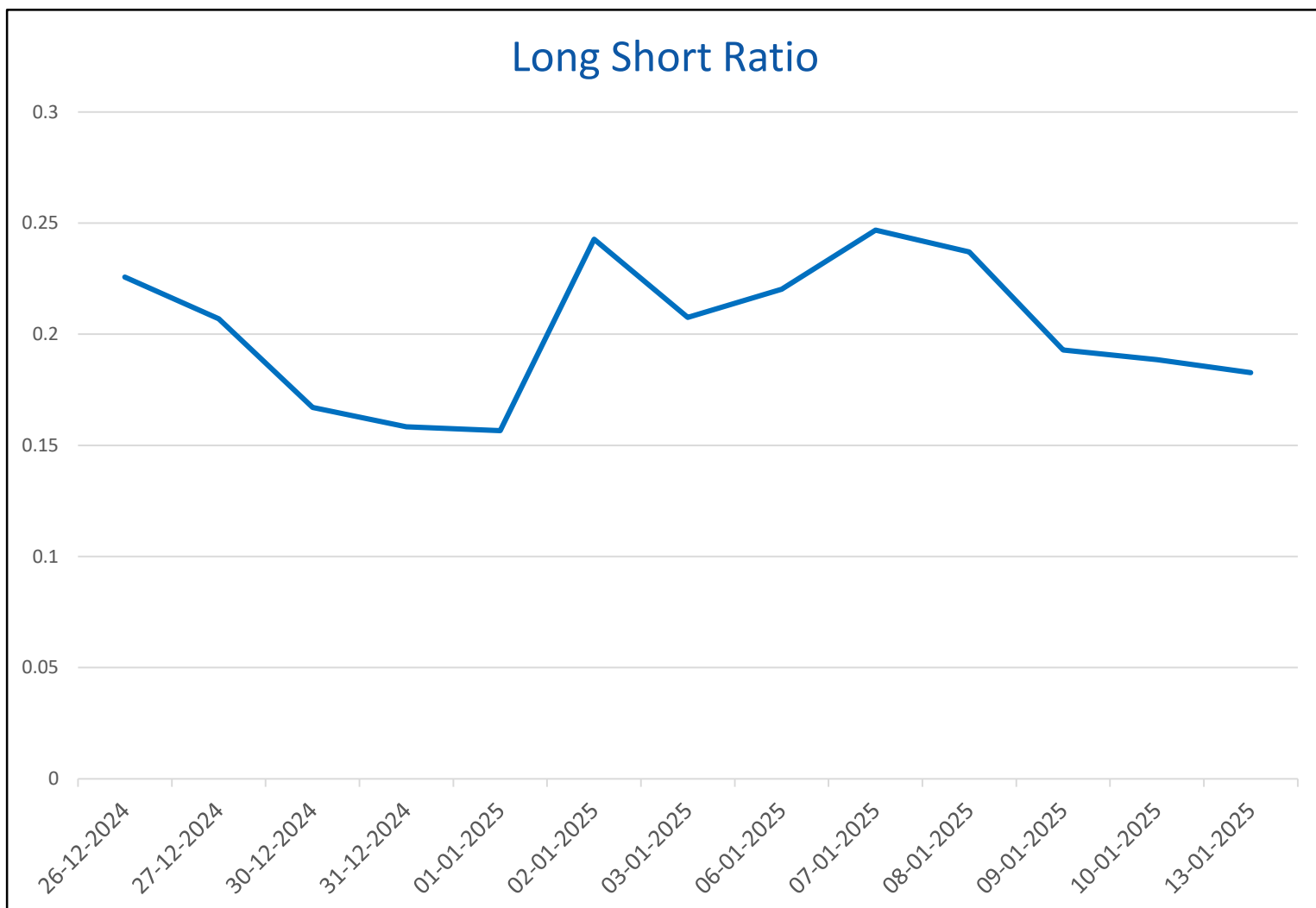


DERIVATIVE REPORT



14th January 2025

FII's Long Short Ratio



- The Long-Short (LS) ratio is currently at 0.18, down from 0.19, indicating an increase in short positions. In the December series, the LS ratio reached its lowest at 0.157, with Foreign Institutional Investors (FIIs) holding 86% short positions in the index.
- Currently, FIIs are holding 84% short positions, approaching the highest short position levels of the December series.
- Previously, FIIs squared off their short positions at 86%, covering nearly 7% of their shorts.
- The LS ratio has entered the oversold zone, suggesting that FIIs may square off their short positions in the coming days, potentially leading to a pause in the current downtrend.

Derivative Report



Nifty : Index Under Pressure Use Bounce as Selling Opportunity



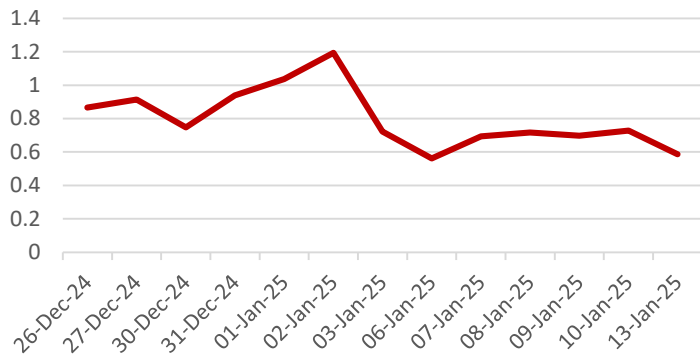
- Nifty is currently trading at a premium of 76.15, reflecting the market's underlying expectations.
- The options data indicates that the market is likely to trade below 23,800 as long as it remains below 23,400. The Put-Call Ratio (PCR) highlights negative sentiment, with values nearing the oversold zone. While this signals the possibility of a pause in the ongoing selling, it also opens the door for some short covering. Additionally, the India VIX continues to rise, suggesting increased volatility and fear, further supporting the negative trend.
- From a technical standpoint, Nifty is hovering around a critical support zone of 23,000-22,800. Sellers will need to push harder to close below this level, as a break and close below 22,800** could trigger further downside.
- Aligning both technical and derivative analysis, it is evident that the current environment favors selling on bounces. Any upward movement toward 23,300 should be utilized as a selling opportunity, keeping in mind the bearish market dynamics.

	SUPPORT	RESISTANCE		PRICE	OI
NIFTY 50	23000/22800	23200/23400	Near	23162.1	13866925
			Next	23298.05	2335725
			Far	23452.8	408675
	ADVANCE	DECLINE	AD RATIO		
NIFTY	4	46	0.09		
NIFTY F&O	8	192	0.04		

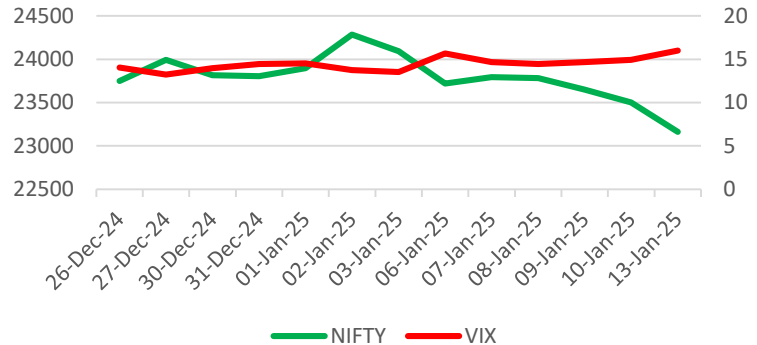
Derivative Report



PCR



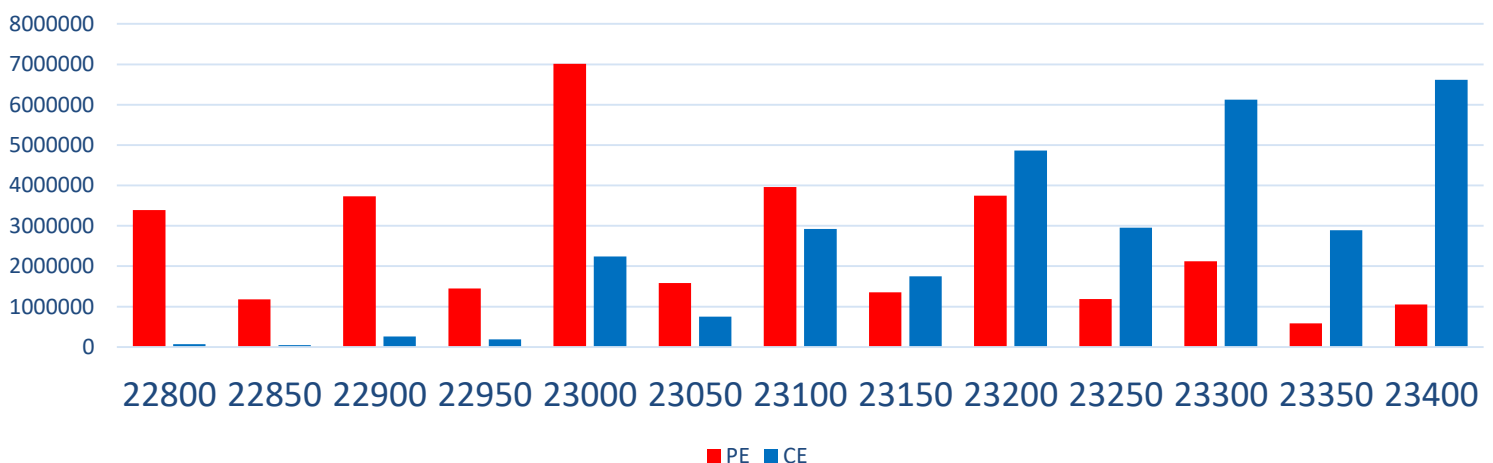
India VIX



The Weekly Put-Call Ratio (PCR) of Nifty stands at 0.58, which is lower than the previous value of 0.73, indicating an increase in Call (CE) participation. A PCR of 0.58 is close to the oversold zone, suggesting that bearish sentiment is intensifying. If the PCR approach 0.50, it would signal a market nearing an oversold condition, potentially hinting at a reversal or consolidation in the near term.

The India VIX closed at 15.9975, marking the highest close in the December series. An increase in VIX reflects rising volatility and heightened fear in the market. If the India VIX sustains trading above the 16 level, it could potentially escalate further, with levels in the range of 18-21 becoming probable. This scenario suggests cautious sentiment and increased uncertainty among market participants.

NIFTY DAILY OI



At the weekly expiry, the highest Open Interest (OI) on the Call (CE) side is observed at the 23,400 strike, followed by the 23,300 strike, where fresh short build-up has been formed. On the Put (PE) side, the highest OI is seen at the 23,000 strike, followed by the 22,900 strike, with fresh long build-up formed. This suggests that option traders anticipate the market will trade below the 23,400 level as long as it holds above 22,900.

Bank Nifty : Bearish Outlook with Selling Opportunities on Bounce



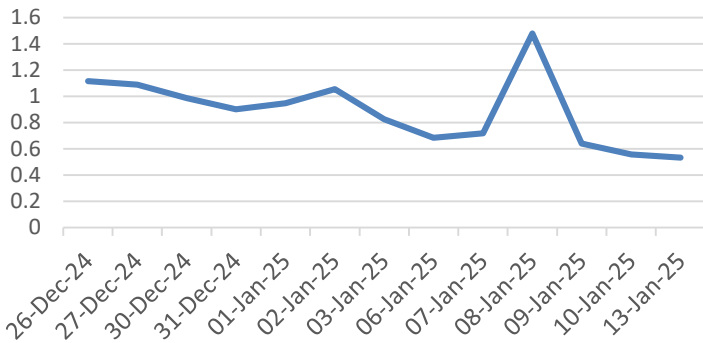
- The Bank Nifty (BNF) index is currently trading at a premium of 225, the index has closed in the negative territory with an increase in Open Interest (OI), indicating a short buildup (SB).
- Over the past four days, there has been a consistent increase in short positions, with 18.55% more short positions added, while the index has shed 4.33% during this period, highlighting increasing bearish pressure on the index.
- The options data further supports a negative sentiment, with participants expecting continued downside as long as the index stays below the 48,500 level. The Put-Call Ratio (PCR) is near the oversold zone, signaling caution at current levels and suggesting that any bounce should be used as a selling opportunity.
- On the technical front, the Bank Nifty has recently given a breakout of the Head and Shoulders pattern, which is traditionally a bearish formation, confirming the negative sentiment.
- Aligning both technical and derivative outlooks, the Bank Nifty appears to be in a negative trend, and it is advisable to sell on any rise, particularly towards the 48,500 level, as the market is likely to face further pressure below this level. The overall setup suggests that short positions will continue to dominate as the index remains under bearish influence.

	SUPPORT	RESISTANCE		PRICE	OI
BNF	48000/47500	48500/48800	Near	48266.25	2493870
	ADVANCE	DECLINE	Next	48603.1	754350
BNF	0	19	Far	48965.25	119370

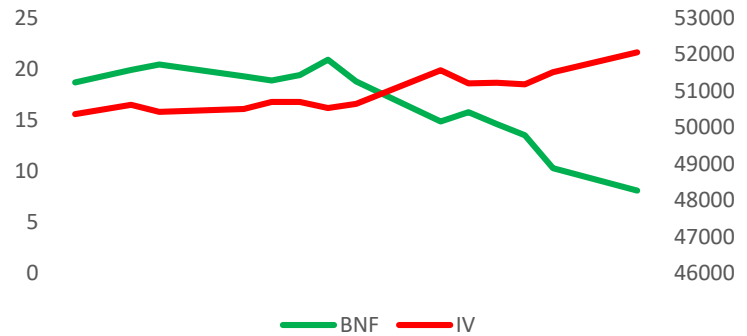
Derivative Report



PCR



BNF IV

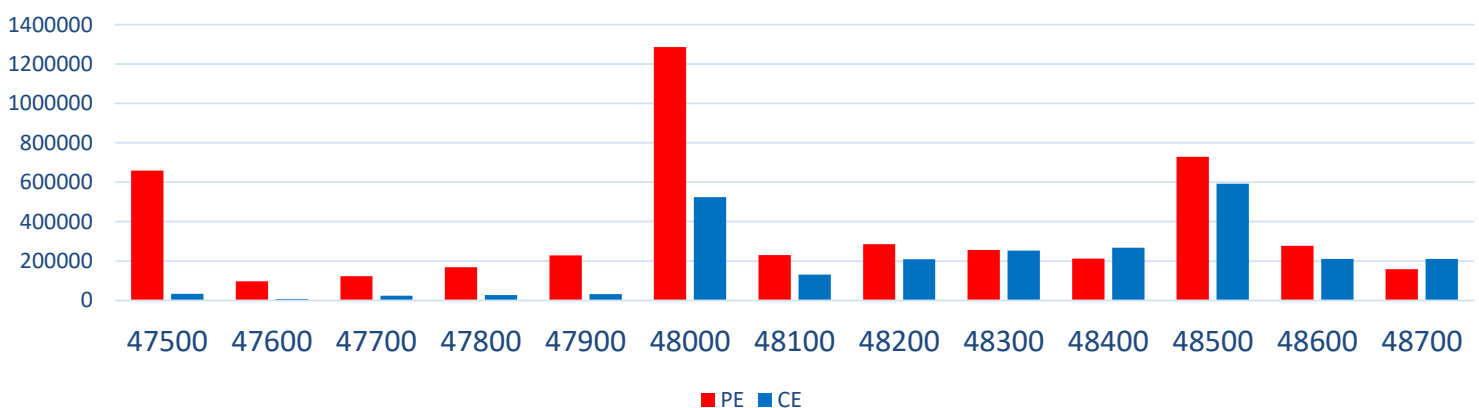


The monthly Put-Call Ratio (PCR) for the Bank Nifty is currently 0.53, which indicates increase in CE participant.

The PCR is also indicating that the banking index is entering an oversold zone.

The increase in Implied Volatility (IV) indicates a rise in market volatility. Currently, the IV is at its highest level in the January series.

BNF DAIL OI



The highest Open Interest (OI) on the Call (CE) side is at the 48,500 strike, followed by the 48,000 strike, where short buildup has formed. On the Put (PE) side, the highest OI is at the 48,000 strike, followed by the 48,500 strike, where long buildup has occurred. This suggests that option participants expect the market to trade below the 48,000 level.

**Sr. Technical Equity Research Analyst
Mr. Kunal Kamble**

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