

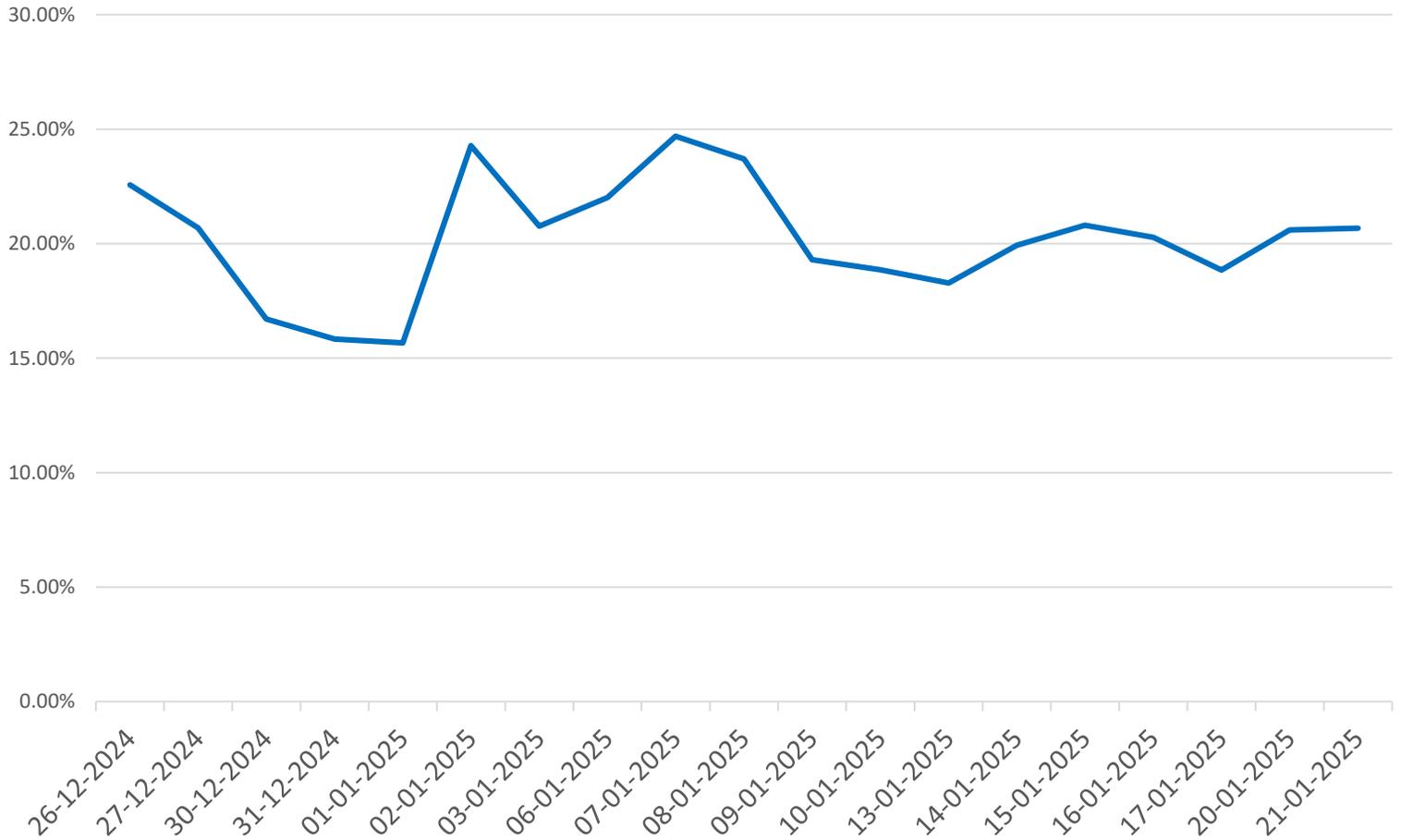
DERIVATIVE REPORT



22nd January 2025

FII's Long Short Ratio

Long Short Ratio



Key Takeaways:

FII Long-Short Ratio: Increased slightly from **20.60%** to **20.68%**, signaling **short covering** but not enough to indicate strong bullish sentiment.

Cautious Stance by FIIs: The marginal change suggests FIIs remain cautious, indicating that they do not expect a sharp upward move in the market.

Critical Resistance at 23,500: FIIs have established fresh short positions around this level during the January series.

A decisive breakout above **23,500** could trigger a sharp **short-covering rally**.

Focus on Expiry Dynamics: As the January series expiry nears, the **23,500 level** will serve as a key zone to monitor for a potential trend shift or continued downside.

This setup emphasizes a **watch-and-wait approach** until the market provides a decisive move above or below critical levels.

Derivative Report



Nifty : Short Build-Up Observed, Falling Wedge Breakdown Could Trigger Further Downside

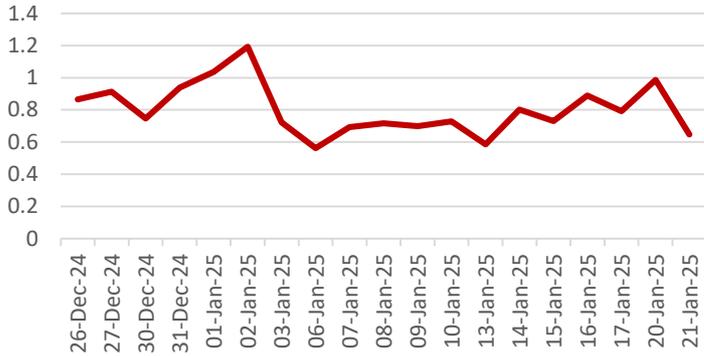


- Nifty is currently trading at a premium of 78.55, up from 55.45, and closed 1.27% lower with a 6.40% increase in open interest, indicating a short buildup.
- Option data suggests that participants expect the market to remain below 23,000 as long as it holds below 23,300, while the decline in PCR highlights aggressive selling activity by CE writers.
- On the technical front, the index is forming a falling wedge pattern and is trading near its lower trendline. A breakdown below 22,700 could lead to a sharp decline in the index.
- Aligning both technical and derivative setups, the trend remains negative, and a breakdown from the pattern would confirm further downside. Selling far OTM options for the current week would be a prudent strategy to stay positioned in the market.

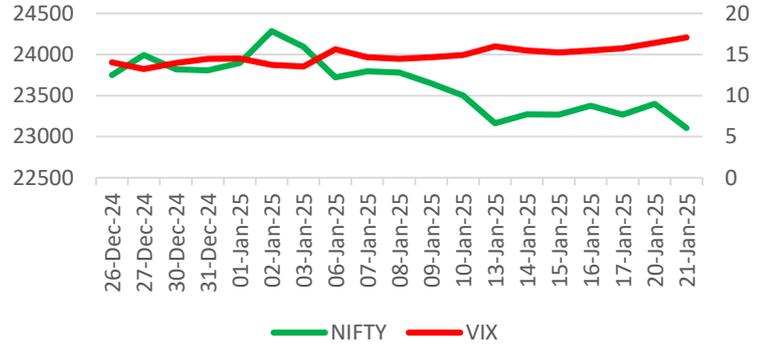
	SUPPORT	RESISTANCE		PRICE	OI
NIFTY 50	23200/23000	23500/23600	Near	23103.2	14572600
			Next	23235.9	4345575
			Far	23391.2	500025
	ADVANCE	DECLINE	AD RATIO		
NIFTY	9	41	0.22		
NIFTY F&O	27	173	0.156		

Derivative Report

PCR



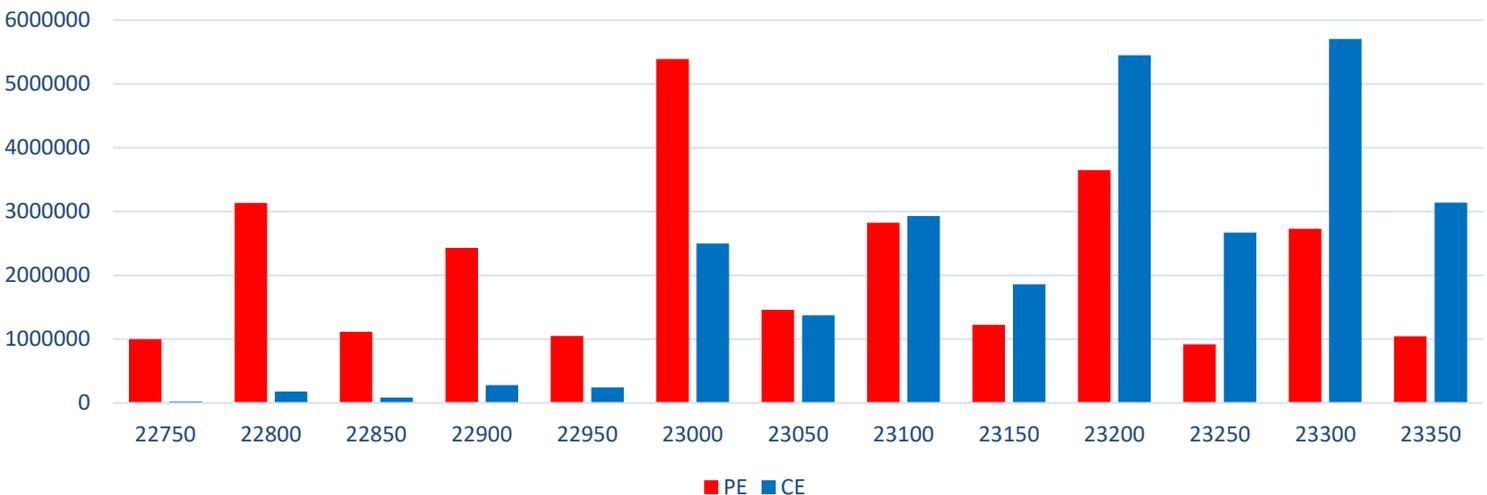
India VIX



The Weekly PCR has decreased from 0.98 to 0.65, indicating increased activity on the call side. A significant portion of these positions are shorts, reflecting that market participants expect the market to trend lower in the near term

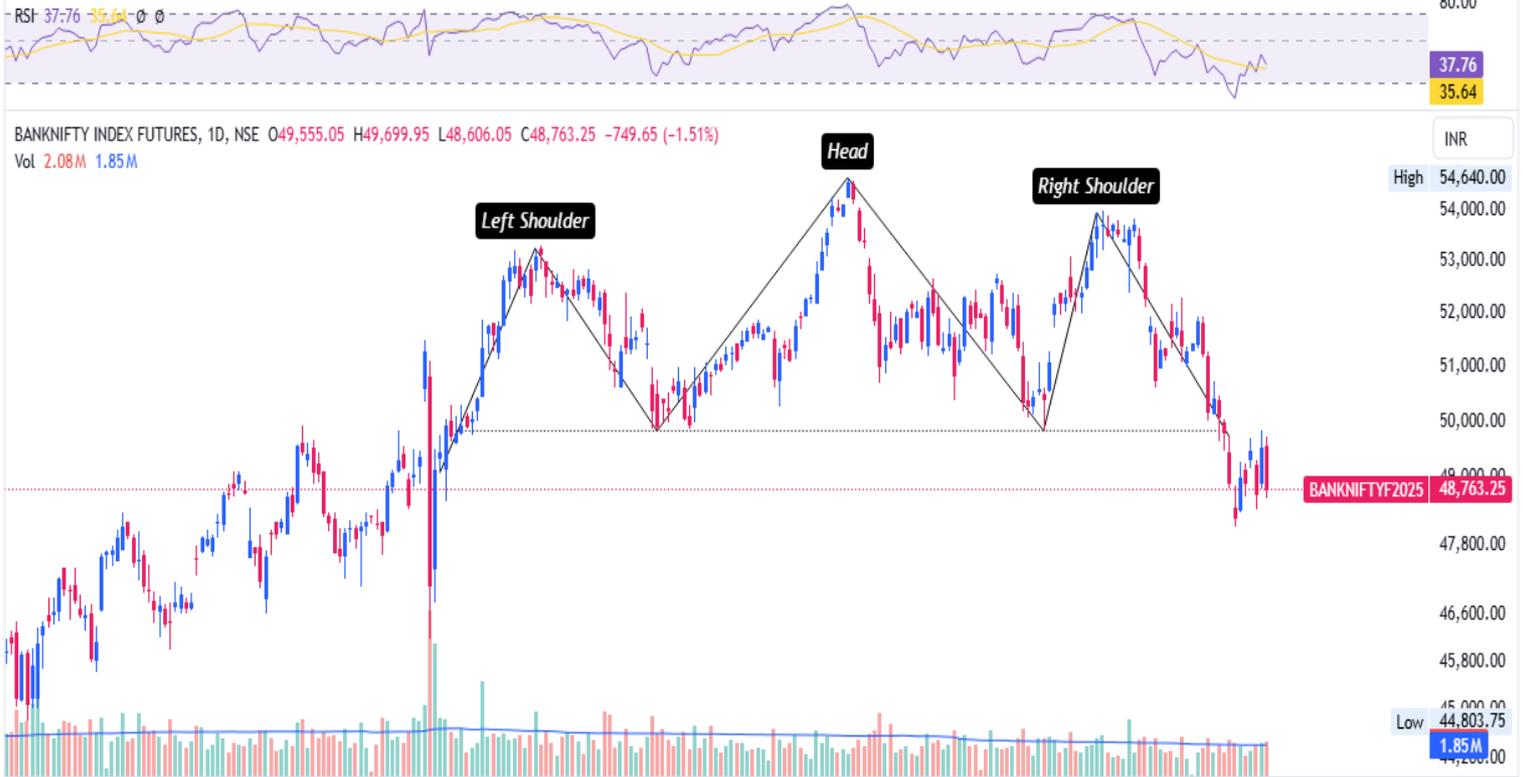
The India VIX closed at 17.05, recording its highest level in the January series, signaling a notable rise in market volatility. If the VIX sustains above 18, it is likely to move toward the 21-25 range, reflecting heightened uncertainty and potential market instability. However, a fall below 16 could lead it to trend lower toward the 15-13 range, suggesting reduced volatility and a more stable market environment.

NIFTY DAILY OI



At the weekly expiry, the highest open interest on the call side is at the 23,300 strike, followed by 23,200, with fresh short positions indicating strong resistance levels. On the put side, the highest open interest is at the 23,000 strike, followed by 23,200, where short covering is observed. This setup suggests that participants anticipate the market to hold below the 23,200 level, reflecting a bearish outlook in the near term.

Bank Nifty: Short Positions and Bearish Outlook



- The Banking Index is trading at a premium of 193.25, higher than the previous day's 162.10, despite closing 1.51% lower. The 7.46% increase in open interest indicates that fresh short positions have been built.
- Option data shows short covering on the put side and fresh short positions on the call side, suggesting that the previous day's short positions in puts have been squared off, while new shorts have been initiated in calls.
- The rise in implied volatility (IV) signals increased fear and uncertainty in the market.
- On the technical front, the index has faced rejection at the neckline of a head-and-shoulders pattern, highlighting a strong resistance at 49,900. As long as the index remains below this level, further correction is likely

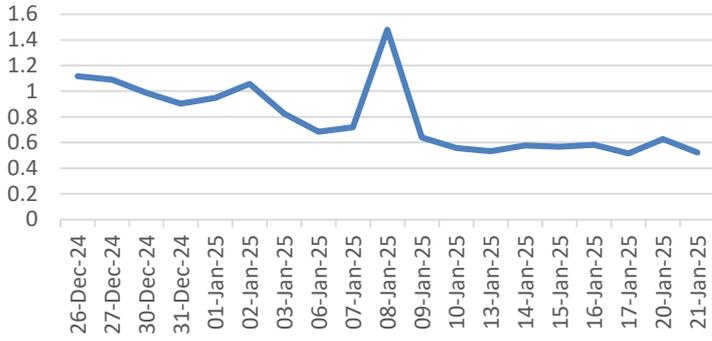
Outlook:

- Aligning technical and derivative setups, a selling strategy in the Banking Index is advisable, with resistance at 49,900 serving as a key level to watch.

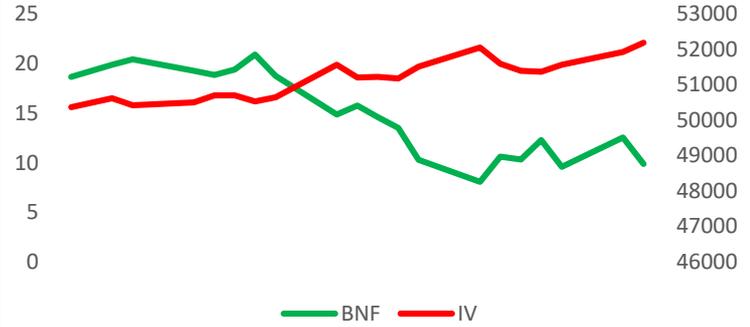
	SUPPORT	RESISTANCE		PRICE	OI
BNF	48500/48000	48900/49350	Near	48763.25	2365770
	ADVANCE	DECLINE	Next	49059.7	1127730
BNF	1	11	Far	49448.35	152100

Derivative Report

PCR



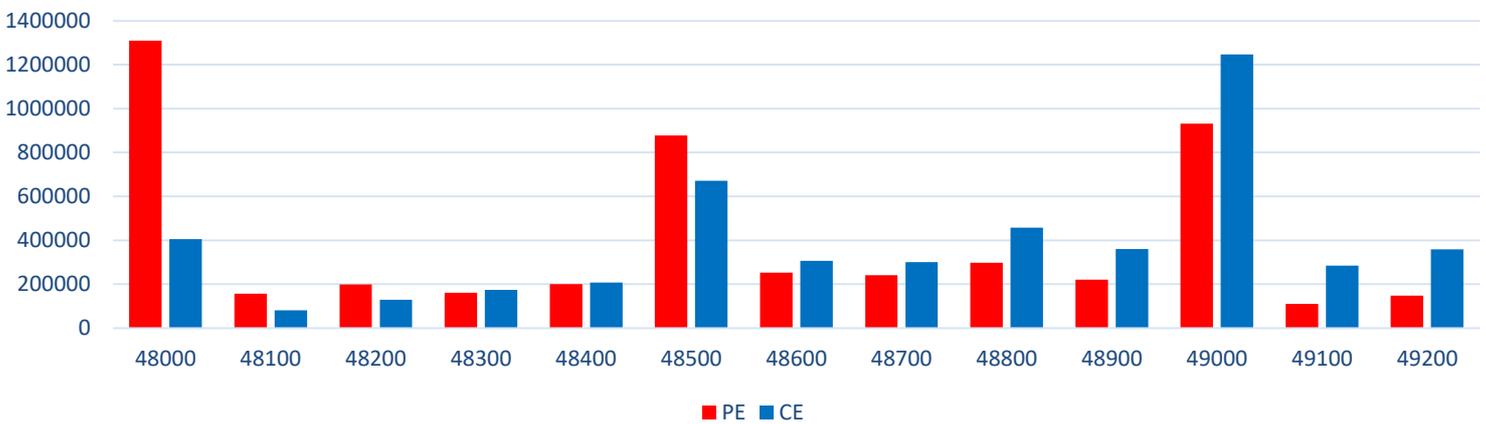
BNF IV



The monthly PCR has decreased from 0.63 to 0.52, indicating a rise in call (CE) activity. This shift reflects an increase in CE participants and a decrease in PE participation, suggesting that CE writers are aggressively adding short positions, while PE writers are reducing their exposure. This dynamic indicates expectations of market instability or a potential downward move.

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

BNF DAIL OI



The highest open interest on the call side is at the 49,000 strike, followed by the 48,500 strike, where short positions have been added. On the put side, the highest open interest is at the 48,000 strike, followed by the 49,000 strike, where short covering is observed. This setup indicates that market participants are unwinding their short positions on the put side while building fresh short positions on the call side, reflecting expectations of a potential downward move.

Derivative Report



Participant wise Future Index OI

Participant	Long	Short	Ratio
Client	526487	210506	2.501054602
DII	182751	152798	1.196030053
FII	91228	441205	0.206770096
Pro	101624	97581	1.041432246

Participant wise Future Stock OI

Participant	Long	Short	Ratio
Clients	2638181	361596	7.2959352
DII	235521	4100880	0.0574318
FII	3376423	2235022	1.5106889
Pro	865899	418526	2.0689252

Long Build-up

Symbol	Price	Price (Chng %)	OI (Chng %)
AARTIIND	454.4	1.06%	16.87%
DALBHARAT	1771.95	1.90%	9.56%
TATACONSUM	969.3	1.15%	4.50%
HCLTECH	1797.8	0.18%	4.32%
JSL	632.1	0.58%	3.49%

Short Build-up

Symbol	Price	Price (Chng %)	OI (Chng %)
DIXON	15060.45	-14.22%	66.14%
OBEROIRLTY	1829	-8.45%	45.29%
INDIAMART	2220.9	-1.74%	23.56%
CAMS	4233.7	-4.44%	23.18%
JIOFIN	260.05	-6.00%	21.42%

Short Covering

Symbol	Price	Price (Chng %)	OI (Chng %)
NAVINFLUOR	3795.95	0.36%	-11.67%
LTF	142.69	2.53%	-7.06%
MAXHEALTH	1079.05	1.26%	-5.41%
ULTRACEMCO	10699.5	0.33%	-4.89%
JKCEMENT	4558.7	0.99%	-4.35%

Long unwinding

Symbol	Price	Price (Chng %)	OI (Chng %)
APLAPOLLO	1587.4	-0.29%	-14.05%
ESCORTS	3563.15	-0.56%	-9.99%
INDIANB	523.6	-1.24%	-7.08%
KPITTECH	1311.75	-1.89%	-7.00%
BAJAJFINSV	1721.45	-0.90%	-6.34%

Security In Ban

ABFRL	ANGELONE	BANDHANBNK	CANFINHOME	KALYANKJIL	LTF	MANAPPURAM	RBLBANK
DIXON	MGL						

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