

Sensex (64572) / Nifty (19282)

Our market had a slightly muted start to the week and in fact, in the initial trades, the market was showing some resilience. But in such a kind of geopolitical uncertainty, prices tend to react adversely to any negative development globally. As the day progressed, the initial selling turned into a massive broader market destruction to eventually end the session with a sharp cut of 1.34%, importantly closing below the **19300** mark.

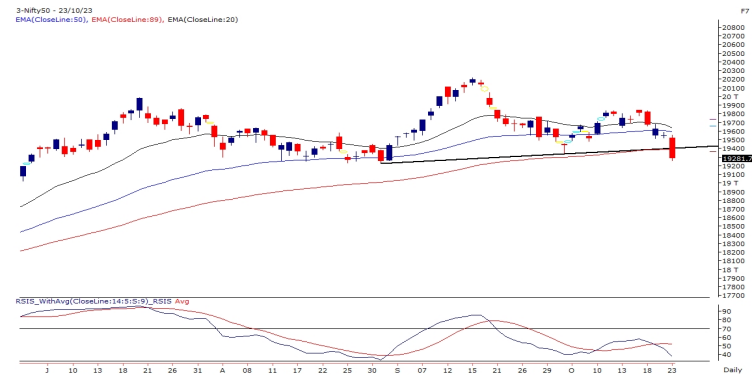
Bears dominated the trading session, leading to breaching of some critical supports. Of late, we have been maintaining our cautious stance on the market and have been repeatedly advising against creating aggressive long positions. The preemption has now become a confirmation of short-term breakdown in the market, which certainly does not bode well for the bulls. On the daily chart, prices have formed a "Lower Top Lower Bottom" formation, signaling a bearish cycle, and they have also broken below a crucial trend line support. Additionally, prices have skidded below the key '89-EMA' for the first time since April. These developments are unfavorable in the short term, and we expect this tentativeness to continue. We will not be surprised to see prices even hastening towards **19000 – 18960** in the near term. Hence, until we observe clear signs of a bullish reversal, it is advisable not to catch a falling market. During this period, any bounce should be seen as an opportunity to exit long positions and establish short positions. In this context, the range of **19380 - 19450** is likely to serve as immediate resistance.

Nifty Bank Outlook (43151)

Bank Nifty began trading for this curtailed week on a subdued note, as the index, along with all other major indices opened with a gap down. However, the index post open did attempt to close the gap, which ultimately proved futile. Afterward, the index spent some time consolidating around day's highs, before gradually moving lower, culminating in a significant downward plunge to end the day. At one point in the second half, the BANKNIFTY fell like a bottomless pit, leading the index breaking below its key support clusters. Eventually, the index ended the day, a touch below **43200** levels, marking a loss of 1.31 percent for the day.

Monday's move in this rate-sensitive index, validates our recent bearish stance in Bank Nifty. The index has now breached key levels, suggesting a likelihood of extended weakness in days ahead. A further testament to this consistent weakness in Bank Nifty is the formation of a long red candlestick on its daily chart. Additionally, the index has also dipped below its significant long term 200-day SMA. Applying the principles of polarity, former support zones are now expected to function as resistance, impeding any effort by bulls to recover lost grounds. Consequently, the index is likely to encounter obstacles across the **43800-43900** band, in the short run.

Exhibit 1: Nifty Daily Chart



Last week, we mentioned the emergence of weakness in the midcap segment, which had been a bright spot in recent months. However, on Monday, they experienced significant selling pressure, and we recommend traders to remain cautious in this space moving forward. It's also crucial to stay vigilant regarding geopolitical factors, as they can exert a substantial influence on market trends.

Key Levels

Support 1 – 19150	Resistance 1 – 19380
Support 2 – 19000	Resistance 2 – 19450

Exhibit 2: Nifty Bank Daily Chart



Conversely, with the breach of key levels and change of trend indicated by the formation of lower highs and lower lows, support levels are now like quicksand. As far as immediate supports are concerned, **42750-42700** are to be treated as next levels.

Key Levels

Support 1 – 43000	Resistance 1 – 43500
Support 2 – 42700	Resistance 2 – 43800

Comments

- The Nifty futures open interest has increased by 2.31% and Bank Nifty futures open interest has decreased by 2.93% as the market closed at 19281.75.
- The Nifty October future closed with a discount of 12.55 points against a discount of 14.80 points in the last trading session. The November series closed at a premium of 99.60 points.
- The INDIA VIX has increased from 10.82 to 10.91. At the same time, the PCR-OI of Nifty has decreased from 0.90 to 0.70.
- A few of the liquid counters where we have seen high cost of carry are LAURUSLABS, IPCALAB, ABFRL, HINDCOPPER and IBULHSGFIN.

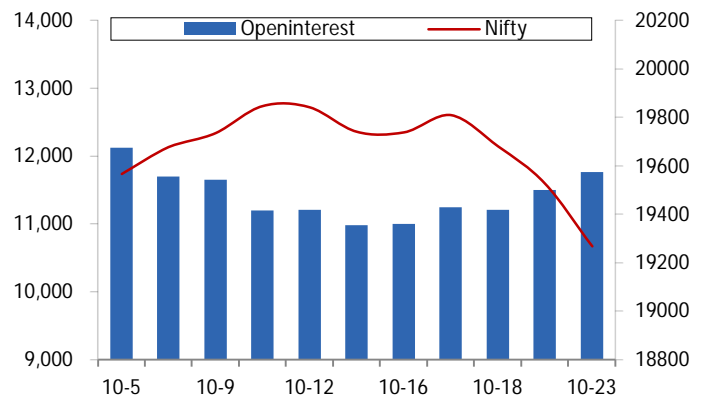
View

- The market witnessed an intense day of sell-off, wherein the benchmark index succumbed to the rising global geopolitical uncertainties and slipped below the 19300 zone, shedding around 1.34 percent at the start of the expiry week.
- FIIs were net buyers in the cash market segment to the tune of Rs. 252 cr. Simultaneously, they sold worth Rs. 328 cr in Index futures with an increase in open interest, indicating short formation.
- On the derivatives front, we witnessed short formation in the benchmark and long unwinding in the banking index at the start of the expiry week. On the options front, Put writers have shifted positions at 19200-19000. While significant piling of OI is seen at 19500-19400 call strikes, suggesting an intermediate resistance. The Long Short Ratio remains unchanged at around 26%. Considering the recent price actions, we would advocate avoiding bottom fishing and contradictory bets. Meanwhile, it is crucial to stay vigilant regarding geopolitical developments and stay light on positions.

Historical Volatility

SCRIP	HV
IGL	38.31
MGL	37.27
HAVELLS	30.44
ITC	23.70
MPHASIS	37.77

Nifty Vs OI



OI Gainers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
HDFCAMC	4461600	13.07	2828.95	-1.56
PERSISTENT	1441825	12.37	5806.35	-1.39
BALKRISIND	2342700	12.36	2566.90	1.25
IPCALAB	2952300	10.11	998.75	6.42
MUTHOOTFIN	7104350	9.98	1280.30	0.35
SBICARD	11241600	9.16	774.90	-1.83
GNFC	9785100	8.65	652.80	-1.02
MRF	50040	8.12	108972.45	-0.33

OI Losers

SCRIP	OI	OI CHG. (%)	PRICE	PRICE CHG. (%)
M&MFIN	17600	-19.59	272.80	-2.05
ATUL	492300	-11.93	6391.70	-3.53
LTIM	1508100	-10.92	5201.75	-4.07
COROMANDEL	1209600	-9.95	1110.45	-2.74
LAURUSLABS	19094400	-8.81	362.40	-7.52
KOTAKBANK	26298400	-8.68	1740.75	-1.71
ONGC	44363550	-8.61	184.85	-0.65
VOLTAS	7770000	-8.38	821.25	0.65

Put-Call Ratio

SCRIP	PCR (OI)	PCR (VOL)
NIFTY	0.70	0.90
BANKNIFTY	0.51	0.90
RELIANCE	0.54	0.54
ICICIBANK	0.46	0.45
INFY	0.37	0.47

FII Statistics for October 23, 2023

Detail	Buy	Sell	Net	Contracts	OI Value (in Cr.)	CHANGE
INDEX FUTURES	6457.26	6784.89	(327.63)	189554	15118.21	2.02
INDEX OPTIONS	1500917.54	1515528.35	(14610.81)	4273793	340516.67	14.63
STOCK FUTURES	91605.20	85233.05	6372.15	2433997	186718.01	0.19
STOCK OPTIONS	27093.25	26753.07	340.18	195189	15492.68	(20.26)
Total	1626073.25	1634299.36	(8226.11)	7092533	557845.57	7.65

Turnover on October 23, 2023

Instrument	No. of Contracts	Turnover (in Cr.)	Change (%)
Index Futures	439855	35320.26	37.38
Index Options	440410797	52271.28	-2.14
Stock Futures	2958459	233103.78	133.03
Stock Options	5650057	3708.21	-9.80
Total	56,50,057	3708.21	77.01

Nifty Spot = 19281.75

Bull-Call Spreads

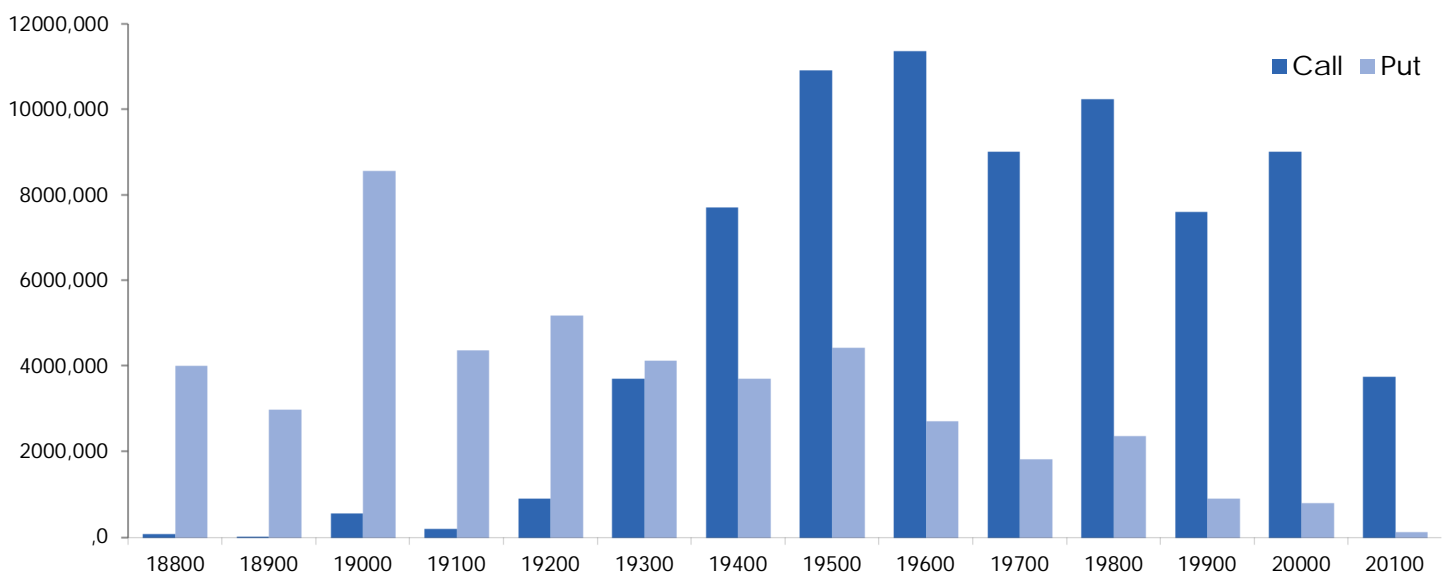
Action	Strike	Price	Risk	Reward	BEP
Buy	19200	126.95	53.20	46.80	19253.20
Sell	19300	73.75			
Buy	19200	126.95	88.30	111.70	19288.30
Sell	19400	38.65			
Buy	19300	73.75	35.10	64.90	19335.10
Sell	19400	38.65			

Bear-Put Spreads

Action	Strike	Price	Risk	Reward	BEP
Buy	19400	162.65	61.35	38.65	19338.65
Sell	19300	101.30			
Buy	19400	162.65	105.70	94.30	19294.30
Sell	19200	56.95			
Buy	19300	101.30	44.35	55.65	19255.65
Sell	19200	56.95			

Note: Above mentioned Bullish or Bearish Spreads in Nifty (**Oct Series**) are given as an information and not as a recommendation.

Nifty Put-Call Analysis



Daily Pivot Levels for Nifty Constituents

Scripts	S2	S1	PIVOT	R1	R2
ADANIENT	2,230	2,270	2,341	2,380	2,451
ADANIPTS	753	762	779	788	805
APOLLOHOSP	4,908	4,939	4,975	5,005	5,041
ASIANPAINT	3,037	3,054	3,082	3,099	3,127
AXISBANK	946	955	970	979	994
BAJAJ-AUTO	5,333	5,369	5,431	5,468	5,530
BAJFINANCE	7,692	7,745	7,815	7,869	7,939
BAJAJFINSV	1,577	1,595	1,623	1,641	1,670
BPCL	338	341	344	346	350
BHARTIARTL	930	935	942	947	954
BRITANNIA	4,465	4,498	4,549	4,582	4,633
CIPLA	1,159	1,171	1,191	1,203	1,223
COALINDIA	300	303	308	311	316
DIVISLAB	3,405	3,453	3,539	3,587	3,673
DRREDDY	5,440	5,496	5,581	5,637	5,723
EICHERMOT	3,388	3,417	3,455	3,484	3,522
GRASIM	1,855	1,879	1,909	1,933	1,963
HCLTECH	1,215	1,226	1,243	1,254	1,271
HDFCBANK	1,483	1,495	1,512	1,523	1,540
HDFCLIFE	608	616	631	639	653
HEROMOTOCO	3,081	3,115	3,174	3,209	3,267
HINDALCO	443	450	462	469	481
HINDUNILVR	2,462	2,473	2,491	2,502	2,521
ICICIBANK	914	922	933	941	953
INDUSINDBK	1,405	1,420	1,445	1,460	1,485
INFY	1,388	1,398	1,415	1,426	1,443
ITC	429	433	436	440	443
JSW STEEL	728	738	757	767	785
KOTAKBANK	1,698	1,719	1,744	1,766	1,791
LT	2,914	2,936	2,971	2,994	3,029
LTIMINDTREE	5,043	5,122	5,265	5,344	5,487
M&M	1,534	1,549	1,562	1,578	1,591
MARUTI	10,409	10,481	10,603	10,675	10,797
NESTLEIND	23,787	23,992	24,334	24,539	24,880
NTPC	232	234	237	240	243
ONGC	183	184	185	186	187
POWERGRID	195	197	201	204	207
RELIANCE	2,224	2,244	2,275	2,295	2,326
SBILIFE	1,307	1,323	1,345	1,360	1,382
SBIN	542	547	557	562	572
SUNPHARMA	1,099	1,111	1,130	1,142	1,161
TCS	3,352	3,381	3,430	3,459	3,508
TATACONSUM	864	874	890	899	916
TATAMOTORS	631	639	653	661	675
TATASTEEL	117	119	121	122	125
TECHM	1,140	1,148	1,159	1,167	1,179
TITAN	3,170	3,195	3,235	3,260	3,300
ULTRACEMCO	8,163	8,244	8,384	8,465	8,605
UPL	570	579	593	601	616
WIPRO	375	379	386	390	397

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