

May 2026

DERIVATIVE MID-MONTH REPORT

Derivative view, analysis and recommendations on the market



- Nifty Options Open Interest Distribution
- PCR
- BankNifty Bull Call Spread Strategy
- CholaFin Call Spread Strategy

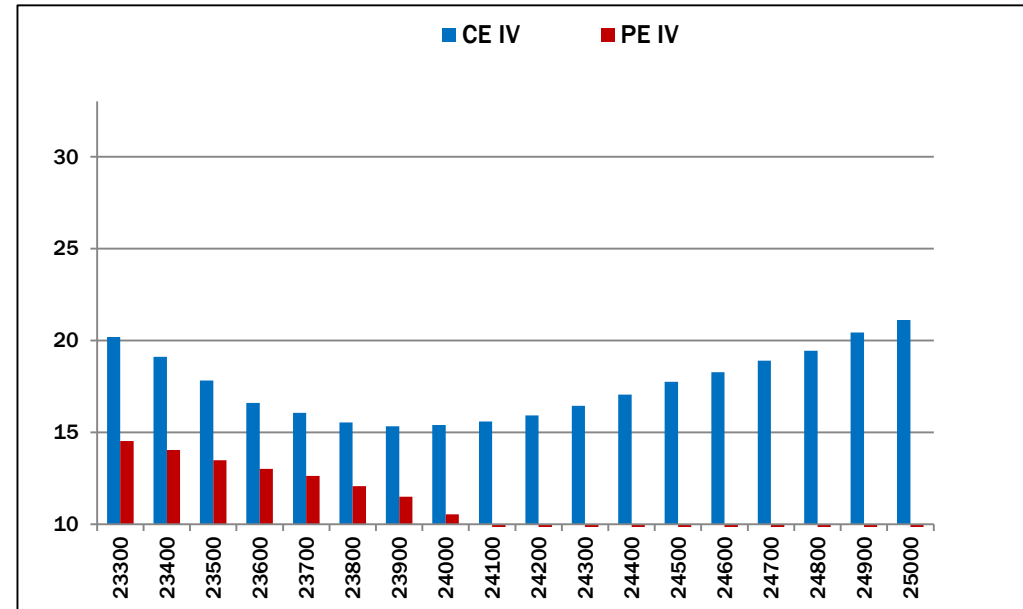
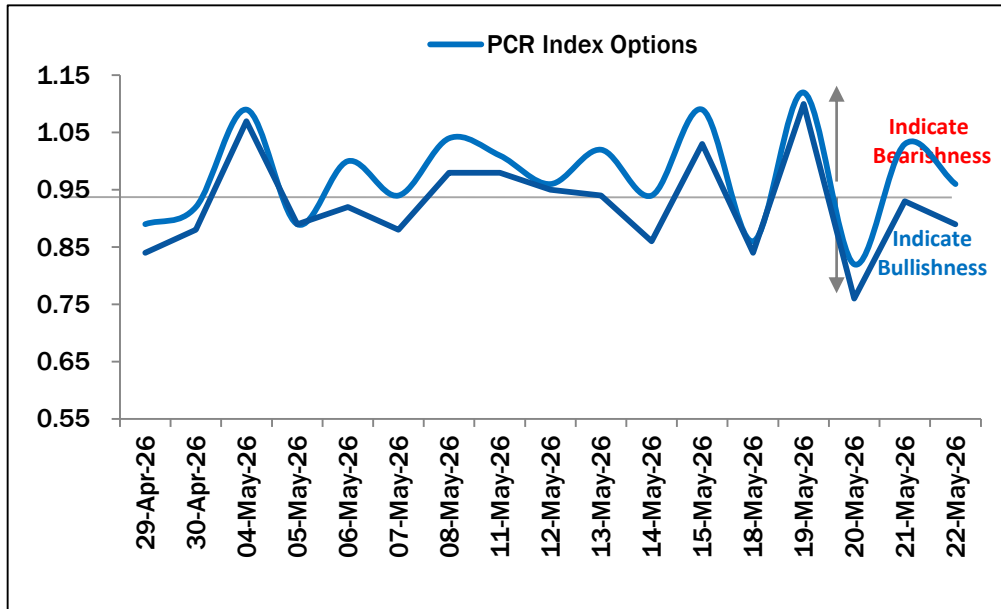
- Nifty closed on **positive** note with a gain of 5% to expired at 23,996 for April Series. At Middle of May series Nifty found a support at near 23,300 levels & currently it is trading 23,900 level. Highest CE concentration for Current expiry is at 24,000 followed by 24,500 & which might act as strong resistance, while on the PE side highest OI is at 23,800 PE followed by 23,500 which is likely to act as immediate supports during this expiry.

- Volatility Index (IndiaVIX), a measure of Market expectation for near-term volatility has witnessed a movement between 15 to 22 mostly due to influence of international news Trump Tariff , US _ IRAN_ISREAL War and up to certain degree of domestic economic data numbers, rising Crude Oil & Rupee weakening out, Interest Rate Hike, & Inflation However in coming future amid end of May Expiry. Expecting India VIX to remain mostly in the range of 16 to 19 for the remaining days to expiration.



- PCR (Put to Call ratio) is quoting around 0.96. The Current series has witnessed a wide range of PCR from 0.82 to 1.12. The PCR is into the **bullish** territory which indicates Expansion of firm and supportive movement at lower levels. While addition in ATM Index Call options indicates resistance is being strong at higher levels and addition in OTM puts indicates immediate momentum to extend at lower level.

- Volatility skew reflects market sentiment through IV differences driven by demand and supply. The left-tilted skew indicates rising volatility and potential expansion in Nifty. Higher ATM Calls IV versus **higher** PUT IV shows puts trading richer than puts, highlighting a **bearish bias** as traders pay more for **downside protection**.



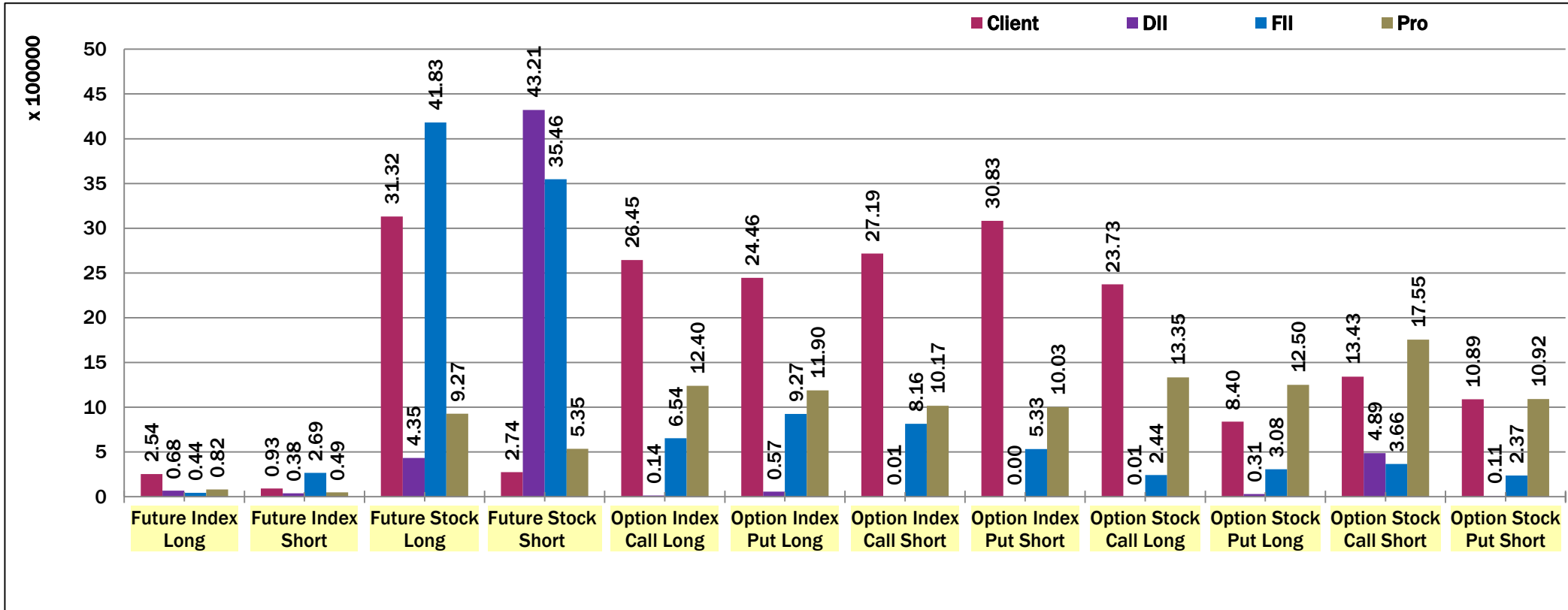
Market participants open interest for Current Expiration (Figures in no. of contracts)

AS ON 29 TH Apr 2026	Index Futures	Option Index Call	Option Index Put
Client	117562	155475	-553415
DII	45442	3930	49572
FII	-171058	-216058	333151
Pro	8054	56652	170692

AS ON 22 ND May. 2026	Index Futures	Option Index Call	Option Index Put
Client	161664	-73727	-637262
DII	30067	13416	56408
FII	-224992	-161949	393961
Pro	33261	222259	186892

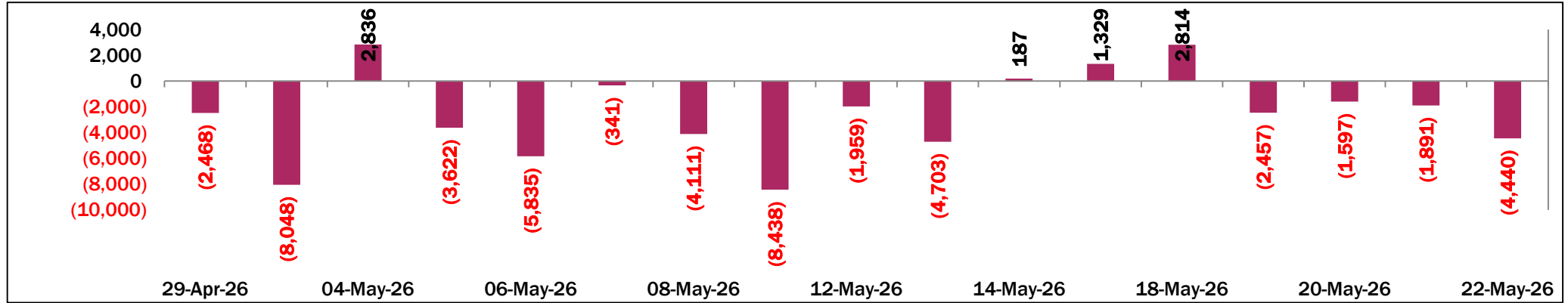
- Market participant data indicates that **FII** have **added** their Short position in Index Futures. They have reduced exposure in Index call and have added exposure in Put options nominally.
- From the period 29TH April 2026 to 22ND May 2026 **DII** have decreased Long position in Index futures with an addition in Call & Put Options.
- Overall FII's have **increase 59,934 Short** contracts in Index futures, along with **reduction** of net short **54,109** contract in **Call** Option and **addition of long 60,810** contracts in **Put** Option as on 22ND May 2026.

Market participants open interest for Current. Series (Figures in no. of contracts)



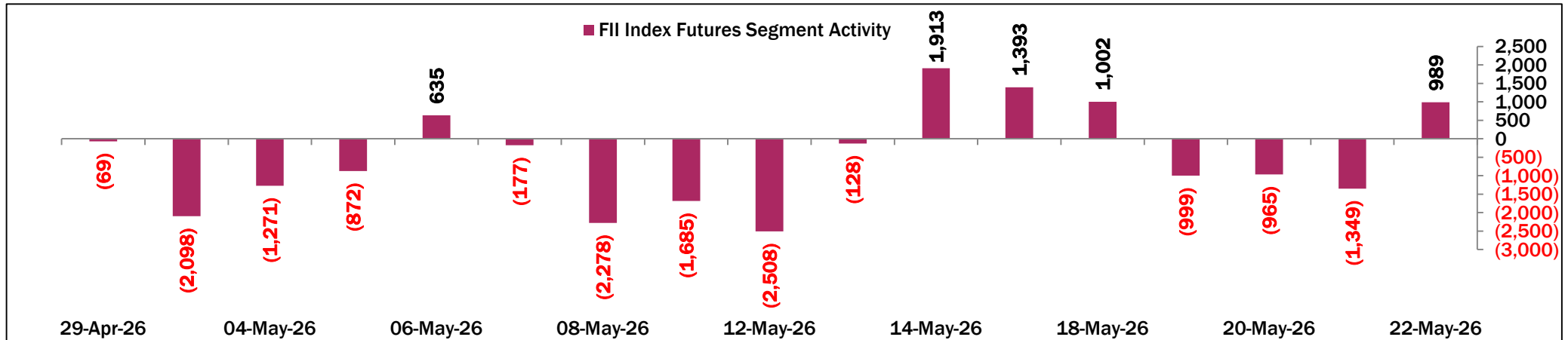
As on 22ND May 2026, FII have Increase 3,12,052 contracts of Future Index Long while they have Added 14,69,663 contracts of Option Index Long Call and have also Increased 14,59,047 contracts of Option Index Put Long.

FII Cash Segment Activity (Figures in Rs. Crores)



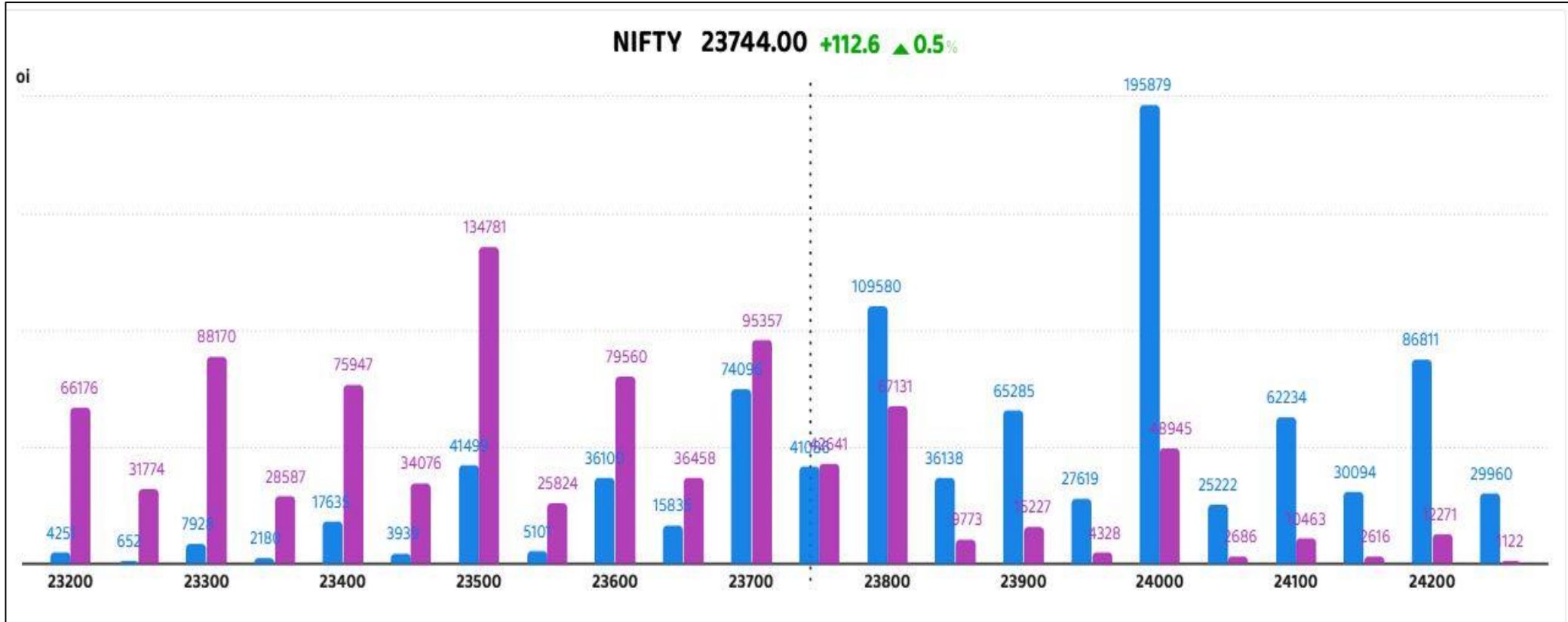
In Current Expiry, FII were Sellers in cash market to the extent of Rs. 42,745 Cr as on 22 May 2026.

FII Index Futures Segment Activity (Figures in Rs. Crores)



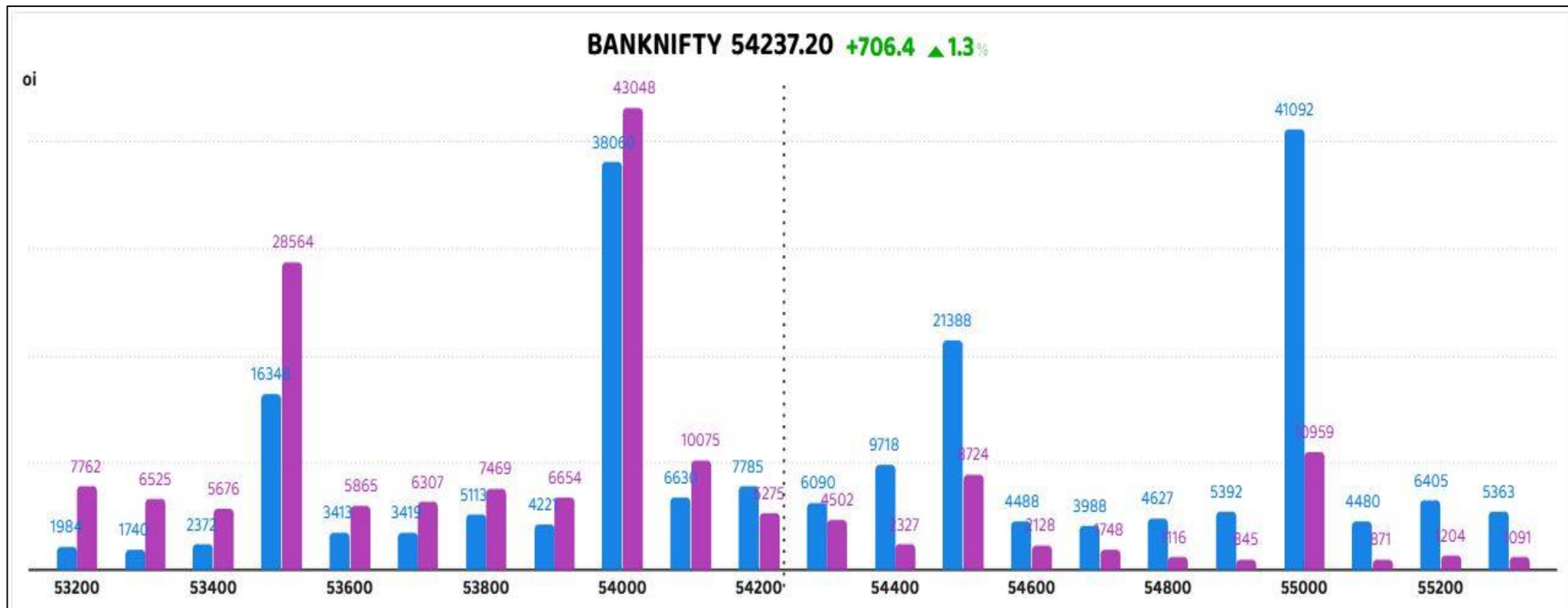
In Current Expiry, FII have added to the extent of Rs. 8,466 Cr. in Index futures segment as on 22 May 2026.

NIFTY Options Open Interest Distribution – Current Expiry



- Nifty options OI distribution shows that 24,000 & 23,800 Call strike has highest OI concentration and may act as Strong resistance for current expiry. Nifty Put strike 23,500 & 23,700 witnessed highest OI concentration and may act as strong support for current expiry. Nifty is most likely to trade in range of 23,500– 24,200 in the **Current** expiration, with 23,800 acting as a pivotal level.

BANK NIFTY Options Open Interest Distribution – Current Expiry

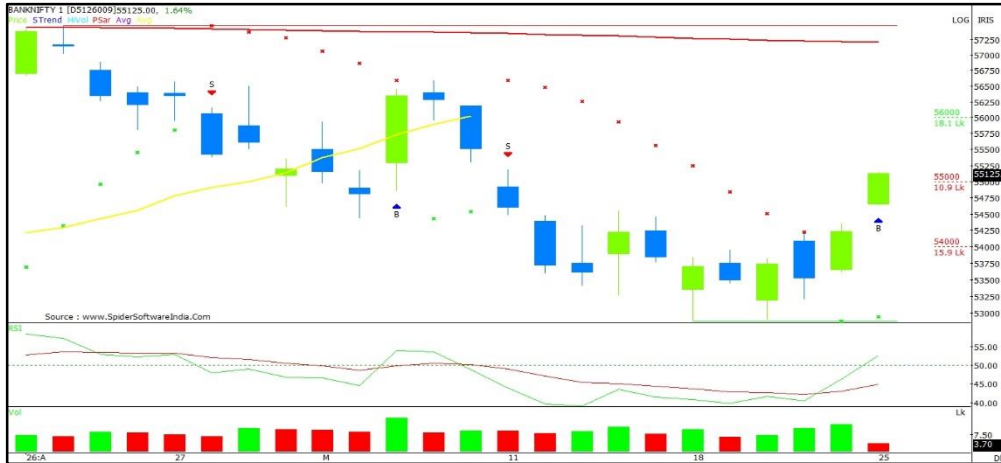


- BankNifty options OI distribution shows that 55,000 & 54,000 Call strike has highest OI concentration and may act as Strong resistance for current expiry. Bank Nifty Put strike 54,000 & 53,500 witnessed highest OI concentration and may act as strong support for current expiry. Bank Nifty is most likely to trade in range of 53,000 - 56,000 in the **Current** Expiry, with 54,500 acting as a pivotal level.

Nifty Chart



Bank Nifty Chart



- Major indices, Nifty and Bank Nifty have been trading with range volatile momentum with Long Unwinding in downward trajectory stocks from higher levels. However derivative data suggest significant Support at lower levels and overall expect Volatile movement till expiry for current Series.

■ Nifty

- Short Term Trend – resistance at higher level
- Support - 23,800, 23,300
- Resistance – 24,200, 24,500

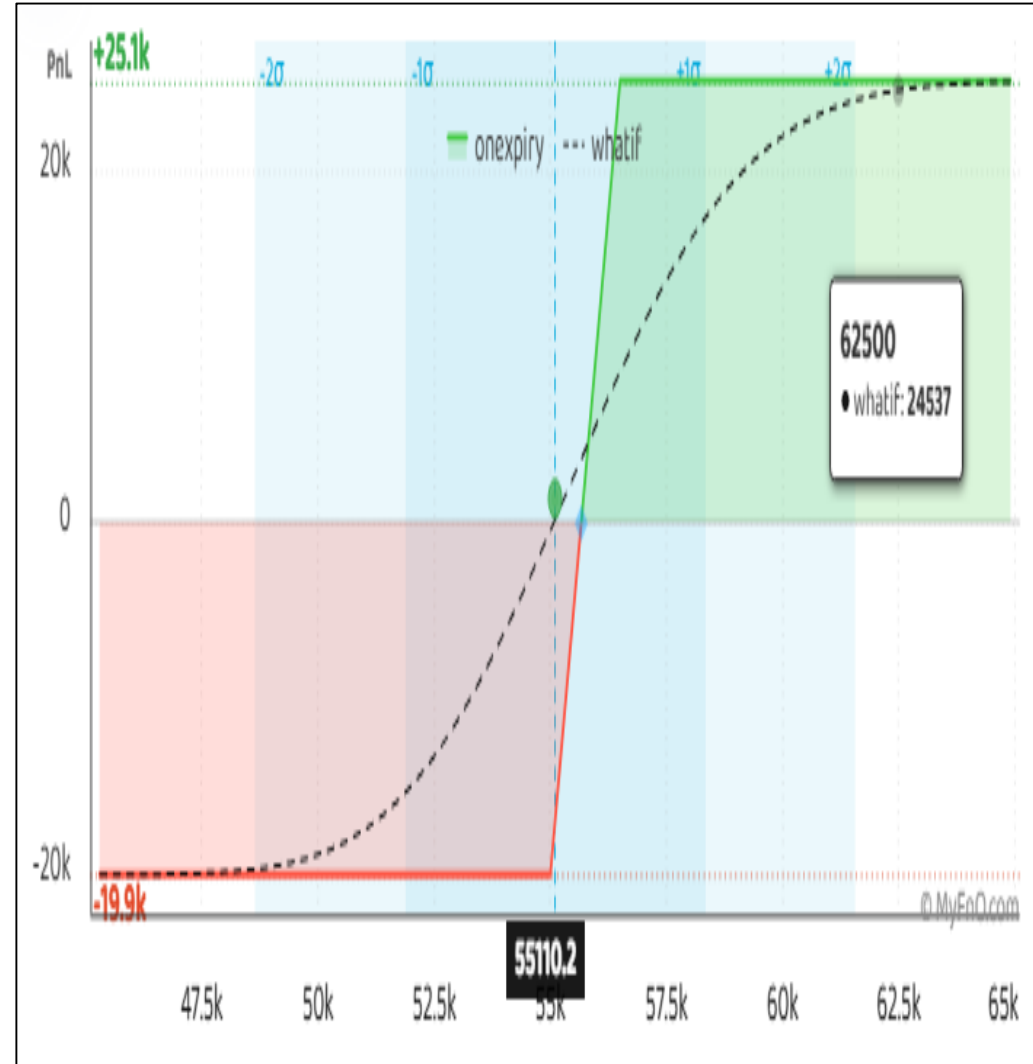
■ Bank Nifty

- Short Term Trend – resistance at higher level
- Support - 56,000, 57,000
- Resistance – 54,000, 53,000

Bank Nifty Option Strategy for Current. Expiration

Bank Nifty Call Spread.(Expiry 30TH June 2026)

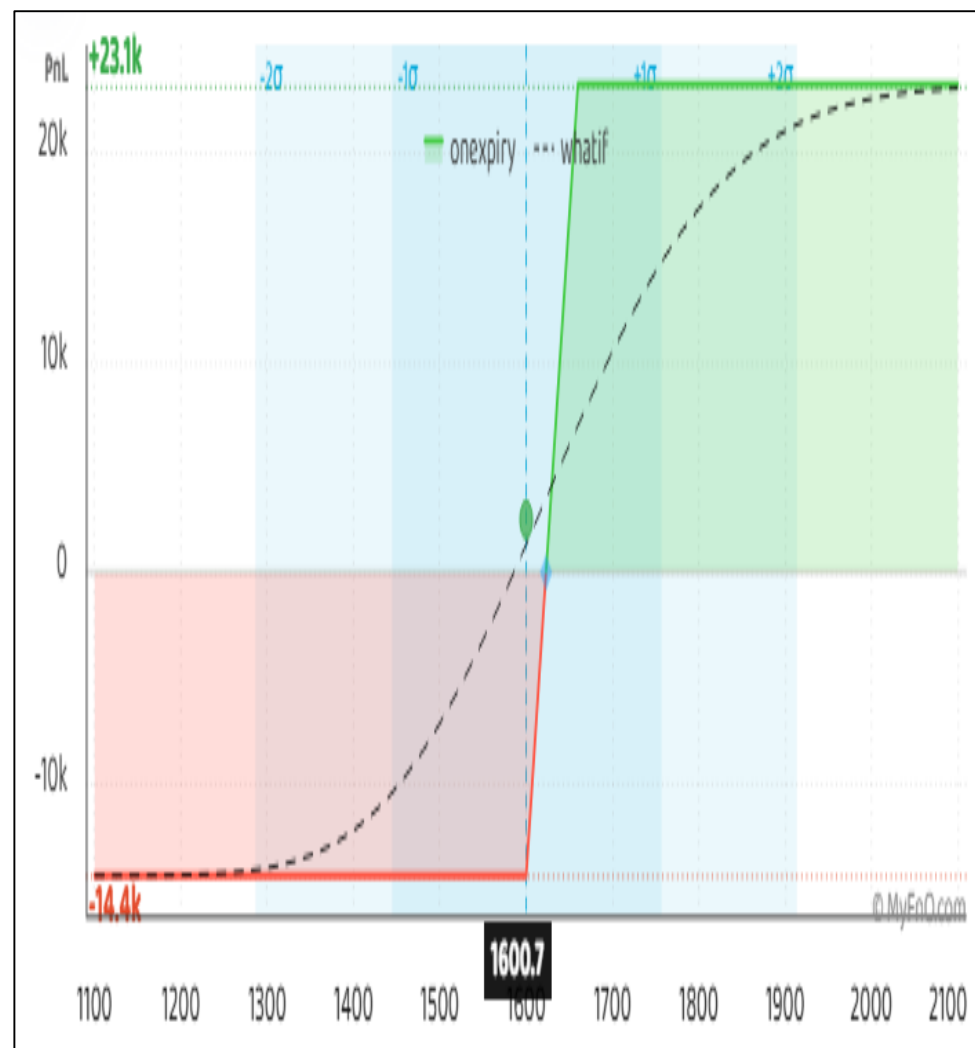
- Buy Bank Nifty 55,000 CE @ 1300– 1360 (1 lot)
- Sell Bank Nifty 56,500 CE @ 640 - 690 (1 lot)
- Maximum Reward: Risk :→
 Max Profit will be Rs. 25,080.00
 Max Loss will be Rs. -19,920.00
- Break-Even Zone :→ 55,665 mark



CHOLAFIN Option Strategy for Current. Expiry

Cholafin Call Spread Strategy.(Expiry 30th June 2026)

- Buy CholaFin 1600 CE @ 63 - 69 (1 lot)
- Sell CholaFin 1660 CE @ 41-45 (1 lot)
- Maximum Reward: Risk :→
 Max Profit will be Rs. 23,125.00
 Max Loss will be Rs. -14,375.00
- Break-Even Zone :→ 1,623.00



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