

DERIVATIVE MID-MONTH REPORT

Derivative view, analysis and recommendations on the market



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

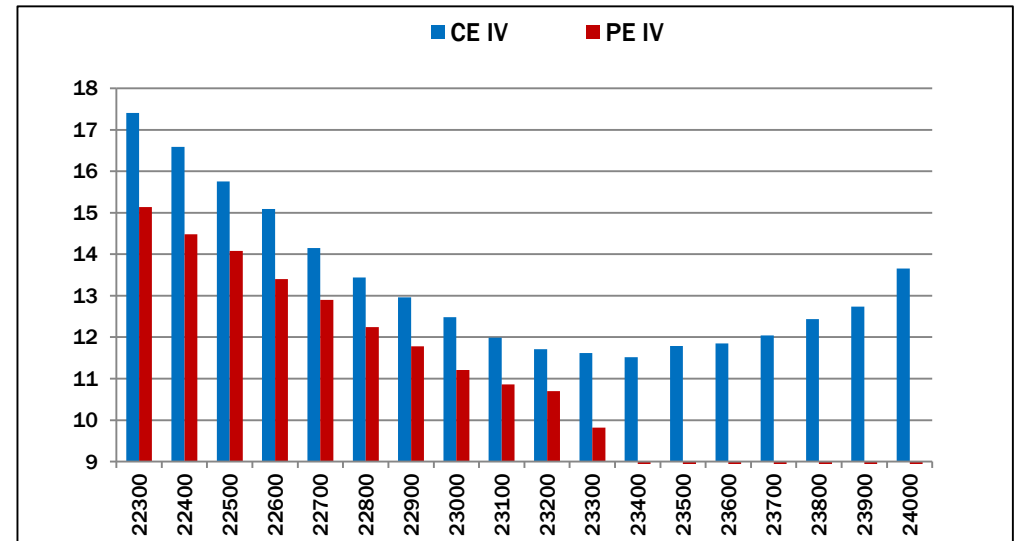
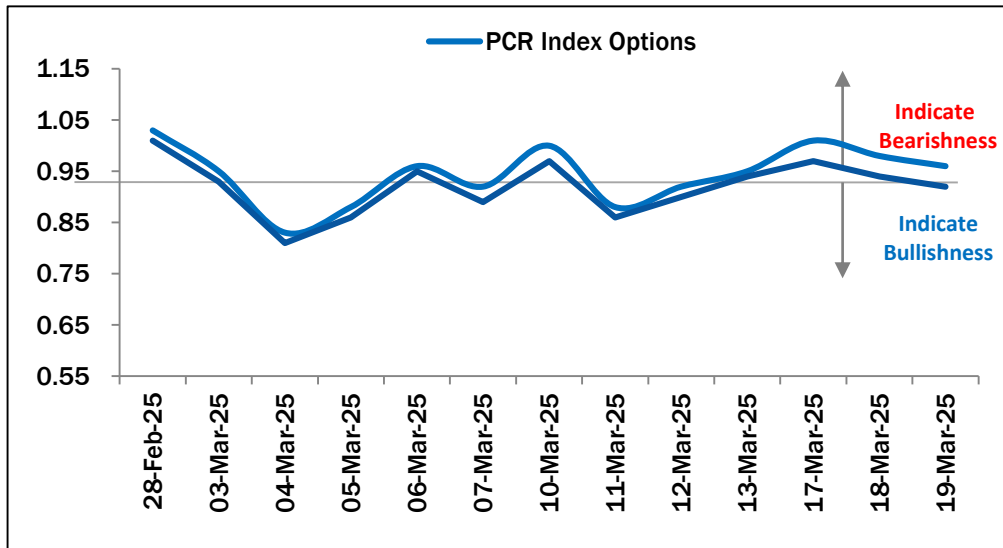
- Nifty closed on Negative note with a decrease of 1.8% to expired at 22,545 for Feb Series. At Middle of Mar series Nifty found a Support from 21,900 levels & currently it is trading 23,000 level. Highest CE concentration for Mar expiry is at 23,300 followed by 23,500 & which might act as strong resistance, while on the PE side highest OI is at 22,800 PE followed by 22,500 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 12 to 15 mostly due to influence of international news Trump Election and up to certain degree of domestic economic data numbers, Rising Crude Oil & Rupee weakening out, Interest Rate Hike, FOMC & Inflation However in coming future amid end of Mar Expiry. Expecting India VIX to remain mostly in the range of 13 to 17 for the remaining days to expiration.



- PCR (Put to Call ratio) is quoting around 0.92. The Mar. series has witnessed a wide range of PCR from 0.82 to 1.03. The PCR is exiting bearish territory which indicates Expansion of firm and supportive movement at lower levels. While addition in ATM Index Put options indicates support is being strong at lower levels and unwinding in OTM Call indicates immediate momentum to extend at higher level.

- Volatility Skew shows options implied volatility (IV) which is affected by market sentiment and the supply/demand relationship. The below skewed volatility chart is tilted towards the end of left side suggest high volatile and a expansion movement in Nifty. The lower premiums of ATM Call IV and Lower ATM Call IV suggest market is still moving in unilateral direction & likely to change the trend in the near term.



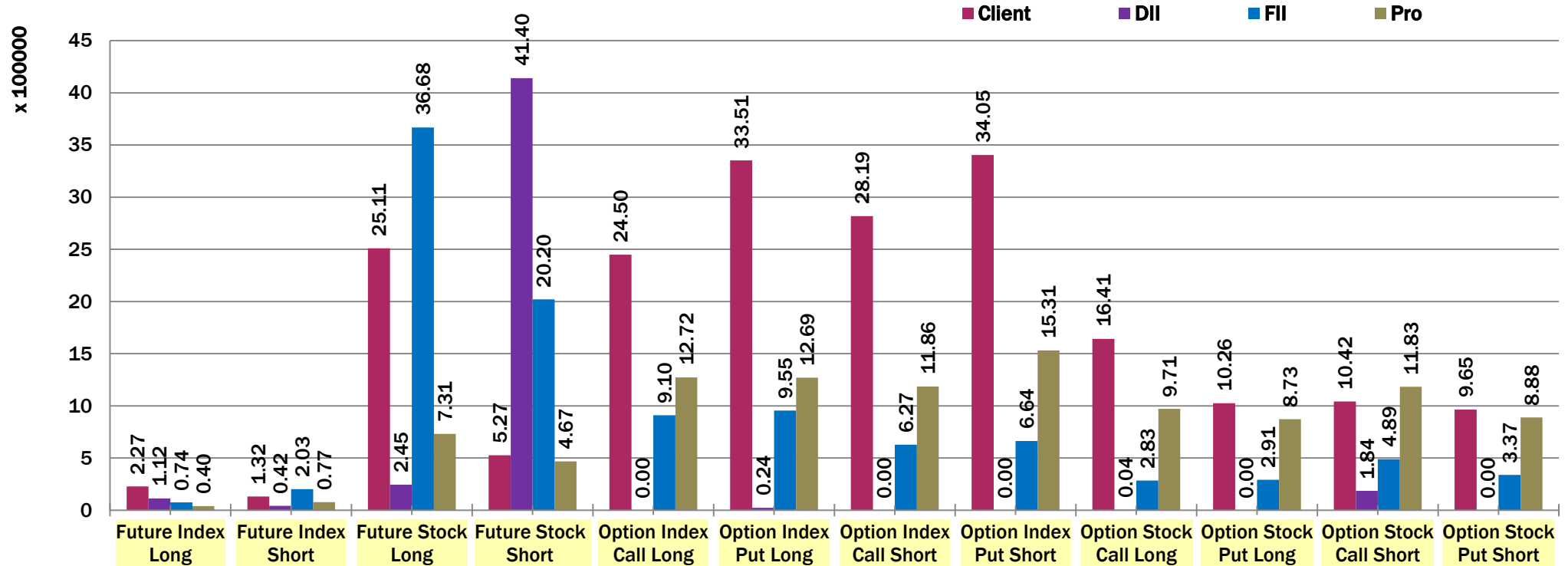
Market participants open interest for March Expiration (Figures in no. of contracts)

AS ON 28 TH Feb 2025	Index Futures	Option Index Call	Option Index Put
Client	145329	-109541	-393610
DII	39551	70	13902
FII	-188591	63259	244309
Pro	3711	46212	135400

AS ON 19 TH Mar. 2025	Index Futures	Option Index Call	Option Index Put
Client	94660	-369689	-53469
DII	70353	475	23953
FII	-128390	282800	291360
Pro	-36623	86414	-261843

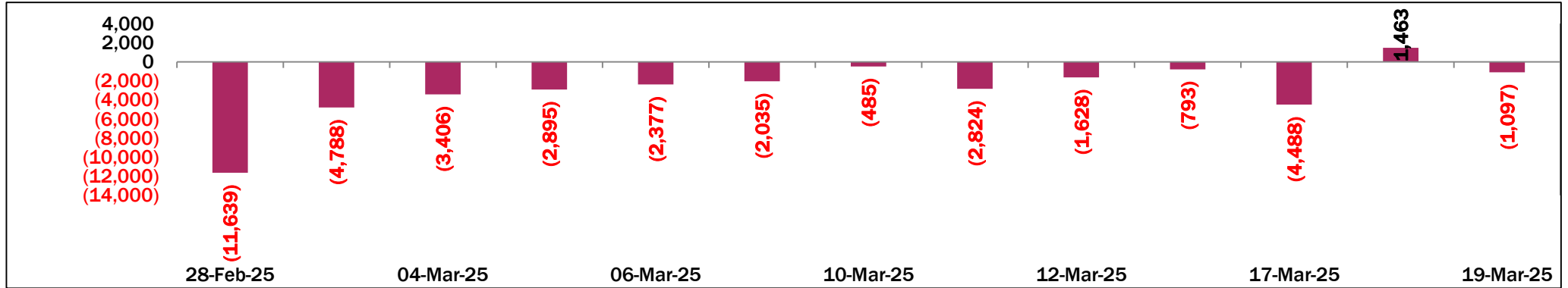
- Market participant data indicates that **FII** have increased their Long position in Index Futures. They have increased exposure in Index call and exposure in Put options significantly.
- From the period 28TH Feb 2025 to 19TH Mar 2025 **DII** have increased Long position in Index futures with a nominal change in Call & **addition** in Put Options.
- Overall **FII's** have **added 60,201 Long** contracts in Index futures, along with **addition** of **2,19,541** contract in **Call** Option and **increased** of **47,051** contracts in **Put** Option as on 19TH Mar 2025.

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



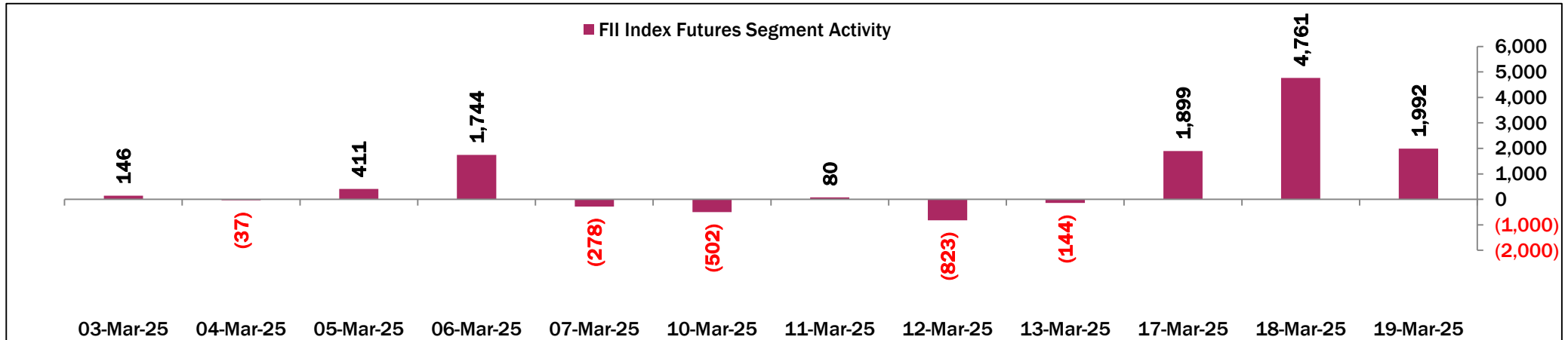
As on 19TH Mar 2025, FII have Increase 2,76,946 contracts of Future Index Long while they have Added 15,36,682 contracts of Option Index Long Call and have also Increased 16,18,736 contracts of Option Index Put Long.

FII Cash Segment Activity (Figures in Rs. Crores)



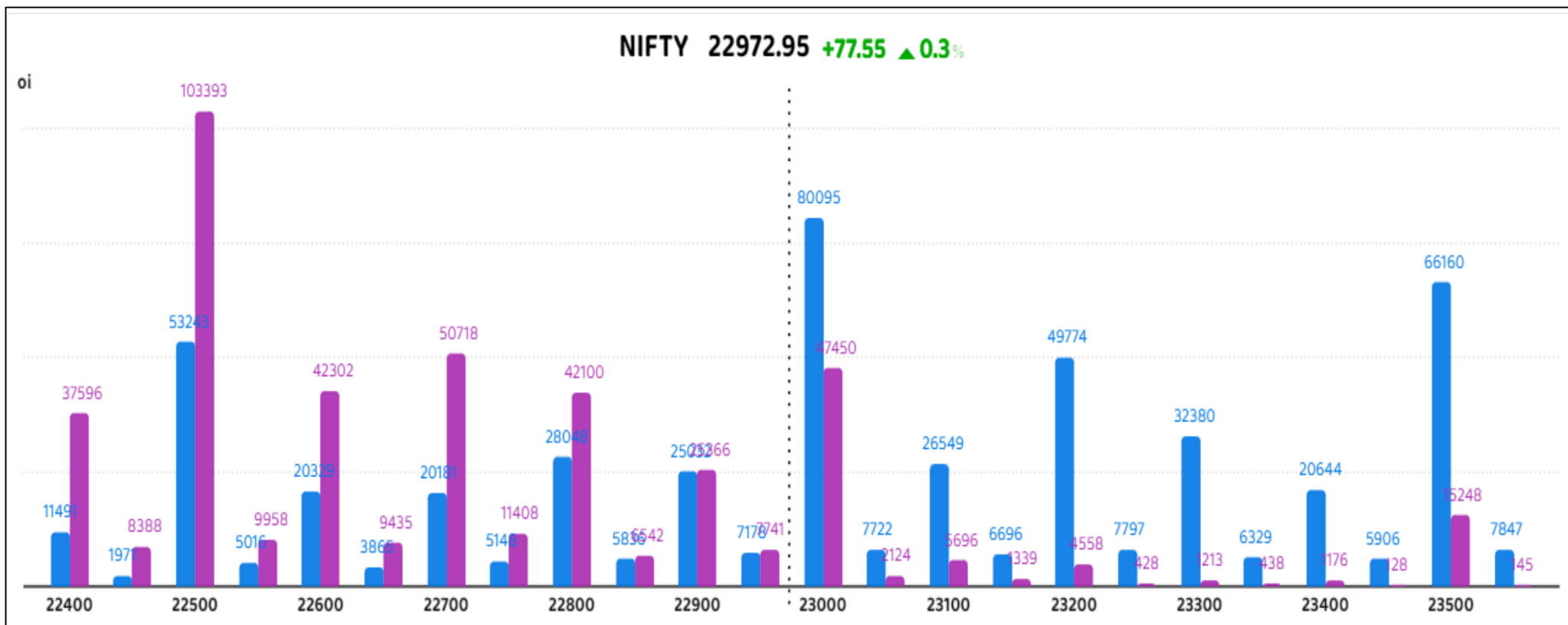
In March Expiry, FII were Sellers in cash market to the extent of Rs. 36,992 Cr as on 19TH Mar 2025.

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



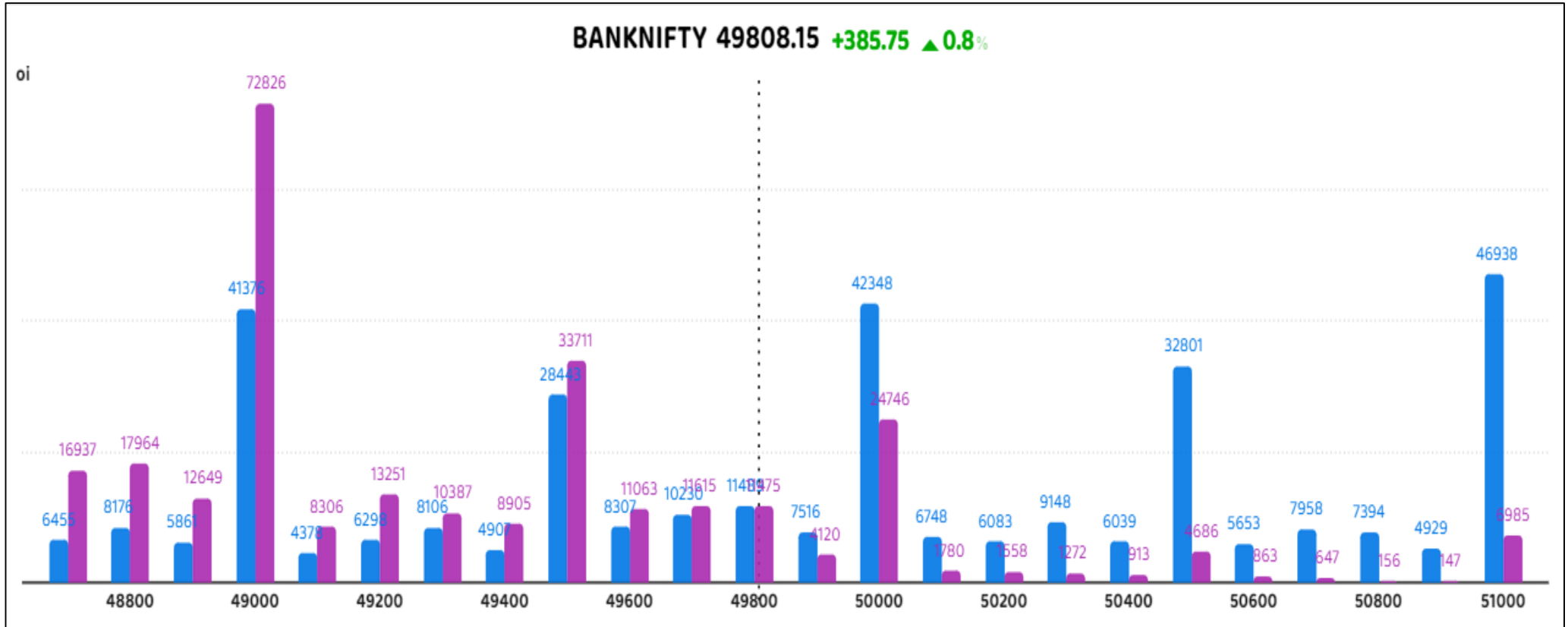
In March Expiry, FII have added to the extent of Rs.9,250 Cr. in Index futures segment as on 19TH Mar 2025.

NIFTY Options Open Interest Distribution – March Expiry



- Nifty options OI distribution shows that 23,000 & 23,500 Call strike has highest OI concentration and may act as Strong resistance for current expiry. Nifty Put strike 22,500 & 22,700 witnessed highest OI concentration and may act as strong support for current expiry. Nifty is most likely to trade in range of 22,500– 23,300 in the **Mar** Expiry, with 22,900 acting as a pivotal level.

BANK NIFTY Options Open Interest Distribution – March Expiry



- BankNifty options OI distribution shows that 51,000 & 50,000 Call strike has highest OI concentration and may act as Strong resistance for current expiry. Bank Nifty Put strike 49,000 & 49,500 witnessed highest OI concentration and may act as strong support for current expiry. Bank Nifty is most likely to trade in range of 48,500 - 51,500 in the **March** Expiry, with 49,500 acting as a pivotal level.

Nifty Chart



Bank Nifty Chart



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

■ Nifty

- Short Term Trend – resistance at higher level
- Support - 22,800, 22,500
- Resistance – 23,150, 23,300

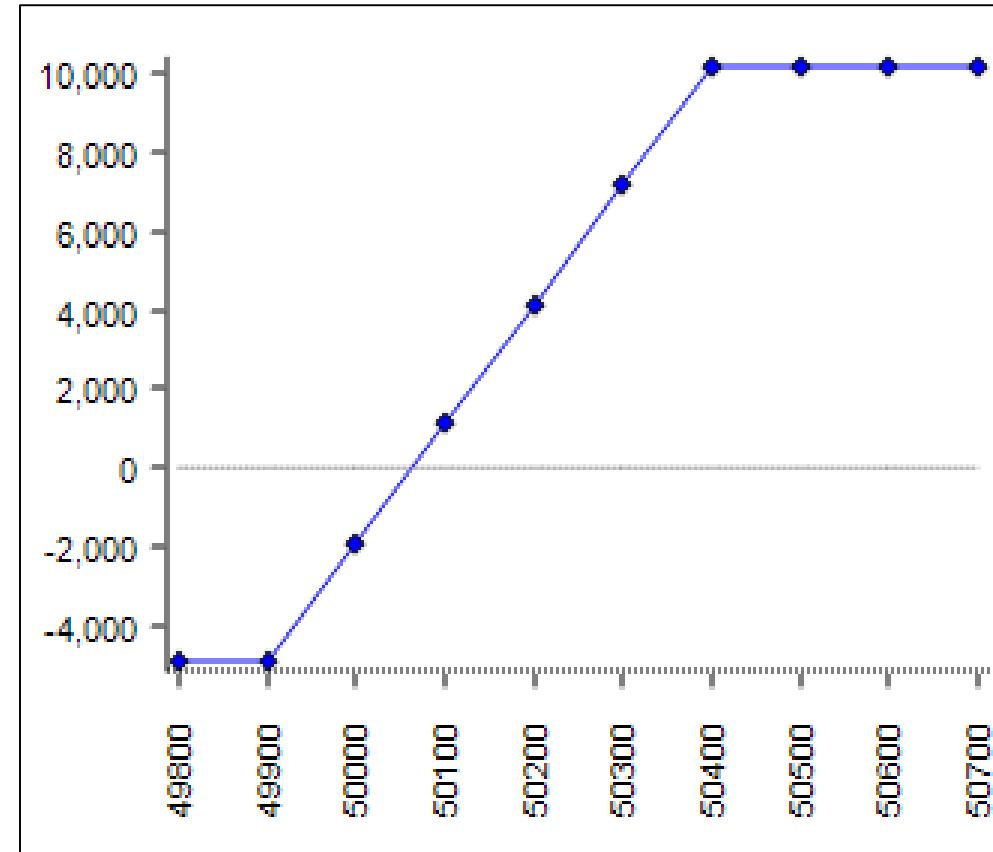
■ Bank Nifty

- Short Term Trend – resistance at higher level
- Support - 49,000, 48,500
- Resistance – 50,500, 51,000

Bank Nifty Option Strategy for March Expiration

Bank Nifty Call Spread.(Expiry 27TH March 2025)

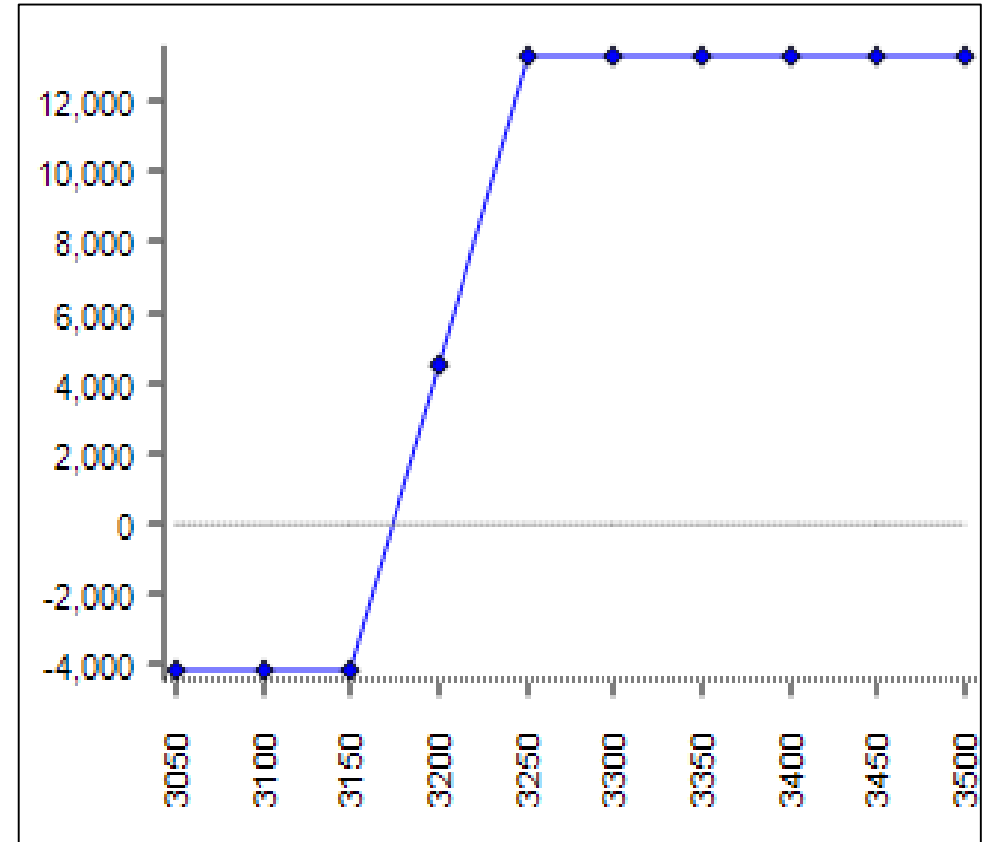
- Buy Bank Nifty 49,900 CE @ 345.00 (1 lot)
- Sell Bank Nifty 50,400 CE @ 183.00 (1 lot)
- Maximum Reward: Risk :→
 Max Profit will be Rs. 10,140/-
 Max Loss will be Rs. -4,860/-
- Break-Even Zone :→ 50,070 mark
- Range of Profit – Max Profit range stays constant above 50,400 level, while downside loss is capped to Rs.-4,860/- below 49,900 levels.



TITAN Option Strategy for March Expiry

TITAN Call Spread Strategy.(Expiry 27TH Mar 2025)

- Buy TITAN 3150 CE @ 33.50 (1 lot)
- Sell TITAN 3250 CE @ 9.50 (1 lot)
- Maximum Reward: Risk :→
 Max Profit will be Rs. 13,300/-
 Max Loss will be Rs. -4,200/-
- Break-Even Zone :→ 3175 mark
- Range of Profit – Max Profit range stays constant above 3250 level, while downside loss is capped to Rs.-4,200/- Below 3150 levels.



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