

# FII's Cut Bullish Bets on Bank Nifty, Nifty

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**Mumbai:** Foreign institutional investors (FIIs) cut their cumulative bullish bets on index futures — Bank Nifty and Nifty — by 5,191 contracts from Friday to 16,785 contracts on March 15. This could signal more pain for the indices in the forthcoming sessions as bounces could be sold into.

The cutting of bullish bets was accompanied by their selling a provisional ₹1,101 crore of shares in the cash market.

Of the two indices, analysts expect the Bank Nifty to underperform the Nifty.

The open interest of the active Bank Nifty futures declined by 1.98 lakh shares to 13.37 lakh shares as the index closed down half a percent at 35,336 from the previous session. Taken with the negative closing, this indicates liquidation of bullish bets.

To be sure, Bank Nifty futures recovered from the day's low by

almost 900 points, but analysts said this could be due to profit booking by short sellers or hedgers. Indeed, DIIs, who are net short index futures contracts covered some of their short positions, which are taken as hedges against their cash portfolios.

"At the end of the day, the Bank Nifty gave a negative closing, despite recovering 880 points from the intraday low," said Siddarth Bhamre, director, alternate investments and research, InCred.



"Had the recovery happened post a gap-down opening, it could be construed as a positive indication, but that isn't the case."

SK Srivastava, founder, India-Charts, expects the Bank Nifty to be under pressure and "fill the post-Budget gap."

Domestic institutions, including mutual funds, are the biggest net sellers of index futures, as a hedge against their cash portfolios.