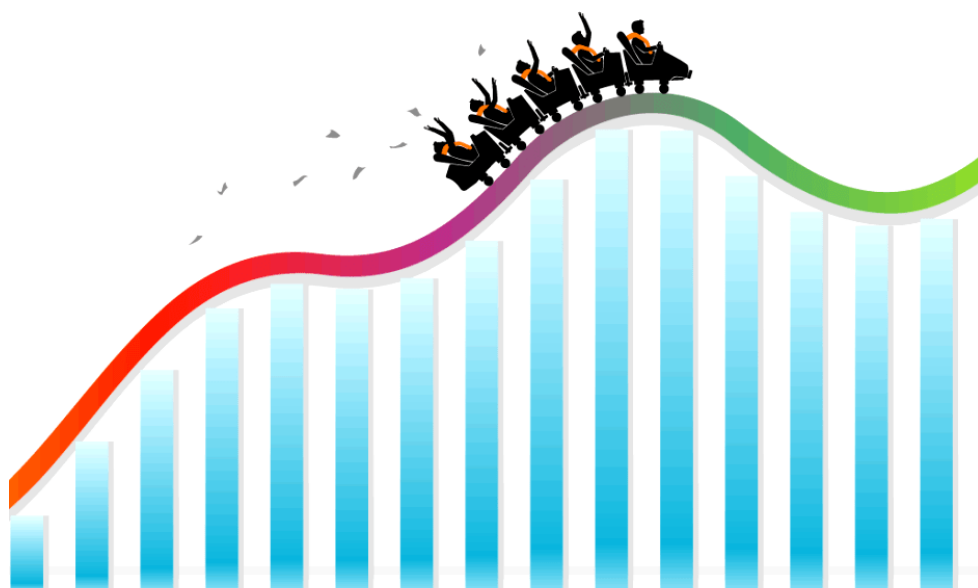




# WEEKLY NEWSLETTER



## SELLING INTENSIFIES

Weakness was seen across the board with all global indices witnessing a sell off. It can be conclusively said that 11795 is a intermittent top made by Nifty with 11600 being a major resistance zone. Nifty managed to take support just above the 200 DMA around.

Severe weakness is seen in the banking and financials stock and they continue to drag the index down. **Pharma and IT** are likely to be the **outperformers** in the coming days.

As the Presidential elections in USA approach closer, **volatility is bound to rise** and will be around until the elections conclude. The deteriorating market breadth suggests that it will be a sell on rise market with every resistance being an opportunity to go short. The hopes of another round of stimulus in the US will the hopes of market participants afloat.

Options data for Oct series indicate highest Call Open Interest at the strike of 11500 and highest Put Open Interest at the strike of 10500. Thus **Options data suggest a trading range with Resistance at 11500 and Support at 10500.**

## MARKET WEEKLY OVERVIEW

NIFTY 11050.25  
Weekly % Change = -4.01%

### TOP GAINERS

DRREDDY	5.97%
CIPLA	2.5%
HCL	2.4%

### TOP LOSERS

INDUSINDBK	16.6%
TATAMOTORS	13.8%

**52 W HIGH**  
HCL  
WIPRO

**52 W LOW**  
None

# ACTIONABLE OPTION STRATEGIES

## Instrument Name :

**NIFTY**

## Trend :

NIFTY had a steep fall last week so should be rangebound to bearish with support at 10500 and resistance at 11500.

## Options Data :

Oct OI data suggest

**Support** at 10500 (Max Put OI)

**Resistance** at 11500 (Max Call OI)

**Sell 1 Leg of OCT 11400 CE @ 100.05**

**Buy 1 Leg of OCT 11600 CE @ 55**

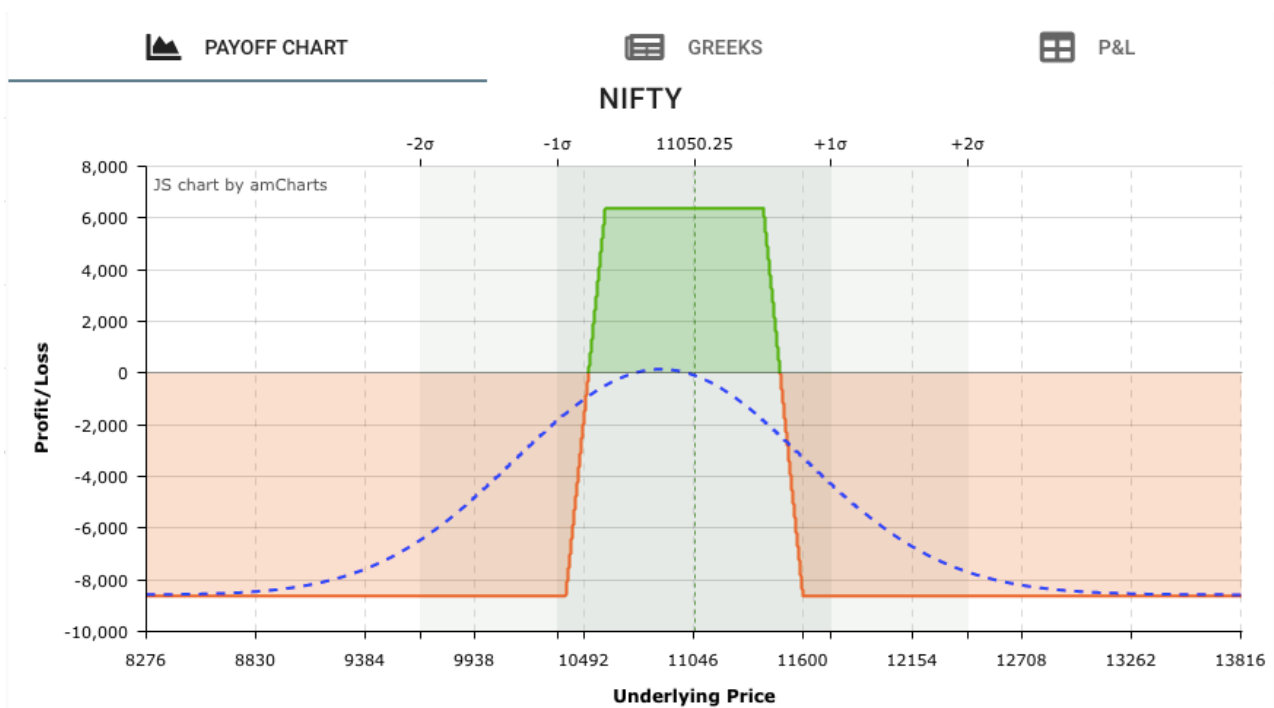
**Sell 1 Leg of OCT 10600 PE @ 123**

**Buy 1 Leg of OCT 10400 PE @ 83.05**

**Max Profit** : INR 6375

**Max Loss** : INR 8625 (exit if loss is more than 5K)

**Breakeven** : 10515-11485



With the new margin requirements, the margin required for above trade is only around 47K.

But as a risk management rule, one should **initiate this trade with at least 3 lakh per lot** and not be aggressive due to new margin rules.

# ACTIONABLE OPTION STRATEGIES

**Instrument Name :**  
**INFY**

**Sell 1 Leg of OCT 1000 PE @ 45.1**  
**Buy 1 Leg of OCT 960 PE @ 26.6**

**Trend :**  
 INFY is in strong uptrend and is near its 52Week High.

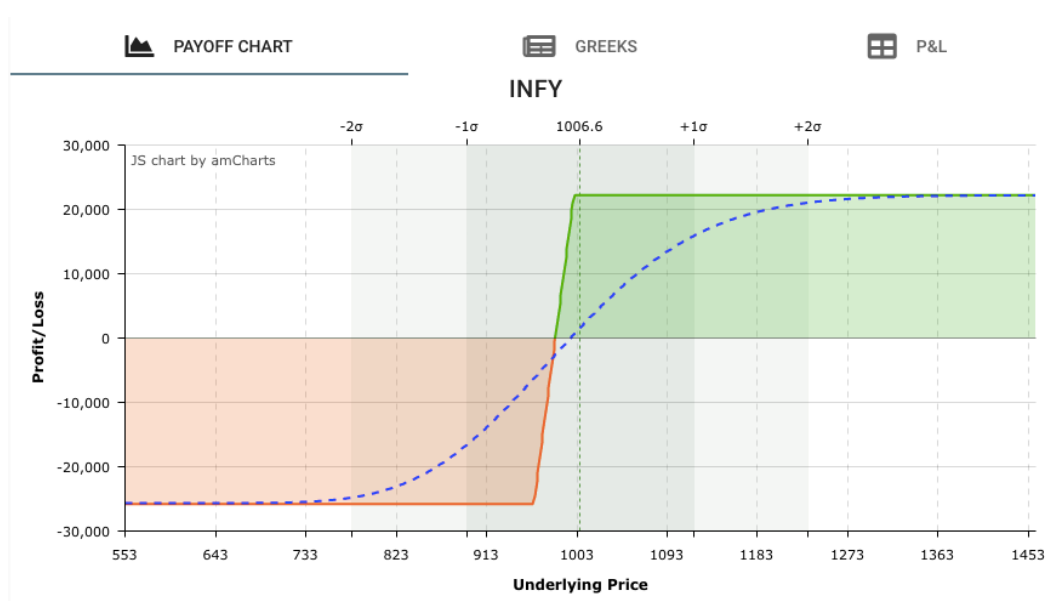
**Max Profit :** INR 22200  
**Max Loss :** INR 25800 (exit if loss is more than 10K)  
**Breakeven : 982**

**Options Data :**  
 Oct OI data suggest  
**Support at 900 (Max Put OI)**  
**Resistance at 1000 (Max Call OI)**

**Possible Adjustments :**  
 If INFY trades below 1000, one can sell an 1020 CE and buy 1060CE, creating a credit call spread to reduce the breakeven on the downside.

**Additional Data :**

The entire IT sector is in **strong momentum**. Friday formed a strong bullish candle with **futures price up by 3.22% and OI up 2.02%**. This indicates **long buildup**



With the new margin requirements, the margin required for above trade is only around 88K.

But as a risk management rule, **one should initiate this trade with atleast 4 lakh per lot and not be aggressive due to new margin rules.**

## DISCLAIMER

The views expressed in this newsletter are just for **educational purpose**  
Investment/Trading in securities market is subject to **market risk** and  
past performance is not a guarantee of future performance.

Trading in derivatives is extremely risk and should be done only with  
proper knowledge.

It is very important to do your own analysis before making any investment  
based on your own personal circumstances

## CONTACT US

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