

Quantify Capital

# WEEKLY NEWSLETTER



## VOLATILITY TO CONTINUE

The markets showed a **strong recovery** on Friday after 5 days of weakness. The **overall trend** however still remains **bearish** and a trend reversal can be expected only if Nifty manages to scale the level of 15000 which is a strong resistance.

Also markets are reacting to the rising fear of the second wave of **COVID-19** and the **volatility in US bond yields** despite the Federal Reserve's dovish stance.

Options data for MAR series indicates highest call open interest at the strike of 15500 and highest put open interest at the strike of 14500. Thus Options data suggest a trading range with **resistance at 15500 and support at 14500**.

We expect the volatility to continue in the market given the monthly expiry scheduled in the coming week. It's advisable to readers to **trade with lesser position size** until this volatility subsides.

## MARKET WEEKLY OVERVIEW

NIFTY 14744

Weekly % Change = **-1.9%**

### TOP GAINERS

ITC	8.7%
JSWSTEEL	5.2%
HUL	4.9%

### TOP LOSERS

COALINDIA	-9.4%
HEROMOTOCO	-6.9%

### 52 W HIGH

GRASIM  
JSWSTEEL

### 52 W LOW

NONE

# ACTIONABLE OPTION STRATEGIES

**Instrument Name :**

**BANKNIFTY**

**Trend :**

BANKNIFTY has broken the important support level of 35000, BnF showed a strong recovery on friday but the overall trend still remains sideways to bearish

**Options Data :**

MAR OI data suggest

**Support** at 33000 ( Max Put OI)

**Resistance** at 36000 ( Max Call OI)

**Sell 1 Leg of MAR 33000 PE @ 196**

**Buy 1 Leg of MAR 32700 PE @ 145.9**

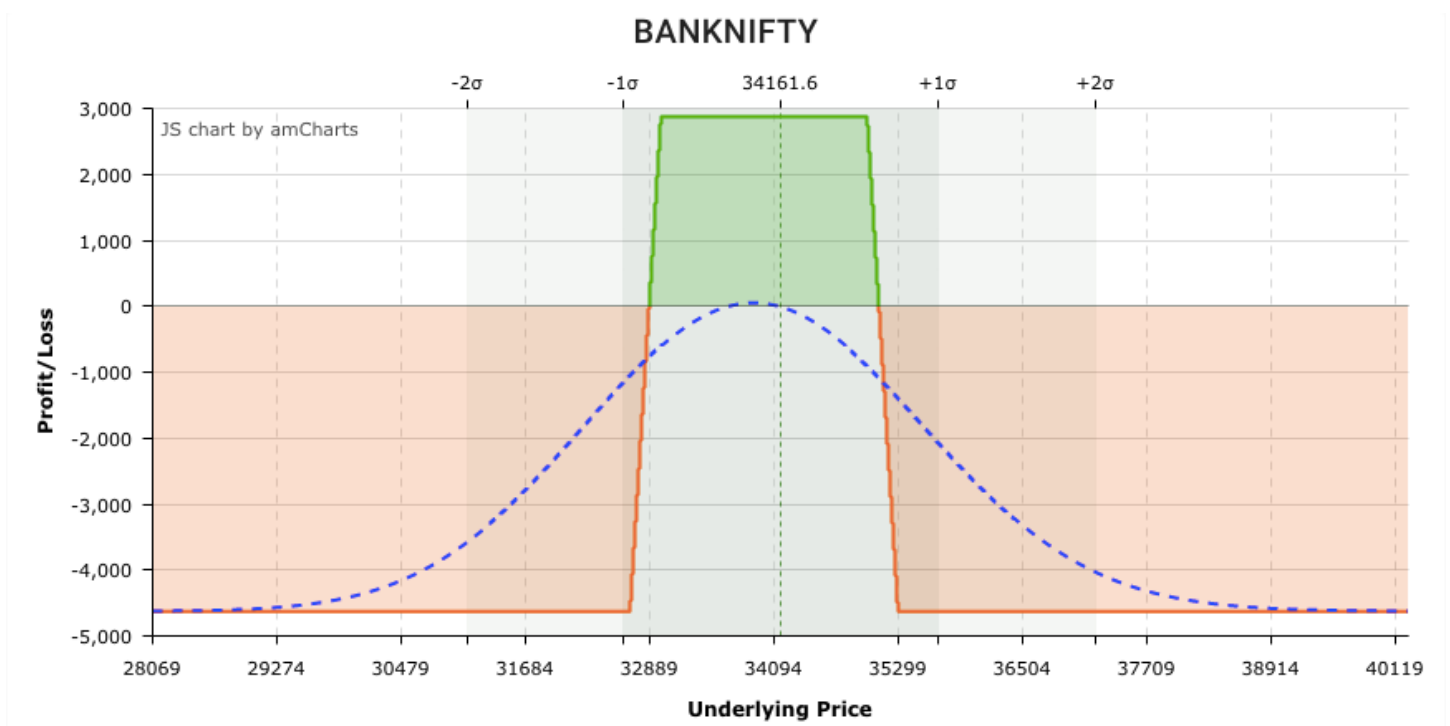
**Sell 1 Leg of MAR 35000 CE @ 218**

**Buy 1 Leg of MAR 35300 CE @ 153.2**

**Max Profit :** INR 2873

**Max Loss :** INR 4628 ( Exit if loss more than 3k )

**Breakeven :** 32886-35114



With the new margin requirements, the margin required for above trade is only around 43K.

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

# ACTIONABLE OPTION STRATEGIES

## Instrument Name :

ITC

Sell 1 Leg of APR 220 PE @ 7

Buy 1 Leg of APR 215 PE @ 5.05

## Trend :

ITC has shown good move in the upside, even when the markets corrected last week. The momentum in the upside is expected to continue in this stock.

**Max Profit** : INR 6240

**Max Loss** : INR 9760 ( Exit if loss more than 6k )

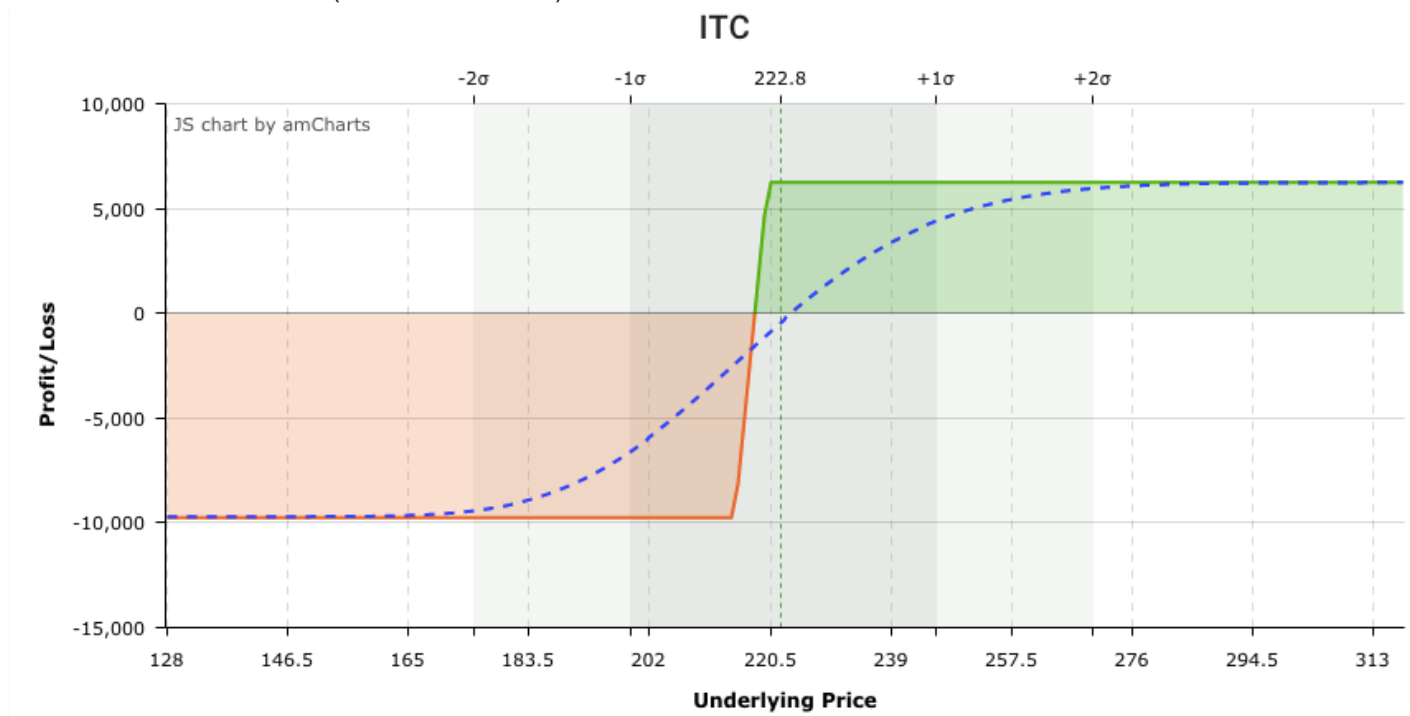
**Breakeven** : 218.5

## Options Data :

APR OI data suggest

**Support** at 200 ( Max Put OI)

**Resistance** at 250 ( Max Call OI )



With the new margin requirements, the margin required for above trade is only around 40K.

But as a risk management rule, one should **initiate this trade with atleast 3 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

If you have any questions or queries then you can write to us on :

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