

Quantify Capital

WEEKLY NEWSLETTER



The Advance Halts!

Thursday's **sell off in the market wiped off the gains** made from the previous five trading sessions thereby halting the advance of the Bulls. Thursday's low of 11661 on the Nifty marks an important level as any break of this will see another round of selling.

Nifty has failed to sustain its up move above 12000 levels in spite of crossing it twice in the last week. **12000** continues to remain an important **psychological resistance** level on the Nifty. The Bank Nifty failed to sustain its up move above 24000 levels and will be an important resistance level to watch out for in the coming days with support at 23000 levels.

With the US Presidential elections approaching, **volatility may rise** in the domestic and global markets and its best to stay light on trading positions. The fear of a 2nd wave of COVID-19 gripping Europe can unnerve the markets. Add to it the US- China tensions on the Taiwan issue and prosecutions of Chinese military- affiliated scholars, we may have a few nerve wracking trading days ahead.

Options data for Oct series indicate highest Call Open Interest at the strike of 12000 and highest Put Open Interest at the strike of 11000. Thus **Options data suggest a trading range with Resistance at 12000 and Support at 11000.**

MARKET WEEKLY OVERVIEW

NIFTY 11834.60

Weekly % Change = **0.6%**

TOP GAINERS

JSW STEEL	6.2%
TATA STEEL	5.4%
AXIS BANK	4.5%

TOP LOSERS

TATA MOTORS	9.4%
UPL	8.3%

52 W HIGH
JSW STEEL

52 W LOW
COALINDIA

ACTIONABLE OPTION STRATEGIES

Instrument Name :

NIFTY

Trend :

There can be some profit booking in NIFTY . NIFTY has also formed a bearish candle on Weekly chart.

Options Data :

Oct OI data suggest

Support at 11000 (Max Put OI)

Resistance at 12000 (Max Call OI)

Additional Data

Future OI was down 7.7% and price was up 0.68%, indicating Short Covering on friday.

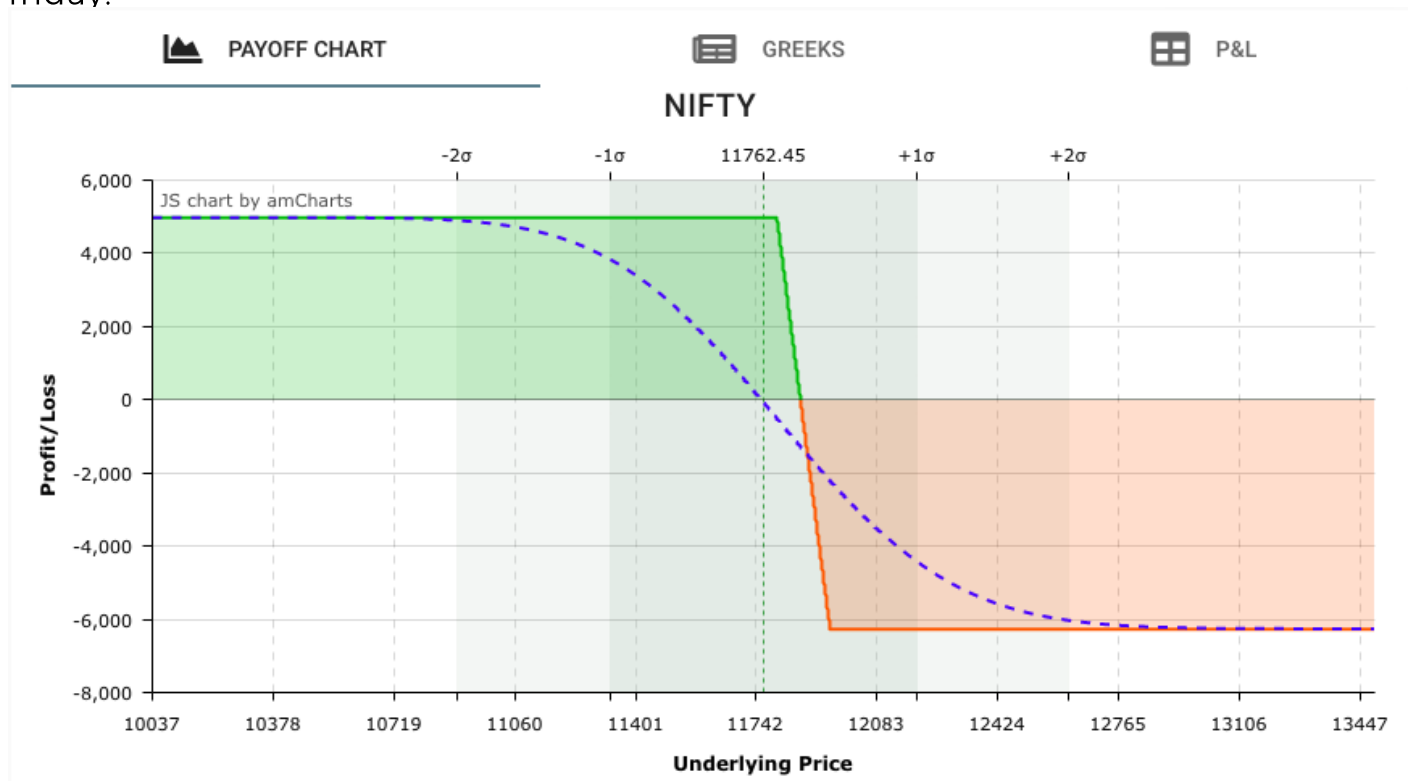
Sell 1 Leg of OCT 11800 CE @ 143

Buy 1 Leg of OCT 11950 CE @ 76.6

Max Profit : INR 4980

Max Loss : INR 6270 (exit if loss is more than 4K)

Breakeven : 11866



With the new margin requirements, the margin required for above trade is only around 27K.

But as a risk management rule, one should **initiate this trade with at least 2 lakh per lot** and not be aggressive due to new margin rules.

ACTIONABLE OPTION STRATEGIES

Instrument Name :

BANK NIFTY

Trend :

Currently NIFTY BANK index is trading near 200 days exponential moving average.

Options Data :

Oct OI data suggest

Support at 23000(**Max Put OI**)

Resistance at 24000 (**Max Call OI**)

Additional Data

Future OI was down 6.25% and price was up 2.05%, indicating short covering on friday

Sell 1 Leg of OCT 23000 PE @ 343.75

Buy 1 Leg of OCT 22700PE @ 266.55

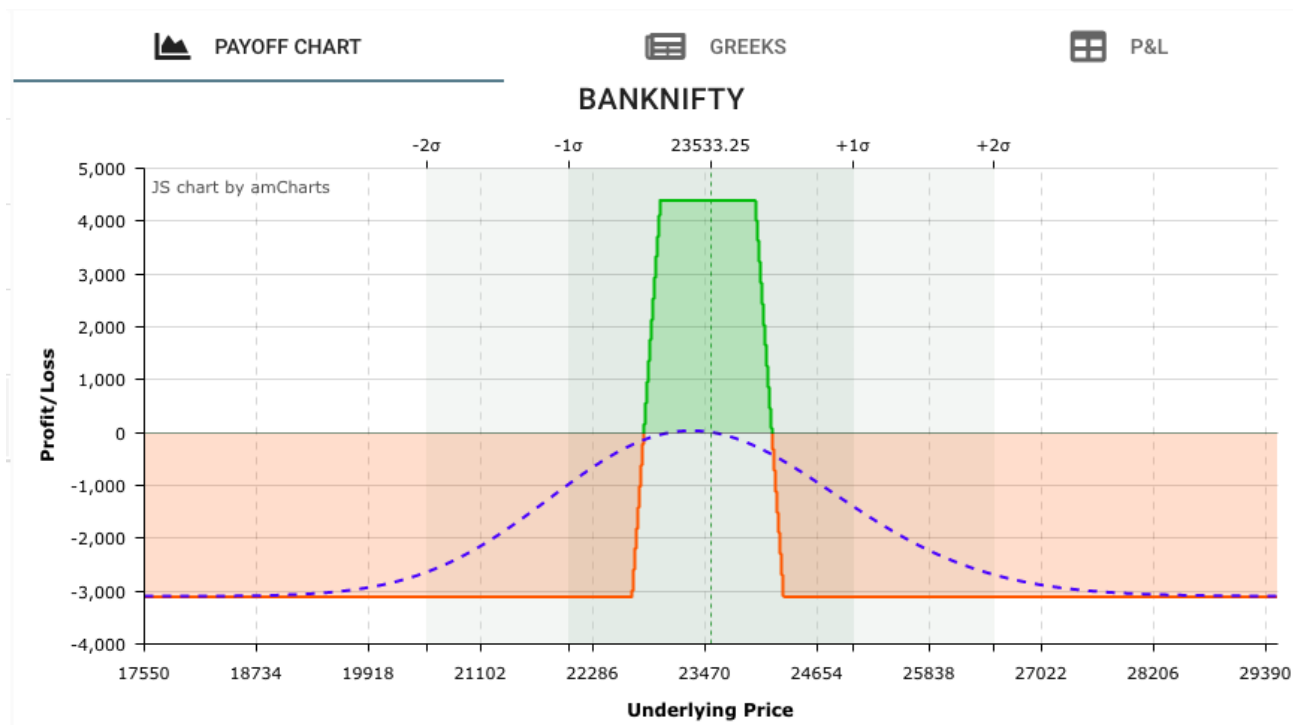
Sell 1 Leg of OCT 24000 CE @ 371

Buy 1 Leg of OCT 24300 CE @ 272.4

Max Profit : INR 4395

Max Loss : INR 3105

Breakeven : 22825-24175



With the new margin requirements, the margin required for above trade is only around 33K.

But as a risk management rule, **one should initiate this trade with atleast 2 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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