

Quantify Capital

WEEKLY NEWSLETTER



HUMPTY DUMPTY HAD A GREAT FALL!

The week that went by was quite an eventful one with technical glitches at NSE bringing trading to an abrupt halt followed by extended trading hours on Wednesday. The **Black Swan on Wednesday** is a reminder to all traders to **focus on position sizing and risk management** at all times. The extended hours saw quite a rally on Wednesday which fizzled out on Thursday and saw an even more spectacular fall on Friday.

The rising **bond yields** in USA are a cause of concern for all markets in general and for developing markets in particular. Higher bond yields in developed markets are often accompanied by flight of foreign investments from developing markets. On Friday, Nifty was down by 3.7% while Bank Nifty tanked 4.7%, leading to a **massive breakout in VIX**. The DJIA was also under immense selling pressure last week.

All in all, we are going to have quite a few **volatile trading sessions in the coming days**.

MARKET WEEKLY OVERVIEW

NIFTY 14529

Weekly % Change = -3.9%

TOP GAINERS

HINDALCO 9.8%

COALINDIA 8.8%

BPCL 4.1%

TOP LOSERS

M&M -9.8%

POWERGRID -9.4%

52 W HIGH

TATASTEEL

HINDALCO

52 W LOW

NONE

ACTIONABLE OPTION STRATEGIES

Instrument Name :

BANKNIFTY

Sell 1 Leg of 4MAR 35000 CE @ 579

Buy 1 Leg of 4MAR 35500 CE @ 380

Trend :

BANKNIFTY has broken the important support level of 35000, so some momentum on the downside is expected to continue.

Max Profit : INR 4977

Max Loss : INR 7523 (Exit if loss more than 4k)

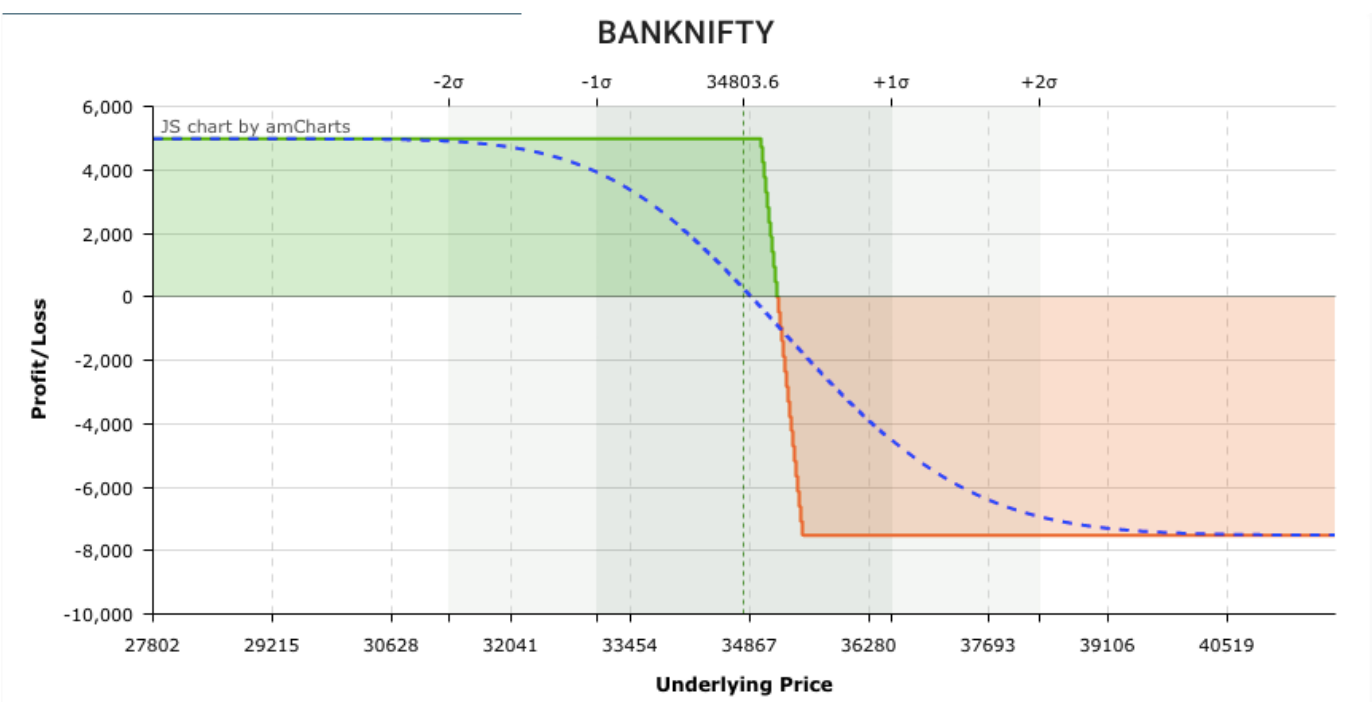
Breakeven : 35199

Options Data :

4MAR OI data suggest

Support at 34000 (Max Put OI)

Resistance at 36000 (Max Call OI)



With the new margin requirements, the margin required for above trade is only around 31K.

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 :

MARUTI

Sell 1 Leg of MAR 7000 CE @ 302

Buy 1 Leg of MAR 7100 CE @ 266

Trend :

Bearish candle along with high volume in the last trading session. Hence, momentum on the downside can continue.

Max Profit : INR 3600

Max Loss : INR 6400 (Exit if loss more than 3k)

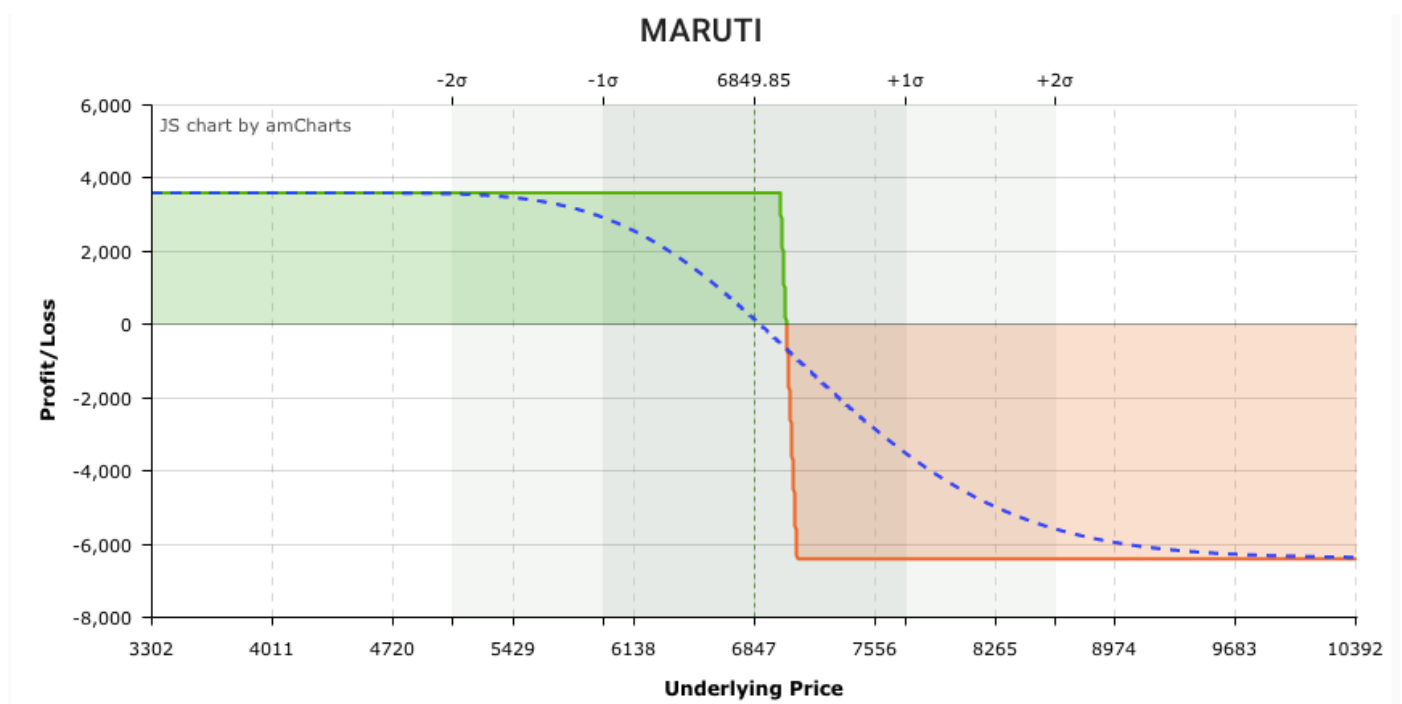
Breakeven : 7036

Options Data :

MAR OI data suggest

Support at 6500 (**Max Put OI**)

Resistance at 8000 (**Max Call OI**)



With the new margin requirements, the margin required for above trade is only around 32K.

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.

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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