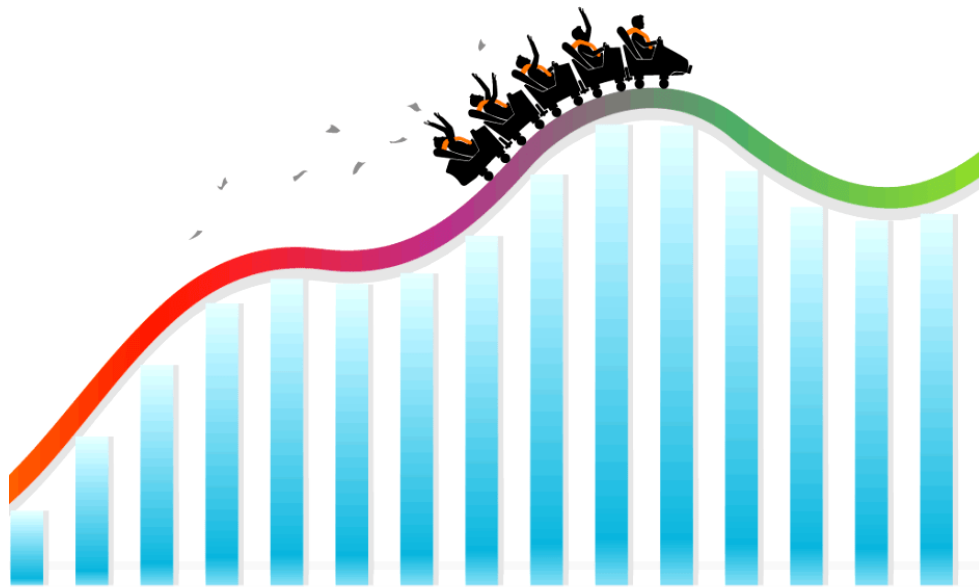




WEEKLY NEWSLETTER



THE TEETER-TOTTER MARKET

The markets have almost been directionless for the last week. **Trend followers have had a difficult time** navigating this market with a series of whipsaws taking out stops on both sides. Financials have been a weak link in the market and are dragging them down.

Friday late noon saw **suspected basket selling in the Banking** stocks which was reflected by the deep plunge in the Bank Nifty. The Pharmaceuticals and IT pack is going strong for now and a stock specific approach would provide good long setups.

The markets are likely to be **volatile with constant news flows** in the run up to the US presidential elections. Delays in the COVID 19 vaccine and the fear of a 2nd wave with possible stringent lockdown rules will keep the **market on its toes**.

Options data for Sep series indicate 2nd highest Call Open Interest at the strike of 11600 and 2nd highest Put Open Interest at the strike of 11000. Thus **Options data suggest a trading range with Resistance at 11600 and Support at 11000**

MARKET WEEKLY OVERVIEW

NIFTY 11504.95
Weekly % Change = 0.28%

TOP GAINERS

DRREDDY	21.17%
LUPIN	12.33%
CIPLA	11.06%

TOP LOSERS

IBULHSGFIN	10.21%
SBIN	4.98%

52 W HIGH
RELIANCE
CIPLA

52 W LOW
None

ACTIONABLE OPTION STRATEGIES

Instrument Name :
BANKNIFTY

Sell 1 Leg of SEP 22000 CE @ 409
Buy 1 Leg of SEP 22400 CE @ 215

Trend :

BANKNIFTY is below 20 MA in daily and in downtrend with price getting rejected at 22500 levels multiple times.

Max Profit : INR 4849

Max Loss : INR 5151 (exit if loss is more than 3K)

Breakeven : 22193

Options Data :

Sep OI data suggest

Support at 21000 (**Max Put OI**)

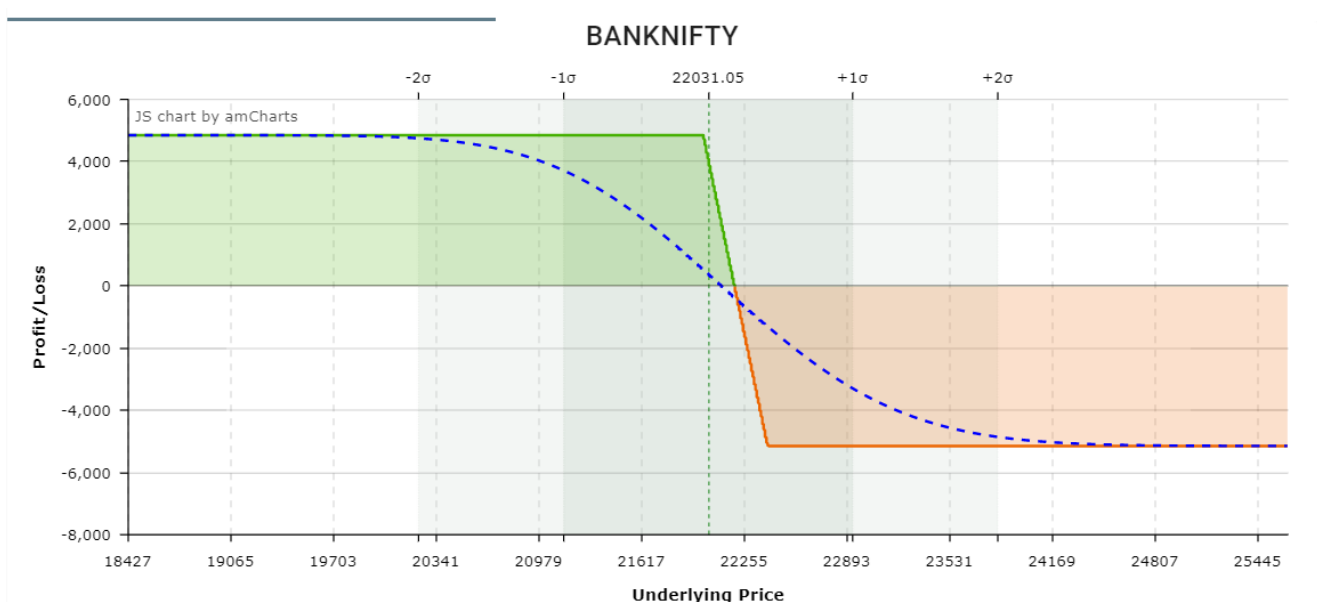
Resistance at 22500 (**Max Call OI**)

Possible Adjustments :

If BankNifty Trades above 22300 level,one can sell 22000 PE and buy 21500 PE. and convert the trade from a credit spread to a bu spread.

Additional Data :

On Friday, there was a steep fall as soon as 22300 level got broken. It will now act as a **strong resistance** going forward.



With the new margin requirements, the margin required for above trade is only around 25K.

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 :
CIPLA

Buy 1 Leg of SEP 800 CE @ 18.5
Sell 1 Leg of SEP 820 CE @ 11

Trend :
CIPLA is in strong uptrend and has made a new 52 Week High

Max Profit : INR 16445
Max Loss : INR 9555 (exit if loss is more than 7000)
Breakeven : 808

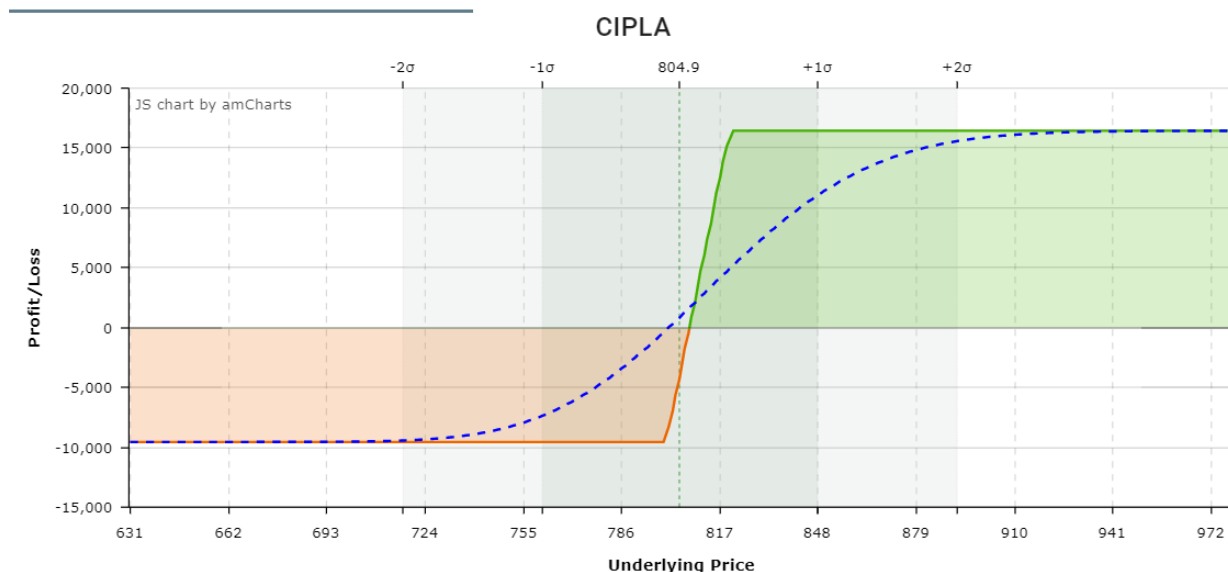
Options Data :
Sep OI data suggest
Support at 750(**Max Put OI**)
Resistance at 820 (**Max Call OI**)

Possible Adjustments :

If CIPLA trades below 800, one can sell an additional call at 820 CE and convert debit spread into a ratio spread.

Additional Data :

The entire pharma sector is in **strong momentum** and hitting new highs.



With the new margin requirements, the margin required for above trade is only around 36K.

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

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