

Quantify Capital

WEEKLY NEWSLETTER



MARKETS TO ENTER THE DOLDRUMS?

Markets have continued to **remain quite Bullish** with consolidation around 13000 levels on the Nifty. Given the 20% rally on the Nifty and over 40% rally on the Banknifty in the past few weeks, a time correction is extremely healthy before the next leg of up move. The November series came to an end and saw the largest ever monthly FII inflow in the Indian markets.

Historically, December has been a range bound month with seldom any volatile moves happening. Price data of the last decade shows that December is usually a period of consolidation within a range of **+/- 3%**.

The **new margin rules** for the derivatives segment are set to kick in from December 1 and are likely to dry up the volume in the derivatives sector. Many brokers have come up with their own interpretation the new rules and there is confusion over the Peak Margin requirements. Intraday traders will be adversely impacted till the point sufficient clarity does not emerge on the Peak Margin requirements.

Options data for Dec series indicates highest call open interest at the strike of 13000 and highest put open interest at the strike of 12000. Thus **Options data suggest a trading range with resistance at 13000 and support at 12000.**

MARKET WEEKLY OVERVIEW

NIFTY 12968.95

Weekly % Change = **1.5%**

TOP GAINERS

BAJAJFINSERV	12%
TATASTEEL	10.30%
GAIL	9.65%

TOP LOSERS

HDFC	-2.9%
BPCL	-2.8%

52 W HIGH

**TATASTEEL
BAJFINANCE**

52 W LOW

NONE

ACTIONABLE OPTION STRATEGIES

Instrument Name :

NIFTY

Sell 1 Leg of DEC 13400 CE @ 103.65

Buy 1 Leg of DEC 13600 CE @ 55.05

Sell 1 Leg of DEC 12500 PE @ 103.85

Buy 1 Leg of DEC 12300 PE @ 70.75

Trend :

Nifty seems to be in a strong trend with 12000 as new base and may face some resistance at 13000.

Max Profit : INR 5128

Max Loss : INR 8872 (Exit if loss more than 5K)

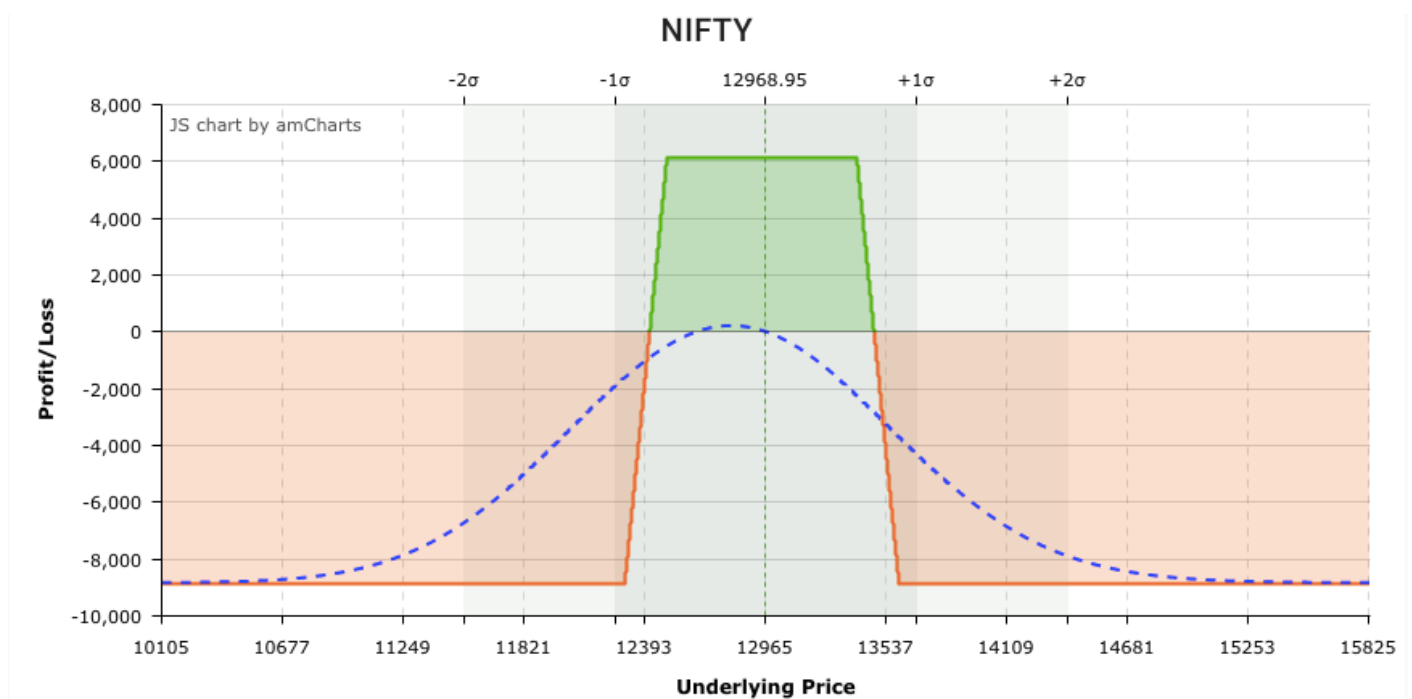
Options Data :

Dec OI data suggest

Support at 12000 (Max Put OI)

Resistance at 13000 (Max Call OI)

Breakeven : 12419-13481



With the new margin requirements, the margin required for above trade is only around 55K.

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 :

BAJFINANCE

Trend :

BAJFINANCE has hit a new 52 week high and showing strong uptrend.

Options Data :

DEC OI data suggest

Support at 4000 (**Max Put OI**)

Resistance at 5000 (**Max Call OI**)

Additional Data :

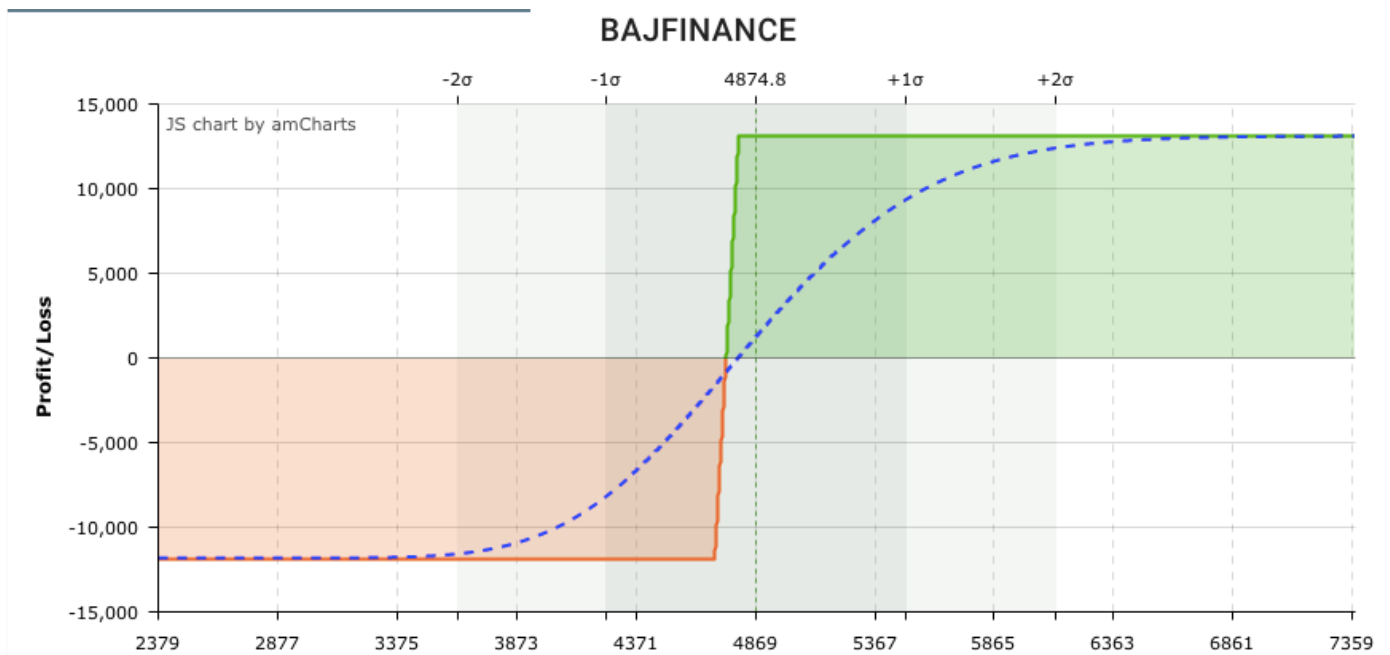
5000 CE has max OI and if price sustains above 5000 then those writers can run for cover leading to a further **short covering rally**.

Sell 1 Leg of NOV 4800 PE @ 234
Buy 1 Leg of NOV 4700 PE @ 181.55

Max Profit : INR 13112

Max Loss : INR 11888

Breakeven : 4748



With the new margin requirements, the margin required for above trade is only around 65K.

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

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

hello@quantifycapital.in or connect over WhatsApp on [+91- 8928381567](tel:+918928381567)

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