

Quantify Capital

# WEEKLY NEWSLETTER



## VOLATILITY IS THE NEW NORMAL

The markets continued to show a **strong recovery** in spite of the major sell off witnessed in the last week. Nifty and Bank Nifty managed to close almost at their weekly highs.

**POTUS Donald Trump and FLOTUS Melania Trump tested positive for COVID 19** spooking investors and adding to the existing uncertainty around the **stimulus package** and the outcome of the Presidential elections.

The government has decided to **waive interest on interest** for loans upto Rs. 2 crore for the duration of the moratorium. The Supreme Court's verdict on the same matter is slated for Monday, 5th October. It would be interesting to see how the apex court rules on the governments stand and whether the court decides on extending the waiver for all loans.

With massive uncertainty in the domestic and global markets, one can be certain that **volatility is here to stay**.

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 11416.95

Weekly % Change = 2.9%

### TOP GAINERS

INDUSIND BANK	12.1%
ADANI PORTS	8.8%
SHREE CEMENT	8.8%

### TOP LOSERS

BPCL	8.9%
UPL	5%

**52 W HIGH**  
None

**52 W LOW**  
None

# ACTIONABLE OPTION STRATEGIES

## Instrument Name :

TCS

Sell 1 Leg of OCT 2540 PE @ 93

Buy 1 Leg of OCT 2500 PE @ 74

## Trend :

TCS is near its 52w High and so is the whole IT pack, giving additional support to TCS

**Max Profit** : INR 5700

**Max Loss** : INR 6300 (exit if loss is more than 5K)

**Breakeven** : 2521

## Options Data :

Oct OI data suggest

**Support** at 2300 (Max Put OI)

**Resistance** at 2500 (Max Call OI)

## Additional Data

Future OI was up 5.53% and price was up 1.7%, indicating a long buildup.



With the new margin requirements, the margin required for above trade is only around 34K.

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 :**  
**ASIAN PAINTS**

**Sell 1 Leg of OCT 2040 PE @ 65.95**  
**Buy 1 Leg of OCT 2000 PE @ 40.4**

**Trend :**

Asian Paints is in strong uptrend and is near its 52Week High.

**Max Profit :** INR 7665

**Max Loss :** INR 4335 (exit if loss is more than 4K)

**Breakeven :** 2015

**Options Data :**

Oct OI data suggest

**Support** at 1900( **Max Put OI**)

**Resistance** at 2100 (**Max Call OI**)

**Additional Data**

Future OI was up 4.7% and price was up 2.41%, indicating a long buildup.



With the new margin requirements, the margin required for above trade is only around 35K.

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

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