Mind Blowing Strategy

Strategy Named Mind Blowing because:

Base of Strategy:

1. Small Move 1 week chart
2. Work on historical data of nifty / bank nifty, Set Support and Resistance Level on Chart
3. Use India VIX
4. Use of Candle Sticks
5. 1 time in week, especially on expiry.
6. We will focus on OTM Options (out of the money option). Buy 2nd or 3rd out of the money. Don’t take 5th or more out of the money option otherwise there will be more decay if market goes opposite.
7. It depends on PCR and PCR RSI Mix strategy i.e., don’t use this strategy without PCR

(Watch PCR in night i.e., before market opening time and RSI at run time of market).

1. We will focus on current expiry options only.
2. Risk Management:

Less principle, Higher Risk and Higher profit.

Don’t apply stop loss in this trade.

1. Time Frame 🡪 1 min or 3 min.

How to find Nifty and Nifty Bank Support Level:

This work is done in night.

1. Google 🡪 pivot point calculator 🡪

Fill Nifty current data here ( Open, High, Low, Close) 🡪 Calculate

Then at Right hand side we will get 🡪 Resistance R1, Resistance R2, Support S1, Support 2.

1. On Zerodha application,

Go to chart BankNifty/Nifty 🡪

Chart type 🡪 Heiken Ashi

Studies 🡪 RSI, Pivot Points

How Strategy Works:

If PCR < 0.7 (i.e, Market is Extremely Over Sold) (In night, before market)

If RSI <20 (Over Sold) (At market runtime) 🡪 Then, buy the Out of the money Call Options.

If PCR > 1.7 (i.e., Market is extremely over bought) 🡪 (In night, before market)

If RSI > 80 (Overbought at market runtime), Then, Buy Out of the money Put Option

**Example:**

1. Let say market is oversold at 1600 point i.e., pcr <0.7 and RSI <20 then, it is expected then it can go max below upto 16100 (lets assume next support) so, we will buy 16200 Out of the money strike price call option of current expiry.
2. Let say market is overbought at 16200 point i.e., pcr > 1.7 and RSI > 80 and it is expected that it can go max above upto 16100 (let assume next resistance), so, we will buy 16000 out of the money put option of current expiry.

**Note:**

Limitations of Strategy:

1. Any news in opposite direction i.e., RBI / FED News / Election News / Govt Data/ Budget.