**Index Expiry Option Strategy**

Objective: To take advantage of specific conditions in Nifty and Bank Nifty index options premiums.

Asset Selection: Nifty and Bank Nifty index options.

Conditions for Trade Execution:

1. When the difference between the Nifty and Bank Nifty indices is 100 points, and the premium for Nifty options has increased by 4 times (4X).

2. When the difference between the Nifty and Bank Nifty indices is 300 points, and the premium for Bank Nifty options has increased by 4 times (4X).

Trade Execution:

- Assume the current premium for Nifty options is Rs. 5, and the premium for Bank Nifty options is Rs. 10.

Exit Criteria:

- No new trades will be executed after 3:15 pm.

Partial Position Exit:

- When the premium of the option you bought gains 50%, exit 50% of your position.

- When the premium of the option you bought gains 100%, exit an additional 25% of your position.

- When the premium of the option you bought gains 200%, exit the remaining 25% of your position.

Example Trade:

1. Trade Setup:

- Observation: The difference in Nifty strike should 100 and Bank Nifty indices is 300 points with premium for Nifty options is Rs. 5, and the premium for Bank Nifty options is Rs. 10..

- Premiums: The premium for Nifty options has increased to Rs. 20 (4X from the initial Rs. 5), and the premium for Bank Nifty options has increased to Rs. 40 (4X from the initial Rs. 10).

2. Trade Execution:

- Buy one Nifty call option at Rs. 20 premium (Rs. 20 x 50 lot size = Rs. 1,000).

- Buy one Bank Nifty call option at Rs. 40 premium (Rs. 40 x 15 lot size = Rs. 600).

3. Exit Plan for Nifty Call Option:

- 50% position exit when the premium gains Rs. 10 (50% of Rs. 20).

- 25% position exit when the premium gains Rs. 20 (100% of Rs. 20).

- 25% position exit when the premium gains Rs. 40 (200% of Rs. 20).

4. Exit Plan for Bank Nifty Put Option:

- 50% position exit when the premium gains Rs. 20 (50% of Rs. 40).

- 25% position exit when the premium gains Rs. 40 (100% of Rs. 40).

- 25% position exit when the premium gains Rs. 80 (200% of Rs. 40).

5. Additional Notes:

- No new trades will be executed after 3:15 pm.

Rationale:

This strategy aims to capitalize on specific conditions in the Nifty and Bank Nifty index options, where a significant premium increase is observed alongside a specific index point difference. By setting clear exit targets, the strategy seeks to lock in gains and manage risk effectively.