

Option main session-2

Sunday, October 4, 2020
6:05 AM

- Don't short an outperformer. Try to buy from dips
- Only consider 3-4 ITM or OTM before & After strike price/ATM
- **OI data only for more conviction. Do Chart analysis first.**

OI Data -For Strong Bullish Sign				
OI	PE Premium Price	Strong Bullish (At trend reversal point)	Strike Price (Which one we need to look at?)	Remarks
		Long buildup in futures		
UP (Build-up)	DOWN	Short build-up in PE	ATM & OTM in PE Sometimes in ITM in PE also	ATM & OTM become zero at the date of expiry.
DOWN	UP	Short Covering in CE	ATM & ITM in CE	

OI Data -For Strong Bearish Sign			
OI	PE Premium Price	Strong Bearish (At trend reversal point)	Strike Price (Which one we need to look at?)
		Short Build-up in futures	
DOWN	UP	Short Covering in PE	ATM & OTM in CE Sometimes in ITM in CE also
UP (Build-up)	DOWN	Short build-up in CE	ATM & ITM in PE

OI Data -For Normal Bullish Sign			
OI	PE Premium Price	Strong Bullish (If you are in middle of a trend)	Strike Price (Which one we need to look at?)
		Long Build-up in futures	
UP (Build-up)	DOWN	Short build-up in PE	ATM & OTM in PE Sometimes in ITM in PE also
UP (Build-up)	UP	Long Build-up in CE Detailers starts buying the	ATM & ITM in CE

UP (Build-up)	UP	Long Build-up in CE Retailers starts buying the call	ATM & ITM in CE
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OI Data -For Normal Bearish Sign			
OI	PE Premium Price	Strong Bearish (If you are in middle of a trend)	Strike Price (Which one we need to look at?)
		Short Build-up in futures	
UP (Build-up)	DOWN	Short build-up in CE	ATM & OTM in CE Sometimes in ITM in CE also
UP (Build-up)	UP	Long Build-up in PE	ATM & ITM in PE

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Buying Options (CE or PE)	Remember
Ungli set-up (TLBO/BD with BB challenge,RSI,DMI)	You should not buy the option at the beginning of the month/week & while catching the top or bottom Incase ungli-setup and lower HV found at start of the month, you can buy
HV (IV indicator) should be lower	
Selling Options (CE/PE)	
HV (IV indicator) is medium or high	HV is high because of any Big event/news. Once they result come out, then sell the call /put
you can sell in anywhere (Uptrend/downtrend /sideways)	
Better to sell at start of the series (monthly or weekly expiry)	

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- Call Option:

- When sport price goes in sideways, the premium goes down due to decrease in time

- Put Option

- When sport price goes in sideways, the premium goes down due to decrease in time