📌 Regime-Based Portfolio Strategy (Long-Term / End-of-Day)

| Regime | Stocks (Core ₹23L) | Options (Max ₹4L) | Notes |
| --- | --- | --- | --- |
| Bullish | - Buy strong trending stocks (leaders / breakout candidates)  - Focus on sectors leading NIFTY/BANKNIFTY  - Hold medium-term (weeks–months) | - Bull Call Spread (buy ATM call, sell OTM call)  - Cash-Secured Puts (on stocks you want to own)  - Only if implied probability is not skewed against us AND risk/reward profile is acceptable  - Otherwise avoid directional trades | Stocks = majority allocation → ride trend  Options = tactical, leveraged with capped risk, no intraday |
| Bearish | - Exit weak stocks, let losers go (do not add new longs)  - Avoid intraday trades | - Bear Put Spread (buy ATM put, sell lower OTM put)  - Covered Calls (if holding stocks you don’t want to sell)  - Only if implied probability is skewed bearish AND risk/reward is acceptable  - Otherwise avoid directional trades | Stocks = preserve capital  Options = hedge downside, defined risk, small positions |
| Mean Reversion / Range-Bound | - Minimal stock buying  - Avoid chasing breakouts  - Buy near strong support if desired | - Iron Condor (sell OTM call/put spreads)  - Short Straddle / Strangle (hedged)  - Butterfly Spreads | Options used to collect premium within range  Stock allocation mostly preserved |
| High Volatility | - Avoid stock positions unless defensive ETFs / bluechips | - Long Straddle / Strangle (buy call & put)  - Calendar Spread (sell short expiry, buy long expiry) | Exploit large moves  Position sizing small → max loss per trade capped |
| Neutral | - Hold existing stock positions, avoid new buys  - Only passive holding | - Small hedged premium-selling trades (Iron Condors)  - Avoid directional bets | Capital preservation focus  Options for income only |

🔹 Position & Risk Principles

* Stocks: ₹23L → diversified 10–15 strong names → reduce idiosyncratic risk
* Options: ₹4L → 2–3 positions max, each risking ≤1–1.5L
* Directional trades only if BOTH conditions met:
  1. Implied probability strongly skewed in your favor
  2. Risk/reward acceptable → potential loss ≤ ~2× potential gain
* Otherwise → take hedged spreads or stay out
* No intraday trades → everything end-of-day / swing

✅ Key Change

* Previous version: directional trades if probability skewed.
* Updated version: directional trades only if probability skewed AND payoff profile is acceptable.
* This protects against trades like your 27k-loss vs 11k-gain scenario.