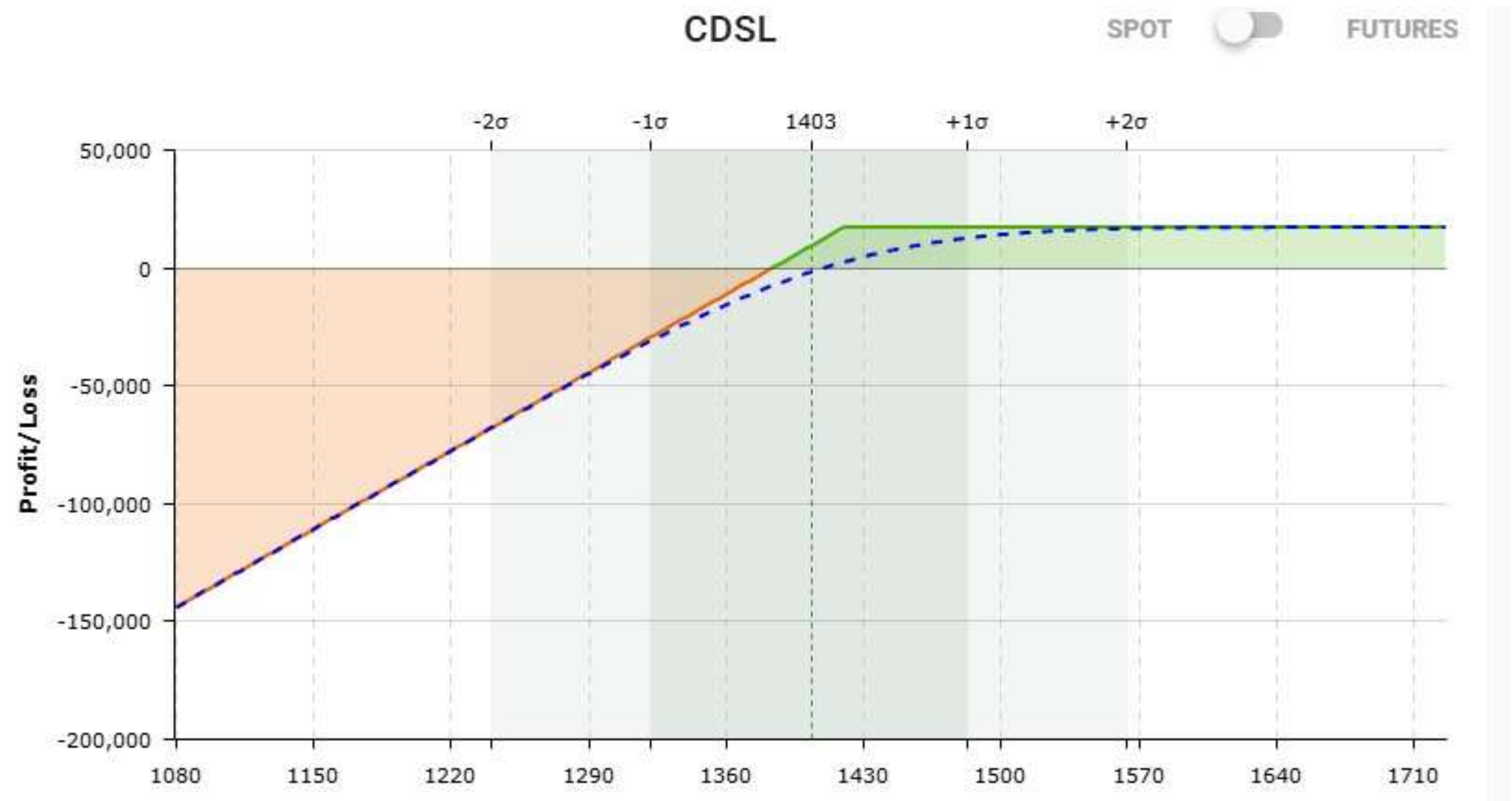
DERIVATIVE PICK

Scrip Name	Action	Entry Price	Target	Stop Loss	Lot Size	Margin	Potential Upside Return (%)	Approx Downside Risk (As Per SL) (%)
CDSL JULY FUT	Buy	1409	1500	1360	475	~1,81,500	~9.55%	~6.3%
CDSL 1420 CE JULY	Sell	25.5						



Breakeven Point : 1384
Probability of Profit : 59.35%

RATIONALS

Future Insights:

- Since the start of the current expiry, price has moved from 1298.8 to 1409, reflecting an upside of ~8.48%.
- Open Interest (OI) has increased from 85.53L to 91.29L (~6.73% rise), indicating fresh long build-up in the system.

On the options front:

- Implied Volatility (IV) Current IV is 35.45, while Historical IV was 33.32. The higher IV indicates a modest increase in volatility expectations, suggesting traders are pricing in slightly larger price movements and increased market activity.
- Call Side Open Interest (CE) Maximum Open Interest (OI) is concentrated at the 1500 strike. This level is likely to act as a major resistance zone, as call writers continue to build positions around this strike.
- Put Side Open Interest (PE) Maximum Open Interest (OI) is concentrated at the 1400 strike. This level is expected to provide strong support, reflecting significant put writing interest and confidence among option writers.
- Overall Interpretation The IV premium over historical volatility suggests expectations of higher near-term price movement. With maximum CE OI at 1500 and maximum PE OI at 1400, the market is currently indicating a trading range between these levels. The strong put base at 1400 provides support, while resistance remains capped near 1500, resulting in a neutral-to-positive bias unless either level is decisively breached.

Strategy View:

- Rising IV along with rising prices indicates strong bullish momentum, making a long futures position combined with strategic option selling a potential way to participate in the uptrend while generating premium income to partially hedge risk.

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