

03-11-2025

Weekly Commodity Option strategy



Gold mini Insight



Prime
Brokerage



TECHNICAL ANALYSIS:-

- ❖ Gold prices remained range-bound after breaching the upward price channel and trading with moderate volume on the daily chart. While, prices have formed a bearish engulfing candle pattern followed by a bearish candle on the weekly chart.
- ❖ The momentum indicators are still trading in overbought zone on the weekly chart. While, MACD has given negative crossover and RSI is at 52 on the daily chart.
- ❖ The prices are getting support at the trend line of an upward price channel with weak buying momentum on the daily chart.
- ❖ A recent formation in gold is suggesting range-bound move for the upcoming days. Gold has support at 118000, and selling momentum is likely to increase below this levels. It has resistance at 126000.



OPTIONS STRATEGY



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GOLDM (28-Nov-25)

STRATEGY: Call Ratio Spread

TRADE SETUP

- BUY 1x 121000 CE @ 3250–3230
- SELL 2x 124000 CE @ 2070–2090

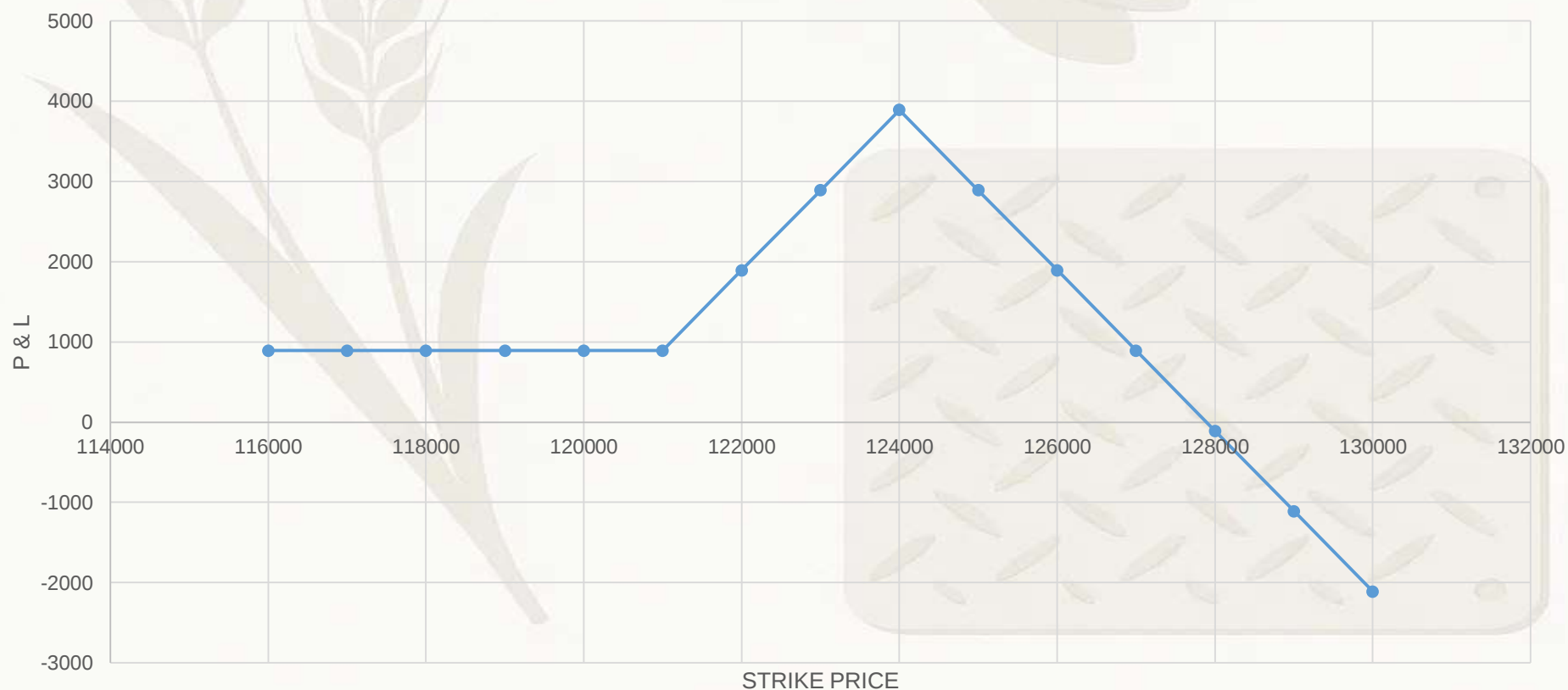
CREDIT: 890

SL: 1000

TGT: 670

PAYOFF CHART :-

PAYOFF CHART



Strategy View: Moderately bearish



The derivatives data for crude oil reflects a bearish sentiment, with a slight inclination toward caution as traders position for potential volatility in the near term.

Market Sentiment Indicators

- **Put–Call Ratio (PCR): 1.10**

A moderate PCR suggests that call writing outweighs put buying activity, indicating a **bearish sentiment** among market participants.

- **Implied Volatility (IV): 21%**

Implied volatility remains elevated, signaling that the market is **pricing in higher potential price swings** going forward.

- **Historical Volatility (HV): 41%**

Historical volatility remained above IV, implying that **option traders expect an increase in the implied volatility ahead** than what has recently been observed in the underlying asset.

Historical Volatility Range

- **2-Month High (HV): 48%**
- **2-Month Low (HV): 10%**

Volatility has been increased over the past two months, suggesting that **momentum has been contained**, but an expansion phase could be approaching if new triggers emerge.

Open Interest Dynamics

- **Change in Open Interest: -2.73%**

The decrease in OI indicates **long positions are still liquidating**, reflecting decline in participation and potential continuation of the downtrend.

Key Option Levels

- **Highest Put OI: 118000 (Major Support Zone)**
- **Highest Call OI: 125000 (Major Resistance Zone)**

These levels highlight a **defined trading range between 125000 and 118000**, with market participants closely watching for a decisive breakout on either side.



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