03-11-2025

Prime Brokerage

Weekly Commodity Option strategy

Gold mini Insight

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

Prime Brokerage

GOLDM (28-Nov-25)

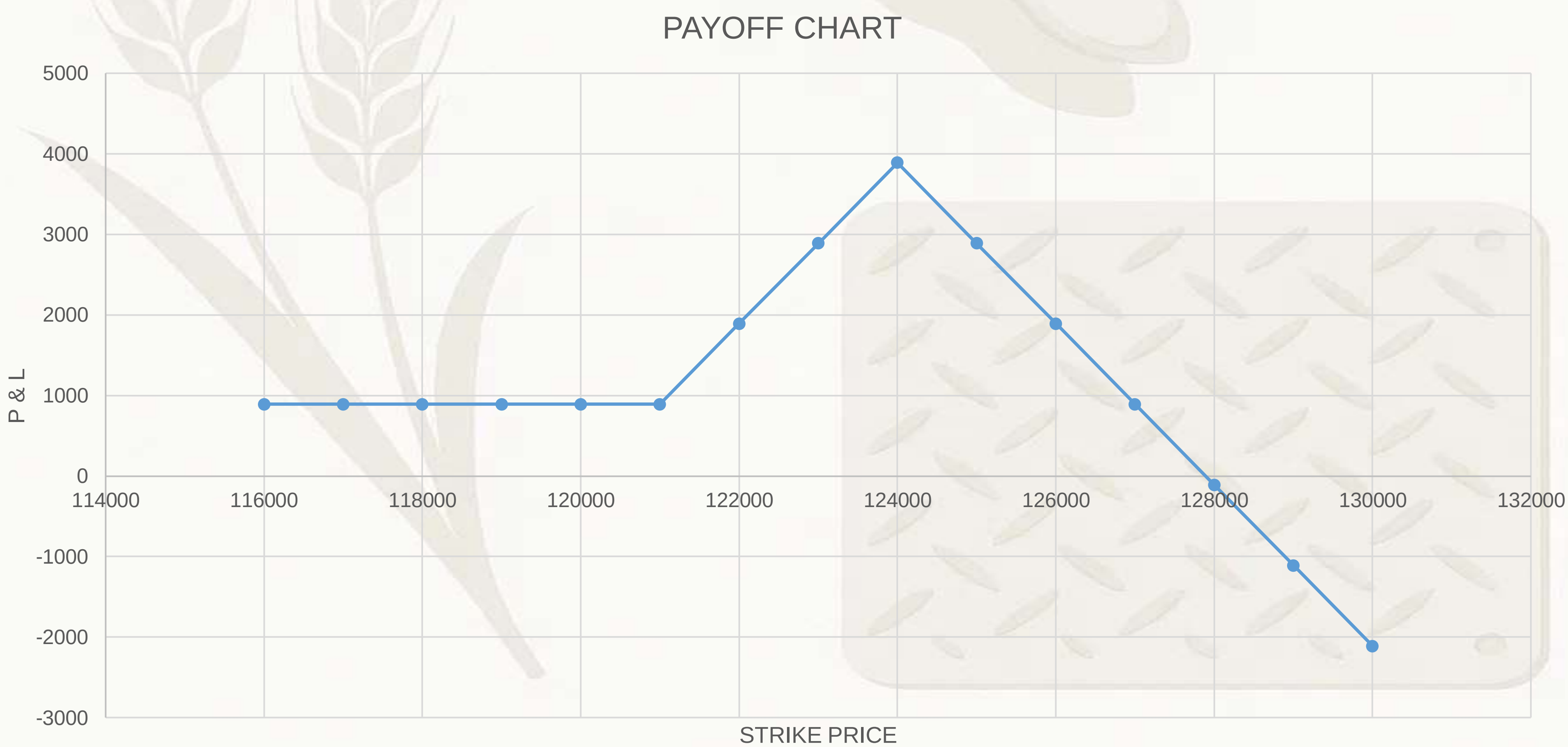
STRATEGY: **Call Ratio Spread**

TRADE SETUP

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

CREDIT: 890 **SL: 1000** **TGT: 670**

PAYOFF CHART :-



Strategy View: Moderately bearish

Derivative Insight

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.

Weekly Commodity Option strategy

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