22 JULY 2026

Weekly Commodity Option strategy :

crude oil INSIGHTS

TECHNICAL ANALYSIS:-

- Crude Oil has gained strong bullish momentum during July after taking support near the **6,500** level. Prices have successfully broken above the crucial **8,100** resistance and reclaimed the **8,250** zone, with rising trading volumes confirming the strength of the breakout. The price structure continues to maintain a pattern of higher highs and higher lows, reinforcing the prevailing uptrend.

- On the indicator front, the **Relative Strength Index (RSI)** has moved above the **60** level, signalling a strengthening bullish momentum. Following nearly three months of weakness since April, Crude Oil has resumed its broader upward trend. Additionally, prices have broken out above the congestion zone formed by the **20-, 50-, 100-, and 200-day Exponential Moving Averages (EMA)** and are now trading comfortably above all four averages, further confirming the improvement in the overall technical structure.

- From a technical perspective, the immediate support is placed at **7,500**, while the next major resistance is positioned near the **9,000** level.

OPTION STRATEGY

Bonanza

Crude oil (22-AUG-26)

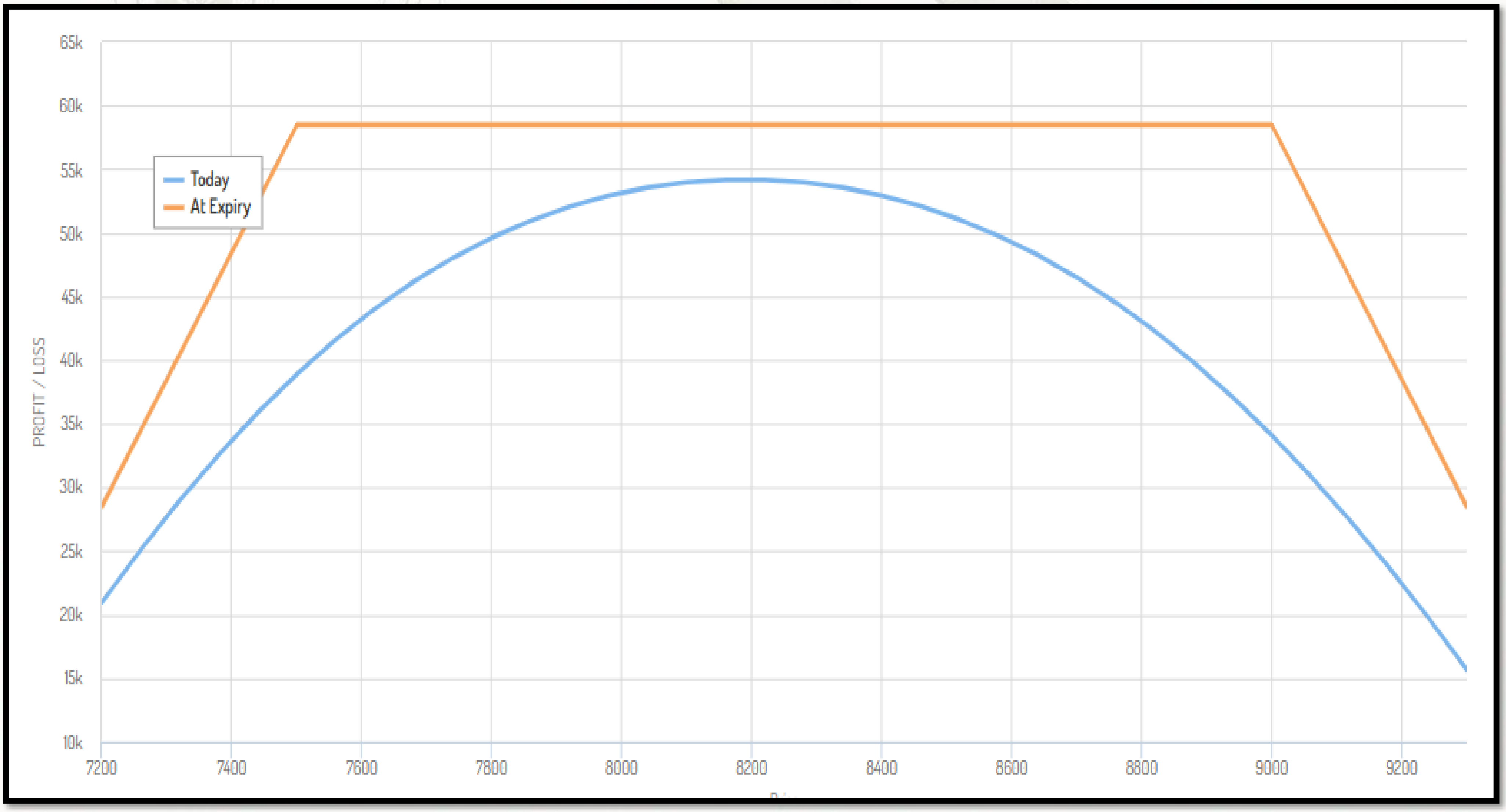
STRATEGY: Short Strangle

TRADE SETUP

- Crude oil SELL 1 x 9000 CE @ 345 - 340
- Crude oil SELL 1 x 7500 PE @ 240 - 235

CREDIT: 585 SL: 615 TGT: 500

PAYOFF CHART :-



Strategy View: Sideways/Bullish

Derivative Insight

The derivatives data for crude oil reflects a predominantly sideways to bullish market sentiment.

❖ **Market Sentiment Indicators**

➢ Put–Call Ratio (PCR): 1.40

A PCR of 1.40 indicates a bullish market sentiment, reflecting higher put activity compared to calls. This suggests traders are increasingly writing puts, indicating confidence that crude oil prices are likely to remain above key support levels. The elevated PCR points to positive market expectations, although confirmation from price action, open interest, and volume remains essential.

➢ Implied Volatility (IV): 37%

An implied volatility reading of 37% indicates moderate expected price volatility in crude oil. This suggests the options market is pricing in reasonable price fluctuations over the near term but does not imply a directional bias.

➢ Historical Volatility (HV): 53%

An HV of 53% means crude oil has experienced relatively high price fluctuations over the historical measurement period. It indicates that the market has been volatile

❖ **Historical Volatility Range (Daily)**

➢ 2-Month High (HV): 75.3%
➢ 2-Month Low (HV): 37.39%

A historical volatility reading of 53% indicates that crude oil has experienced moderately high price fluctuations over the recent period. Although volatility has eased from the 2-month high of 75.30%, it remains above the 2-month low of 37.39%, suggesting the market continues to witness relatively elevated price swings. Historical volatility reflects the intensity of past price movements and should be interpreted alongside price action and other derivatives indicators to assess the overall market outlook.

❖ **Open Interest Dynamics**

➢ Change in Open Interest: 25.27

Open Interest increased by 25.27%, indicating fresh positions are being added to the market. Combined with the prevailing uptrend in crude oil prices, this reflects long buildup, suggesting that market participants are creating new long positions and reinforcing the bullish market sentiment.

❖ Key Option Levels

- Highest Put OI: 7000 (Major Support Zone)
- Highest Call OI: 10000 (Major Resistance Zone)

The highest Put Open Interest at 7000 establishes a major support zone, indicating strong buying interest and suggesting that traders expect crude oil prices to remain above this level. Meanwhile, the highest Call Open Interest at 10000 marks a major resistance zone, where significant call writing may cap further upside. The current options positioning indicates a bullish-to-neutral market bias, with the trading range expected between 7000 and 10000. A decisive breakout above 10000 could trigger fresh bullish momentum, while a break below 7000 would weaken the current outlook and may lead to increased selling pressure.

DISCLAIMER

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