25 JUNE 2026

Weekly Commodity Option strategy :

NATURAL GAS INSIGHTS

Bonanza

TECHNICAL ANALYSIS:-

- Natural Gas has been trading within a broad range of 294–310 since the beginning of June. Although prices attempted to break out of this range on multiple occasions, they failed to sustain higher levels, indicating a lack of strong directional momentum. The 325 level continues to act as an immediate and significant resistance zone, restricting any meaningful upside movement.

- On the technical indicator front, the Relative Strength Index (RSI) is oscillating between the 40–60 range, which suggests a neutral market structure and reinforces the ongoing sideways price action. Additionally, the 20, 50, 100, and 200-day Exponential Moving Averages (EMAs), after exhibiting an upward trajectory earlier, have begun to flatten and converge, creating a zone of congestion. This convergence of moving averages further highlights the absence of a strong trend and indicates a period of consolidation in the market.

- Furthermore, trading volumes have been gradually declining, reflecting reduced market participation and a lack of conviction among traders. Overall, the combination of range-bound price action, neutral RSI readings, flattening moving averages, and declining volumes suggests that Natural Gas is currently undergoing a consolidation phase.

OPTION STRATEGY

Natural gas (24-JULY-26)

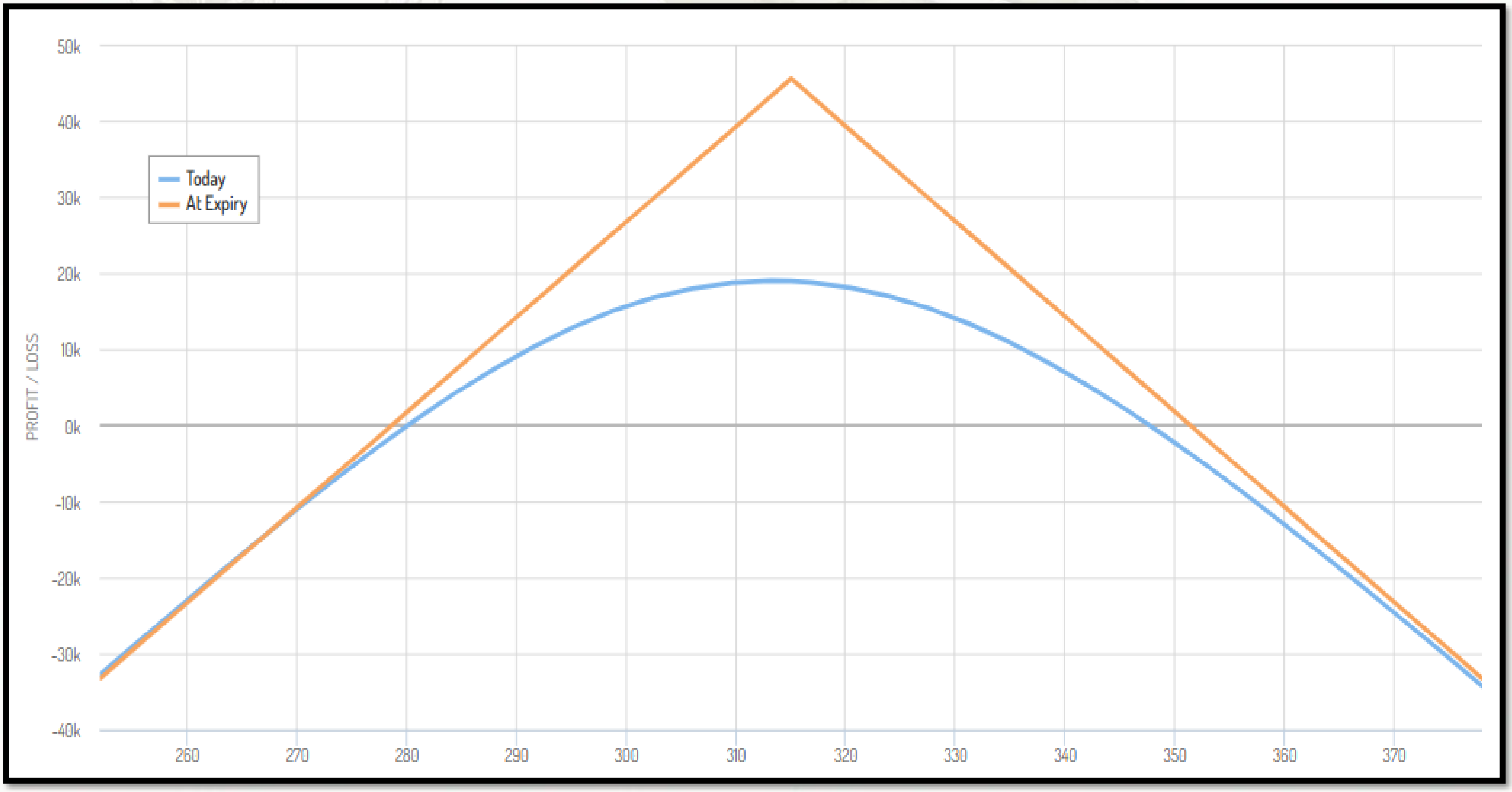
STRATEGY: Short Strangle

TRADE SETUP

- Natural gas SELL 1 x 315 CE @ 16 – 16.10
- Natural gas SELL 1 x 315 PE @ 20.40 – 20.50

CREDIT: 36.6 SL: 39 TGT: 30

PAYOFF CHART :-



Strategy View: Sideways

The derivatives data for Natural Gas reflects a predominantly sideways market sentiment, with a slight inclination toward caution as traders position themselves for potential volatility in the near term.

❖ Market Sentiment Indicators

➢ Put–Call Ratio (PCR): 1.21

A PCR around the 1.20 level suggests that the overall market sentiment is likely to remain sideways to mildly bearish in the near term. The current reading indicates relatively higher call writing compared to put writing, reflecting a cautious outlook among market participants. This observation is consistent with the prevailing chart structure, which continues to indicate a consolidation phase with a sideways bias.

➢ Implied Volatility (IV): 51%

Implied volatility remains elevated, indicating that option traders continue to price in significant price fluctuations. However, the current volatility structure suggests that the market may be anticipating a gradual decline in volatility levels going forward.

➢ Historical Volatility (HV): 40%

Historical volatility remains below implied volatility, suggesting that option traders expect future volatility to moderate relative to current implied levels. This indicates expectations of volatility compression compared with the price fluctuations recently observed in the underlying asset.

❖ Historical Volatility Range (Daily)

- ➢ 2-Month High (HV): 72.69%
- ➢ 2-Month Low (HV): 33.27%

Historical volatility has gradually declined over the past several weeks, indicating a reduction in market momentum and price fluctuations. This contraction in volatility suggests that the market is currently in a consolidation phase, although the possibility of a significant move cannot be ruled out should fresh market triggers emerge.

❖ Open Interest Dynamics

➢ Change in Open Interest: -61.14

Open interest witnessed a marginal decline during the week, indicating some degree of long unwinding and a reduction in overall market participation. This suggests that traders are gradually exiting existing positions rather than initiating fresh directional bets. The decline in open interest, coupled with the current technical setup, supports the view of a sideways to mildly bearish market trend in the near term. However, the recent tendency of prices to trade within a narrow range near the lower end of the broader trading band suggests that selling pressure is not particularly aggressive at current levels. As a result, unless a decisive breakdown occurs, the market is likely to remain range-bound with a slight bullish bias.

❖ Key Option Levels

- Highest Put OI: 300 (Major Support Zone)
- Highest Call OI: 310 (Major Resistance Zone)

The option chain continues to highlight a well-defined trading range between 300 and 310. The substantial Put Open Interest concentration at 300 is expected to provide strong support, while significant Call Open Interest buildup at 310 is likely to cap upside moves. Market participants will closely monitor these levels, as a decisive breakout beyond either boundary could provide the next directional cue for prices.

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