25 August 2026

Weekly Commodity Option strategy :

CRUDE OIL INSIGHTS

Bonanza

TECHNICAL ANALYSIS:-

- Crude Oil is currently testing a critical technical junction near a downward-sloping trendline, a region that has historically generated sustained selling pressure. This structural resistance zone gains further reinforcement from the 0.618 Fibonacci retracement level, establishing a strong technical confluence that elevates the probability of a price rejection. Consequently, the broader technical framework retains a cautious-to-bearish bias.

- On the downside, immediate support is anchored at 8,070; a decisive breakdown and sustained close below this threshold would likely accelerate downward momentum toward the target of 7,700. Momentum indicators further support this view, with the Relative Strength Index (RSI) capping near the 60 mark—reflecting exhausting bullish momentum and increasing the likelihood of a tactical pullback. Overall, this Fibonacci-trendline confluence defines a critical structural ceiling vulnerable to potential trend reversals.

OPTION STRATEGY

Crudeoil (17-SEPT-26)

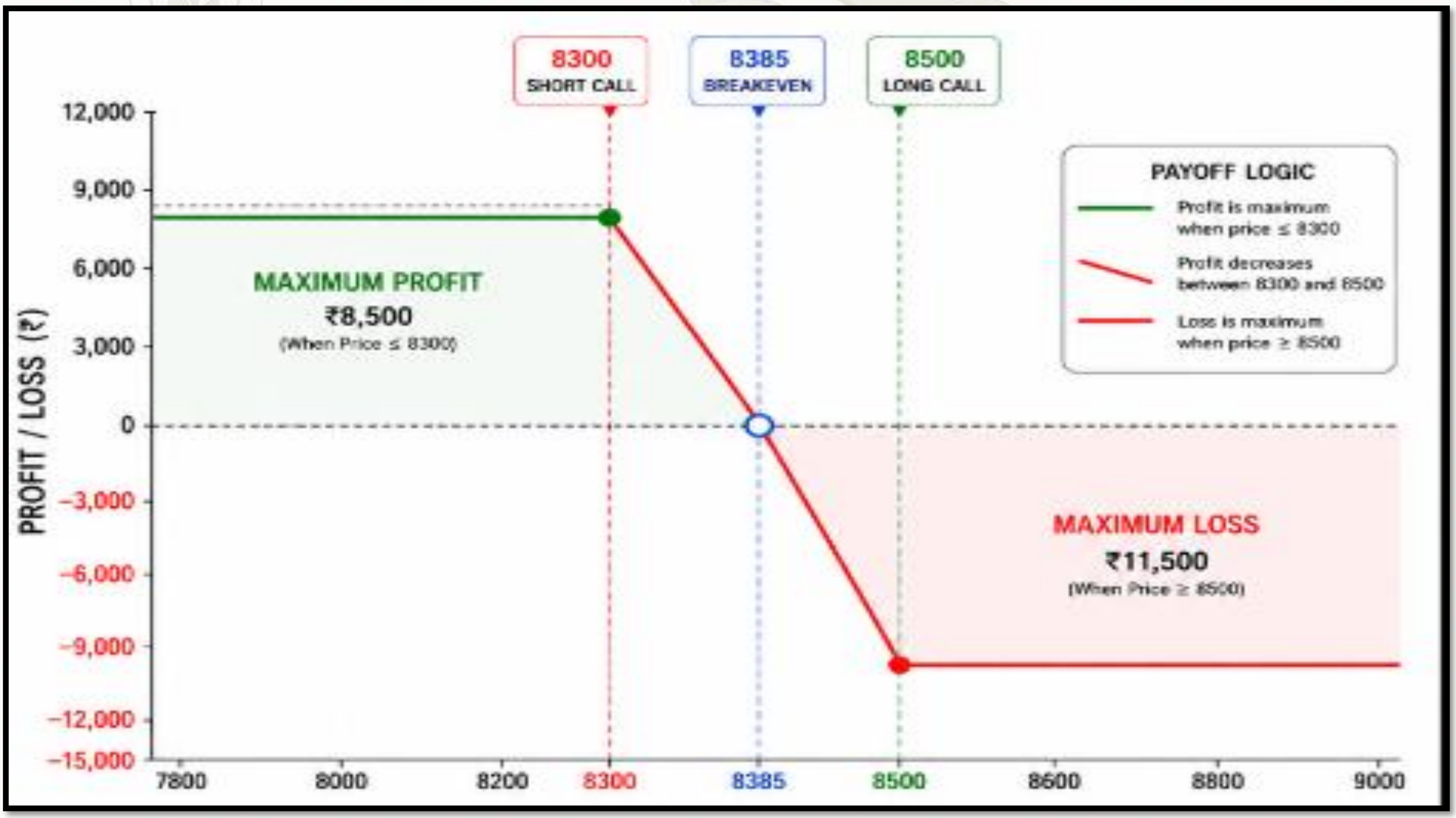
STRATEGY: Bear CALL Spread

TRADE SETUP

- Crudeoil SELL 1 x 8300 CE @ 340- 330
- Crudeoil LONG 1 x 8500 CE @ 255 - 250

CREDIT:- 85 Maximum Loss:- 11,500 Maximum Profit:- 8,500

PAYOFF CHART :-



Strategy View: Bearish

The derivatives data for Crude oil reflects a predominantly sideways to Bearish market sentiment.

❖ **Market Sentiment Indicators**

➢ **Put–Call Ratio (PCR):** 1.29

A **PCR of 1.29** indicates a relatively higher Put Open Interest compared with Call Open Interest. Although this normally reflects a supportive setup, **from a bearish perspective, the elevated PCR can also indicate crowded put positioning and limited fresh upside conviction**. If Crude Oil fails to sustain higher levels and faces selling pressure, this positioning can unwind and amplify the downside move. Hence, PCR should be considered **cautiously supportive rather than strongly bullish**.

➢ **Implied Volatility (IV): 63.5 %**

An **IV of 63.5%** indicates that the options market is pricing in **high volatility and the possibility of a significant price move** in Crude Oil. With the broader view being bearish, the elevated IV suggests that any breakdown from key support levels could result in **sharp and accelerated downside movement**. Therefore, high IV adds a risk of increased price swings and supports a cautious bearish outlook.

➢ **Historical Volatility (HV): 25.78%**

The current **HV of 25.78%** indicates that realized volatility in Crude Oil is presently relatively low. However, since the market is trading near the **lower end of its recent volatility range**, the subdued volatility could represent a period of consolidation before a larger directional move. From a bearish perspective, a breakdown from the current range accompanied by rising volatility would strengthen the **downside momentum**.

❖ **Historical Volatility Range (Daily)**

➢ **2-Month High (HV): 97.84 %**
➢ **2-Month Low (HV): 25.77 %**

The **2-month HV range of 25.77% to 97.84%** highlights that Crude Oil has experienced extremely high volatility during the recent period. With the current HV at **25.78%, almost exactly at the 2-month low**, volatility is currently compressed. From a bearish perspective, this creates the possibility of a **volatility expansion on a downside breakout**, which could lead to a sharper move lower if key supports fail.

❖ Open Interest Dynamics

➢ **Change in Open Interest:** 67.44

The **67.44% increase in Open Interest** indicates a substantial build-up of fresh positions in Crude Oil. While OI alone does not confirm direction, **if this significant OI build-up is accompanied by falling prices, it would indicate fresh short positions and strengthen the bearish view**. Therefore, price action should be closely monitored alongside OI to confirm whether the buildup is predominantly bearish.

❖ Key Option Levels

➢ **Highest Put OI: 8000 (Major Support Zone)**
➢ **Highest Call OI: 9000 (Major Resistance Zone)**

The highest Put Open Interest at 8000 indicates a major support zone for crude oil , suggesting that option writers expect prices to hold above this level and that buying interest may emerge near this area. Meanwhile, the highest Call Open Interest at 9000 represents a major resistance zone, indicating potential selling pressure as traders have built significant positions at this strike. The current option structure suggests that Crude oil may remain within the 8000 - 9000 range unless a decisive breakout occurs. A move above 9000 could trigger bullish momentum, while a break below 8000 may indicate increasing bearish pressure.

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