

Twitter Thread by Aditya Todmal



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With a return of more than 170% & an average return of 4% on expiry days.

@Ronak_Unadkat converted 2 Cr to 5.5 Cr this year.

We met him in Mumbai & watched him do expiry trading live.

14 things to learn from him for trading FinNifty (for free):

Collaborated with @niki_poojary

(1) Small Account

First of all, let me tell you, he is trading Finnifty in only his small account.

His main expertise is Bank Nifty so he is keeping his main account only for that.

After 1 year of successful Finnifty trading, he will start with his bigger account as well.

(2) What returns to target in Finnifty?

He only trades this index for three days, i.e Friday, Monday and Tuesday.

His goal is to make 1% from here and another 1% through Bank Nifty.

This gives him a 2% week if he plays this well which is his main strength.

(3) Level-Based Trading:

He is a level-based trader, and won't book losses until his level comes.

If the level does not come, he will eat all the premiums & profit.

If the level breaks, whatever loss it shows him, he will book.

(4) How does he find his levels?

He will monitor the highest high and the lowest low of the three days i.e Fri, Mon & Tue.

Those levels he is mostly interested in shorting aggressively.

If no premiums there he will come closer.

(5) How to play a support level?

If he thinks 43000 is a support level, he will short puts below 43000 with this level as a stop loss.

If the Bank Nifty spot breaks this level he will book a loss.

If the support doesn't break he wants to eat the full premium on the put side.

(6) Upside no Resistance:

If no resistance on the upside he will only sell high premium puts and buy a few puts closer to ATM strikes to the spot.

Will do this in 1:4 qty with 1 buy and 4 sell for a net credit.

For eg. buy 1 lot of 43000 puts and sell 4 lots of 42900 puts.

If no resistance on the upside then it is vital to avoid selling calls as those will spike causing sellers damage.

Strangle sellers get trapped in such scenarios and once a loss is booked it is difficult to come out with good returns for the week.

(7) What to do if the market stops moving up?

In a put ratio, after a point, your profit is limited only.

Also on expiry day, the probability of closing at the highest point is not very high.

It will usually reverse from somewhere.

(8) Convert to strangle:

Whenever it does so, he will first of all square off the puts he had bought.

Next, he will try selling calls also.

This way he will gobble up the premiums from the put side which almost all good traders would have but also from the calls

side.

(9) Highest returns than directional traders

This is an important distinction he has from the directional traders for eg @niki_poojary and I.

We would only sell puts and make a profit.

He takes the risk on the other side as well.

Since he sells both sides usually his profit becomes double and so does the return.

His years of experience and good observation skills have made him an exceptional expiry trader.

Best expiry trader I know surely.

(10) Range Bound markets:

If he finds a resistance and support then there is no meaning in buying puts or calls at all for ratios.

In such scenarios, he will do only naked selling on both sides with level-based stops.

(11) Avoid Ratios:

If you want to avoid doing ratios you can skip the buying part and just sell one or two strikes away puts naked with the same stop loss.

He does buying as it psychologically helps him during spikes.

(12) Mindset:

When we were with him in Mumbai to watch him do expiry trading, he was the least bit bothered about his mtm.

He was just controlling his positions by shifting them constantly.

(13) Don't focus only on option selling:

He is also making a profit from option buying.

In fact, 30% of his year's profit has come from Option buying.

If his option buys profit increases he books that and takes the risk in his sold positions.

(14) Only spreads, no naked buying:

He controls his risk in option buying also as he does only spreads. No naked buying.

If he enters, he will do so in both positions together.

If exits, then will do it for both positions together as well.

These are our observations after talking to him and learning from him about Finnifty.

If you have any questions/queries let me know about his style.

Till then can start practicing Finnifty in at least a small amount.

That's a wrap!

If you enjoyed this thread:

1. Follow us @Adityatodmal & @niki_poojary for more threads on Price action, Option Selling & Trading growth.

We've got you covered.

2. RT the first Tweet to share it with your audience.

I appreciate it!