Twitter Thread by Jig's Patel

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A Thread on Discretionary Option trading:

Intraday options selling style

Instrument is Nifty.

I am using following indicator on Nifty fut. chart for finding the market trend as well behavior

Exp. Moving avg (5 & 20)

Supertrend(10,3)

VWAP

RSI(14) set upband-60 lower band-40

ADX

OptionLearners published on TradingView.com, May 30, 2021 18:35:28 IST
NSE:NIFTY1!, 3 15478.00 ▲ +140.15 (+0.91%) O:15478.50 H:15479.90 L:15476.00 C:15478.00

Timefram is 3 min, you can set as per your req. 5 or 10 min. But I used in 3 min only

I am also mark in chart PDL,PDH and PDC.

Also observing the reversal price action in chart for trend change, Only reversal PA

Along with indicator I am also use the OI data for strike selection

OI also used for the direction.

After 9:20 AM I will start trading based on setup.

1.If market in PDR and Mov. Avg & ST is flat and RSI in range of 40-60 Than I will sell strangle where Highest cumulative OI in nifty.

2. If market open above or below PDR than I will wait till 9:30, weather it take support at PDH or PDL then I will sell the options.
3.Let's assume that Market open gap up above PDR and at 9:30 is above PDH than

I sell naked put options where the highest OI in put(good qty) as well also sell the some qty of another put at strike where the supertrend indicate price (less qty) if it in upside no issue just hold it

but if it reverse than I convert the first sell put option in strangle with call highest OI (good qty)). and second put(less qty) option we have to exit once nifty trading below VWAP and supertrend.

4.RSI is generally we use for like above 60 we have neked put, below 40 we have call sell and between 40-60 we have strangle.
5.Moving avg. ST and VWAP generally used for additional confirmation and trend as well Stoploss of naked options. VWAP I used for pyramiding also.

6.ADX used for the momentum like if we want to buy the options than will do above 25 mark. Always buy ITM options.

Mostly I used three screen One 32 inch screen the chart, Second screen I mostly track OI & straddle chart and strangle chart, third screen use for trading only.

In every options I used 3 times as SL in system if any moves around 80-100 points in 5 min than I will be exit from the trade. Guys In discretionary options selling you need to be active full day, because you have to enter and exit based on conditions in multiple time,
Thanks.