

Twitter Thread by Bijay



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Option Chain is janampatri of CE and PE activity in the market. On a day when BNF moved 750 points we expect huge CE unwinding and good PE writing across the board. It becomes more important when the rally is coming from almost good low and against all round bearish view.

Today weekly OC is showing a sign of COMPLEXITY among the CE writer. Top 10 CE writer holds value to the tune of Rs 237,756,1591/- while PE writing hold value to the tune of Rs 145,980,0081/- . So in top 10 OI , writing in CE is more than PE . And this is after 750 points upmove.

17-05-2022			
	BULLISH	ABOVE 34500	1,88,19,90,251.25
5		ABOVE 34700	49,55,71,340.00
			2,37,75,61,591.25
5	BEARISH	BELOW 34100	37,05,86,752.50
			37,05,86,752.50

This is quite surprising. It means the CE seller expect market to had made temp top today and dont expect the CE to hit new high tomorrow above today high. This is super conviction on their part. So what may happen tomorrow??? Either they win with their conviction or loose out.

Yehi toh !! Kya toh BNF upar jayga ya niche. But there in lies some catch, we will move one by one. The attached picture shows you that if BNF travels above 34500 tomorrow then these Rs 188,199,0251/- will be trapped and above 34700 the value goes up to Rs 237,756,1591/-

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These values are simply huge. CE and PE writer provides balance to the market. The huge Expiry moves happens (where Rs 20 option becomes Rs 100-200) because of this imbalance. Today EOD data is already showing that imbalance for CE writer. Any sustainable upmove with CE

crossing today high can lead to next wild upmove on BNF. Quite insane figures, but these are like these only. Doubled checked before positing already.

Now what about the downmove & where the game begins ??? If we analyse the monthly data of BNF then we can see some interesting

thing Actually people have shorted PE in todays rise in monthly option rather than doing the same in weekly . Top 10 PE OI stands at Rs 454,881,0646/- while the CE value for same is Rs 133,782,4536/-.

Doing next analysis on these PE says that below 34200 PE to the value of Rs 435,478,1723/- will be trapped. And this is almost 95% of Top 10 PE OI value.

So basically EOD data saying, if we go up above 34500-34600 zone huge CE writer will be trapped to the tune of Rs 2.85

on weekly and if we go below 34200, then 4.35 will be trapped on monthly PE.

NET NET small move can lead to gate crash on BNF. Which side, market will decide, but a interesting day ahead !!!

Used my small brain for some data crunching, can be horribly wrong so dont trade !!!