

Consistent Income From Options Trading

Full Day Seminar on Capital Market
at Rajkot Branch of WIRC of ICAI

21st January, 2023

CA . Hardik Vyas

Disclaimer

I am not SEBI Registered Research Analyst or Investment Advisor.

Views shared here in this seminar is purely for the EDUCATIONAL PURPOSE.

Neither me nor Rajkot ICAI will be responsible for any financial losses/damage, if any, in any circumstances.

Please consult your financial advisor before investing/trading.

Important Notes

OPSTRA – used during session for calculation and back testing purpose only.

One does not require any such application/software to use the set-up discussed in session, because that set-up is based on simple calculation itself.

Excel template for calculation is being shared for your ease and reference, separately.

Basics of Options

CALL (CE)

- an option to **buy** assets at an agreed price **on or before** a particular date.

PUT (PE)

- an option to **sell** assets at an agreed price **on or before** a particular date.

Example

Reliance CMP 2443, i.e. 2450

If I predict that Reliance Price is **going up** for Rs. 2500, should I buy '**CALL Option**' or '**PUT Option**'?

And if I predict Reliance Price is **going down** for Rs. 2400, then?

Example

Reliance CMP 2443, i.e. 2450

Any other way?

BUY

v/s

SELL

BUY

- Right on Direction
- Right on Timing
- Right on Strike Price
- Right on Momentum

SELL

- Very Risky
- Violent Move
- High Margins
- Limited Returns

WINNING PROBABILITY

Reliance CMP 2443, i.e. 2450

BUY

v/s

SELL

RELIANCE CALL OPTION

2500CE 25-JAN-2023 @ 11/-

2600CE 25-JAN-2023 @ 2.6/-

RELIANCE PUT OPTION

2400PE 25-JAN-2023 @ 12.50/-

2300PE 25-JAN-2023 @ 2.25/-

Realistic way –

Consistent
Income

High Risk gives Higher Return with **Lower Probability**

Low Risk gives Lower Return with **Higher Probability**

Important Concepts

In Our Setup,
WE DON'T REQUIRE ANY OF THEM-
SERIOUSLY!

- Option Chain – Build-up Data
- Technical – Chart Patterns, Indicators, etc.
- Support / Resistance
- Implied Volatility i.e. IV

Stock Options

v/s.

Index Options

- Manipulation
- Specific News
- Micro v/s. Macro

Index Options are comparatively safe.

Set-up

- BANKNIFTY
- NON-DIRECTIONAL

Set-up

Entry Rules

- Thursday or Weekly Expiry Day at 3 PM for next-to-next week expiry
- Strike Price Selection based on Volatility (Distance 1500 /2000 /2500 / 3000 points)

Set-up

Exit Rules

- 50% / 70% of total premium collected
- 500 points closer to main strike price sold
- 90% profit – completely exit
- If single side main strike sold exceeds its value 3 times.





Thank
you

A close-up of a fountain pen nib, featuring a gold-colored metal body and a black grip section. The nib is positioned at the end of the word 'you' in the cursive text, appearing as if it has just finished writing.

Email : hardikhvyas@gmail.com