

May 16, 2018

## Index: Bank Nifty

**Strategy:** Bear Put Spread

**View:** Bearish

Buy 1 lot of 26100Pe at 93

Sell 1 lot of 25900Pe at 43

Debit Spread: 50 (Spread to be executed in the range of 48-52)

Breakeven: 26050

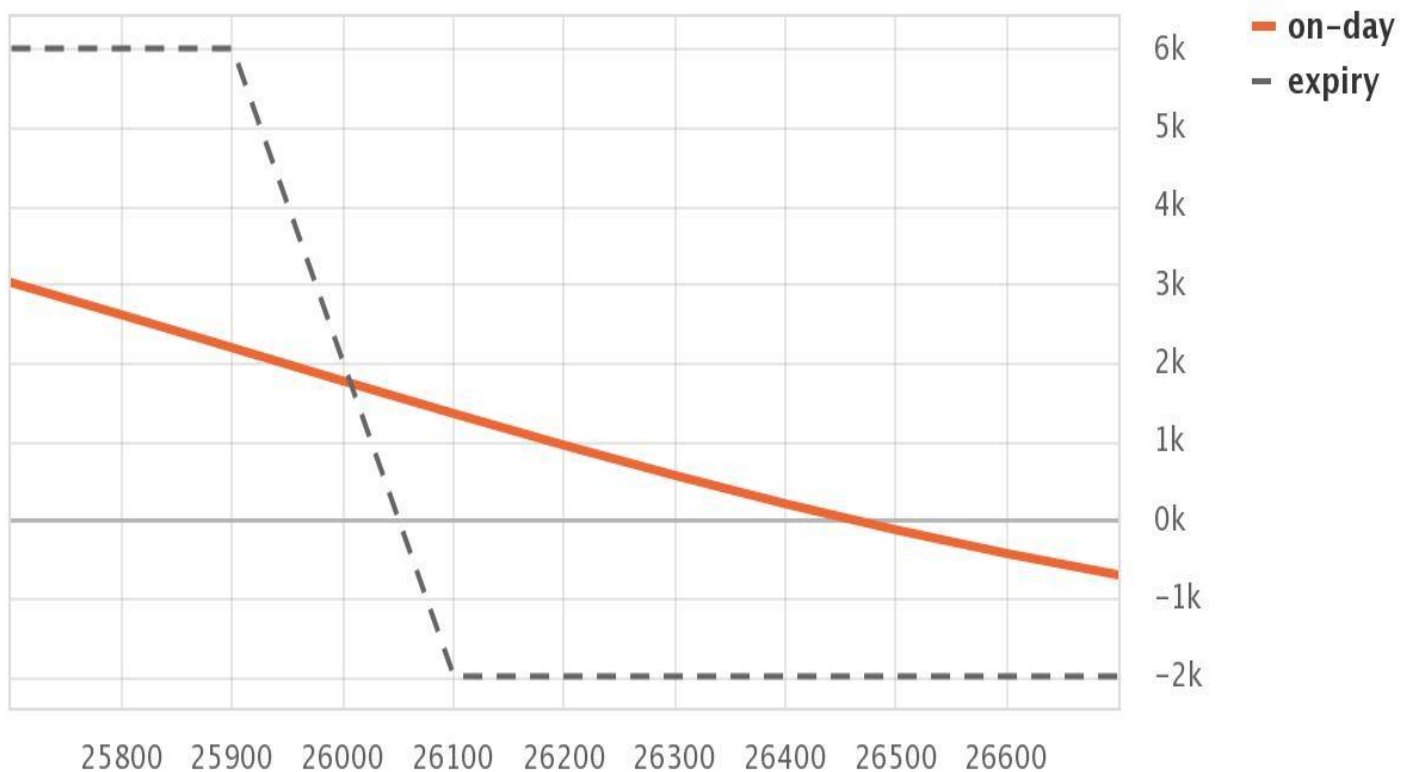
Maximum reward: Rs.150. (If Bank Nifty expires below 25900)

Maximum Risk: Rs.50

### Rationale:

- The Bank Nifty index has witnessed significant amount of open interest addition at 26500Ce which will act as stiff resistance for the index.
- The index on the downside is likely to test the support zone of 25,900-25,800 where the highest open interest change is observed on the put side.
- The index once closes decisively below 26000 will witness further selling pressure along with unwinding in 26000Pe strike which will drag the index to lower levels.

## BANKNIFTY->BEAR\_SPREAD\_PUTS



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## Research Analyst:

Manav Chopra, CMT Head Research – Equity **Email:** [manav.chopra@indiabulls.com](mailto:manav.chopra@indiabulls.com)

Kunal Shah, Derivative Analyst – Equity **Email:** [kunal.shah@indiabulls.com](mailto:kunal.shah@indiabulls.com)

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Indiabulls Ventures Limited : [www.indiabulls.com](http://www.indiabulls.com)

**Corporate Office:** Indiabulls Ventures Limited, Indiabulls Finance Center, Tower 1, 8th floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013.