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Bull Call Spread Strategy

BankNifty

June 5 Expiry

Date: 23 May 2024



BankNifty Bull Spread Strategy



INDEX	CMP	Recommended Action	Time Horizon
BANKNIFTY (5-June EXPIRY) 49000 CALL	984.60	Buy 1 Lot	Till 5 June Expiry
BANKNIFTY (5-June EXPIRY) 49500 CALL	760.00	Sell 1 Lot	Till 5 June Expiry

BankNifty has been finding support on an upward sloping trend line on the daily chart. Index is still at a distance from its all time high of 49974, registered on 30 April 2024. 50 DEMA has acted as a bullish reversal for the Index. FII's long to short ratio in index futures have been at very oversold level, which could trigger sharp short covering by them in the indices. Indicators and oscillators have turned bullish on the BankNifty daily charts

We therefore recommend a Bull Call Spread strategy in BankNifty to profit from this view.

Action to be taken

Buy 49000 CALL & Simultaneously Sell 49500 CALL(5 June Exp)

Max Profit Rs 4131 , If BankNifty closes at or above 49500 on 5 June Expiry.

Max loss Rs If 3369 , BankNifty closes at or below 49000 on 5 June Expiry.

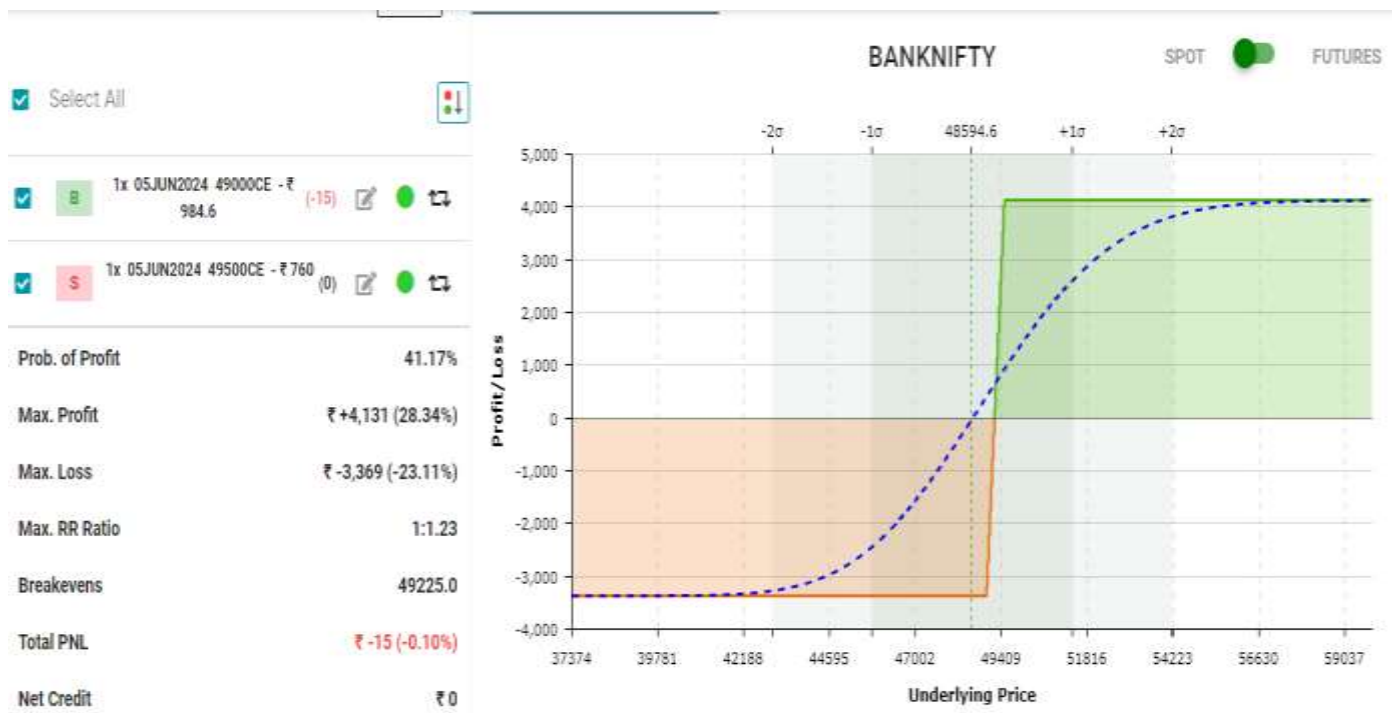
Breakeven point: 49225

Risk Reward Ratio: 1:23

(Approximate margin payable for the strategy Rs. 14600(for exact margin, pls consult risk team email or check margin calculator on website)

Please note that the spread position may be exited early depending on the reading of the market

BANKNIFTY BULL SPREAD STRATEGY PAYOFF DIAGRAM



BankNifty Bull Spread Strategy



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