



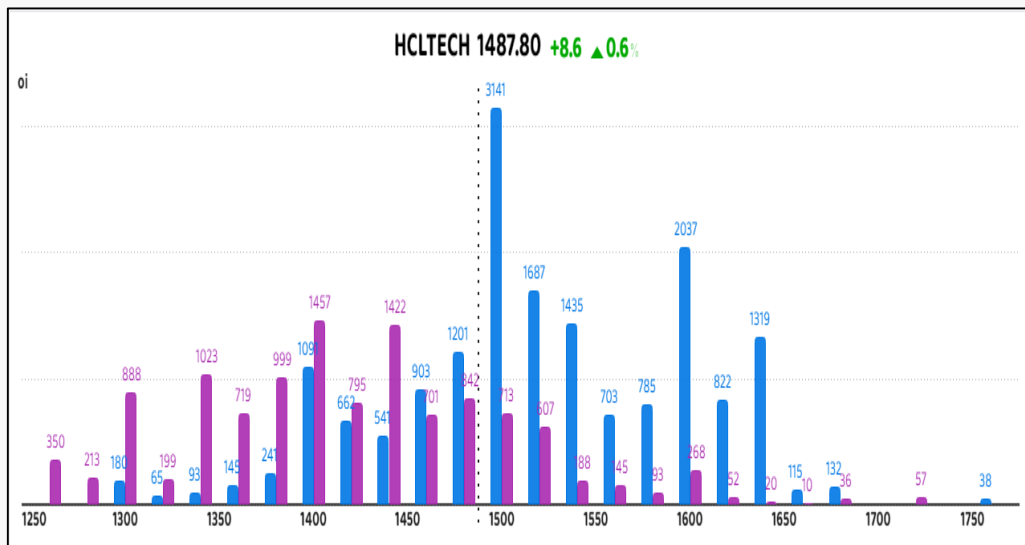
Options Result Edge

HCL Technologies Ltd (HCLTECH)

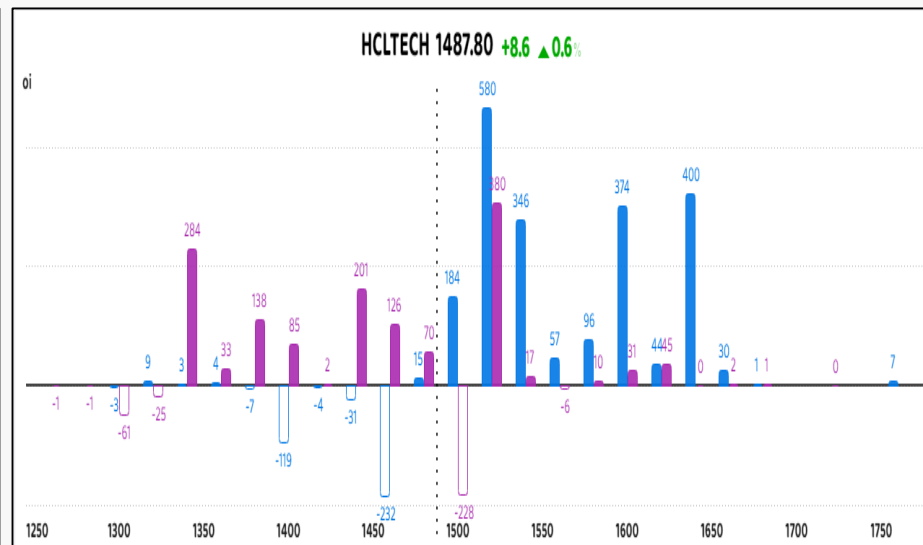
Must Knows

- **HCL TECH** closed out the September expiration cycle on a **negative** note 4.5% while rollover stood at 95.5% v/s a 3-month average of 92.8%, indicating that short positions have rolled to current series.
- For the current expiry, the stock is up by 7.9% with rise in open interest to the tune of 1.4% indicating bullish position are being built up.
- The One month Average Implied Volatility (IV) is at 23% V/S Historical Volatility (HV) stands at 29%.
- The difference between avg1-month Implied Volatility (IV) and Historical Volatility (HV) is **-6.7%**. This indicates that options traders anticipate **reduced price swings** over the next month compared to the recent past, suggesting that any volatility spike from today's results will be **quickly followed**.
- Put Call-Ratio (PCR) for the stock one-day prior was **0.82**, which was **below** the 20-day rolling mean and close to the middle Bollinger Band.
- *Compared with one week ago, 5% OTM Puts have become significantly more expensive, while 5% OTM Calls have become cheaper; this is **bearish**.
- *Relative to one day prior, 5% OTM **Calls** have risen while 5% OTM **Puts** have become slightly cheaper; this improving sentiment which is **bullish**.

Option Interest



Change in Open Interest

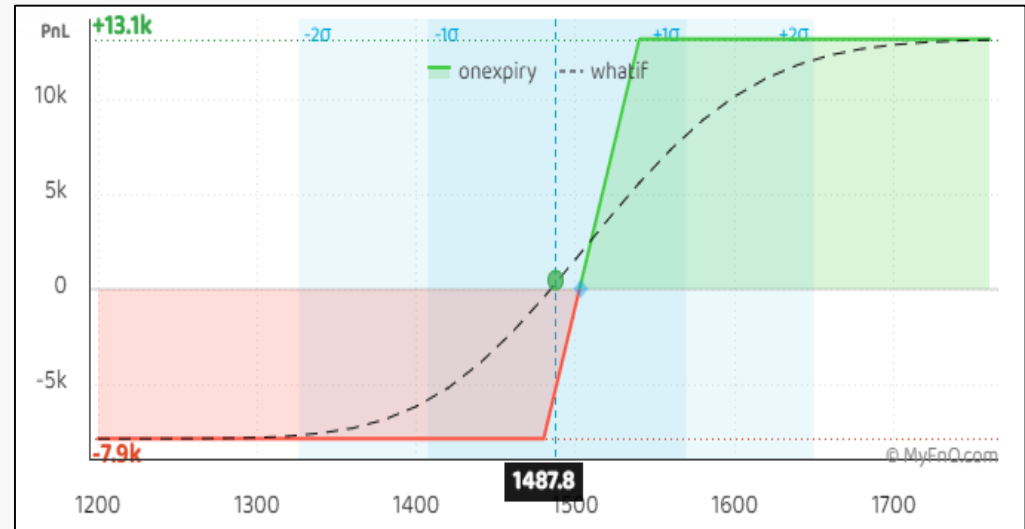


- **Strong Support Base:** Heavy Put OI buildup at 1400 and 1450 provides a solid support floor.
- **Bullish Trigger at 1500:** Aggressive Put short-covering (-228 OI) at 1500 signals renewed bullish momentum.
- **Upside Scope:** Major Call OI at 1600 (+374) and 1650 (+400) indicates upside beyond 1500, with resistance still distant.

Observations:

- **View:** **Bullish** based on the options skew, as compared to one day ago.
- **Seasonality:** Based on the past decade of data, the stock has **fallen** an average of **0.6%** (Best: 11%, Worst: -10%) **gaining** in **four** out of **10** occasions in Oct.
- Over the past decade, stock trends show 70% positivity in July while in Sept it outstands with 80%. Trends are tilted bias towards positive, with Oct and Nov being neutral, and Dec is closer to positive pattern.
- **Suggested Strategy:** **Bull Call Spread**
- **Bull Call Spread** is a strategy deployed when the view is that the price of the underlying will increase ahead of expiry, with both the profit and loss capped.
- It is a **net debit** strategy where there is a premium outflow, with the maximum loss capped at the premium paid.
- Traders could initiate this spread strategy to make modest returns amid limited risk and reward.

Recommendation	Strike Price	Range
Buy (1 lot)	1,480 Call	33-43
Sell (1 lot)	1,540 Call	12-16
Breakeven Point (BEP)	1,503	
Max Loss (-9)	-7,875	
Max Gain(+31)	13,125	



Kindly enter & exit all the legs in strategy together and square-off the strategy before session closes, Expiry 31 Oct 2024

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