

A Data-Driven Approach to Options Trading

Decoding the Market with the
LTP Calculator

 **Options Calculator**

Mr. Shailendra Singh Sengar



"Our Journey Today"

1



1. The Foundational Mindset

"Why psychology precedes strategy."

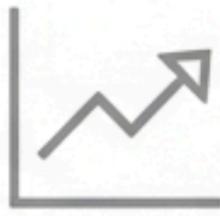
2



2. The Market's Language

"Decoding Volume, Open Interest, and the 'Imaginary Line.'"

3



3. The Method in Action

"A case study from the September 5, 2022 market."

4



4. The Six Scenarios Framework

"Your blueprint for identifying high-probability reversals."

"The Trader's Dilemma: Navigating Market Noise"

Most traders struggle with inconsistency and losses driven by:

Emotional Decisions: Fear and greed overpowering logic.

Lack of a System: Relying on gut feelings or lagging indicators.

Information Overload: Conflicting signals from charts and news.

Confusion



Clarity



> "Trading is not a day or week business. It's the implementation of a sequence of strategies." – Mr. Shailendra Singh Sengar

Our Objective: To build a foundational, data-driven system to make informed, high-probability decisions.

Before Strategy, Comes Psychology

Mr. Sengar's core principles for new traders are non-negotiable:



1. Embrace Patience

It takes **5-7 weeks** to grasp these concepts. Do not rush.



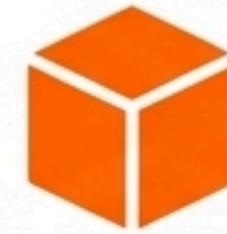
2. Learn Before You Earn

If you are losing money, **STOP** live trading. Dedicate this time purely to learning.



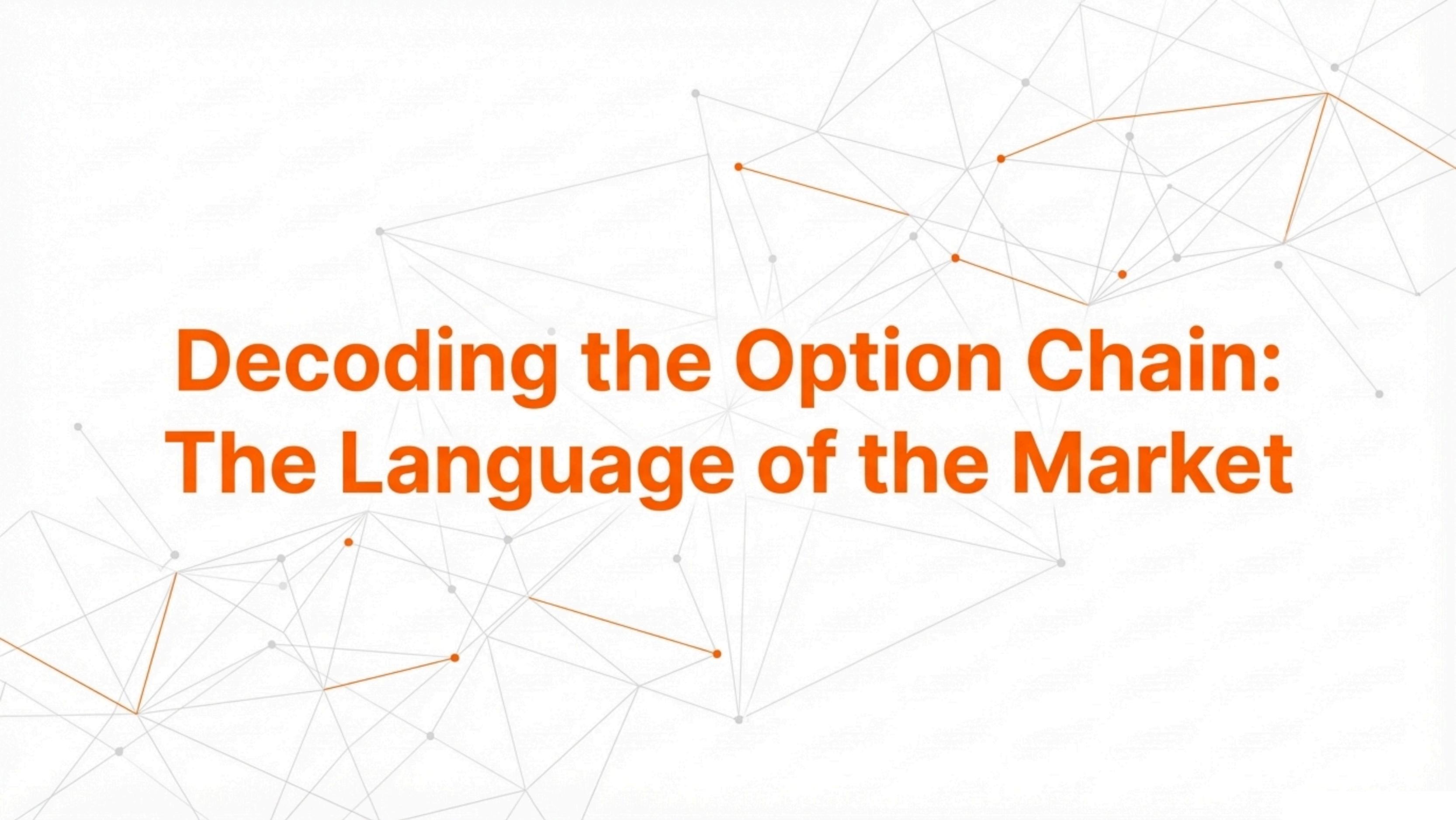
3. Practice is Paramount

Use a virtual trading app (**NIOTA, NeoStox**) to test the strategy and build confidence without risking capital.



4. Start with a Single Lot

Once you move to real money, trade with only one lot for the first six months to master risk and emotions.

The background features a complex network of grey nodes and lines, resembling a graph or a web. A specific path is highlighted in orange, consisting of several connected line segments and nodes. The path starts from the bottom left, moves towards the center, then towards the top right, and finally towards the right edge. The overall aesthetic is clean and modern, with a light grey background.

Decoding the Option Chain: The Language of the Market

Your GPS: The Imaginary Line

This is the central point of reference: **the current market price.**

- **What it is:** The live spot price of the index (e.g., Nifty).
- **Where it is:** Always located between two strike prices.
- If Nifty is at **17652**, the Line is between **17650** and **17700**.
- If Nifty is at **17648**, the Line moves to between **17600** and **17650**.



The Car Analogy:

Think of the Imaginary Line as a car. Your job is to predict if it will be driven **Bullish** (towards higher strikes) or **Bearish** (towards lower strikes).



The Traffic Signals: Volume vs. Open Interest

These two forces control the car's movement.



Volume

- * **What:** Total contracts traded today. Starts at 0 daily.
- * **Indicates:** Areas of high activity and interest.
- * **Analogy:** The active crowd, the temporary 'mela.'



Open Interest (OI)

- * **What:** Total open positions held by Writers. Carried over from previous days.
- * **Indicates:** Where 'big money' has committed its positions.
- * **Analogy:** The strong walls, the 'fortress.'

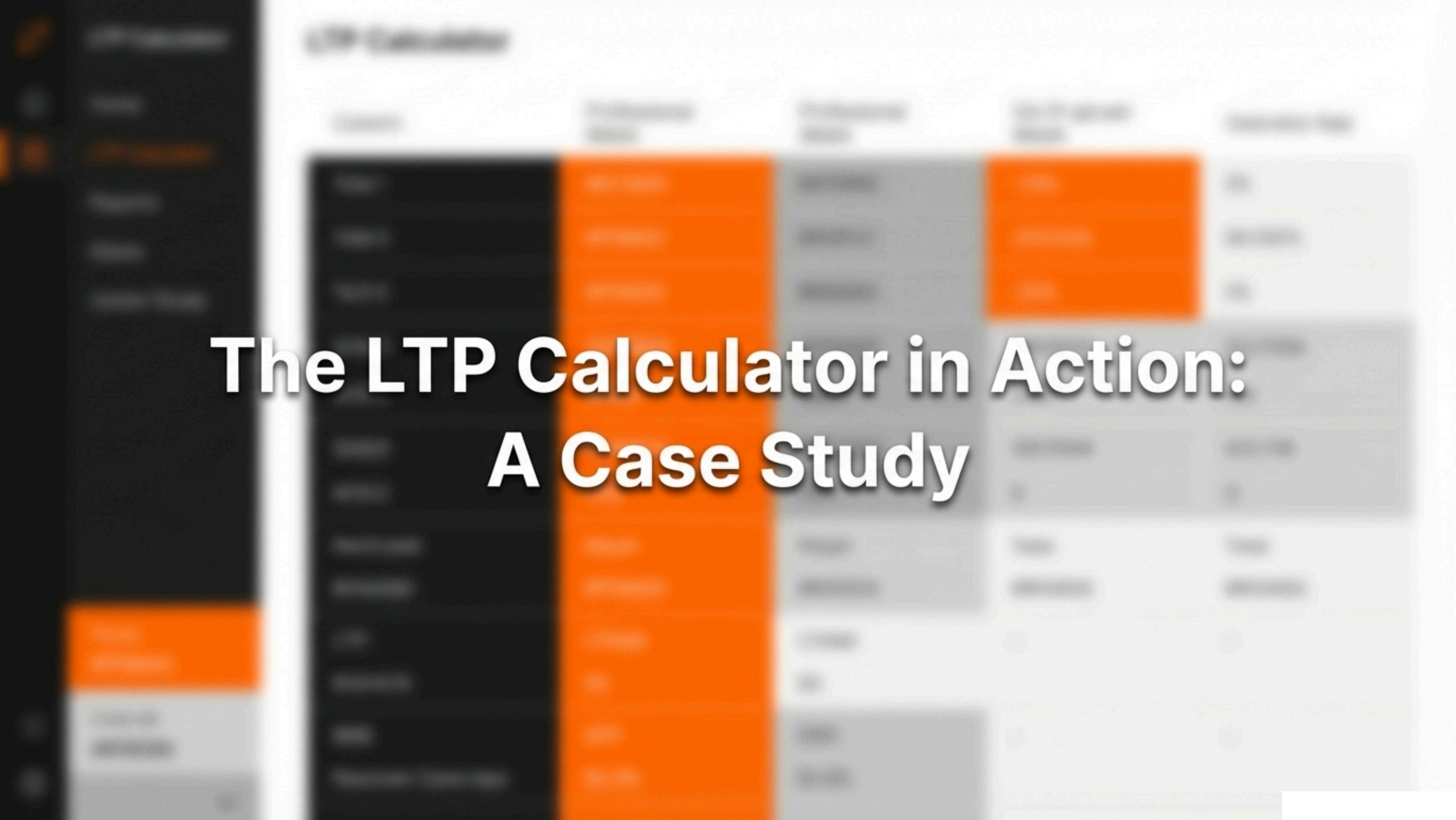
The Real-Time Story: OI Change



OI Change tells you if the 'fortress walls' are being **built stronger** or **torn down today**.

- **Green OI Change:** New writers are entering. They are confident the price won't cross this level. **The wall is getting stronger.**
- **Red OI Change:** Writers are exiting their positions. They are losing confidence. **The wall is getting weaker.**

Key Insight: Watching Volume, OI, and OI Change together reveals the true story of market conviction, far beyond what a price chart can show.



The LTP Calculator in Action: A Case Study

Case Study: The Morning Prediction (Sep 5, 2022)

The morning voice note provided a clear, data-driven plan based on the calculator's inputs.

Data Input (Morning Analysis)

- Support: Shifting UP from 17500 -> 17600
- Resistance: "Weak Towards Top" (WTT)
- Put Side OI: Steadily increasing
- Volume %: Decreasing (Bullish signal)

Resulting Thesis (The Plan)

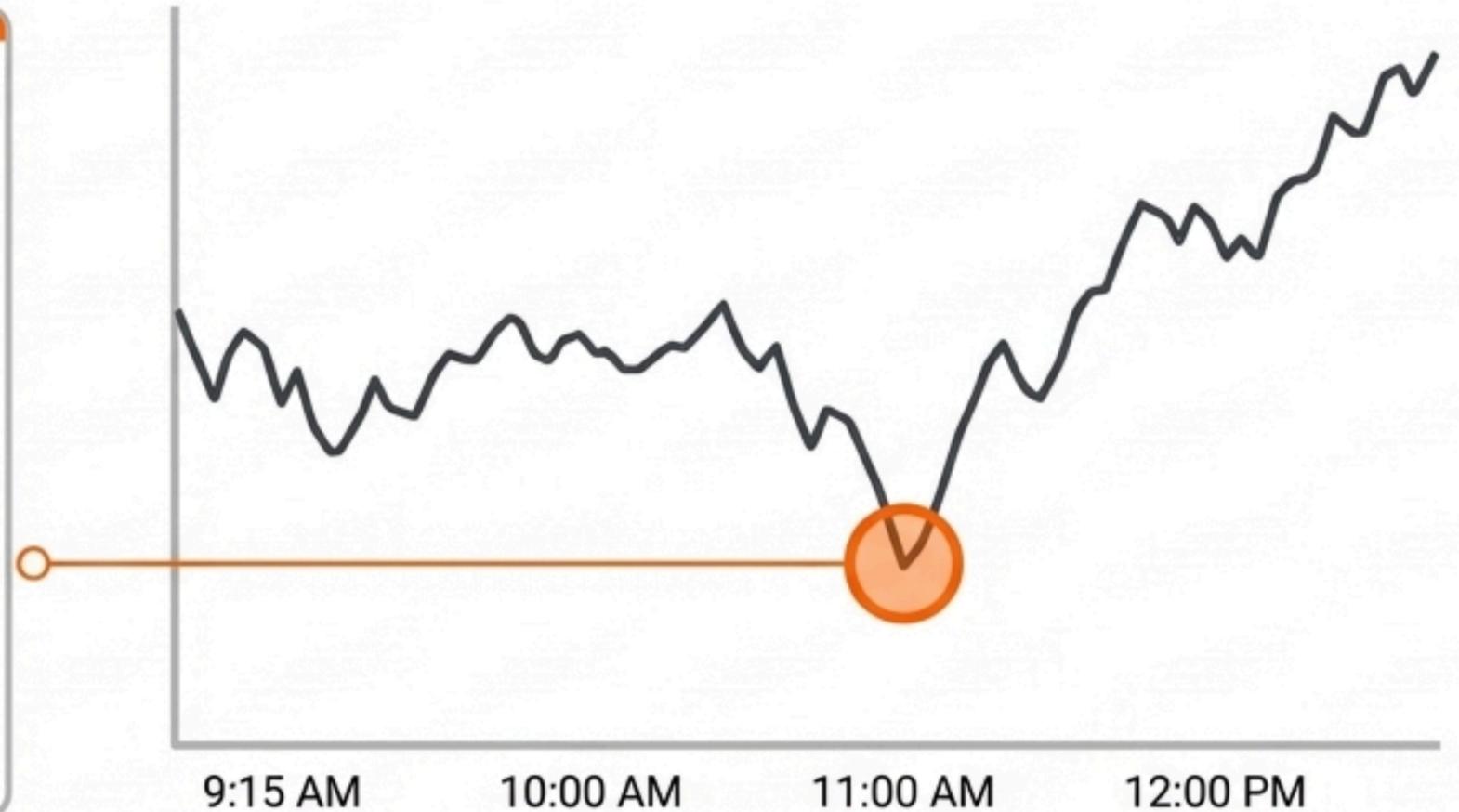
The data indicates a bullish day. The market is unlikely to fall significantly below 17600. Any major dip is a buying opportunity.

Look for entry at the **"Extension of Support."**

The Result: A High-Probability Reversal

At 10:50 AM, the data provided a precise entry point, confirming the bullish plan.

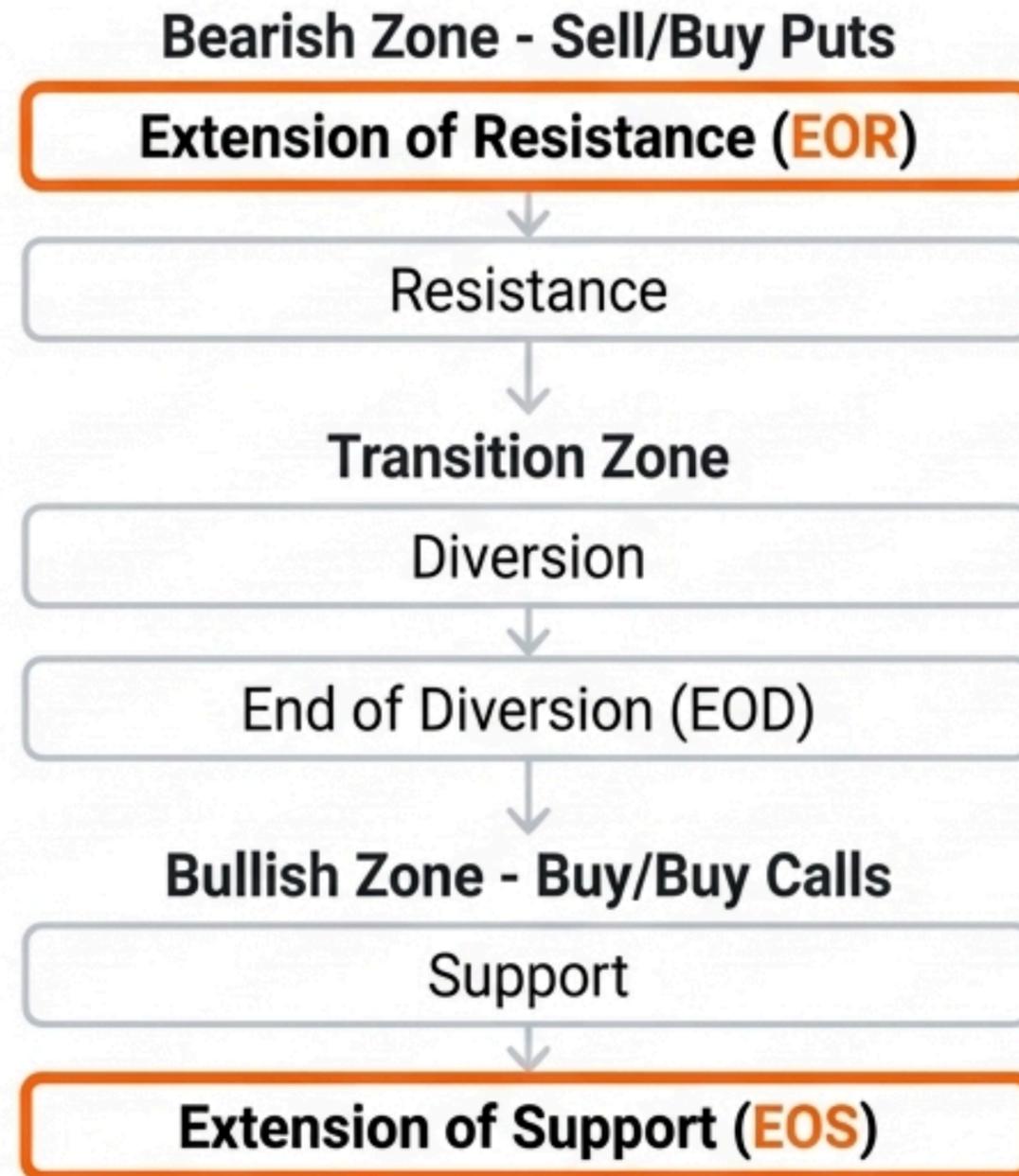
- **The Data Point:** The LTP Calculator showed the **Extension of Support** value was **~17,622**. 
- **The Market Action:** The market dipped, making a low of **17,618 at 11:00 AM**, and then reversed sharply upwards.



This was a **high-probability trade** because the entry was dictated by **underlying data strength**, not a lagging candle pattern. The **red candle** became a **'reason for happiness.'**

Your Framework: The Six Kinds of Reversals

The market moves between these six predictable points. Your job is to wait for the price to reach the highest probability zones.



The highest probability trades occur at the extremes: EOR and EOS.

Your Sleep Blueprint for Disciplined Trading



Mindset First, Strategy Second.

Discipline and patience are more valuable than any indicator.



Trust Data, Not Just Candles.

Learn to read Volume, OI, and OI Change to understand the real story behind price. A red candle can be a prime buying opportunity.



Trade at the Extremes.

The highest probability trades are at the **Extension of Support (EOS)** and **Extension of Resistance (EOR)**. Never chase the price.



Mastery Through Practice.

Perfect the system with virtual money before risking your capital.

Your Path to Mastery: Take the Challenge

Don't just believe it—prove it to yourself.



Your Next Step:

Using the LTP Calculator's historical data, go back to any trading day from the past week.

- Can you identify the **Extension of Support** and **Extension of Resistance** values for that day?
- Did the market react at those precise levels?

This practice is the key to building conviction in a data-driven system.



OptionsCalculator.live