RESEARCH REPORT

Research Report AS-RR-2026-02

DERIVATIVES RESEARCH | INDIA | INDEX OPTIONS

A Report on the 34,000+ Backtested Results on Nifty for Option Buying Based on Arko's Strategy

Timeframes, strengths, strikes, targets, stops, trailing stops and profit locks with re-entry: what works for the option buyer, and which setup to follow

Arko's Strategy Research | 11 November 2026

Buy the option, then manage it with a fixed target and a stop

We ran **34,534 backtests** of option **buying** on Arko's Strategy signals: a call is bought on a BUY signal and a put on a SELL signal. We tested five chart timeframes, both closing modes, nine strengths, fourteen ways of choosing the strike, weekly and monthly expiries, and more than 200 exit rules per setup.

Key findings

- The best setup earns **Rs 5,28,599** after costs on one lot, about **1.9x** the plain baseline (Rs 2,76,234), and is profitable in every year.
- It is the 5-minute chart, Shorter Closing, strength 5, buying the cheapest strike priced at Rs 250 or more, with a **+200 point target** and a **25% stop-loss**.
- A fixed target plus a stop beats every trailing stop and profit lock we tested, on every timeframe.
- Buying wins about one trade in three. Rules that push accuracy to 63-86% book profits too early and earn less.
- Re-entering after a profit lock rarely helps a buyer; same-day exits lose money.

STUDY AT A GLANCE

Instrument
Nifty 50 index options, bought (long call / long put)

Signals
Arko's Strategy; 3, 5, 10, 15, 30-minute charts

Period
11 Oct 2021 - 9 Nov 2026 (5 years)

Backtests
34,534

Size
1 lot, one position at a time

Costs
STT, exchange, SEBI, stamp duty, GST; zero brokerage; 1 tick slippage per order

Fills
Targets and stops checked against each minute's high and low

Best setup
5m Shorter s5, premium >= Rs 250, target +200 pts, SL 25%: Rs 5,28,599, accuracy 35.0%, max drawdown Rs 71,915

For education and research only. Not investment advice. Past performance does not guarantee future results.

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1. Executive summary

Rs 5.29 L	1.9x	35.0%	6 / 6	73.3%
Best profit after costs, 1 lot, 5 years	vs the plain baseline (no exit rule)	Accuracy of the best setup	Profitable years for the best setup	Highest accuracy that is profitable every year

Option buying has a simple shape: most trades lose a little and a few win a lot. Over five years and more than 34,000 backtests, the decisive question for a buyer was not when to enter, because the entries come from Arko's Strategy, but **which option to buy and how to get out**. The answers are consistent:

1. **Choose the strike by premium, not by moneyness.** Buying the cheapest strike whose premium is at least Rs 200-250 earns more than ATM, ITM or cheap out-of-the-money options. Plain ATM buying earns only Rs 1,66,545.
2. **Use a fixed points target with a 25% stop.** A +200 to +250 point target captures the large spikes that pay for all the small losses; a 25% stop limits the losers. This beat every trailing stop and every profit lock.
3. **Keep the 5-minute chart, Shorter Closing, strength 5.** It is the best signal setting for buying. 15-minute strength 1 and 3-minute Lengthy strength 7 are good alternatives; 30-minute Lengthy is negative or close to zero at every strength.
4. **Carry positions overnight.** Closing every trade by 15:15 lost money on every timeframe.
5. **High accuracy is available but costs profit.** Profit locks and tight trails push accuracy to 63-73% while staying profitable each year, but they earn Rs 1.6-3.0 lakh instead of Rs 5.3 lakh.

Exhibit 1: Recommended setups (after costs, realistic fills)

Setup	Profit	Accuracy	Max DD	Use when
5m Shorter s5 | premium >= 250 | target +200 pts | SL 25%	**5,28,599**	**35.0%**	**-71,915**	**Default: highest profit, every year positive**
15m Shorter s1 | premium >= 200 | target +250 pts | SL 25%	4,97,160	32.0%	-99,209	Fewer trades (about 1,400); slower chart
Monthly | 5m s5 | premium >= 100 | target +150% | SL 25%	4,16,977	33.2%	-43,976	Lowest drawdown
5m s5 | premium >= 200 | lock +10 pts keep 40% | 15-min re-entry	2,90,062	62.8%	-71,954	You prefer to win more often

Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs.

2. How the trade works

Arko's Strategy is a proprietary signal model on the Nifty 50 index chart. It produces a **BUY** signal (bullish), a **SELL** signal (bearish) and a **close** signal. The signal logic is not published; this report covers how to trade the signals by **buying** options.

- A **BUY** signal buys a **call** (CE); a **SELL** signal buys a **put** (PE). A buyer profits when the option's premium rises.
- A **close** signal sells the option. Only one position is open at a time; an opposite signal closes the existing position and opens the new one on the same candle.
- **Strike**: unless stated otherwise, the strike is the cheapest option whose premium is at least the stated amount (for example 'premium >= 250'), chosen at entry.
- **Weekly expiry**: every trade uses the nearest Nifty expiry. In the week when the monthly contract is the nearest expiry, the monthly contract is treated as that week's weekly expiry. 'Monthly' setups use the current monthly contract throughout.

- Positions are carried overnight until the strategy closes them, an exit rule fires, or expiry arrives (the position is then rolled to the next expiry).
- **Exit rules** are added on top of the strategy's own close signal; whichever comes first ends the trade.

2.1 Exit rules tested

Exhibit 2: Exit rule families

Rule	What it does	Settings tested
No exit rule	Hold until the strategy's close signal or expiry	-
Stop-loss	Sell if the premium falls by a set %	15-60%
Target (%)	Sell when the premium rises by a set %	+25% to +300%
Target (points) + stop	Sell at entry + N points, or at the stop	+100 to +300 pts; stop none / 20-40%
Trailing stop (%)	After a % gain, sell if the premium falls a set % from its high	start 10-100%, trail 10-50%, optional stop
Trailing stop (points)	After N points of profit, sell if the premium falls M points from its high	start 10-75 pts, trail 10-50 pts
Profit lock	After N points of profit, sell if the premium gives back more than a set share of the best profit	start 10-50 pts, keep 40-70%
Profit lock + re-entry	As above, then buy the same option again if the move resumes	after 15 min; +5 / +10 pts above exit; Nifty +20 pts
Same-day exit	Sell everything at 15:15 or 15:25; no overnight positions	with and without a stop

Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs.

3. Data and method

Option prices are one-minute prices for every Nifty 50 index option contract from 11 October 2021 to 9 November 2026, including the monthly contract in the weeks it serves as the weekly expiry. Every backtest trades one lot at the lot size in force on the trade date. All results are **after costs**: securities transaction tax at the rates in force on each date, exchange and SEBI fees, stamp duty and GST, with zero brokerage, as offered by several Indian brokers, plus one tick (Rs 0.05) of slippage on every order.

Realistic fills. Rules that react to a price level, such as targets and stop-losses, were re-checked against each minute's **high and low**, not only its closing price. A stop is filled at the stop price or worse when the price gaps through it, minus two further ticks; a target is filled at the target price; when both are touched in the same minute, the stop is assumed to fill first. All headline numbers for target-and-stop setups use these fills. Trailing stops and profit locks are evaluated on one-minute closing prices, as an alert-driven trader would execute them.

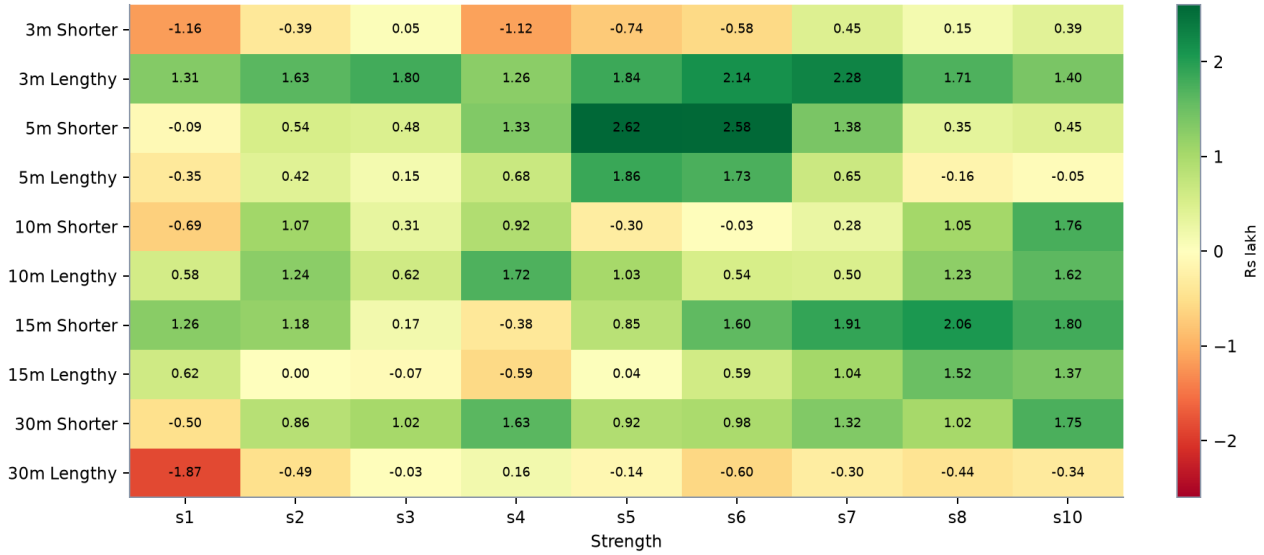
Robustness. A setup is only recommended when it is profitable in every calendar year and in both halves of the period (split on 15 April 2024), when neighbouring settings also work, and when it survives a second tick of slippage on every order.

- **Accuracy**: share of trades with a positive result before costs (the after-cost share is 0.0-1.1 percentage points lower; exhibits from the grid search show accuracy after costs, as stated under each).
- **Max drawdown (DD)**: the largest fall in cumulative profit from a previous high, in rupees.
- **Profit**: total profit after costs over the full period, one lot.

4. Signal settings: timeframe, closing mode and strength

We first ran the strategy with no exit rule, buying the cheapest option at Rs 100 or more, on every combination of chart timeframe (3, 5, 10, 15 and 30 minutes), closing mode (Shorter and Lengthy) and strength (1-8 and 10). The **5-minute chart, Shorter Closing, strength 5** is the best combination, with strength 6 next to it; this is the setting used for the rest of the study unless stated otherwise.

Exhibit 3: Profit after costs by signal setting (Rs lakh; no exit rule, premium >= Rs 100, weekly)



Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs.

- 3-minute works only with **Lengthy Closing**; with Shorter Closing it trades 4,000-7,000 times and costs eat the edge.
- 10- and 15-minute charts work best at high strengths (8-10), or at strength 1 on 15-minute Shorter.
- 30-minute **Lengthy Closing is negative or close to zero at every strength** (down to -Rs 1.87 lakh at strength 1) and should not be used for buying.

5. Which option to buy

With the signal setting fixed, the choice of option matters a great deal. Premium-based selection adapts to volatility: in calm markets it picks a strike near the money, in volatile markets one further out. Profit rises with the premium up to about Rs 200 and falls after Rs 250, as expensive options cost more per lot than they gain in speed.

Exhibit 4: Strike choice with no exit rule (5m Shorter s5)

Strike rule	Profit	Accuracy	Max DD	First half	Second half
Premium >= Rs 50	1,70,876	28.1%	-53,302	1,04,823	66,054
Premium >= Rs 75	2,14,310	29.5%	-64,795	1,34,146	80,164
Premium >= Rs 100 (saved baseline)	2,61,892	30.9%	-68,852	1,58,540	1,03,352
Premium >= Rs 125	2,99,048	31.8%	-72,768	1,73,331	1,25,717
Premium >= Rs 150	3,35,632	32.8%	-76,257	1,88,545	1,47,088
Premium >= Rs 175	3,50,703	33.5%	-80,412	2,01,412	1,49,291
Premium >= Rs 200	**3,55,347**	**34.0%**	**-83,360**	**1,98,490**	**1,56,857**
Premium >= Rs 225	3,35,402	34.2%	-84,997	1,93,692	1,41,710
Premium >= Rs 250	**2,87,234**	**34.5%**	**-87,489**	**1,71,057**	**1,16,178**
Premium >= Rs 300	1,21,736	35.1%	-90,158	83,851	37,885
ATM	1,42,384	29.0%	-90,130	1,06,610	35,774
ITM1	2,40,822	31.6%	-78,102	1,55,953	84,869
ITM2	2,70,974	32.8%	-82,542	1,84,032	86,942
ITM3	2,93,279	33.7%	-84,980	1,99,667	93,611
Monthly, premium >= Rs 100	3,81,329	33.2%	-51,711	1,32,790	2,48,540

Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs.

The monthly series earns more than weekly at the same premium (Rs 3,81,329) with a smaller drawdown, because monthly options lose value more slowly; most of its profit, however, comes from the second half of the period.

6. Exit management: the lever that matters

We applied every exit rule to the same trades (5m Shorter s5, premium >= Rs 200, weekly). The table shows the best setting in each family and how many settings in the family beat holding with no rule.

Exhibit 5: Best setting per exit family (premium >= Rs 200, 1-minute closes)

Exit family	Best setting	Profit	Accuracy	Max DD	Beat no rule
No exit rule	-	3,55,578	34.1%	-83,332	-
Stop-loss only	SL 20%	4,11,314	33.5%	-81,958	4 / 7
Target (%) only	+110%	4,65,184	34.1%	-83,332	9 / 11
Target (%) + stop	+110% / SL 20%	5,14,269	33.5%	-81,958	48 / 50
Target (points) + stop	**+225 pts / SL 20%**	**5,06,831**	**33.6%**	**-75,716**	**32 / 32**
Trailing stop (%)	start 50%, trail 20%, SL 30%	4,05,302	34.3%	-81,864	38 / 48
Trailing stop (points)	start 50 pts, trail 30 pts	4,39,934	38.3%	-77,906	12 / 25
App profit lock (% start)	start 20%, keep 50%	3,78,337	39.5%	-98,737	4 / 15
Profit lock, no re-entry	start 50 pts, keep 60%	4,45,434	38.5%	-77,660	3 / 12
Profit lock + re-entry	start 50 pts, keep 50%, 15-min re-entry	4,24,332	38.2%	-72,316	11 / 48
Same-day exit	exit 15:15, SL 30%	2,84,755	37.3%	-69,313	0 / 4

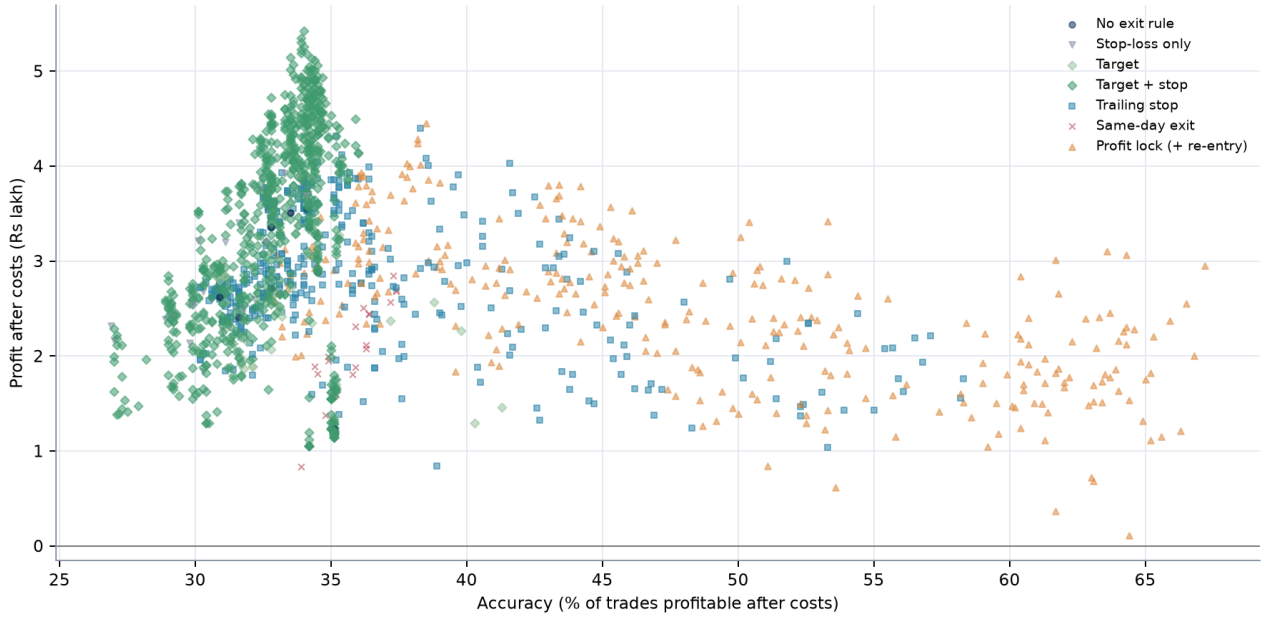
Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs.

Why a fixed target wins for a buyer. An option buyer is paid by a few large moves. A target placed +200 to +250 points above entry sells into those spikes while they last; a trailing stop instead waits for the premium to fall from its high, giving back 30-50 points on every winner, and with only one winner in three that give-back costs more than the trail saves. Profit locks raise accuracy to 38-45% but cut the winners short. Stops on their own add little: most losing trades are already ended by the strategy's close signal before a wide stop is reached.

Re-entry. Buying the same option again after a profit lock (after a 15-minute pause, after the premium moves 5-10 points above the exit, or after Nifty moves 20 points further) rarely beat locking without re-entry: the

re-entries catch moves that are already fading, and time decay works against every re-entry.

Exhibit 6: Accuracy against profit for every exit rule on weekly 5m signals (each point is one backtest)



Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs. 1-minute closing prices; target-and-stop points are slightly optimistic before the high/low check in Section 7.

7. Realistic fills and slippage

Targets and stops were re-tested against each minute's high and low. A 20% stop looks best on closing prices but is hit too often by brief dips once the lows are counted; **25-30% stops are the most reliable**. The leading setups lose little or even gain, because targets are also reached sooner on intraday highs.

Exhibit 7: Closing-price fills vs high/low fills (5m Shorter s5, weekly unless stated)

Setup	Closing prices	High/low fills	Accuracy	Max DD
Premium >= 250, target +200 pts / SL 25%	**4,95,179**	**5,18,373**	**34.5%**	**-71,853**
Premium >= 250, target +200 pts / SL 20%	5,11,025	4,93,042	33.9%	-70,392
Premium >= 250, target +200 pts / SL 30%	4,73,141	4,85,692	34.5%	-74,892
Premium >= 200, target +225 pts / SL 25%	4,85,168	4,77,615	33.7%	-73,109
Premium >= 225, target +250 pts / SL 20%	5,34,748	4,92,934	33.4%	-73,661
Premium >= 225, target +175 pts / SL 25%	5,00,291	4,56,270	34.1%	-72,788
Monthly Premium >= 100, target +150% / SL 25%	4,40,975	4,27,682	32.9%	-43,972
Premium >= 300, target +100 pts / SL 20%	4,49,296	3,32,712	35.8%	-61,230

Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs.

Exhibit 8: Slippage stress: one extra tick on every order (closing-price basis)

Setup	Trades	1 tick	2 ticks	Change
Premium >= 250, +200 pts, SL 25%	2,854	4,95,179	4,79,680	-3%
Premium >= 200, +225 pts, SL 25%	2,856	4,85,168	4,69,656	-3%
Monthly premium >= 100, +150%, SL 25%	2,788	4,40,975	4,25,822	-3%
Premium >= 200, points trail 10 / 50	2,846	4,31,855	4,16,411	-4%
Premium >= 200, lock 10 / keep 40%, re-entry	4,858	3,01,434	2,75,054	-9%
Premium >= 200, lock 10 / keep 60%, re-entry	5,610	2,55,058	2,24,680	-12%
Saved baseline (premium >= 100, no rule)	2,862	2,61,892	2,46,358	-6%

Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs. Profit locks with re-entry trade about twice as often, so slippage costs them two to three times as much.

8. Other timeframes

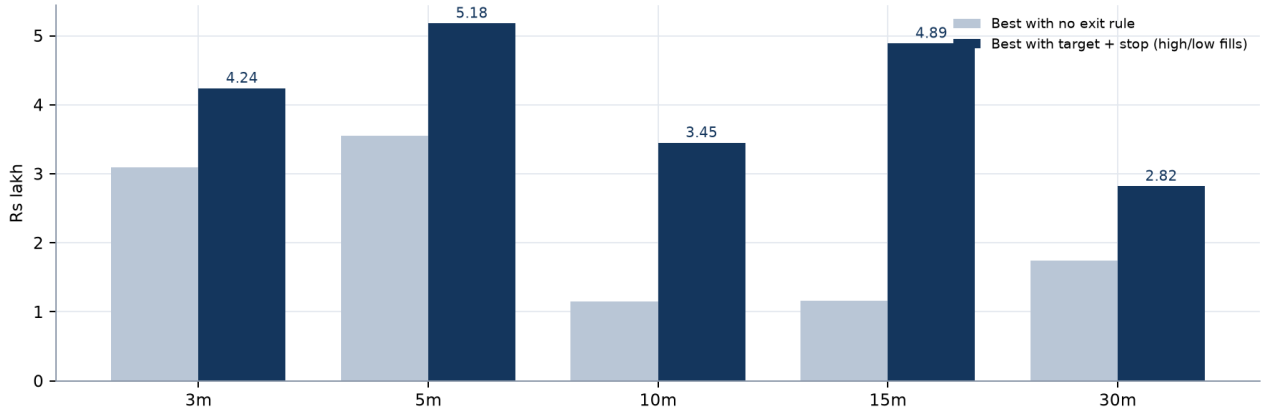
We repeated the full search on 3, 10, 15 and 30-minute charts: 176 signal and strike combinations (Shorter and Lengthy Closing; strengths 3, 5, 7, 8, 10, plus strength 1 on 15 and 30 minutes; weekly ATM, premium >= Rs 200, premium >= Rs 250 and monthly ATM), each with more than 200 exit rules, **31,504 backtests** in all. The best setup on each timeframe again uses a points target with a 25% stop.

Exhibit 9: Best setup per timeframe (high/low fills)

Chart	Setup	Profit	Acc.	Max DD	2021	2022	2023	2024	2025	2026
5m Shorter s5	**Premium >= 250, +200 pts, SL 25%**	**5,28,599**	**35.0%**	**-71,915**	**72.6k**	**96.0k**	**71.3k**	**66.6k**	**85.9k**	**136.2k**
15m Shorter s1	Premium >= 200, +250 pts, SL 25%	4,97,160	32.0%	-99,209	64.2k	17.8k	86.5k	17.3k	156.6k	154.7k
3m Lengthy s7	Premium >= 250, +200 pts, SL 25%	4,31,651	35.1%	-64,976	83.3k	50.5k	86.7k	79.2k	66.7k	65.2k
10m Lengthy s5	Monthly ATM, +200 pts, SL 25%	3,65,530	29.2%	-86,615	33.8k	4.6k	31.9k	36.1k	84.0k	175.0k
30m Shorter s10	Monthly ATM, +250 pts, SL 25%	2,75,351	29.2%	-53,879	11.2k	78.8k	2.8k	17.9k	127.3k	37.3k

Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs.

Exhibit 10: Best profit per timeframe: no exit rule vs target + stop (Rs lakh)



Source: Arko's Strategy Research, grid research on data from 11 Oct 2021 to 28 Oct 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. Accuracy in this exhibit = trades profitable after costs.

- **15-minute Shorter strength 1** is the strongest alternative (Rs 4,97,160, profitable every year), but 2022 and 2024 are thin (Rs 17.8k and Rs 17.3k) and its drawdown is larger.
- **3-minute Lengthy strength 7** is the steadiest alternative (Rs 4,31,651, every year Rs 50k or more); in the grid search neighbouring strengths 5, 8 and 10 also earned Rs 3.3-3.7 lakh on closing prices.
- 10- and 30-minute setups are profitable but depend on one or two strong years.

- Strength 1 on 30-minute Lengthy stays weak even with the best exit (Rs 0.63 lakh in the grid search).

9. ATM buying: the retail favourite

Most retail buyers buy the at-the-money option. On Arko's signals it is the weakest strike: weekly ATM options lose value fastest, and in 2025 plain weekly ATM buying lost Rs 50,296. The monthly ATM option with a profit lock is the best way to buy ATM.

Exhibit 11: ATM buying (5m Shorter s5, 1-minute closes)

Setup	Profit	Acc.	Max DD	2021	2022	2023	2024	2025	2026
Weekly ATM, no exit rule	1,66,545	29.4%	-90,130	49.1k	43.9k	35.9k	-0.9k	-50.3k	88.8k
Weekly ATM, lock +30 pts, keep 50%	2,91,282	37.2%	-95,975	53.8k	104.9k	37.7k	28.2k	-10.7k	77.5k
Weekly ATM, points trail start 30, trail 15	2,25,106	37.4%	-47,440	34.7k	70.8k	5.1k	-7.7k	31.0k	91.2k
Monthly ATM, no exit rule	2,44,093	32.2%	-73,123	55.9k	62.3k	33.5k	-4.9k	22.9k	74.4k
Monthly ATM, lock +30 pts, keep 50%	**2,94,948**	**39.1%**	**-67,625**	**56.7k**	**75.5k**	**40.8k**	**16.3k**	**49.9k**	**55.8k**
Monthly ATM, +125 pts target, no SL	3,40,026	32.4%	-68,891	50.1k	77.6k	42.8k	-2.6k	53.2k	119.0k

Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs.

Monthly ATM with a +30 point lock that keeps 50% of the best profit earns Rs 2,94,948 at 39.1% accuracy and beats plain monthly ATM in 5 of 6 years. Every re-entry rule made ATM results worse. Even so, buying by premium (Rs 250) earns about 1.8 times as much at a similar drawdown.

10. Accuracy versus profit

Accuracy for buying is naturally low: the best setups win 32-35% of trades. Average wins are more than twice the average loss, which is what makes them profitable. Accuracy can be raised by taking profits early, but every step up in accuracy gives away profit, because the rare large winners are cut short.

Exhibit 12: Highest-accuracy setups

Setup	Accuracy	Profit	Max DD	Avg win	Avg loss	Every year +
30m Lengthy s3 | premium >= 200 | lock +10 pts keep 60%	85.9%	1,51,186	-53,859	996	-4,037	No
30m Shorter s1 | premium >= 250 | points trail 30 / 20	73.3%	1,60,628	-57,349	2,147	-4,878	Yes
30m Shorter s10 | premium >= 250 | points trail 30 / 15	68.2%	2,29,552	-45,893	2,532	-4,143	Yes
3m Lengthy s7 | premium >= 200 | lock 10 / keep 50% | 15-min re-entry	65.9%	2,98,216	-79,687	954	-1,633	Yes
5m Shorter s5 | premium >= 200 | lock 10 / keep 40% | 15-min re-entry	62.8%	2,90,062	-71,954	1,015	-1,482	Yes
5m Shorter s5 | premium >= 250 | +200 pts | SL 25% (best profit)	**35.0%**	**5,28,599**	**-71,915**	**3,421**	**-1,528**	**Yes**

Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs. Lock and trail rows use 1-minute closes; the last row uses high/low fills.

- The highest accuracy found is **85.9%** (30-minute Lengthy s3 with a +10 point lock), but it earns only Rs 1.5 lakh and loses money in 2021: small profits are booked often, losers run to the full stop.
- The highest accuracy that is **profitable in every year** is **73.3%** (30-minute Shorter s1, points trail), earning Rs 1,60,628.
- The best balance of accuracy and profit is the 5-minute profit lock with a 15-minute re-entry: 62.8% accuracy and Rs 2,90,062. It trades about 4,900 times, so it is the most sensitive to slippage.
- For an option buyer, profit and drawdown, not accuracy, are the measures to optimise.

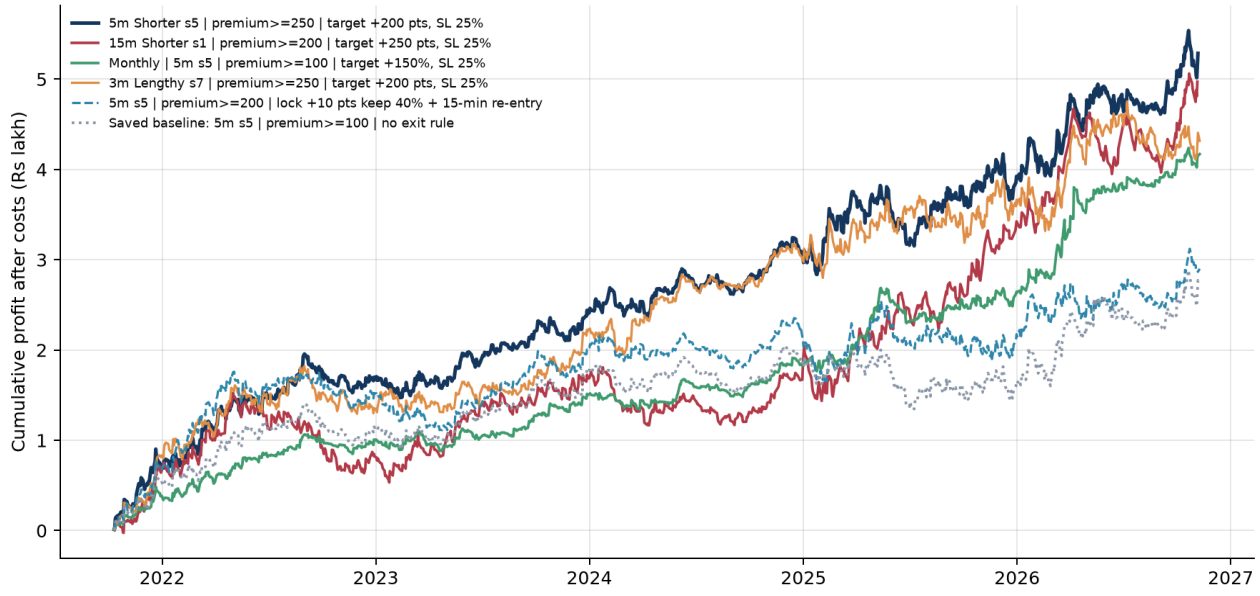
11. Recommended setups and playbook

Exhibit 14: Year-by-year profit after costs (Rs)

Rank	Setup	Total	Acc.	Max DD	2021	2022	2023	2024	2025	2026
1. Default	**5m Shorter s5 | premium >= 250 | target +200 pts | SL 25%**	**5,28,599**	**35.0%**	**-71,915**	**72.6k**	**96.0k**	**71.3k**	**66.6k**	**85.9k**	**136.2k**
2. Slower chart	15m Shorter s1 | premium >= 200 | target +250 pts | SL 25%	4,97,160	32.0%	-99,209	64.2k	17.8k	86.5k	17.3k	156.6k	154.7k
3. Close alternative	5m Shorter s5 | premium >= 200 | target +225 pts | SL 25%	4,92,159	34.2%	-73,131	62.1k	88.4k	55.4k	54.2k	99.9k	132.1k
4. Lowest drawdown	Monthly | 5m s5 | premium >= 100 | target +150% | SL 25%	4,16,977	33.2%	-43,976	38.6k	61.6k	49.9k	34.2k	80.3k	152.4k
5. Steadiest alternative	3m Lengthy s7 | premium >= 250 | target +200 pts | SL 25%	4,31,651	35.1%	-64,976	83.3k	50.5k	86.7k	79.2k	66.7k	65.2k
6. Higher accuracy	5m s5 | premium >= 200 | lock 10 / keep 40% | 15-min re-entry	2,90,062	62.8%	-71,954	67.7k	84.4k	47.6k	10.5k	7.4k	72.5k
Reference	Saved baseline: 5m s5 | premium >= 100 | no exit rule	2,76,234	31.1%	-68,852	53.4k	60.6k	62.3k	10.4k	-21.9k	111.4k

Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs. Rows 1-5 use high/low fills; rows 6-7 use 1-minute closes.

Exhibit 15: Cumulative profit after costs (Rs lakh)



Source: Arko's Strategy Research. Backtest, Nifty 50 index options, 11 Oct 2021 - 9 Nov 2026, 1 lot, statutory costs, zero brokerage, 1 tick slippage per order. 2021 = Oct-Dec only; 2026 = to 9 Nov. Accuracy = trades profitable before costs.

11.1 How a trade runs under the default setup

1. **Signal.** Arko's Strategy on the 5-minute Nifty chart (Shorter Closing, strength 5) gives a BUY or SELL signal.
2. **Strike.** Buy the call (BUY) or put (SELL) of the nearest weekly expiry whose premium is the lowest at or above Rs 250.
3. **Orders.** Immediately place a **limit sell at entry + 200 points** (target) and a **stop-loss sell at 75% of the entry price** (25% stop). Use a bracket or OCO order so that one cancels the other.
4. **Exit.** The trade ends at the first of: target, stop, the strategy's close or opposite signal. On an opposite signal, cancel the open orders and buy the other side.
5. **Overnight.** Hold overnight if none of these has happened; at expiry the position rolls to the next weekly contract with fresh target and stop orders.

6. **Expectation.** About one trade in three is a winner; long losing streaks of 15 trades occurred in the test. Size positions so that a drawdown of Rs 72,000 per lot is tolerable.

11.2 What each setup is for

- **Default**: highest profit, profitable every year, drawdown in line with the baseline.
- **15-minute strength 1**: half the number of trades, useful if you cannot watch a 5-minute chart; more uneven year to year.
- **Monthly**: lowest drawdown (Rs 44,000) and slower time decay; profit is concentrated in 2025-26.
- **3-minute Lengthy**: the steadiest year-by-year profile, on a faster chart.
- **Profit lock with re-entry**: wins six trades in ten, for traders who find long losing streaks hard to follow; it earns about 45% less and needs low-slippage execution.

12. Implementation notes and limitations

- **Order types.** The target should be a resting limit order; the stop should be a stop-loss order, ideally stop-limit with a wide limit, so a fast market does not leave the position unprotected.
- **Costs.** Results assume zero brokerage. At Rs 20 per order the default setup pays about Rs 1.15 lakh more over five years (2,871 trades x 2 orders x Rs 20).
- **Lot size.** The Nifty lot size changed several times during the period; results use the lot size in force on each trade date, so rupee results per year are not exactly comparable.
- **Data.** Option prices are one-minute prices. Fills inside a minute were modelled conservatively, but real fills in illiquid strikes or around news can be worse.
- **Fitting.** The best settings were chosen after looking at the full period. We reduced the risk of over-fitting by requiring every year and both halves to be profitable, by checking neighbouring settings and by stress-testing slippage, but future results will differ.
- **Scope.** This report covers Nifty only. Bank Nifty, Fin Nifty, Midcap Nifty and Sensex were not part of this study.

Disclaimer. This report is for education and research only and is not investment advice. Options trading involves substantial risk of loss, and option buyers can lose the whole premium paid. Backtested results are simulated trades on actual historical option prices, do not reflect actual trading, and past performance does not guarantee future results.