



Bajaj Auto Stock Outlook – August 2025 Expiry

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Overview

This report provides an outlook for **Bajaj Auto Ltd. (NSE: BAJAJ-AUTO)** for **August 28, 2025 expiry**. With the current market price at ₹8,240, our analysis combines technical indicators, options data, fundamental performance, and real-time sentiment to deliver actionable strategies along with probability estimates.

Price Action & Technical View

- **Recent Trend:** Bajaj Auto broke below key support at ₹8,500 and is now consolidating between ₹8,185–₹8,261.
- **Support Levels:** ₹8,000 (strongest put open interest zone)
- **Resistance Levels:** ₹8,500 (now acting as resistance), ₹9,000 (highest call OI)
- **Key Indicators:**
 - EMA Crossovers (14-day & 20-day): Bullish
 - 75 Mins Supertrend: bullish
 - Futures Price (₹7,986.50) < Spot Price → mild bearish divergence

Options Data Summary (As of Aug 8, 2025)

ATM Call IV: 20.98% | ATM Put IV: 20.72%
Greeks Snapshot (ATM Call ₹8,200): Delta ~ +0.58
Open Interest:
Calls: 12.12 lakh | Puts: 7.96 lakh
Highest Call OI: ₹9,000 | Highest Put OI: ₹8,000

Registered Office: RAPFIN Advisory LLP, Wework, 10th Floor NESCO IT Park, North Wing, Building No 4,
Western Express Highway, Goregaon East Mumbai 400063



Fundamental Highlights

Q1 FY26 Results:

Revenue: ₹13,133 crore (↑10% YoY)

Net Profit: ₹2,210 crore (↑14% YoY)

Sales Performance (July):

Exports: ↑28% YoY

Domestic sales: ↓13% YoY

Commercial vehicle sales: ↑23%

Strategic Investments: ₹7,200 crore in KTM to expand international footprint

Dividend: ₹210 per share for FY25 (2.55% yield)

Challenges: EV production may halt in August due to rare earth shortages

Market Sentiment & Risks

- **Positive Triggers:**

Export momentum

Bullish technical structure

Stable crude prices (margin tailwind)

- **Risks:**

EV supply chain disruptions

Global trade tensions

Weak domestic sales

Probability Estimates for Expiry (August 28, 2025)

Outcome	Probability	Price Range	Key Rationale
Upside	55%	Above ₹8,240	EMA crossovers, export growth, positive options data (PCR)
Downside	35%	Below ₹8,240	Futures price < spot, EV production risks
Sideways	10%	₹7,828–₹8,652 (±5%)	High IV and consolidation zone suggest neutral behavior possible



Recommended Strategies

1. Long Call Strategy

- **Action:** Buy ₹8,300 or ₹8,400 calls (Aug expiry)
- **Rationale:** Beneficial under bullish breakout; high IV supports movement
- **Probability of Profit Estimate:** ~55%
- **SL:** ₹8,000

2. Bull Call Spread

- **Action:** Buy ₹8,200 call, Sell ₹8,500 call
- **Benefit:** Lower cost, capped loss
- **Probability of Profit Estimate:** ~60%
- **Max Profit:** ₹300 – Net Premium Paid

3. Futures + Protective Put

- **Action:** Buy futures at ₹7,986.50; hedge with ₹8,000 put
- **Probability of Profit Estimate:** ~55%
- **Rationale:** Captures upside, limits downside

Conclusion

Bajaj Auto is looking like a cautiously optimistic bet for the August expiry, with a 55% chance of an upside on the basis of technical indicators, solid export numbers, and strong fundamentals backing it up. Use of **call options or bull spreads** is recommended, with defined stop-losses and volatility hedging via protective puts.

About RAPFIN Advisory

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