



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,81,982	16,377.67
Vol Futures	0	0
Stock Futures	4,91,511	25,245.74
Index Options	29,24,781	1,73,728.21
Stock Options	2,93,532	15,425.71
F&O Total	39,91,806	2,30,777.34

FII Derivatives Statistics

	OI at end of the day		Contract	Amount	Inflow / Outflow
	Buy	Sell			
Index futures	1506.29	2121.90	282821	16979.91	-615.61
Index options	20143.73	19494.61	1046057	63025.58	649.11
Stock futures	4018.41	5405.42	1064617	52199.57	-1387.02
Stock options	2749.27	2752.95	97188	4973.79	-3.68
Net Inflow/Outflow (Cr)					-1357.19

Securities in Ban Period

RCOM, CANBK & INDIACEM

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	8080	8000
Resistance	8300	8400

Nifty View for the Day

Now index has to cross and hold above 8180 zones to witness an up move towards 8260 then 8320 levels while a hold below 8100 may drag it towards 8020-8000 zones.

Quote for the day

"STOP DOUBTING YOURSELF, WORK HARD AND MAKE IT HAPPEN."

Activity Tracking

Stocks (Long Position)	Remarks
Mcleodruss, Ambujacem, KPIT	
SRF, Drreddy, Unitech	Suggesting strength in these counter
Indiacem, Gmrinfra, Kotakbank	
Stocks (Short Covering)	Remarks
Hindzinc, Hexaware, BPCL	
Infratel, UPL, Southbank	Suggesting strength in these counter
GAIL, Dabur, Auropharma	
Stocks (Short Position)	Remarks
Apollohosp, NCC, Cipla	
Bataindia, BHEL, Granules	Suggesting weakness in these counter
Icicibank, PNB, Tatasteel	
Stocks (Long Liquidation)	Remarks
Bajfinance, IOB, Jswenergy	
OIL, RCOM, Federalbnk	Suggesting weakness in these counter
Pageind, CESC, Canbk	

Activity in F&O

Nifty future closed negative at 8130.65 levels. Nifty future OI decreased by 2.76% with a fall in price by 0.73%. The premium remained unchanged at 20 points as compared to the premium of previous trading session. Market witnessed selling pressure in Metal, Banking and Realty sector stocks while buying interest was seen in Media and Pharma sector stocks. The market turnover decreased by 10.31% in terms of number of contracts traded vis-à-vis previous trading day and also in terms of rupees it decreased by 11.23%.

Indication

Put Call Ratio based on Open Interest of Nifty fell down from 1.12 to 1.11 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.84 to 15.73 levels while Implied Volatility moved up from 15.02 to 16.14 levels.

Conclusion

Nifty future opened negative and drifted towards 8082 levels. However due to support base buying it managed to close above 8100 levels. On the option front, maximum Put OI is at 8000 followed by 8100 strike while maximum Call OI is at 8300 followed by 8400 strike. OI concentration suggests a broader trading range between 8000 to 8300 levels. Fresh Put writing at 8000 strike may continue to hold the market above 8000 zones while fresh Call writing at 8100 strike is a cause of concern for bulls and needs unwinding to witness a follow up buying else it may again tumble down from higher levels to revisit major support zones. Now index has to cross and hold above 8180 zones to witness an up move towards 8260 then 8320 levels while a hold below 8100 may drag it towards 8020-8000 zones. Bank Nifty opened negative and fell down below 17500 zones. It witnessed liquidation of long position and now has support near to 17350 while string hurdle exists at 17750 then 18000 zones.

Future STT Call



RELIANCE : Rs.982

Execution Price Range	Stop Loss	Target
Buy Between Rs. 960 to Rs. 970	945	1011

RELIANCE has formed a positive price structure and held onto its gains from last eleven trading sessions even after profit taking seen in broader market. It has been witnessing short covering activities followed by built up of long position. It surpassed its hurdle of 980 levels and gave the highest daily close of last twenty one trading sessions. Thus one can buy the stock with the stop loss 945 for the upside target of 1011 levels.

Future STT Call



SYNDIBANK: Rs.66.35

Execution Price Range	Stop Loss	Target
Sell Between Rs.68 to Rs.68.50	71	63

SYNDIBANK failed to cross its multiple hurdle of 68 levels and started to decline as the dominance of bears gripped the counter. It has been witnessing built up of short position and these shorts are intact in the counter with short rollover from previous series to current series. It has a tendency of witnessing selling pressure at every resistance levels and now a continuation in selling pressure towards 63 and lower levels may be seen. So, recommending selling the stock with the stop loss of 71 for the downside target of 63 levels.

Graphic Snapshot

%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		% Rollovers	
UNITECH	17.07	CAIRN	-4.40	NIFTY	182,290	MCLEODRUSS	629.45	SOUTHBANK	27.81
JPASSOCIAT	12.20	JINDALSTEL	-3.86	BANKNIFTY	98,745	TATAGLOBAL	374.78	BPCL	12.65
MCLEODRUSS	6.37	TATAMTRDVR	-3.56	SBIN	29,027	UNITECH	258.15	SAIL	12.12
INDIACEM	3.78	ICICIBANK	-3.52	ICICIBANK	18,117	INDIACEM	208.01	JPASSOCIAT	11.85
SRF	3.56	IDFC	-3.42	TATAMOTORS	17,120	TATAPOWER	153.08	HERMOTOCO	11.6
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Limit	
MCLEODRUSS	17.75	BANKNIFTY	-8.27	UNITECH	1.05	CANBK	-3.66	INDIACEM	98.03
AMBUJACEM	15.24	S&P500	-7.36	JPASSOCIAT	0.73	SOUTHBANK	-1.95	CANBK	91.28
DJIA	14.62	HINDALCO	-5.43	DISHTV	0.71	JUSTDIAL	-1.90	JPASSOCIAT	90.19
APOLLOHOSP	10.40	BAJFINANCE	-4.66	CESC	0.70	ICICIBANK	-1.48	RCOM	85.34
KPIT	9.59	IOB	-4.06	SRTRANSFIN	0.64	UNIONBANK	-1.18	IBREALST	85.21
Options		Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)	
		NIFTY,30-JUN-16,C,8200	246360	BANKNIFTY,28-JUL-16,C,17500	26,200	NIFTY,30-JUN-16,P,8000	280,016	NIFTY,25-AUG-16,P,7400	2,619
		NIFTY,30-JUN-16,C,8300	192991	NIFTY,29-SEP-16,C,9000	6,213	NIFTY,30-JUN-16,P,8100	240,873	NIFTY,28-JUL-16,P,7200	2,301
		NIFTY,30-JUN-16,C,8400	154049	BANKNIFTY,16-JUN-16,C,17400	6,020	NIFTY,30-JUN-16,P,7900	134,961	MCLEODRUSS,30-JUN-16,P,180	2,300
		NIFTY,30-JUN-16,C,8100	136036	BANKNIFTY,16-JUN-16,C,17600	4,376	NIFTY,30-JUN-16,P,7800	100,669	TATAMOTORS,30-JUN-16,P,380	1,122
		NIFTY,30-JUN-16,C,8500	88418	HDFC,30-JUN-16,C,1200	3,814	NIFTY,30-JUN-16,P,8200	98,962	TATAGLOBAL,30-JUN-16,P,120	748
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
		BANKNIFTY,16-JUN-16,C,17400	5,675	BANKNIFTY,30-JUN-16,C,18300	-38	NIFTY,29-DEC-16,P,10000	245	HDFC,30-JUN-16,P,1240	-61
		TATAMOTORS,28-JUL-16,C,480	5,350	NIFTY,30-JUN-16,C,8550	-37	BANKNIFTY,16-JUN-16,P,17100	238	BANKNIFTY,16-JUN-16,P,17700	-57
		MCLEODRUSS,30-JUN-16,C,220	3,550	BANKNIFTY,30-JUN-16,C,19000	-32	BANKNIFTY,23-JUN-16,P,17500	204	NIFTY,30-JUN-16,P,8600	-47
		BANKNIFTY,16-JUN-16,C,17600	1,611	AUROPHARMA,30-JUN-16,C,820	-29	HDFC,30-JUN-16,P,1220	199	BANKNIFTY,16-JUN-16,P,17800	-47
		MCLEODRUSS,30-JUN-16,C,210	1,460	BANKNIFTY,16-JUN-16,C,18400	-25	BANKNIFTY,16-JUN-16,P,16500	164	AUROPHARMA,30-JUN-16,P,740	-43

Derivatives Lesson: LONG BUTTERFLY STRATEGY

- The butterfly spread is a neutral strategy that is a combination of a bull spread and a bear spread. It is a limited profit, limited risk options strategy. There are 3 striking prices involved in a butterfly spread and it can be constructed using calls or puts.
- Long butterfly spreads are entered when the investor thinks that the underlying stock will not rise or fall much by expiration. Using calls, the long butterfly can be constructed by buying one lower striking in-the-money call, writing two at-the-money calls and buying another higher striking out-of-the-money call. A resulting net debit is taken to enter the trade.
- $\text{Max Profit} = \text{Strike Price of Short Call} - \text{Strike Price of Lower Strike Long Call} - \text{Net Premium Paid} - \text{Commissions Paid}$
- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- $\text{Upper Breakeven Point} = \text{Strike Price of Higher Strike Long Call} - \text{Net Premium Paid}$
- $\text{Lower Breakeven Point} = \text{Strike Price of Lower Strike Long Call} + \text{Net Premium Paid}$

Trading Laws:

- A Trader not observing STOP LOSS cannot survive for long.
- Never re-schedule your stop loss, square up first and then take a fresh view.
- Book small losses by buying / selling near support / resistance, and look for big gains, this will maximize the gains.
- Don't try to anticipate the change in main trend, so don't go against trend

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