



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,58,511	15,015.96
Vol Futures	0	0
Stock Futures	4,59,655	23,478.03
Index Options	25,55,899	1,50,600.05
Stock Options	2,53,530	13,029.50
F&O Total	35,27,595	2,02,123.54

FII Derivatives Statistics

	OI at end of the day		Inflow /	
	Buy	Sell	Contract	Amount
Index futures	1601.03	3481.97	250805	15019.96
Index options	19596.08	19192.24	1062895	64017.11
Stock futures	3944.34	4118.60	1072923	52820.11
Stock options	2202.31	2188.84	101042	5197.80
Net Inflow/Outflow (Cr)				-1637.91

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 its immediate hurdle of 8150 zones to attract buying interest towards 8220-8242 levels while holding below 8060 may drag it towards psychological 8000 zones.

News for the day

Bharti Infratel will buy back 47 million shares for Rs. 425 each in a deal valued at Rs. 2,000 crore, in a bid to return surplus funds back to shareholders, a regulatory filing by the company. Information dated June 11, 2016, the shareholders of the company have approved the proposal to buy back fully paid-up equity shares of the company from existing shareholders on a proportionate basis through tender offer process.

Activity Tracking

Stocks (Long Position)	Remarks
IGL, SAIL, PNB	
Suntv, Andhrabank, Unionbank	Suggesting strength in these counter
Bankindia, Dabur, DHFL	
Stocks (Short Covering)	Remarks
Jpassociat, Canbk, Cipla	
Apollotyre, STAR, NHPC	Suggesting strength in these counter
Eichermt, Tatamotors, Tvsmotor	
Stocks (Short Position)	Remarks
Heromotoco, Castrolind, Hindunilvr	
M&Mfin, KPIT, Tataglobal	Suggesting weakness in these counter
HDFC, IOC, Cairn	
Stocks (Long Liquidation)	Remarks
Indiacem, Asianpaint, ZEEL	
Mcleodruss, ACC, Biocon	Suggesting weakness in these counter
TCS, Ultracemco, Grasim	

Activity in F&O

Nifty future closed negative at 8120.55 levels. Nifty future OI decreased by 7.02% with a fall in price by 0.12%. It closed at the premium of 12 points as compared to the premium of 20 points in previous trading session. Market witnessed selling pressure in IT and Media sector stocks while buying interest was seen in Bank, Auto, Financial services, FMCG, Metal and Pharma sector stocks. The market turnover decreased by 11.62% in terms of number of contracts traded vis-à-vis previous trading day and also in terms of rupees it decreased by 12.41%.

Indication

Put Call Ratio based on Open Interest of Nifty fell down from 1.11 to 1.09 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.73 to 15.26 levels while Implied Volatility moved up from 16.14 to 16.78 levels.

Conclusion

Nifty future opened on a flattish note and fell below its previous sessions low levels. However it pared most of the losses and managed to end the session above 8100 levels. India VIX has been moving upwards from last five trading sessions and now at 17.19 levels, which indicates a volatile swing might be seen in the market and option writers are charging more premium by looking at Global volatility. On the option front, Maximum Put OI is at 8000 followed by 8100 strike while maximum Call OI is intact at 8300 followed by 8400 strike. We have seen Call writing at 8100, 8200, 8300 and 8400 strikes while Put unwinding at 8000 and 8100 strikes are not giving much comfort to stay long in the market. Now index has to cross and hold its immediate hurdle of 8150 zones to attract buying interest towards 8220-8242 levels while holding below 8060 may drag it towards psychological 8000 zones. Bank Nifty opened positive and now it has support near to 17500 while string hurdle exists at 17750 then 18000 zones.

Future STT Call



VOLTAS : Rs. 331

Execution Price Range	Stop Loss	Target
Buy Between Rs. 324 to Rs. 327	319	340

VOLTAS has taken support and snapped the losses of previous two trading sessions. It is moving after the long consolidation of last two weeks. The current price structure indicates an up move towards 340 and higher levels. So recommending to buy the stock with the stop loss of 319 for the upside target of 340 levels.

Future STT Call



UNIONBANK: Rs. 120.70

Execution Price Range	Stop Loss	Target
Buy Between Rs.118 to Rs. 119	116	123.50

UNIONBANK stock has formed an attractive price pattern and is gradually rising after taking multiple supports around 104 zones and negated its long term trend of making lower top- lower bottom formation. It is witnessing short covering as well as built up of long position. Thus one can buy the stock to grab the opportunity of attractive risk reward ratio with the stop loss 116 for the upside immediate target of 123.50 levels.

Graphic Snapshot

%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		% Rollovers	
JPASSOCIAT	15.22	KPIT	-5.47	NIFTY	167,237	IGL	788.29	SOUTHBANK	28.31
ADANIENIT	8.56	SRF	-2.50	BANKNIFTY	90,400	PETRONET	434.05	HEROMOTOCO	17.93
PNB	7.71	ULTRACEMCO	-1.91	SBIN	31,102	AJANTPHARM	421.90	JPASSOCIAT	13.05
UNITECH	7.29	ICIL	-1.68	TATAMOTORS	15,367	CASTROLIND	233.33	BPCL	12.79
IDBI	5.35	CASTROLIND	-1.68	ICICIBANK	13,876	CUMMINSIND	212.00	CANBK	11.96
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Limit	
IGL	39.30	DJIA	-27.35	ANDHRABANK	0.78	CANBK	-3.45	JPASSOCIAT	92.42
HEROMOTOCO	11.08	INDIACEM	-8.08	JINDALSTEL	0.62	SOUTHBANK	-1.94	INDIACEM	89.16
SAIL	10.42	NIFTY	-7.02	PTC	0.62	JUSTDIAL	-1.73	IBREALEST	87.11
CEATLTD	7.94	JPASSOCIAT	-6.89	NCC	0.61	ICICIBANK	-1.51	CEATLTD	87.09
PNB	7.36	CANBK	-5.40	PIDILITIND	0.61	PNB	-1.28	CANBK	86.17
Options		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
NIFTY,30-JUN-16,C,8200	227775	IGL,30-JUN-16,C,620	19,186	NIFTY,30-JUN-16,P,8000	226,150	JPASSOCIAT,30-JUN-16,P,7.5	5,480		
NIFTY,30-JUN-16,C,8300	191804	NIFTY,25-AUG-16,C,7900	11,550	NIFTY,30-JUN-16,P,8100	193,176	NIFTY,25-AUG-16,P,8300	3,853		
NIFTY,30-JUN-16,C,8100	130694	PNB,30-JUN-16,C,95	8,143	NIFTY,30-JUN-16,P,7900	115,211	IGL,30-JUN-16,P,580	3,567		
NIFTY,30-JUN-16,C,8400	114740	PNB,30-JUN-16,C,100	5,667	NIFTY,30-JUN-16,P,7800	81,317	PNB,30-JUN-16,P,87.5	3,475		
NIFTY,30-JUN-16,C,8500	71807	PNB,30-JUN-16,C,92.5	4,417	BANKNIFTY,16-JUN-16,P,17500	71,731	BANKNIFTY,23-JUN-16,P,17000	1,557		
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
NIFTY,25-AUG-16,C,7800	2,478	PNB,30-JUN-16,C,82.5	-50	IGL,30-JUN-16,P,600	1,767	MARUTI,30-JUN-16,P,3950	-26		
IGL,30-JUN-16,C,640	900	CIPLA,30-JUN-16,C,490	-40	PNB,30-JUN-16,P,87.5	1,029	MARUTI,30-JUN-16,P,4150	-24		
NIFTY,25-AUG-16,C,7900	800	PNB,30-JUN-16,C,85	-37	JPASSOCIAT,30-JUN-16,P,7.5	1,018	AXISBANK,30-JUN-16,P,530	-24		
BANKNIFTY,23-JUN-16,C,17500	781	IDBI,30-JUN-16,C,67.5	-35	BANKNIFTY,23-JUN-16,P,17000	900	ASIANPAINT,30-JUN-16,P,980	-16		
IGL,30-JUN-16,C,620	776	CIPLA,30-JUN-16,C,480	-32	NIFTY,25-AUG-16,P,8300	592	BPCL,30-JUN-16,P,1000	-16		

Derivatives Lesson: BULL CALL SPREAD

- A bull call spread is constructed by buying a call option, and selling another out-of-the-money (OTM) call option. Often the call with the lower strike price will be in-the-money while the Call with the higher strike price is out-of-the-money. Both calls must have the same underlying security and expiration month.
- The net effect of the strategy is to bring down the cost and breakeven on a Buy Call (Long Call) Strategy. This strategy is exercised when investor is moderately bullish to bullish, because the investor will make a profit only when the stock price / index rise.
- If the stock price falls to the lower (bought) strike, the investor makes the maximum loss (cost of the trade) and if the stock price rises to the higher (sold) strike, the investor makes the maximum profit.
- $\text{Max Profit} = \text{Strike Price of short call} - \text{Strike Price of Long Call} - \text{Net Premium Paid}$
- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- $\text{Breakeven Point} = \text{Strike Price of Purchased Call} + \text{Net Debit Paid}$

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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