

November 9, 2017

## Derivatives Strategy – Positional Option

Buy Wockhardt Ltd November 720 Call for target of ₹ 60

### Positional Option

Underlying	Action	Initiation Range	Target	Stoploss	Time Frame
Wockhardt Ltd Nov Call 720	Buy	28-30	60	15	Nov Expiry

#### Research Analysts

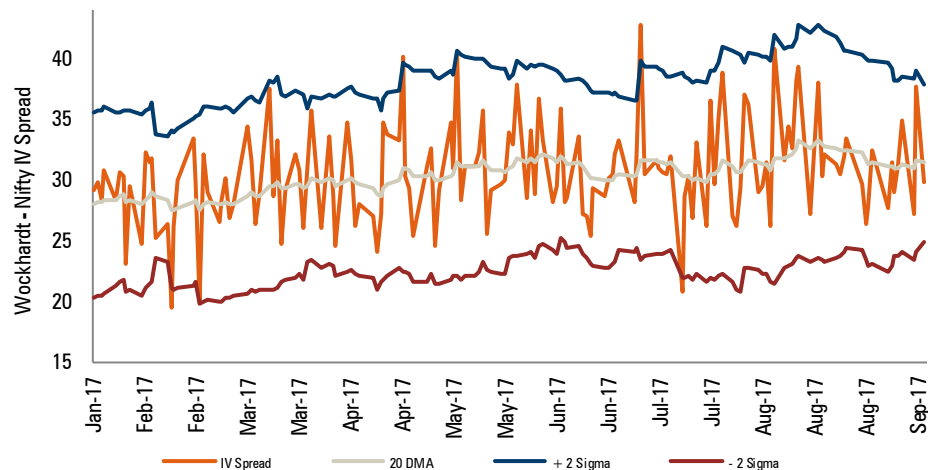
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# Positional Option: Buy Wockhardt Ltd November 720 Call at ₹ 28-30, Target: ₹ 60, Stop loss: ₹ 15, Time Frame: Till November expiry

- Wockhardt Ltd has come out of the supply zone of ₹ 680 prevailing since May 2017. One-year high volumes were seen in the stock in September at ₹ 675. It remained below these levels for a couple of months and has been recovering now on the back of closure of short positions
- On November 6, 2017 also, the stock again witnessed higher participation when it moved above ₹ 680. Despite some adverse news flow in select pharma stocks, it has been slowly absorbing selling pressure and seems more resilient. This can lead to short covering
- There was almost 23% short closure in a couple of sessions. This can bring back some upward momentum in the stock

(Wockhardt - Nifty) IV spread: Likely to move higher

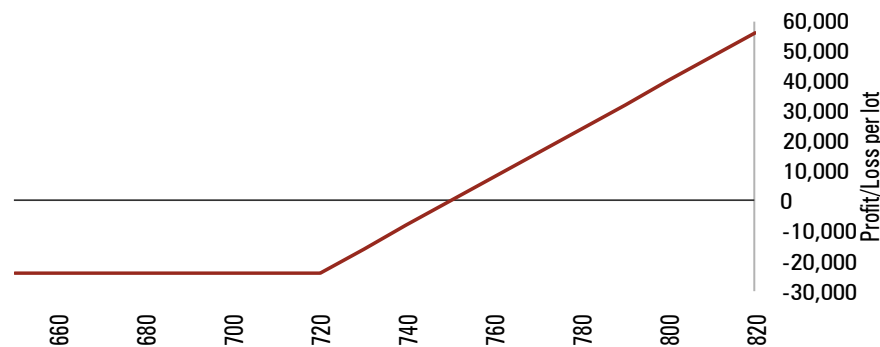


## Option Dashboard

Options Greeks	Wockhardt Nov 720 Call
Delta	0.3
IV	25%
Gamma	0.456

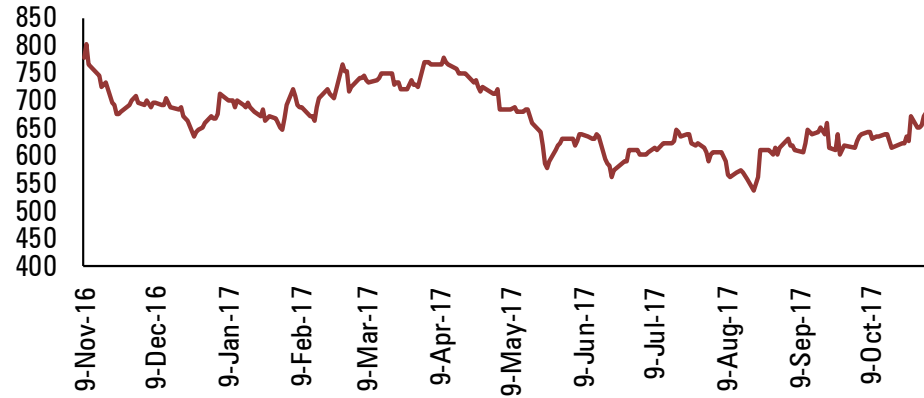
- Note:** Recommendation initiated on iclick-2-gain on November 9, 2017

## Wockhardt November Call 720: Payoff



# Price Performance in trailing 12 months...

## Wockhardt Ltd Price Performance



## Portfolio allocation in Derivatives Products...

- It is recommended to spread out the trading corpus in a proportionate manner between the various derivatives research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment, it is advisable to allocate equal amount to each recommendation.
- For example: The 'Daily Derivatives' product carries two intraday recommendations. It is advisable to allocate equal amount to each recommendation
- Quant Picks recommendations should be considered in cash segment and stop loss on closing basis. Time frame for these recommendations is 3 month.

Products	Allocation			Return Objective		
	Product wise allocation	Max allocation per stock	Number of Calls	Frontline Stocks	Mid-cap stocks	Duration
Daily Derivatives	5%	2-3%	2 Stocks	1%	2-3%	Intraday
Weekly Derivatives	10%	3-5%	2 Stocks	3-5%	5-7%	1 Week
Monthly Derivatives	15%	3-5%	4-7 Stocks	7-10%	10-15%	1 Month
Global Derivatives	5%	2-3%	4-5 stocks	-	-	1 Month
Quant Picks	15%	2-3%	6-8 stocks	7-10%	10-15%	3 Months
Alpha Trader	10%	2-3%	2-3 strategy	5%	-	1-2 Month
Volatility Insights	10%	2-3%	3-4 Strategy	8-10%	10-15%	1-2 Month
Arbitrage Opportunity	5%	2-3%	2-3 Stocks	> 2.5%	>2.5%	Event Based
Short term Futures	5%	2-3%	8-12 Stocks	1-3%	2-5%	1-2 days
Positional Index Strategy	5%	3-4%	2-4 Index calls	-	-	1-14 days
Stock option strategy	5%	3-4%	2-8 Stocks	-	3-5%	1-2 days
Daily Currency Future	5%	3-4%	3-5 Calls	-	-	1-2 days
Monthly Currency Futures	5%	3-4%	2-3 Calls	-	-	1 Month



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