



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	5,13,437	13,421.72
Vol Futures	0	0
Stock Futures	9,54,774	27,790.47
Index Options	79,87,874	1,80,417.07
Stock Options	5,26,162	15,759.22
F&O Total	99,82,247	2,37,388.48

FII Derivatives Statistics

	OI at end of the day		Inflow /		Outflow
	Buy	Sell	Contract	Amount	
Index futures	1081.85	1604.07	601399	14269.16	-522.22
Index options	12322.23	11807.04	2994242	78714.19	515.19
Stock futures	3442.14	2939.00	1936427	53253.27	503.14
Stock options	2320.62	2365.06	153759	4215.60	-44.44
	Net Inflow/Outflow (Cr)				451.67

Securities in Ban Period

AMTEKAUTO & INDIACEM

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	8440	8315
Resistance	8635-8650	8800

Nifty View for the Day

Now, if it holds above 8500 zones buying interest may be witnessed towards 8550 then 8580 levels.

Quote for the day

**HARDWORK BEATS TALENT WHEN TALENT DOESN'T WORK
HARD.**

Activity Tracking

Stocks (Long Position)	Remarks
Dreddy, Ambujacem, Titan	
Wockpharma, Unitech, ACC	Suggesting strength in these counter
Mindtree, Jpassociat, Amarajabat	
Stocks (Short Covering)	Remarks
UPL, Bharatforg, Indiacem	
Lupin, Apollohosp, Divislab	Suggesting strength in these counter
Wipro, Sksmicro, Auropharma	
Stocks (Short Position)	Remarks
Hindzinc, HDIL, Ibrealst	
Ashokley, Albk, Yesbank	Suggesting weakness in these counter
Indusindbk, Hindalco, IFCI	
Stocks (Long Liquidation)	Remarks
Jswenergy, Boschltd, Unionbank	
Justdial, IOC, Lupin	Suggesting weakness in these counter
Syndibank, Auropharma, Castrolind	

Activity in F&O

Nifty August future closed positive at 8505.40 levels. Nifty Future OI increased by 3.08% with a marginal rise in price by 0.3%. It closed at a premium of 10 points as compared to premium of 15 points of previous trading session. Market witnessed buying interest in Healthcare, Capital Goods and Auto sector stocks while selling pressure was seen in Metal, Realty and Banking sector stocks. The market turnover decreased by 6.51% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 8.01%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 0.98 to 1.04 level as compared to the previous trading session. Historical Volatility of Nifty fell down from 17.02 to 16.56 levels but Implied Volatility also moved up from 15.75 to 16.13 levels.

Conclusion

Nifty future opened negative and fell down towards 8426 levels in the early morning trade. However, it gained its positive move in the final hours of the trade and ended the session above its psychological 8500 levels with the gains of around 30 points. It has been trading in narrow range from last three trading sessions and now a move on either side would give further direction to the market. Now if it manages to hold 8500 zones then buying interest may be seen towards 8550 and 8580 levels. However, if it fails to hold 8480 zones then profit booking may be seen towards next support of 8440 and 8400 levels. On the Option front, maximum Put OI is at 8200 followed by 8300 strike whereas maximum Call OI is at 8600 followed by 8700 strike. Bank Nifty opened negative and underperformed the broader market and after the turmoil it ended with the loss of around 75 points. Now it has to cross and hold above 18800 to move up towards 19100-19200 zones while support exists at around 18650 then 18400 levels.

Future STT Call



LUPIN : Rs. 1801

Execution Price Range	Stop Loss	Target
Buy Between Rs. 1772 to Rs. 1790	1745	1853

LUPIN started to move in line with all the pharma counters and it has also taken support at its rising trend line. It has been witnessing short covering activities and this momentum may continue in next coming trading sessions. We are recommending to buy the stock with the stop loss of 1745 for the upside target of 1853 levels.

Future STT Call



HINDALCO : Rs. 89

Execution Price Range	Stop Loss	Target
Sell Between Rs. 88 to Rs. 89	91	83.50

HINDALCO recorded one year lowest levels and is continuously trading in bears grip. It witnesses sustained selling pressure at every small bounce back move. It is trading at one year low levels and has been making lower top – lower bottom formation. It has added huge short positions with shorts rollover from one series to next series and it has also broken important support of 100 and 90 levels. One can sell the stock with stop loss of 91 for the downside target of 83.50 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
JPASSOCIAT 9.95	AMTEKAUTO -31.26	NIFTY 414,815	AMTEKAUTO 1,966.35	GRASIM 22.3
DIVISLAB 5.53	KSCL -6.00	BANKNIFTY 97,464	JPOWER 29.68	RELCAPITAL 19.92
JPOWER 5.07	IBREALEST -5.24	SBIN 32,150	STAR 6.01	CANBK 19.61
JINDALSTEL 4.50	ALBK -4.58	TATAMOTORS 30,567	JUSTDIAL 6.87	MARUTI 19.23
ACC 3.96	HINDZINC -4.56	RELIANCE 28,278	UNITECH 8.26	BANKBARODA 18.52
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
DRREDDY 13.77	AMTEKAUTO -23.18	JPASSOCIAT 0.91	AMTEKAUTO -1.23	IBREALEST 101.06
TITAN 13.66	JSWENERGY -9.36	GMRINFRA 0.77	GAIL -0.91	INDIACEM 92.44
BEL 11.56	S&P500 -9.21	UNITECH 0.70	EXIDEIND -0.81	RELCAPITAL 91.99
AMBUJACEM 10.92	DJIA -7.21	JPOWER 0.69	MARUTI -0.59	JINDALSTEL 91.43
CNXIT 9.59	PAGEIND -7.14	RPOWER 0.48	BATAINDIA -0.55	JPASSOCIAT 86.32
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,27-AUG-15,C,8500 943377	NIFTY,31-DEC-15,C,10500 16,800	NIFTY,27-AUG-15,P,8400 987,542	GLENMARK,27-AUG-15,P,1200 16,800	
NIFTY,27-AUG-15,C,8600 888871	GLENMARK,27-AUG-15,C,1220 15,225	NIFTY,27-AUG-15,P,8500 783,867	RELIANCE,24-SEP-15,P,960 4,700	
NIFTY,27-AUG-15,C,8700 648284	LT,27-AUG-15,C,2050 4,525	NIFTY,27-AUG-15,P,8300 661,062	DIVISLAB,27-AUG-15,P,2300 2,283	
NIFTY,27-AUG-15,C,8800 364362	GLENMARK,27-AUG-15,C,1240 4,375	NIFTY,27-AUG-15,P,8200 369,571	CANBK,24-SEP-15,P,350 1,960	
NIFTY,27-AUG-15,C,8400 200849	ACC,27-AUG-15,C,1440 4,261	NIFTY,27-AUG-15,P,8100 164,848	SUNPHARMA,27-AUG-15,P,920 1,451	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
HINDALCO,27-AUG-15,C,87.5 2,167	GLENMARK,27-AUG-15,C,1140 -64	GLENMARK,27-AUG-15,P,1180 6,400	CANBK,27-AUG-15,P,350 -54	
GLENMARK,27-AUG-15,C,1220 893	LT,27-AUG-15,C,2050 -62	GLENMARK,27-AUG-15,P,1200 5,000	CIPLA,27-AUG-15,P,640 -44	
JINDALSTEL,24-SEP-15,C,75 752	APOLLOTYRE,27-AUG-15,C,190 -58	ACC,27-AUG-15,P,1440 3,433	ACC,27-AUG-15,P,1380 -38	
HDFC,27-AUG-15,C,1250 714	CANBK,27-AUG-15,C,400 -57	AUROPHARMA,27-AUG-15,P,820 3,250	GLENMARK,27-AUG-15,P,1100 -37	
CANBK,24-SEP-15,C,350 689	HCLTECH,27-AUG-15,C,960 -56	CANBK,24-SEP-15,P,350 2,400	BANKBARODA,27-AUG-15,P,210 -36	

Derivatives Lesson: LONG COLLAR STRATEGY

- A collar is an options trading strategy that is constructed by holding shares of the underlying stock while simultaneously buying protective puts and selling call options against that holding. The puts and the calls are both out-of-the-money options having the same expiration month and must be equal in number of contracts.
- Technically, the collar strategy is the equivalent of an out-of-the-money covered call strategy with the purchase of an additional protective put.
- The collar is a good strategy to use if the options trader is writing covered calls to earn premiums but wish to protect him from an unexpected sharp drop in the price of the underlying security.
- $\text{Max Profit} = \text{Strike Price of Short Call} - \text{Purchase Price of Underlying} + \text{Net Premium Received} - \text{Commissions Paid}$
- $\text{Max Loss} = \text{Purchase Price of Underlying} - \text{Strike Price of Long Put} - \text{Net Premium Received} + \text{Commissions Paid}$
- $\text{Breakeven Point} = \text{Purchase Price of Underlying} + \text{Net Premium Paid}$

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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