



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	20,95,165	48,636.87
Vol Futures	0	0
Stock Futures	24,03,998	62,633.64
Index Options	1,92,61,939	4,16,627.74
Stock Options	8,30,290	23,233.91
F&O Total	2,45,91,392	5,51,132.17

FII Derivatives Statistics

	OI at end of the day			Inflow / Outflow
	Buy	Sell	Contract Amount	
Index futures	8787.90	9199.55	886260 18749.43	-411.65
Index options	45216.71	45850.48	3403612 81979.81	-633.77
Stock futures	12617.06	11402.65	2032549 49420.71	1214.41
Stock options	4855.76	5025.19	164020 3976.75	-169.43
	Net Inflow/Outflow (Cr)			-0.44

Securities in Ban Period

JINDALSTEL & INDIACEM

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7735	7650
Resistance	8000	8335

Nifty View for the Day

Weakness may continue till it remains below 8000 zones and selling pressure may continue towards 7777-7735 and even lower levels. Traders are required to remain cautious.

Quote for the day

WHAT A MAN ACCOMPLISHES IN A DAY DEPENDS UPON THE WAY IN WHICH HE APPROACHES HIS TASKS.

Activity Tracking

Stocks (Long Position)	Remarks
***	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
***	Suggesting strength in these counter
Stocks (Short Position)	Remarks
IOB, Bajaj-auto, Bhartiartl Boschltd, TCS, ITC LT, Wipro, ACC	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Relcapital, Wockpharma, Rcom Cipla, Dabur, Alb Jswenergy, Castrolind, Engineersin	Suggesting weakness in these counter

Activity in F&O

Nifty August future closed negative at 7806.35 levels. Nifty Future OI increased by 36% with a fall in price by 6.0%. It closed at a discount of 3 points as compared to premium of 6 points of previous trading session. Market witnessed selling pressure across the board especially in Banking, Realty and Metal sector stocks The market turnover increased by 38.86% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also increased by 33.67%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.88 to 0.76 level as compared to the previous trading session. Historical Volatility of Nifty moved up sharply from 17.46 to 33.62 levels and Implied Volatility also moved up sharply from 16.63 to 26.10 levels.

Conclusion

Nifty future opened with a huge gap down of around 300 points and plunged towards 7771 levels. The index failed to recover as bears traded in full swing in the entire session and witnessed biggest selloff since 2007. The weakness may persist if the index fails to cross and hold above 7940 and 8000 levels. While on the downside the support exist at around 7777 then 7735 levels. On the Option front, maximum Put OI is at 8200 followed by 8300 strike whereas maximum Call OI is at 8400 followed by 8600 strike. Traders are required to remain cautious as the volatility index is at it 52 weeks high levels and bears are trading actively ahead of the derivatives expiry. Bank Nifty opened negative in line with the weak broader and global cues and witnessed sharp decline breaching its 17000 levels. It plunged towards 16680 levels and settled the day with the loss of around 1381 points. Now the next support exists at 16500 levels while resistance is at 17000 levels.

Future STT Call



AMBUJACEM : Rs. 214

Execution Price Range	Stop Loss	Target
Sell Between Rs. 218 to Rs. 220	224	205

AMBUJACEM has recently failed to cross its multiple hurdles of 257-260 zones and corrected from 260 to 220 levels. It is falling from last six series with lower highs price formation. It has witnessed built up of short position as open interest jumped by around 5% in last couple of sessions. It has snapped bounce back move of last five weeks. One can sell the stock on small bounce back move with stop loss of 224 for the downside target of 205 levels.

Future STT Call



TATAPOWER : Rs. 62

Execution Price Range	Stop Loss	Target
Sell Between Rs. 63.50 to Rs. 64.50	66	59

TATAPOWER is continuously trading in weakness from last one year and witnessing selling pressure at every minor attempt to bounce back. It is trading at one year low levels and has been making lower top – lower bottom formation. One can sell the stock with stop loss of 66 for the downside target of 59 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
	AMTEKAUTO -25.62	NIFTY 1,791,382	IOC 733.25	BHARTIARTL 47.3
	WOCKPHARMA -21.73	BANKNIFTY 300,372	ADANIPOWER 546.91	JUBLFOOD 46.86
	HDIL -19.27	RELIANCE 116,637	IOB 296.11	KOTAKBANK 41.26
	INDIACEM -18.44	HDFCBANK 91,055	SAIL 291.62	HINDALCO 40.98
	ADANIPOWER -17.93	SBIN 84,291	NTPC 273.28	CESC 39.65
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
IOB 41.02	AMARAJABAT -32.87	JPOWER 0.87	IOB -3.76	CENTURYTEX 88.19
NIFTY 35.97	OIL -29.50	INDIACEM 0.75	SAIL -3.57	JINDALSTEL 85.93
BAJAJ-AUTO 28.32	CNXIT -24.76	JISLJLEQS 0.57	TVSMOTOR -2.80	JPASSOCIAT 85.16
BHARTIARTL 17.91	CEATLTD -24.05	BHARTIARTL 0.56	NMDC -1.93	JISLJLEQS 83.61
BOSCHLTD 16.25	PIDILITIND -23.07	PFC 0.44	PAGEIND -1.74	AMTEKAUTO 83.12
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,27-AUG-15,C,8100 1580769	NIFTY,27-AUG-15,C,8050 69,420	NIFTY,27-AUG-15,P,7900 1,419,535	WIPRO,27-AUG-15,P,540 30,700	
NIFTY,27-AUG-15,C,8200 1312397	BANKNIFTY,27-AUG-15,C,172005 94,300	NIFTY,27-AUG-15,P,7800 1,358,733	ONGC,24-SEP-15,P,230 30,700	
NIFTY,27-AUG-15,C,8000 1307486	DLF,27-AUG-15,C,1052 46,300	NIFTY,27-AUG-15,P,8000 1,229,357	SBIN,24-SEP-15,P,230 29,100	
NIFTY,27-AUG-15,C,8300 1018877	BANKNIFTY,27-AUG-15,C,173008 1,164	NIFTY,27-AUG-15,P,7700 746,008	ADANIANT,27-AUG-15,P,70 27,250	
NIFTY,27-AUG-15,C,8400 769050	TATASTEEL,27-AUG-15,C,2107 5,900	NIFTY,27-AUG-15,P,8100 548,461	DLF,27-AUG-15,P,80 24,100	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
NIFTY,27-AUG-15,C,8050 454,650	BANKNIFTY,27-AUG-15,C,18200 -47	ONGC,24-SEP-15,P,230 23,700	AUROPHARMA,27-AUG-15,P,780 -80	
BANKNIFTY,27-AUG-15,C,171007 3,700	JPASSOCIAT,24-SEP-15,C,15 -45	AXISBANK,27-AUG-15,P,440 13,700	ITC,27-AUG-15,P,325 -73	
RELIANCE,27-AUG-15,C,8606 6,200	BANKNIFTY,27-AUG-15,C,18700 -44	VEDL,27-AUG-15,P,75 9,400	UNIONBANK,27-AUG-15,P,180 -70	
AXISBANK,24-SEP-15,C,5003 4,250	LICHSGFIN,27-AUG-15,C,490 -43	NIFTY,27-AUG-15,P,7750 8,535	UNIONBANK,27-AUG-15,P,190 -66	
YESBANK,24-SEP-15,C,6402 4,300	NIFTY,27-AUG-15,C,8450 -42	HINDUNILVR,24-SEP-15,P,840 7,300	APOLLOTYRE,27-AUG-15,P,185 -64	

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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