

Date: 16 DECEMBER, 2015

Scrip Name: TATASTEEL  
 Strategy – BULL CALL SPREAD

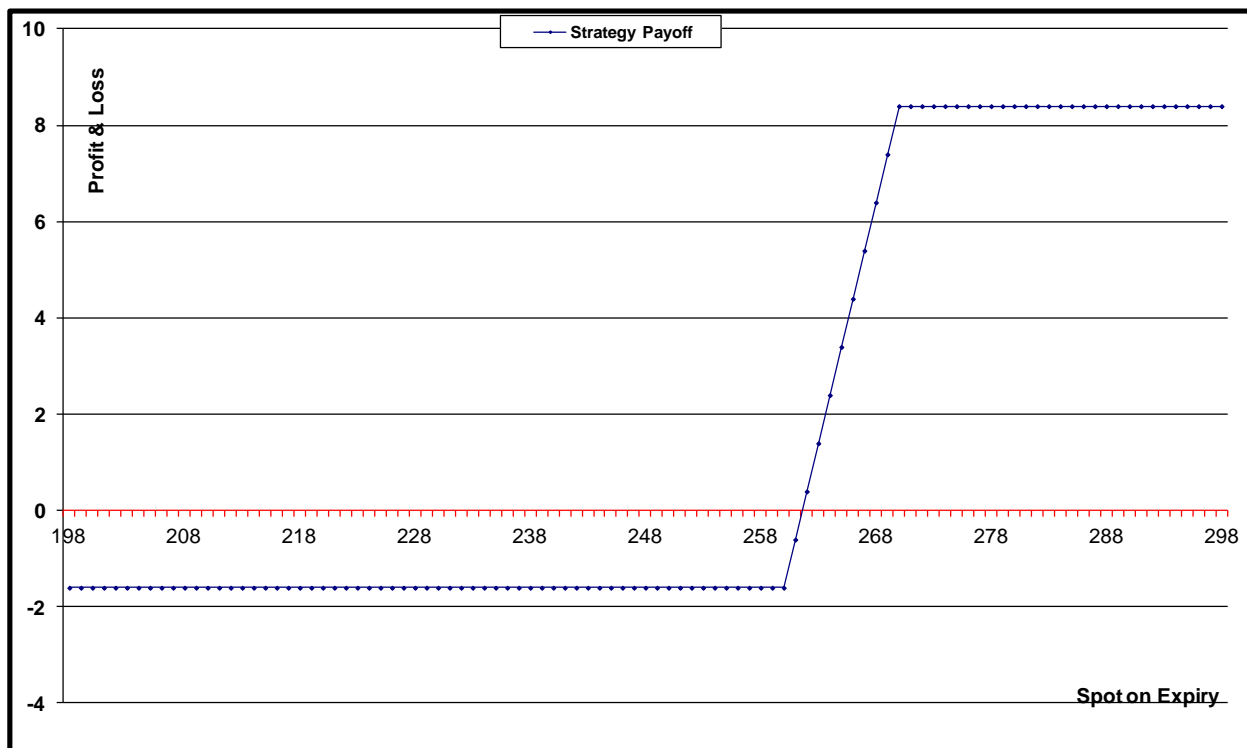
**BUY 1 LOT TATASTEEL DECEMBER 260 CE AT 3.1**  
**SELL 1 LOT TATASTEEL DECEMBER 270 CE AT 1.50**

**Margin Requirement – Rs 55000 (approximately)**

Max Profit: Rs 16800 (8.4\*2000) if Tatasteel closes above 270 in December expiry  
 Maximum Loss: Rs 3200 (1.6\*2000) if Tatasteel closes below 260 in December Expiry

Breakeven Point – 261.60

Pay off:



Reason – Tatasteel has formed a good consolidation formation and has broken out of range since. The indicators on weekly and daily chart are showing positive divergence. The stock has been seeing good OI buildup at 250 CE with increase in IV's indicating buying. We expect the stock to move towards 270 till expiry.

**Derivatives & Technical Analyst**

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<b>Profit/Loss at different prices</b>	
<b>TATASTEEL</b>	<b>Profit/Loss</b>
220	-3200
230	-3200
240	-3200
250	-3200
260	-3200
270	16800
280	16800
290	16800
300	16800
310	16800

**NOTE: -**

1. The above table payoff is on expiry basis. If the stock moves to expected levels before expiry the profit would then be determined by the time value and volatility and hence in most cases will be lower
2. If the expected move is achieved before the expiry the strategy will most certainly be closed before expiry.
3. The strategy has to be executed in totality and closed in totality as advised by the analyst. There can be market risks associated with not doing the same.

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