



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,98,786	16,078.76
Vol Futures	0	0
Stock Futures	4,85,796	23,950.80
Index Options	26,77,447	1,52,795.86
Stock Options	2,75,319	14,018.16
F&O Total	37,37,348	2,06,843.58

FII Derivatives Statistics

	OI at end of the day		Inflow /		
	Buy	Sell	Contract	Amount	Outflow
Index futures	1291.81	2213.03	269503	14895.04	-921.21
Index options	17697.52	17534.64	1302697	73571.99	162.88
Stock futures	2916.48	2693.04	1017003	48702.16	223.43
Stock options	2279.34	2337.71	64972	3090.05	-58.38
Net Inflow/Outflow (Cr)					-593.27

Securities in Ban Period

IBREALEST & UNITECH

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7600	7500
Resistance	7820	8000

Nifty View for the Day

Now it needs to cross and hold above 7650-7700 zones to negate the immediate weak structure to witness a bounce back move towards 7777 and 7820 zone. On the downside if it sustains below 7600 zones then it may fall towards next support of 7540 and 7500 levels.

Activity Tracking

Stocks (Long Position)	Remarks
Hindunilvr, CESC	
Volta, Marico, IGL	Suggesting strength in these counter
Jswsteel, Bataindia	
Stocks (Short Covering)	Remarks
Godrejind, PFC, SAIL	
Recltd, Hindalco	Suggesting strength in these counter
OIL, Divislab	
Stocks (Short Position)	Remarks
Yesbank, Powergrid, ICICIBank	
HDIL, Kotakbank, M&M	Suggesting weakness in these counter
Relinfra, Apollotyre, LT	
Stocks (Long Liquidation)	Remarks
Mindtree, CEAT, Apollohosp	Suggesting weakness in these counter
NCC, Lichsgfin, Mothersumi	
Unitech, IRB, Sksmicro	

Activity in F&O

Nifty December future closed negative at 7627.90 levels. Nifty Future OI increased by 3.51% with a fall in price by 1.07%. It closed at a premium of 17 points as compared to the premium of 27 points in previous trading session. Market witnessed selling pressure in Consumer durables, Banking, Auto, Capital good and Realty sector stocks while buying interest was seen in Metal and IT sector stocks. The market turnover increased by 24.70% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 23.58%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.79 to 0.76 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 15.62 to 15.97 levels and Implied Volatility also moved up from 15.53 to 16.24 levels.

Conclusion

Nifty future opened positive but failed to continue the relief rally of previous session and fell towards 7586 levels. However it recaptured its 7600 levels in the last part of the day but the negativity persisted and the session ended with the loss of around 80 points. Now it needs to cross and hold above 7650-7700 zones to negate the immediate weak structure of making lower top – lower bottom formation to witness a bounce back move towards 7777 and 7820 zone. On the downside if it sustains below immediate support of 7600 zones then it may fall towards next support of 7540 and 7500 levels. Traders are required to remain cautious as index has stuck in bear grip and as of now not finding any early sign of meaningful reversal from current levels. Bank Nifty witnessed negativity and underperformed the broader market. It breached its major support of 16500 levels and plunged towards 16300 zones then settled the day with the loss of around 2.29% compared to nifty loss of 1.07%. Now the next support exists at 16000 levels while resistance is at 16500 then 16666 levels.

Future STT Call



AMBUJACEM: Rs. 190

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 192 to Rs. 194 **197** **184**

AMBUJACEM broke its multiple support base of 189-190 zones and registered yearly low around 187.60 levels. It has been continuously trading in weakness and forming lower top – lower bottom formation. It has witnessed huge built up of short position in this entire series with an open interest addition of around 35%. We are expecting this weak structure to continue for next coming sessions so suggesting selling with stop loss of 197 for the downside target of 184 levels.

Future STT Call



SYNDICATE BANK: Rs. 85.70

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 87 to Rs. 88 **90** **82**

SYNDIBANK is continuously falling from last eight trading sessions and is not ready to witness meaningful recovery near the major support zones. It has also broken its weekly support of 87 zones and now this cluster may continue to provide sustain selling which may cause in built up of short position. Major trend of the stock is negative and shorts are intact by rollover activities so weakness may persist in the counter for next coming sessions. One can sell the stock with stop loss of 90 for the downside target of 82 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
IGL 3.49	UNITECH -3.97	NIFTY 164,950	TITAN 397.18	S&P500 99.7
TATASTEEL 3.14	PNB -5.77	BANKNIFTY 134,226	HINDZINC 246.15	DOJA 84.89
BATAINDIA 1.83	JSWENERGY -5.31	AXISBANK 38,652	IGL 215.56	IOB 7.89
OIL 1.61	IFCI -4.06	SBI 16,124	PNB 208.22	SAIL 32.6
TV18BRDCST 1.46	HDIL -3.80	TATASTEEL 17,984	M&MFIN 163.11	HAVELLS 12.4
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
JSWENERGY 13.39	MINDTREE -8.57	GMRFINRA 0.99	JUSTDIAL -1.28	IBREALST 95.03
PNB 12.68	CEATLTD -6.30	JSWENERGY 0.80	BATAINDIA -3.20	UNITECH 83.8
ACC 11.29	APOLLOHOSP -4.02	IBREALST 0.71	PFC -2.83	JISULIQS 90.35
NIFTYIT 10.93	GOOREJIND -3.95	UCOBANK 0.79	EOB -1.80	INDIACEM 88.30
YESBANK 7.65	NCC -3.84	TV18BRDCST 0.67	VOLTAS -1.78	CENTURYTEX 88.6
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,31-DEC-15,C,7800 251700	BANKNIFTY,31-DEC-15,C,15500 16,500	NIFTY,31-DEC-15,P,7600 205,493	NIFTY,30-JUN-16,P,7000 10,700	
NIFTY,31-DEC-15,C,7700 228904	BANKNIFTY,31-DEC-15,C,16400 13,244	NIFTY,31-DEC-15,P,7500 179,893	TITAN,31-DEC-15,P,370 4,950	
NIFTY,31-DEC-15,C,7900 200825	PNB,31-DEC-15,C,120 10,300	NIFTY,31-DEC-15,P,7400 139,294	ICICIBANK,31-DEC-15,P,220 3,157	
NIFTY,31-DEC-15,C,8000 261252	PNB,31-DEC-15,C,125 9,390	NIFTY,31-DEC-15,P,7700 118,882	NIFTY,28-JAN-16,P,9000 2,000	
BANKNIFTY,31-DEC-15,C,17000 7722	M&M,31-DEC-15,C,1280 8,290	NIFTY,31-DEC-15,P,7300 98,396	RPOWER,31-DEC-15,P,50 1,503	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
NIFTY,31-MAR-16,C,8200 150,300	BANKNIFTY,31-DEC-15,C,17700 -39	ICICIBANK,31-DEC-15,P,230 365	GAIL,31-DEC-15,P,320 -65	
BANKNIFTY,31-DEC-15,C,16400 12,556	STAR,31-DEC-15,C,1400 -32	PNB,31-DEC-15,P,115 254	PNB,31-DEC-15,P,125 -38	
M&M,31-DEC-15,C,12802 350	INDUSINDBK,31-DEC-15,C,980 -30	ICICIBANK,31-DEC-15,P,220 184	HDFCBANK,31-DEC-15,P,1040 -37	
PNB,31-DEC-15,C,1252 333	HAVELLS,31-DEC-15,C,300 -28	NIFTY,28-JAN-16,P,9000 170	RELINFRA,31-DEC-15,P,440 -35	
NIFTY,28-JAN-16,C,71002 267	BANKNIFTY,31-DEC-15,C,17800 -24	AXISBANK,31-DEC-15,P,410 164	HAVELLS,31-DEC-15,P,300 -34	

Derivatives Lesson: SHORT STRADDLE STRATEGY

- A short straddle is a strategy to be adopted when the investor feels the market will not show much movement. He sells a Call and a Put on the same stock / index for the same maturity and strike price. It creates a net income for the investor.
- If the stock / index do not move much in either direction, the investor retains the Premium as neither the Call nor the Put will be exercised. However, incase the stock / index moves in either direction, up or down significantly, the investor's losses can be significant. So this is a risky strategy and should be carefully adopted and only when the expected volatility in the market is limited.
- Max profit = Limited to the premium received.
- Max loss = Unlimited
- Upper Breakeven Point = Strike Price of Short Call + Net Premium Received
- Lower Breakeven Point = Strike Price of Short Put - Net Premium Received

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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