



**D E R I V A T I V E S**

**Market Statistics**

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,22,557	11,985.30
Vol Futures	0	0
Stock Futures	3,69,602	18,216.19
Index Options	19,63,953	1,12,073.02
Stock Options	2,02,616	10,230.57
<b>F&amp;O Total</b>	<b>27,58,728</b>	<b>1,52,505.08</b>

**FII Derivatives Statistics**

			OI at end of the day		Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1,029.62	1,467.50	278,002	15,512.55	-437.87
Index options	14,263.79	15,561.18	1,367,643	78,135.94	-1,297.39
Stock futures	2,623.30	2,620.40	1,033,575	50,080.17	2.90
Stock options	1,674.81	1,686.85	73,527	3,520.96	-12.04
<b>Net Inflow/Outflow (Cr)</b>					<b>1744.41</b>

**Securities in Ban Period**

IBREALEST, JISLJALEQS & UNITECH

**Nifty Future/Option Trading Guide**

NIFTY	Short term	Medium term
<b>Support</b>	<b>7600</b>	<b>7500</b>
<b>Resistance</b>	<b>7820</b>	<b>8000</b>

**Nifty View for the Day**

Now it has to cross and hold above 7720 levels to witness a short covering move towards 7800-7820 zones in next coming sessions.

**Activity Tracking**

Stocks (Long Position)	Remarks
TV18Brdcst, Hindunilvr, Ultrachemco Enginersin, Kotakbank, Tatamotors Colpal, Bajajfinance, Unionbank	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
Hindzinc, UPL, BEML Pidilitind, Dabur, Titan IBRealest, Axisbank, Amarjabat	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Techm, Canbk, Godrejind PNB, Star, Icicibank Realcap, Srtransfin, Tatapower	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Kscl Ntpc Petronet	Suggesting weakness in these counter

**Activity in F&O**

Nifty December future closed positive at 7709.40 levels. Nifty Future OI increased by 2.15% with a rise in price by 0.54%. It closed at a premium of 9.40 points as compared to the premium of 18 points in previous trading session. Market witnessed buying interest in Consumer Durables, Auto, Realty and Oil & Gas stocks while selling pressure was seen in Metals and Telecom sector stocks. The market turnover decreased by 22.38% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 22.77%.

**Indication & Outlook**

Put Call Ratio based on Open Interest of Nifty moved up from 0.81 to 0.84 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.67 to 15.40 levels but Implied Volatility fell down from 17.86 to 17.58 levels.

**Conclusion**

Nifty future traded in a narrow range for an early part of the day but was hovering near to previous day's closing levels. It witnessed buying interest in the second half of the session and headed towards crucial hurdle of 7720 zones. It has finally negated the formation of lower highs by crossing the previous day's high of 7695.85 and closed with the gain of around 38 points. Now it has to cross and hold above 7720 levels to witness a short covering move towards 7800-7820 zones in next coming sessions, while holding below 7660 may take it back to recent low of 7580 zones. On the option front maximum Put OI is at 7500 followed 7400 strike while maximum Call OI is at 8000 followed by 8200 strike. Bank Nifty continued to underperform for the second consecutive session as made a new low near to 16212 and closed the day with the marginal loss near to 16365 levels. It has to surpass its immediate hurdle of 16500 zones to witness a move towards 16666 and 16800 zones. Now the next support exists at 16250 followed by psychological 16000 zones.

### Future STT Call



<b>RELIANCE IND: Rs. 978.50</b>		
<b>Execution Price Range</b>	<b>Stop Loss</b>	<b>Target</b>
<b>Buy Between Rs. 960 to Rs. 970</b>	<b>947</b>	<b>1001</b>
<p>RELIANCE has been moving upwards from last four trading sessions and also turned from multiple support of 915-920 zones. It has seen short covering and now fresh longs are taking it to higher levels. It has next hurdle near to 995-10001 zones and above that a fresh leg of rally cannot be ruled out in the counter. It is witnessing Put writing at all lower strikes that also gives a comfort that supports are shifting to higher levels. One can buy the stock with stop loss of 947 for the upside target of 1001 levels.</p>		

### Future STT Call



<b>BHEL: Rs. 166.55</b>		
<b>Execution Price Range</b>	<b>Stop Loss</b>	<b>Target</b>
<b>Sell Between Rs. 168 to Rs. 170</b>	<b>173.50</b>	<b>160</b>
<p>BHEL has been making lower top – lower bottom formation from last eight weeks. It is under the bear grip and not ready to witness any bounce back move even after the support based buying in the broader market. It has failed to surpass immediate hurdle of 172 zones and fresh Call writing at higher strike also support our negative view on the counter. One can sell the stock with stop loss of 173.50 for the downside target of 160 levels.</p>		

### Graphic Snapshot

<b>Futures</b>				
<b>%Price Gainers</b> ADANIENT 4.44 ISBREALST 4.31 TVSMOTOR 3.52 TATAMTRDVR 3.45 BOSCHLTD 3.40	<b>%Price Losers</b> TECHM -4.17 DISHTV -2.70 CROMPGREAV -1.88 PETRONET -1.56 IDEA -1.54	<b>Active Futures</b> NIFTY 125,518 BANKNIFTY 95,426 3CICIBANK 14,250 AXISBANK 12,918 RELIANCE 12,732	<b>%Volume Gainers</b> TECHM 216.53 HINDZINC 205.35 PAGEIND 202.77 COLPAL 158.00 ADANIENT 145.21	<b>%Rebovers</b> 58P500 97.85 DJIA 79.95 TV18BRODCST 28.72 TOS 29.38 SKIL 13.33
<b>%OI Gainers</b> TV18BRODCST 23.29 HINDUNILVR 17.86 MARICO 11.88 ULTRACEMCO 9.08 ENGINEERSN 8.02	<b>%OI Losers</b> HINDZINC -10.01 DJIA -8.26 UPL -4.62 M&M -3.52 BHEL -3.32	<b>%Premiums</b> UNITECH 0.78 GOOREJND 0.74 UCOBANK 0.70 GMRINFRA 0.67 IDFC 0.66	<b>%Discounts</b> JUSTDIAL -4.26 BATAINDIA -3.49 PPC -3.05 NMDC -1.74 PAGEIND -1.67	<b>OI % of Mkt. Limit</b> ISLJALEQ5 97.55 JPASSOCIAT 92.31 UNITECH 91.61 ISBREALST 91.55 JINDALSTEL 91.41
<b>Options</b>				
<b>Most Active (Calls)</b> NIFTY,31-DEC-15,C,7800 178402 NIFTY,31-DEC-15,C,7700 154910 NIFTY,31-DEC-15,C,7900 151675 NIFTY,31-DEC-15,C,8000 113816 NIFTY,31-DEC-15,C,8100 77543	<b>%Volume gainers (Calls)</b> NIFTY,31-DEC-15,C,6800 23,067 ADANIENT,31-DEC-15,C,90 1,343 BANKNIFTY,31-DEC-15,C,16100 1,275 JPASSOCIAT,31-DEC-15,C,12.5 1,085 NIFTY,29-DEC-15,C,9500 5079	<b>Most Active (Puts)</b> NIFTY,31-DEC-15,P,7600 131,268 NIFTY,31-DEC-15,P,7500 148,819 NIFTY,31-DEC-15,P,7400 109,815 NIFTY,31-DEC-15,P,7700 75,993 NIFTY,31-DEC-15,P,7300 73,325	<b>%Volume gainers (Puts)</b> NIFTY,28-JAN-16,P,8600 14,800 NIFTY,31-DEC-15,P,6000 3,317 NIFTY,31-DEC-15,P,6600 1,824 TECHM,31-DEC-15,P,520 1,038 MARUTI,31-DEC-15,P,4600 950	
<b>%OI Gainers (Calls)</b> BANKNIFTY,31-DEC-15,C,16100 1,625 3CICIBANK,31-DEC-15,C,240 138 DISHTV,31-DEC-15,C,95 293 NIFTY,31-DEC-15,C,6800 284 RELIANCE,28-JAN-16,C,1000 122	<b>%OI Losers (Calls)</b> INDUSINDBK,31-DEC-15,C,960 -47 HDPC,31-DEC-15,C,1200 -40 TVSMOTOR,31-DEC-15,C,280 -30 BANKNIFTY,31-DEC-15,C,17300 -30 MARUTI,31-DEC-15,C,4750 -28	<b>%OI Gainers (Puts)</b> NIFTY,28-JAN-16,P,8600 544 HINDUNILVR,31-DEC-15,P,840 404 NIFTY,28-JAN-16,P,6600 332 DISHTV,31-DEC-15,P,85 229 TECHM,31-DEC-15,P,480 190	<b>%OI Losers (Puts)</b> TVSMOTOR,31-DEC-15,P,270 -58 BANKNIFTY,31-DEC-15,P,15900 -22 LICHSGFH,31-DEC-15,P,440 -21 RCOM,31-DEC-15,P,75 -18 BANKNIFTY,31-DEC-15,P,16200 -17	

**Derivatives Lesson: LONG BUTTERFLY STRATEGY**

- The butterfly spread is a neutral strategy that is a combination of a bull spread and a bear spread. It is a limited profit, limited risk options strategy. There are 3 striking prices involved in a butterfly spread and it can be constructed using calls or puts.
- Long butterfly spreads are entered when the investor thinks that the underlying stock will not rise or fall much by expiration. Using calls, the long butterfly can be constructed by buying one lower striking in-the-money call, writing two at-the-money calls and buying another higher striking out-of-the-money call. A resulting net debit is taken to enter the trade.
- $\text{Max Profit} = \text{Strike Price of Short Call} - \text{Strike Price of Lower Strike Long Call} - \text{Net Premium Paid} - \text{Commissions Paid}$
- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- $\text{Upper Breakeven Point} = \text{Strike Price of Higher Strike Long Call} - \text{Net Premium Paid}$
- $\text{Lower Breakeven Point} = \text{Strike Price of Lower Strike Long Call} + \text{Net Premium Paid}$

**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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