



### DERIVATIVES

#### Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,62,513	14,269.25
Vol Futures	0	0
Stock Futures	4,16,496	20,459.48
Index Options	26,19,809	1,49,666.77
Stock Options	2,55,577	13,090.92
<b>F&amp;O Total</b>	<b>35,54,395</b>	<b>1,97,486.42</b>

#### FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1585.98	1421.25	283673	15765.23	164.73
Index options	21152.13	19891.67	1359852	77204.69	1260.46
Stock futures	2859.85	2735.70	1021603	49273.91	124.15
Stock options	2258.22	2290.07	71151	3392.01	-31.85
<b>Net Inflow/Outflow (Cr)</b>					<b>1517.49</b>

#### Securities in Ban Period

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#### Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7600	7500
Resistance	7820	8000

#### Nifty View for the Day

Now it requires holding above 7700-7720 zones to get a relief rally towards 7800-7850 zones while holding below 7620 may wipe out the hope of bounce back move and may drag the index towards 7550 and lower levels.

#### Activity Tracking

Stocks (Long Position)	Remarks
TV18Brdcst, Hindunilvr, Biocon	
RPower, Apollohosp, Asianpaint	Suggesting strength in these counter
RCom, UBL, Jindalstel	
Stocks (Short Covering)	Remarks
Enginersin, Hindalco, Sunpharma	
PFC, Kotakbank, M&M	Suggesting strength in these counter
Adaniports, Cadilalc, Bankbaroda	
Stocks (Short Position)	Remarks
Hexaware, Voltas, Unionbank	
Dabur, Bharatforge, Dishtv	
SRF, IGL, Tatamotors	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Eicher Motors	
MRF, NHPC	
OIL	Suggesting weakness in these counter

#### Activity in F&O

Nifty December future closed positive at 7668 levels. Nifty Future OI increased by 2.25% with a rise in price by 0.53%. It closed at a premium of 18 points as compared to the premium of 17 points in previous trading session. Market witnessed buying interest in Metals, IT, Health Care, Telecom and Auto sector stocks while selling pressure was seen in Realty, Capital Goods and Oil & Gas sector stocks. The market turnover decreased by 4.89% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 4.52%

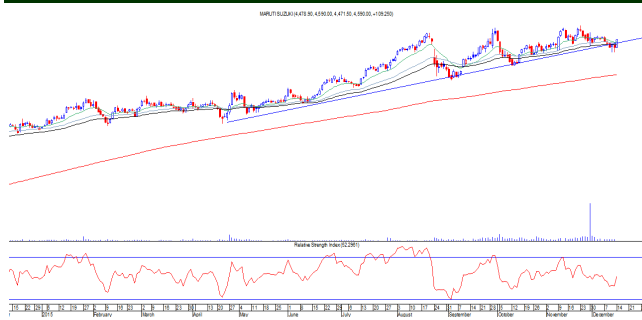
#### Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 0.76 to 0.81 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.97 to 15.67 levels but Implied Volatility moved up from 16.24 to 17.86 levels.

#### Conclusion

Nifty future opened negative but ended the session on positive note led by short covering in many heavyweights counter with a hope of follow buying in next coming sessions. Nifty future has been making lower highs from last couple of trading sessions and now requires to hold above 7700-7720 zones to get a relief rally towards 7800-7850 zones while holding below 7620 may wipe out the hope of bounce back move and may drag the index towards 7550 and lower levels. On the option front maximum Put OI is at 7500 followed 7400 strike while maximum Call OI is at 8000 followed by 7900 strike. Bank Nifty underperformed the broader market and closed flatish compare to Nifty gain of more than half a percentage. It failed to cross immediate hurdle of 16500 zones while managed to bounce near to 16250 marks. Now the next support exists at 16250 levels then psychological 16000 zones while resistance is at 16500 then 16666 levels.

### Future STT Call



**MARUTI: Rs. 4590**

Execution Price Range	Stop Loss	Target
Buy Between Rs. 4500 to Rs. 4540	4440	4680

MARUTI has turned near to the lower band of the recent trading range and also respected to 4420 zones in last two sessions. Major trend of the stock is positive and the recent correction makes it more attractive in terms of risk reward ratio. It has seen fresh built up of long position as open interest added with positive price action. Thus, one can buy the stock with stop loss of 4440 for the upside target of 4680 levels.

### Future STT Call



**SYNDICATE BANK: Rs. 85.30**

Execution Price Range	Stop Loss	Target
Sell Between Rs. 87.50 to Rs. 88.50	90	84

SYNDIBANK is continuously falling from last nine trading sessions and is not ready to witness meaningful recovery near the major support zones. It has recently 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 84 levels.

### Graphic Snapshot

Futures				
<b>%Price Gainers</b>	<b>%Price Losers</b>	<b>Active Futures</b>	<b>%Volume Gainers</b>	<b>%Rollovers</b>
RCOM 6.07	STAR -4.58	NIFTY 185,017	S&P500 248.82	S&P500 99.25
ADANIPTS 5.41	DISHTV -2.58	BANKNIFTY 96,575	KSCL 167.13	COIA 83.81
JSWSTEEL 5.18	MRF -2.14	AXISBANK 15,755	DABUR 148.52	IOB 88.14
KSCL 5.05	FEDERALBNK -1.92	TATASTEEL 15,647	UBL 127.81	TV18BRODCST 8.26
JINDALSTEL 4.70	TATAMTRDVR -1.86	TATAMOTORS 14,079	CASTROLIND 125.99	SAIL 1.00
<b>%OI Gainers</b>	<b>%OI Losers</b>	<b>%Premiums</b>	<b>%Discounts</b>	<b>OI % of Mkt. Limit</b>
TV18BRODCST 18.87	S&P500 -20.72	UNITECH 0.79	JUSTDIAL -3.36	IBREALST 91.61
HINDUNLVR 7.01	NIFTYIT -5.97	ADANIPOWER 0.75	BATAINDIA -3.21	UNITECH 91.25
INRATL 6.25	ESCHERMOT -5.66	BEHL 0.70	IPC -3.00	ISLJALEQS 91.61
ABIRLANUVO 6.03	ENGINERSON -4.87	UCOBANK 0.69	IDEA -2.56	JINDALSTEL 90.97
CESC 5.32	HINDALCO -4.18	SAIL 0.66	NMDC -2.31	INDIACEM 90.86
Options				
<b>Most Active (Calls)</b>	<b>%Volume gainers (Calls)</b>	<b>Most Active (Puts)</b>	<b>%Volume gainers (Puts)</b>	
NIFTY,31-DEC-15,C,7800 248876	STAR,31-DEC-15,C,1300 33,900	NIFTY,31-DEC-15,P,7500 216,127	JSWSTEEL,31-DEC-15,P,1000 9,500	
NIFTY,31-DEC-15,C,7700 229552	TATAMOTORS,31-DEC-15,C,370 6,871	NIFTY,31-DEC-15,P,7600 221,223	TATAMOTORS,31-DEC-15,P,320 3,733	
NIFTY,31-DEC-15,C,7900 100490	NIFTY,31-DEC-15,C,8550 5,100	NIFTY,31-DEC-15,P,7400 182,139	M&M,31-DEC-15,P,1200 2,878	
NIFTY,31-DEC-15,C,8000 164018	JSWSTEEL,31-DEC-15,C,1100 3,025	NIFTY,31-DEC-15,P,7500 99,421	TATAMOTORS,31-DEC-15,P,330 1,925	
NIFTY,31-DEC-15,C,7600 91990	NIFTY,31-DEC-15,C,9100 2,700	NIFTY,31-DEC-15,P,7200 80,452	JSWSTEEL,31-DEC-15,P,980 1,277	
<b>%OI Gainers (Calls)</b>	<b>%OI Losers (Calls)</b>	<b>%OI Gainers (Puts)</b>	<b>%OI Losers (Puts)</b>	
STAR,31-DEC-15,C,1390 1,152	NIFTY,31-DEC-15,C,7850 -80	JSWSTEEL,31-DEC-15,P,1000 1,680	STAR,31-DEC-15,P,1300 -34	
NIFTY,31-DEC-15,C,7550 815	TATASTEEL,31-DEC-15,C,230 -36	JSWSTEEL,31-DEC-15,P,980 893	RELSNFRA,31-DEC-15,P,420 -33	
TATAMOTORS,31-DEC-15,C,370 667	MARUTI,31-DEC-15,C,4750 -12	TATAMOTORS,31-DEC-15,P,320 611	ISLU-BGFPI,31-DEC-15,P,640 -26	
BANKNIFTY,31-DEC-15,C,16200 626	COALINDIA,31-DEC-15,C,310 -30	TATAMOTORS,31-DEC-15,P,330 482	ARVIND,31-DEC-15,P,290 -24	
STAR,31-DEC-15,C,1300 582	ADANIPTS,31-DEC-15,C,250 -25	YESBANK,31-DEC-15,P,600 447	NIFTY,31-DEC-15,P,8100 -21	

**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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