



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,61,161	14,373.28
Vol Futures	0	0
Stock Futures	4,71,797	23,106.46
Index Options	26,42,727	1,52,894.27
Stock Options	2,66,570	13,605.73
F&O Total	36,42,255	2,03,979.75

FII Derivatives Statistics

	OI at end of the day		Inflow /		
	Buy	Sell	Contract	Amount	Outflow
Index futures	1902.15	2024.75	265675	14836.91	-122.60
Index options	18583.42	18556.49	1243071	70307.46	26.93
Stock futures	3256.27	3175.07	1001833	48247.53	81.20
Stock options	2013.95	2078.69	55590	2660.82	-64.74
Net Inflow/Outflow (Cr)					-79.21

Securities in Ban Period

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Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7600	7550
Resistance	7820	8000

Nifty View for the Day

Now weakness may persist in the market till it doesn't negate this weak price formation by holding above 7800 zones. On the upside if it holds above 7800-7820 zones then only a short term bottom might place for a bounce back move towards 7880 zones while on the downside if it sustains below 7777-7750 zone then weakness may continue to drag it towards 7650 and 7600 zones.

Activity Tracking

Stocks (Long Position)	Remarks
Star	
Apollohosp	Suggesting strength in these counter
Petronet	
Stocks (Short Covering)	Remarks
TCS, BHEL, Ibrealst	
Biocon, Justdial, PFC	Suggesting strength in these counter
Recltd	
Stocks (Short Position)	Remarks
Bharatforg, KSCL, Batalndia	
McLeodruss, ACC, VEDL	
KotakBank, Glenmark, UnionBank	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Sunpharma, Mindtree, IDBI	Suggesting weakness in these counter
OFSS, Arvind, Amarajabat	
IRB, Engineersin, Relinfra	

Activity in F&O

Nifty December future closed negative at 7644.35 levels. Nifty Future OI increased by 1.79% with a fall in price by 1.09%. It closed at a premium of 32 points as compared to the premium of 27 points in previous trading session. Market witnessed sustained selling pressure across the board especially in Metals, Energy, Healthcare, Realty and Capital Goods sector stock. The market turnover increased by 26.01% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 24.28%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.78 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 15.15 to 15.56 levels and Implied Volatility also moved up from 14.91 to 15.71 levels.

Conclusion

Nifty future opened under the dominance of the bears and continued with the negative move for the sixth straight session. Now it needs to negate the negative pattern of making lower top – lower bottom formation by holding above 7800 levels to get back a bounce back move towards 7880 and 7920 zones, while if it fails to sustain the 7640 levels then intense selling pressure might drag the index towards 7600 and lower levels. On the Option front, maximum Put OI is at 7500 followed by 8000 strike, whereas maximum Call OI is at 8000 followed by 8200 strike. Bank Nifty opened below its 17000 levels and fell towards 16666 levels. It traded in the line of the broader market and continued making lower highs – lower lows and ended the day with the loss of around 130 points. Now it has support near to 16666 zones while hurdle is at 17000 then 17181 levels.

Future STT Call



AMBUJACEM: Rs. 190

Execution Price Range	Stop Loss	Target
Sell Between Rs. 192 to Rs. 194	197	185

AMBUJACEM broke its multiple support base of 190 zones and registered yearly low around 188 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 30%. 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 185 levels.

Future STT Call



JINDALSTEL: Rs. 85.45

Execution Price Range	Stop Loss	Target
Sell Between Rs. 87to Rs. 88	89.50	82

JINDALSTEL witnessed a recovery from 56 to 96 zones in previous two series but failed to cross the hurdle of 96-97zones. It has been forming lower highs – lower lows from last two trading sessions. The overall structure of the stock is negative and it witnesses selling at every bounce. Thus, recommending selling the stock with the stop loss of 89.50 for the downside target of 82 levels.

Graphic Snapshot



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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