



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,50,334	13706.87
Vol Futures	0.00	0.00
Stock Futures	4,53,392	22653.04
Index Options	27,28,007	1,57,168.97
Stock Options	2,63,925	13,433.45
F&O Total	36,95,658	206,962.33

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1596.79	1505.03	267797	15040.17	91.76
Index options	21165.58	20386.61	1393924	80222.15	778.98
Stock futures	3298.28	2761.66	1037161	50555.67	536.62
Stock options	1984.58	2131.78	75850	3665.08	-147.20
Net Inflow/Outflow (Cr)					1260.16

Securities in Ban Period

IBREALST, JISLJALEQS, JPASSOCIAT & UNITECH

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7600	7500
Resistance	7820	8000

Nifty View for the Day

Now requires holding above 7720 zone to continue it's up move towards 7820-7850 zones, while holding below 7700 may take it back to recent low of 7650 and 7600 zones.

Activity Tracking

Stocks (Long Position)	Remarks
IGL, Voltas, Jpassociat	
Sksmicro, Jswenergy, Kotakbank	Suggesting strength in these counter
IOC, Idea, Unionbank	
Stocks (Short Covering)	Remarks
ONGC, BEML, Bharatforg	
IRB, Rpower, TCS	Suggesting strength in these counter
Pidilitind, Icicibank, Lupin	
Stocks (Short Position)	Remarks
M&M, Wipro, CESC	Suggesting weakness in these counter
Ajantapharm, Apollohosp, PNB	
STAR, Britania, Bataindia	
Stocks (Long Liquidation)	Remarks
Tvsmotor, Asianpaint, Ultracemco	
Havells, Jain Irrigation, Dabur	Suggesting weakness in these counter
Engineersin, UBL, Adanient	

Activity in F&O

Nifty December future closed positive at 7758.20 levels. Nifty Future OI decreased by 2.58% with a rise in price by 0.63%. It closed at a premium of 7 points as compared to the premium of 9 points in previous trading session. Market witnessed buying interest in Consumer Durables, Realty, Bank and Oil & Gas stocks while selling pressure was seen in Auto and FMCG sector stocks. The market turnover increased by 33.96% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 35.71%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.84 to 0.82 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.40 to 15.22 levels and Implied Volatility also fell down from 17.58 to 17 levels.

Conclusion

Nifty future continued its bounce back move on third session led by short covering and support based buying after the sharp selloff of last two weeks. It has recovered by more than 200 points in last three sessions and now requires holding above 7720 zone to continue it's up move towards 7820-7850 zones, while holding below 7700 may take it back 7650 and 7600 zones. On the option front maximum Put OI is at 7500 followed 7600 strike while maximum Call OI is at 8000 followed by 7800 strike. Bank Nifty finally managed to support the broader market and witnessed an up move of 1% after the underperformance of last two sessions. It crossed hurdle of 16500 and head towards 16666 zones. It has to continue to hold above 16500 zones to witness an up move towards 16800 and 17000 zones. Now the immediate support exists at 16250 followed by psychological 16000 zones.

Future STT Call



SUNPHARMA: Rs. 785.40

Execution Price Range	Stop Loss	Target
Buy Between Rs. 771 to Rs. 779	760	805

SUNPHARMA is slowly moving upwards from last four weeks and managed to cross its multiple hurdle of 782-784 zones. It witnessed a sharp fall in November series with built up of short position and now the way it has been holding the support zones may attract for a short covering bounce towards 805-820 zones on immediate basis. One can buy the stock on a small decline with stop loss of 760 for the upside target of 805 levels.

Future STT Call



PNB: Rs. 121.35

Execution Price Range	Stop Loss	Target
Sell Between Rs. 123 to Rs. 124	126.50	117

PNB has been falling down from last twelve trading sessions and not ready to recover even after the recovery in the broader market. Major trend of the stock is in pressure and shorts are intact in the counter. We are expecting this weakness to remain intact after a small bounce back move so suggesting to sell on rally with a stop loss of 126.50 levels for the downside target of 117 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
IGL 6.70	M&M -5.63	NIFTY 147,916	JGL 2,490.48	TV18BROCAST 28.58
IPASSOCIAT 4.21	CESC -3.51	BANKNIFTY 101,539	M&M 1.35	IOB 19.91
DLF 4.21	JUSTDIAL -2.72	ICICIBANK 19,900	CPSS 0.76	SAIL 14.34
CAIRN 4.03	TITAN -2.56	M&M 15,994	MCLEODRUSSAL 0.32	HAVELLS 13.46
ONGC -4.01	BRITANNIA -2.05	AXISBANK 15,042	SOUTHAMBER 0.00	COALINDIA 13
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
JGL 69.51	ONGC -7.95	IPASSOCIAT 0.91	JUSTDIAL -4.27	IPASSOCIAT 57.66
MARICO 15.79	BEHL -4.45	IFCI 0.70	BATAINDIA -3.35	JISLIAEQS 98.07
M&M 11.05	BHARATFORG -6.32	UNITECH 0.78	PFC -2.95	JINDALSTEL 91.43
CPSS 9.20	TVSMOTOR -6.18	GMRINFRA 0.67	NMDC -2.08	INDIACEM 91.23
WIPRO 6.74	BANKNIFTY -5.88	NCC 0.61	PAGEIND -1.69	UNITECH 91.1
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,31-DEC-15,C,8000 277417	M&M,31-DEC-15,C,1240 77,850	NIFTY,31-DEC-15,P,7600 199,094	IGL,31-DEC-15,P,400 23,800	
NIFTY,31-DEC-15,C,7800 265996	IGL,31-DEC-15,C,520 24,780	NIFTY,31-DEC-15,P,7500 183,771	HDPC,31-DEC-15,P,1220 6,833	
NIFTY,31-DEC-15,C,7900 212269	M&M,31-DEC-15,C,1260 8,336	NIFTY,31-DEC-15,P,7700 181,423	SUNPHARMA,31-DEC-15,P,800 5,567	
NIFTY,31-DEC-15,C,8100 114225	NIFTY,31-DEC-15,C,9400 7,655	NIFTY,31-DEC-15,P,7400 118,243	IGL,31-DEC-15,P,460 5,150	
NIFTY,31-DEC-15,C,7700 105616	IPASSOCIAT,31-DEC-15,C,15 6,100	NIFTY,31-DEC-15,P,7800 81,077	SUNPHARMA,31-DEC-15,P,620 4,400	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
NIFTY,31-DEC-15,C,6900 3,276	CAIRN,31-DEC-15,C,130 -56	M&M,31-DEC-15,P,1100 2,075	SUNPHARMA,31-DEC-15,P,620 -48	
M&M,31-DEC-15,C,1220 2,575	RELINFRA,31-DEC-15,C,420 -31	M&M,31-DEC-15,P,1160 630	SKSMDRO,31-DEC-15,P,420 -16	
M&M,31-DEC-15,C,1240 1,553	ONGC,31-DEC-15,C,220 -48	HDPC,31-DEC-15,P,1200 -311	SUNPHARMA,31-DEC-15,P,800 -44	
JGL,31-DEC-15,C,520 688	ONGC,31-DEC-15,C,225 -44	M&M,31-DEC-15,P,1200 300	M&M,31-DEC-15,P,1200 -41	
M&M,31-DEC-15,C,1260 677	INFY,31-DEC-15,C,1060 -43	NIFTY,31-DEC-15,P,7750 275	NIFTY,28-JAN-16,P,8100 -40	

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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