

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

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	3,21,371	17,799.25
Vol Futures	0	0
Stock Futures	5,10,143	25,617.90
Index Options	40,01,117	2,30,569.87
Stock Options	3,12,496	15,927.17
<b>F&amp;O Total</b>	<b>51,45,127</b>	<b>2,89,914.2</b>

**FII Derivatives Statistics**

			<u>OI at end of the day</u>		<u>Inflow / Outflow</u>
	Buy	Sell	Contract	Amount	
Index futures	1,519.33	2,045.17	250,710.00	14,278.19	-525.84
Index options	25,787.81	25,233.12	1,329,177.00	77,439.52	554.69
Stock futures	3,056.56	3,031.26	1,047,140.00	51,883.38	25.31
Stock options	2,236.60	2,319.37	79,011.00	3,885.54	-82.77
<b>Net Inflow/Outflow (Cr)</b>					<b>-28.60</b>

**Securities in Ban Period**

IBREALEST, IDBI, JINDALSTEL, JISLJALEQS, JPASSOCIAT & 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 hold above 7820 zone to continue it's up move towards 7900-7920 zones, while if slips below 7800 zones then profit booking may drag it to 7750 and 7720 zones.

**Activity Tracking**

Stocks (Long Position)	Remarks
Marico, BEML, Arvind	
TV19Brdcst, Tatasteel, Tataglobal	Suggesting strength in these counter
IDBI, Lichsgfin, Kotakbank	
Stocks (Short Covering)	Remarks
NMDC, Dabur, PFC	
Godrejind, Adanient, Jpassociate	Suggesting strength in these counter
TCS, Tatapower, Yesbank,	
Stocks (Short Position)	Remarks
ONGC	
Cairn, Voltas	Suggesting weakness in these counter
BOSCH, IDEA	
Stocks (Long Liquidation)	Remarks
*****	Suggesting weakness in these counter

**Activity in F&O**

Nifty December future closed positive at 7856.40 levels. Nifty Future OI decreased by 0.32% with a rise in price by 1.27%. It closed at a premium of 12 points as compared to the premium of 7 points in previous trading session. Market witnessed buying interest across the board especially in Media, Metals, Power and Consumer Durables sector stocks. The market turnover increased by 39.22% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 40.08%.

**Indication & Outlook**

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.82 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 15.22 to 15.89 levels but Implied Volatility fell down from 17 to 14.45 levels.

**Conclusion**

NIFTY FUTURE: Nifty future continued its up move on fourth session led by strong short covering and support based buying post the US FOMC meet. It has rallied by around 100 points as it managed to hold above 7750 zones and headed towards 7864 levels. It has overall recovered by ¼ losses made in last 2 weeks and now requires a consolidation and Put writing to shift the base at higher levels. It has to hold above 7820 zone to continue its up move towards 7900-7920 zones, while if slips below 7800 zones then profit booking may drag it to 7750 and 7720 zones. On the option front maximum Put OI is at 7500 followed 7600 strike while maximum Call OI is at 8000 followed by 8200 strike. Bank Nifty moved in line with the broader market and headed towards 16825 zones. It has to continue to hold above 16500 zones to witness a move towards 17000 and 17150 zones while on the downside next support exists at 16250 zones.

## Future STT Call



TVSMOTOR: Rs. 288

Execution Price Range	Stop Loss	Target
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Buy Between Rs. 281 to Rs. 284	277	298
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TVSMOTOR has been moving upwards from last couple of trading sessions after making an immediate base near to 270 zones. It has surpassed immediate hurdle of 286-287 zones and holding above may extend its up move towards 300 zones. Overall longs are intact in the stock as it rallied well in last two series. One can buy the stock with stop loss of 277 for the upside immediate target of 298 levels.

## Future STT Call



CAIRN: Rs. 130.50

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 132 to Rs. 134	137	127
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CAIRN has been trading under the bear grip from last two years and witnesses fresh selling pressure after every small bounce back move. It has bounced from 52 weeks low of 122.30 to 134.70 zones but again fresh shorts are dragging it to lower levels even after a strong market recovery. Traders can sell the stock on bounce back move with stop loss of 137 for the down side target of 127 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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