



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	3,11,773	17,315.44
Vol Futures	0	0
Stock Futures	5,19,519	25,749.56
Index Options	37,82,193	2,19,834.89
Stock Options	3,12,347	15,946.55
F&O Total	49,25,832	2,78,846.44

FII Derivatives Statistics

	OI at end of the day			Inflow /	
	Buy	Sell	Contract	Amount	Outflow
Index futures	1753.296	1614.003	295576	16750.65	139.2925
Index options	27967.6	28040.27	1308808	75024.94	-72.6622
Stock futures	3528.697	3275.174	982201	47516.11	253.5231
Stock options	2517.071	2629.575	84319	4082.822	-112.504
Net Inflow/Outflow (Cr)					207.64

Securities in Ban Period

JINDALSTEL & DLF

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7700	7550
Resistance	8000	8330

Nifty View for the Day

Nifty it needs to cross and hold above 7777-7800 zones for support based buying and short covering move towards 7850 levels.

Quote of the day

“THE HARDER THE CONFLICT, THE MORE GLORIOUS IS THE TRIUMPH. “

Activity Tracking

Stocks (Long Position)	Remarks
Havells, Gail, Petronet	
GMRInfra, Pageind, Unitech	Suggesting strength in these counter
Idea, IOC, Coalindia	
Stocks (Short Covering)	Remarks
Dabur, Abirlanuvo, Asianpaint	
Mothersumi, Eicheremot, Biocon	Suggesting strength in these counter
Bajfinance, Tatamtrdrv, Divislab	
Stocks (Short Position)	Remarks
Ibulhsgfin, Jpassociat, Hindzinc	
Albk, Hindalco, Voltas	Suggesting weakness in these counter
Hexaware, Bhck, TCS	
Stocks (Long Liquidation)	Remarks
NCC, Engineersin, UBL	
Orientbank, Wockpharma, Relinfra	Suggesting weakness in these counter
Ceatltd, PNB, Heromotoco	

Activity in F&O

Nifty November future closed negative at 7731.95 levels. Nifty Future OI increased by 4.57% with a fall in price by 1.54%. It closed at a par as compared to the premium of 15 points in previous trading session. Market witnessed selling pressure was seen in IT, Banking, Metal, Realty and Auto sector stocks while buying interest was seen in Consumer Durables sector stocks. The market turnover increased by 25.95% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 25.67%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.72 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 15.49 to 16.49 levels and Implied Volatility also moved up from 15.39 to 16.09 levels.

Conclusion

Nifty future opened on a flat to negative and broke its 7800 levels in the absence of buying interest at higher levels. It fell towards 7720 levels in the last hour of sessions and ended the session near the low levels with the loss of around 125 points. Now it needs to cross and hold above 7777-7800 zones for support based buying and short covering move towards 7850 levels. However if it holds below 7750 zones then fresh shorts may drag index towards 7680 and lower levels followed by put unwinding in 7700 strike. On the Option front, maximum Put OI is at 7700 followed by 7600 strike, whereas maximum Call OI is at 8000 followed by 8200 strike. Bank Nifty opened negative and with sustained selling it fell towards crucial support of 16800 levels. It traded in line with the broader market and ended in the negative zone with the loss of around 385 points. Now it has to cross and hold above 17000 zones while holding below 16800 levels may drag it to 16666 and 16500 zones.

Future STT Call



HEROMOTOCO: Rs. 2575

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 2600 to Rs. 2625	2653	2520
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HEROMOTOCO failed to cross the multiple hurdles of 2670-2680 zones and has been falling down continuously from last five trading sessions. It has been making lower highs – lower lows and also broke its psychological support of 2600 levels. It has been witnessing liquidation of long position from last four trading sessions and now holding below 2600 levels can continue the selling pressure till 2520 and lower levels. One can sell the stock with stop loss of 2653 for the downside target of 2520 levels.

Future STT Call



SKSMICRO: Rs. 427

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 431 to Rs. 435	443	410
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SKSMICRO has a dull price behavior and finding sustained selling near to 455-460 zones from last four weeks. It witnessed a recovery from 360 to 480 levels in previous two series and now pause in momentum indicates an early sign of end of the positive trend. It is continuously adding built up of short position as open interest added by 5% with fall in price in last few sessions. One can sell the stock with stop loss of 443 for the downside target of 410 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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