



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

**Market Statistics**

| Product              | No. of Contracts | Turnover (Rs.cr)   |
|----------------------|------------------|--------------------|
| Index Futures        | 3,79,982         | 21,289.41          |
| Vol Futures          | 0                | 0                  |
| Stock Futures        | 7,50,999         | 37,748.72          |
| Index Options        | 49,26,222        | 2,87,146.13        |
| Stock Options        | 3,62,435         | 18,463.48          |
| <b>F&amp;O Total</b> | <b>64,19,638</b> | <b>3,64,647.74</b> |

**FII Derivatives Statistics**

|                                | OI at end of the day |         |           |         | Inflow /<br>Outflow |
|--------------------------------|----------------------|---------|-----------|---------|---------------------|
|                                | Buy                  | Sell    | Contract  | Amount  |                     |
| Index futures                  | 3224.2               | 2963.7  | 310212.0  | 17873.6 | 260.5               |
| Index options                  | 33063.6              | 32376.5 | 1274719.0 | 74157.2 | 687.1               |
| Stock futures                  | 6943.0               | 6806.5  | 1009549.0 | 49823.9 | 136.5               |
| Stock options                  | 2636.1               | 2819.8  | 80506.0   | 3944.4  | -183.7              |
| <b>Net Inflow/Outflow (Cr)</b> |                      |         |           |         | <b>900.45</b>       |

**Securities in Ban Period**

IBREALEST, 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 sustain above its 7850 levels for the bounce back to continue towards 7920 and 7950 levels.

**Quote of the day**

“SOMETIMES YOU WIN, SOMETIMES YOU LEARN. “

**Activity Tracking**

| Stocks (Long Position)           | Remarks                              |
|----------------------------------|--------------------------------------|
| Pidilite, Petronet, Havells      |                                      |
| Ibulhsgfin, UBL, Bankbaroda      | Suggesting strength in these counter |
| Ibrealst, Maruti, M&M            |                                      |
| Stocks (Short Covering)          | Remarks                              |
| Zeel, Bankindia, Drreddy         |                                      |
| Cadilahc, Jindalstel, Ambujacem  | Suggesting strength in these counter |
| Cipla, Justdial, TCS             |                                      |
| Stocks (Short Position)          | Remarks                              |
| Albk, Sunpharma, Hindzinc        |                                      |
| Heromotco, Boschld, Jswsteel     | Suggesting weakness in these counter |
| Sksmicro, Amarajabat, Federalbnk |                                      |
| Stocks (Long Liquidation)        | Remarks                              |
| Arvind, Abirlanuvo, DLF          |                                      |
| Hcltech, Gminfra, ITC            | Suggesting weakness in these counter |
| HDFC, Icicibank, SBIN            |                                      |

**Activity in F&O**

Nifty November future closed negative at 7851.60 levels. Nifty Future OI increased by 1.58% with a fall in price by 0.09%. It closed at a discount of 5 points as compared to the premium of 15 points of previous trading session. Market witnessed buying interest across the board except in Realty sector stocks. The market turnover increased by 36.90% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 29.19%.

**Indication & Outlook**

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.79 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 17.70 to 17.16 levels and Implied Volatility also fell down from 14.76 to 13.26 levels.

**Conclusion**

Nifty future opened on a flattish note and after an initial consolidation it edged higher towards 7925 levels. However it failed to sustain the higher levels in the absence of buying interest and fell towards the opening levels and ended the session with the marginal loss of around 7 points. Now it needs to sustain above its 7850 levels for the bounce back to continue towards 7920 and 7950 levels. However if it fails to hold 7800 levels then the index may come under pressure and may decline towards next support of 7750 and 7725 levels. On the Option front, maximum Put OI is at 7700 followed by 7800 strike, whereas maximum Call OI is at 8000 followed by 8200 strike. Bank nifty future opened above its 17000 levels and after a sideways move in the early hours it moved towards 17350 levels. However it failed to sustain it and fell towards the opening levels. Finally it ended the session with the marginal loss of around 35 points. Now it has to hold above 17000 zones to move towards 17250 and 17500 levels while holding below 16800 levels may drag it to 16666 and 16500 zones.

### Future STT Call



**CIPLA: Rs. 646**

| Execution Price Range          | Stop Loss | Target |
|--------------------------------|-----------|--------|
| Buy Between Rs. 633 to Rs. 639 | 623       | 670    |

CIPLA crossed the hurdle of 291 zones after the consolidation of last eight trading sessions. It has managed to hold the support base which is shifting to higher levels with rise in trading volumes which have bullish implication. Thus recommending the traders to buy the stock with the stop loss 623 for the upside immediate target of 670 levels.

### Future STT Call



**HINDALCO: Rs. 77.45**

| Execution Price Range               | Stop Loss | Target |
|-------------------------------------|-----------|--------|
| Sell Between Rs. 79.50 to Rs. 80.50 | 82        | 74.50  |

HINDALCO major trend of the stock is intact to weak as it has been falling down from last five weeks. It witnesses sustain selling pressure at every small bounce back and holding below crucial hurdle of 83 and 80 zones. It has seen fresh call writing at 80 strike which will continue to push the stock to lower levels. One can sell the stock on bounce back move with stop loss of 82 for the downside target of 74.50 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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