



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

**Market Statistics**

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	3,68,542	20,896.75
Vol Futures	1	0.08
Stock Futures	11,58,844	57,633.36
Index Options	38,40,300	2,23,665.22
Stock Options	2,95,009	15,217.50
<b>F&amp;O Total</b>	<b>56,62,696</b>	<b>3,17,412.92</b>

**FII Derivatives Statistics**

	OI at end of the day			Inflow / Outflow
	Buy	Sell	Contract	
Index futures	7326.07	6922.81	381349	22044.60
Index options	24366.28	25041.56	1276913	74265.21
Stock futures	18949.87	18660.90	1051504	51987.44
Stock options	2191.99	2287.42	81414	3992.62
<b>Net Inflow/Outflow (Cr)</b>				<b>-78.48</b>

**Securities in Ban Period**

IBREALEST, UNITECH & 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 hold above its 7850-7860 levels for the bounce back move to continue towards 7920 and 7950 levels.

**Quote of the day**

“MOTIVATION IS WHAT GETS YOU STARTED, HABIT IS WHAT KEEPS YOU GOING. “

**Activity Tracking**

Stocks (Long Position)	Remarks
Petronet, Heromotoco, Bajifinance	
Bajajauto, Ashokley, Apollohosp	Suggesting strength in these counter
Gail, Justdial, Star	
Stocks (Short Covering)	Remarks
Asianpaint, NMDC, DLF	
Andhrabank, Ultracemco, Yesbank	Suggesting strength in these counter
Godrejind, Ceatltd, Axisbank	
Stocks (Short Position)	Remarks
NCC, Amarajabat, UPL	
Arvind, Hindalco, Pidilite	Suggesting weakness in these counter
Jpassociat, PTC, PFC	
Stocks (Long Liquidation)	Remarks
Ibrealst, Mcleodruss, SAIL	
Jindalstel, M&MFin, UBL	Suggesting weakness in these counter
Bankbaroda	

**Activity in F&O**

Nifty November future closed negative at 7851.25 levels. Nifty Future OI increased by 11.99% with no change in price. It closed at a premium of 2 points as compared to the discount of 5 points of previous trading session. Market witnessed selling pressure in FMCG and Metal sector stock while buying interest was seen in Consumer durables, Realty and Oil & gas sector stocks. The market turnover decreased by 11.79% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 12.93%.

**Indication & Outlook**

Put Call Ratio based on Open Interest of Nifty fell down from 0.79 to 0.77 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 17.16 to 16.64 levels but Implied Volatility moved up from 13.26 to 16.14 levels.

**Conclusion**

Nifty future opened positive and consolidated in previous session's range. It witnessed a directionless trade as bulls and bears both were fighting to get their grip on the market. Finally it ended the session with the loss of around 20 points. Now it needs to hold above its 7850-7860 levels for the bounce back move 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 7600 strike, whereas maximum Call OI is at 8000 followed by 8200 strike. Bank Nifty opened flattish a traded in a narrow range between 16960 to 17140 zones then finally settled the day on flat note with no major changes on closing basis. Now it has to continue to hold above 17000 zones to move towards 17250 and 17400 levels while on the downside support exists at around 16800 then 16666 zones.

### Future STT Call



**CROMPGREAV: Rs. 191.65**

Execution Price Range	Stop Loss	Target
Buy Between Rs. 184 to Rs. 186	180	196

CROMPGREAV has seen a V shape recovery from 164 to 190 levels in last three weeks and given an early sign of major breakout on weekly chart. It has been making higher top – higher bottom formation on daily charts from last couple of days with rising volume activities. It registered highest daily close of last three series and holding above its volume weight age average of 176 levels. Traders can buy the stock with the stop loss 180 for the upside immediate target of 196 levels.

### Future STT Call



**HINDALCO: Rs. 77.45**

Execution Price Range	Stop Loss	Target
Sell Between Rs. 76 to Rs. 77	78.50	71

HINDALCO's major trend is intact to weak as it has been falling down from last six weeks. It witnesses sustain selling pressure at every small bounce back and has set perfect example of support becoming resistance. It has seen fresh call writing at 80 strikes which will continue to push the stock to lower levels. One can sell the stock on bounce back move with stop loss of 78.50 for the downside target of 71 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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