



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,12,764	13,942.89
Stock Futures	4,50,142	29,961.92
Index Options	29,04,584	1,97,152.61
Stock Options	2,16,720	14,917.15
F&O Total	37,84,210	2,55,974.58

FII Derivatives Statistics

	OI at end of the day		Contract	Amount	Inflow / Outflow
	Buy	Sell			
Index futures	2147.09	1531.71	166452	10501.52	615.38
Index options	28502.02	27075.67	905902	56238.04	1426.35
Stock futures	6438.95	5605.63	820676	49892.36	833.33
Stock options	2357.12	2344.58	44562	2859.05	12.54
Net Inflow/Outflow (Cr)					2887.60

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7920	7600
Resistance	8220	8480

Nifty View for the Day

Now if it fails to deliver strength by holding 8180 zones then it may drift towards 8100-8080 zones while holding above 8220 might attract fresh move towards 8320 zones in next coming sessions.

Corporate Action

Company	Purpose	Ex-Date	Record Date
IGL	Interim Dividend Rs 3.50 Per Share	29-Nov-16	30-Nov-16
COLPAL	Interim Dividend	15-Dec-16	16-Dec-16
JETAIRWAYS	Annual General Meeting	19-Dec-16	-

Activity Tracking

Stocks (Long Position)	Remarks
lbulhsgfin, Jswenergy, Eichermot Adaniports, Havells, Heromotoco IDFCBank, HDFC, Bharatfin	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
Godrejind, Ambujacem, NIITTech Suntv, MRF, BEML Jetairways, Lupin, Adanipower	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Oil, IGL, Godrejcp Pageind, Glenmark, JISLJALEQS Srtransfin, Andhrabank, Apollohosp	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Hindzinc, TechM, Mindtree Hindalco, Tataelxsi, ITC IDFC, Arvind, Hindpetro	Suggesting weakness in these counter

Activity in F&O

Nifty future closed positive at 8172.05 levels. Nifty future OI increased by 1.97% with a rise in price by 0.26%. It closed at a premium of 30 points as compared to the premium of 23 points in previous trading session. Market witnessed buying interest in Auto and Realty sector stocks while selling pressure was seen in Banks, Metals, Pharma and IT sector stocks. The market turnover increased by 18.94% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 18.31%.

Indication

Put Call Ratio based on Open Interest of Nifty moved up from 1 to 1.03 levels as compared to previous trading session. Historical Volatility fell down from 20.70 to 20.11 levels and Implied Volatility also fell down from 16.26 to 15.81 levels.

Conclusion

Nifty future opened flat to positive and moved towards 8220 levels but failed to sustain it and in the last hour drifted towards 8150 levels. Now if it fails to deliver strength by holding 8180 zones then it may drift towards 8100-8080 zones while holding above 8220 might attract fresh move towards 8320 zones in next coming sessions. On the option front, maximum Put OI is at 8000 followed by 7900 strike while maximum Call OI is at 8300 followed by 8500 strike. We have seen fresh Put writing at 8100, 8200 and 8300 strike while Call Writing is seen at 8200 and 8300 strike. Fight between Put writers and Call writers might keep the market in a trading range for a while and broader trading range may remain in between 8000 to 8300 zones for next coming weeks. Bank Nifty has been underperforming the broader market and registered the lowest daily close in last four months. However it is respecting immediate support of 18150 zones and if that is taken out then it may start the fresh decline towards 17800-17700 zones. On the upside it has immediate hurdle near to 18500 zones.

Future STT Call



CADILAHC: Rs. 400

Execution Price Range	Stop Loss	Target
Sell Between Rs. 405 to Rs. 409	415	390

CADILAHC negated the positive price formation of making higher highs – higher lows and snapped the gains of last two sessions. It failed to surpass its immediate hurdle of 415 zones and witnessed selling pressure at higher levels. Fresh built up of short position was seen in the counter with open interest addition of around 2%. One can sell the stock on a small bounce back move with strict stop loss of 415 for the downside target of 390 levels.

Future STT Call



MARICO: Rs. 249

Execution Price Range	Stop Loss	Target
Sell Between Rs. 252 to Rs. 254	258	243

MARICO broke the support of 250 zones as failed to surpass the hurdle of 256-258 levels and started witnessed selling pressure. It has been witnessing selling at every minor attempt to bounce indicating weakness in the counter. It has added shorts of around 5% in last two trading sessions thus supporting our negative view in the counter. We have fundamentally contrary view on the stock but suggesting a trade for immediate profit booking decline towards 258 levels. Thus one can sell with the stop loss of 258 for the upside immediate target of 243 levels.

Graphic Snapshot

%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		% Rollovers	
BHARATFIN	7.31	CADILAHC	-3.11	NIFTY	140,290	BIOCON	224.24	NIFTY	6.84
EICHERMOT	5.19	OIL	-2.55	BANKNIFTY	72,111	GODREJIND	185.90	WIPRO	6.38
DHFL	4.37	SRTRANSFIN	-2.05	MARUTI	15,643	BHARATFIN	169.99	SAIL	5.73
GODREJIND	4.19	GLENMARK	-1.86	BHARATFIN	13,853	OFSS	157.41	BANKINDIA	3.73
BOSCHLTD	4.07	HINDALCO	-1.81	ICICIBANK	13,186	CASTROLIND	152.43	CANBK	3.42
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Limit	
OIL	15.25	GODREJIND	-9.51	IFCI	0.87	PCJEWELLER	-4.95	ICIL	124.12
IGL	12.40	AMBUJACEM	-5.40	POWERGRID	0.77	JUSTDIAL	-1.42	IBREALEST	80.47
BANKNIFTY	7.61	NITTECH	-4.61	NHPC	0.73	TVSMOTOR	-0.96	JINDALSTEL	79.09
GODREJCP	7.26	HINDZINC	-4.40	NMDC	0.70	IDEA	0.57	WOCKPHARMA	75.5
CANBK	6.95	HINDUNILVR	-4.03	ANDHRABANK	0.69	SRF	0.52	JISLJALEQS	69.59
Options		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
Most Active (Calls)		IRB,29-DEC-16,C,195	3,900	NIFTY,29-DEC-16,P,8000	131,523	MARUTI,29-DEC-16,P,5100	18,000		
BANKNIFTY,01-DEC-16,C,18500	143620	BIOCON,29-DEC-16,C,940	3,029	NIFTY,29-DEC-16,P,8100	118,232	NIFTY,25-JAN-17,P,8500	5,905		
NIFTY,29-DEC-16,C,8300	141159	BHARATFIN,29-DEC-16,C,820	2,767	BANKNIFTY,01-DEC-16,P,18000	116,964	NIFTY,25-JAN-17,P,8400	5,496		
NIFTY,29-DEC-16,C,8200	119570	BIOCON,29-DEC-16,C,960	2,620	BANKNIFTY,01-DEC-16,P,18200	92,797	BIOCON,29-DEC-16,P,900	5,200		
BANKNIFTY,01-DEC-16,C,18700	106017	M&MFIN,29-DEC-16,C,310	2,000	BANKNIFTY,01-DEC-16,P,18100	74,970	NIFTY,29-DEC-16,P,8350	3,490		
NIFTY,29-DEC-16,C,8500	97018								
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
M&MFIN,29-DEC-16,C,310	1,625	HDFC,29-DEC-16,C,1240	-67	BHARATFIN,29-DEC-16,P,720	4,400	ADANIPOWER,29-DEC-16,P,27.5	-43		
BANKNIFTY,01-DEC-16,C,18100	1,281	MARUTI,29-DEC-16,C,4900	-66	NIFTY,29-DEC-16,P,8350	844	BANKNIFTY,29-DEC-16,P,17200	-32		
IRB,29-DEC-16,C,195	485	MARUTI,29-DEC-16,C,4950	-51	MARUTI,29-DEC-16,P,5100	843	SBIN,29-DEC-16,P,260	-31		
BHARATFIN,29-DEC-16,C,780	360	HDFC,29-DEC-16,C,1260	-44	BANKNIFTY,01-DEC-16,P,17200	551	MARUTI,29-DEC-16,P,4700	-31		
BHARATFIN,29-DEC-16,C,820	342	EICHERMOT,29-DEC-16,C,21000	-44	INDIACEM,29-DEC-16,P,120	543	SUNPHARMA,29-DEC-16,P,710	-21		

Derivatives Lesson: LONG COMBO: SELL A PUT, BUY A CALL

- A Long Combo is a Bullish strategy. If an investor is expecting the price of a stock to move up he can do a Long Combo strategy. It is constructed by selling an OTM (lower strike) Put and buying an OTM (higher strike) Call.
- This strategy simulates the action of buying a stock (or futures) but at a fraction of the stock price. It is an inexpensive trade, similar in pay-off to Long Stock, except there is a gap between the strikes.
- Max loss: **Unlimited (Lower Strike + net debit)**
- Reward: **Unlimited**
- Breakeven: **Higher strike + net debit**

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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