



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

**Market Statistics**

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,06,979	11,694.36
Vol Futures	0	0
Stock Futures	4,37,019	22,908.53
Index Options	16,58,774	98,662.99
Stock Options	1,86,576	10,205.86
<b>F&amp;O Total</b>	<b>24,89,348</b>	<b>1,43,471.74</b>

**FII Derivatives Statistics**

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	893.32	1402.28	271515	15729.90	-508.96
Index options	13730.84	12914.68	1091949	63859.99	816.16
Stock futures	3068.41	3290.77	987109	49582.46	-222.36
Stock options	1251.91	1232.86	41894	2084.79	19.05
<b>Net Inflow/Outflow (Cr)</b>					<b>103.90</b>

**Securities in Ban Period**

NIL

**Nifty Future/Option Trading Guide**

NIFTY	Short term	Medium term
Support	7850	7700
Resistance	8000	8330

**Nifty View for the Day**

**Nifty needs to cross and hold above 7920 zones for the buyers to re-enter and take the index towards 8000 levels.**

**Quote of the day**

**“NOTHING WORTH HAVING COMES EASY. “**

**Activity Tracking**

Stocks (Long Position)	Remarks
Havells, Relinfra	
NCC, Rcom, Relcapital	Suggesting strength in these counter
Jisjaleqs, Rpower, Tv18brdst	
Stocks (Short Covering)	Remarks
Castrolind, Bharatforg, Eichermot	
DLF, M&MFin, Petronet	Suggesting strength in these counter
Gmrinfra, NTPC, IDBI	
Stocks (Short Position)	Remarks
Mcleodruess, Apollotyre, Canbk	
NMDC, SBIN, Tatamtrdvr	Suggesting weakness in these counter
Amarajabat, BEML, Bankindia	
Stocks (Long Liquidation)	Remarks
Voltas, Apollohosp, Engineersin	
Marico, Hindunilvr, Zeel	Suggesting weakness in these counter
Hindzinc, Hexaware, Cipla	

**Activity in F&O**

Nifty December future closed negative at 7890.80 levels. Nifty Future OI increased by 0.40% with a fall in price by 0.91%. It closed at a premium of 27 points as compared to the premium of 32 points in previous trading session. Market witnessed selling pressure in Metals, Media, Pharma, Banking and Auto sectors stocks while buying was seen in Realty sector stock. The market turnover increased by 10.06% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 11.01%.

**Indication & Outlook**

Put Call Ratio based on Open Interest of Nifty fell down from 0.84 levels to 0.79 levels as compared to previous trading sessions. Historical Volatility of Nifty moved up from 14.98 to 15.14 levels and Implied Volatility also moved up from 14.75 to 15.04 levels.

**Conclusion**

Nifty future opened under the dominance of the bears for consecutive second trading sessions and fell towards 7870 levels. It failed to hold its 8000 levels and also breached its 7900 levels. Finally the day ended with the loss of around 70 points. Now it needs to cross and hold above 7920 zones for the buyers to re-enter and take the index towards 8000 and 8025 levels, while if it fails to hold 7880 zones then bears may again propel the market towards 7800 and 7777 zones. Traders are required to take calculated risk as a pause in the bounce back move indicates a sense of caution. On the Option front, maximum Put OI is at 7500 followed by 8000 strike, whereas maximum Call OI is at 8200 followed by 8100 strike. Bank Nifty opened with a gap down of 65 points and fell towards 17150 levels. It failed to cross and hold above its hurdle of 17500 levels in the previous sessions and got trapped in the range from 17500 to 17000 levels. Now the hurdle is at 17250 levels and above it 17500 levels while support is at 17000 then 16800 levels.

### Future STT Call



ONGC: Rs. 285		
Execution Price Range	Stop Loss	Target
Sell Between Rs. 234 to Rs. 236	240	224

ONGC witnessed a recovery from 222 to 240 zones in last two weeks but failed to surpass the hurdle of 240 mark. It negated the pattern of making higher highs - higher lows of last two weeks and dashed all the hopes of bottoming out. The overall structure of the stock is intact negative as it has been making lower top - lower bottom formation from last one year and it witnesses selling at every bounce with fresh built up of short position. Thus, recommending selling the stock with the stop loss of 240 for the downside target of 224 levels.

### Future STT Call



VEDL: Rs. 92.55		
Execution Price Range	Stop Loss	Target
Sell Between Rs. 94 to Rs. 95	97	89

VEDL negated the pattern of making higher highs - higher lows of last three trading sessions and again landed in the hands of bears. It is witnessing call writing at 95 and 100 strikes with built up of short position. It is continuously finding hurdle near to its 50 DMA and has comparatively weak structure than other stocks of the same sector. One can sell the stock with the stop loss of 97 for the downside target of 89 levels.

### Graphic Snapshot

%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		%Volume Losers	
TVSBRDOST	9.11	APOLLOTYRE	-3.88	NIFTY	228,790	TVSBRDOST	762.88	SWP500	109
RCOM	6.58	JINDALSTEL	-3.34	BANKNIFTY	25,925	HAVELLS	872.65	DIJA	90.4
JISLJALEQS	4.97	ADANIERT	-3.18	RCOM	16,995	JISLJALEQS	610.88	ICR	43.9
HAVELLS	3.71	HCLCORUSS	-3.07	AXISBANK	13,032	CASTROLIND	278.15	BRITANNIAS	31.5
MINFIN	3.44	SRTRANSFIN	-3.22	TATASTEEL	11,738	PAGEIND	276.01	TATAMTRDVR	31.1
%OI Gainers		%OI Losers		%Shorting		%Discounts		OI % of Mkt. Limit	
HAVELLS	58.27	VOLTAS	-10.79	UNITECH	1.40	IDEA	-2.64	UNITECH	97.29
HCLCORUSS	29.93	DIA	-9.00	LATRI	0.82	BATAINDIA	-2.81	IBRCALST	94.52
RELINFRA	10.88	APOLLDHOSP	-7.47	OFSS	0.80	NMDC	-1.79	JISLJALEQS	81.74
APOLLOTYRE	9.88	ENGINEERSIN	-6.55	IPASSOCIAT	0.78	ICR	-1.09	ICR	81.43
CAMK	9.58	CASTROLIND	-6.42	ADANIPORTS	0.73	JISJTDIAL	-0.79	CENTURYTEX	80.3
Options									
Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
NIFTY,31-DEC-15,C,8000	174573	NIFTY,31-DEC-15,C,9400	12,742	NIFTY,31-DEC-15,P,7800	157,707	NIFTY,31-DEC-15,P,9800	7,358		
NIFTY,31-DEC-15,C,8100	150267	TVSBRDOST,31-DEC-15,C,45	6,075	NIFTY,31-DEC-15,P,7900	113,175	RELINFRA,31-DEC-15,P,480	6,167		
NIFTY,31-DEC-15,C,8200	847579	HAVELLS,31-DEC-15,C,320	5,458	NIFTY,31-DEC-15,P,7700	75,632	RCOM,31-DEC-15,P,82.5	6,159		
NIFTY,31-DEC-15,C,8300	114929	NIFTY,31-DEC-15,C,9100	4,678	NIFTY,31-DEC-15,P,7600	58,834	RCOM,31-DEC-15,P,80	5,885		
NIFTY,31-DEC-15,C,7900	83051	HAVELLS,31-DEC-15,C,310	4,120	NIFTY,31-DEC-15,P,7500	43,707	NIFTY,28-JAN-16,P,9000	4,100		
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
HAVELLS,31-DEC-15,C,320	1,367	IDFC,31-DEC-15,C,50	-57	NIFTY,28-JAN-16,P,9000	1,159	SAIL,31-DEC-15,P,37.5	-51		
NIFTY,30-JUN-16,C,8000	757	HDFC,31-DEC-15,C,100	-38	RCOM,31-DEC-15,P,82.5	1,067	HDFCBANK,31-DEC-15,P,1040	-51		
RCOM,31-DEC-15,C,92.5	338	RCOM,31-DEC-15,C,77.5	-34	RCOM,31-DEC-15,P,85	733	HEROMOTOCO,31-DEC-15,P,390	-40		
NIFTY,31-MAR-16,C,8700	310	HDFCBANK,31-DEC-15,C,1090	-33	RCOM,31-DEC-15,P,80	325	HINDUNILVR,31-DEC-15,P,820	-38		
RCOM,31-DEC-15,C,87.5	295	TVSBRDOST,31-DEC-15,C,37.5	-32	NIFTY,15-FEB-16,P,7400	462	TATASTEEL,31-DEC-15,P,240	-31		

**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

**DISCLAIMER:** This report has been issued by Anand Rathi Securities Limited (ARSL), which is regulated by SEBI. The information herein was obtained from various sources; we do not guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities, options, future or other derivatives related to such securities ("related investment"). ARS and its affiliates may trade for their own accounts as market maker/ jobber and /or arbitrageur in any securities of this issuer(s) or in related investments, and may be on the opposite side of public orders. ARS, its affiliates, directors, officers, and employees may have a long or short position in any securities of this issuer(s) or in related investment banking or other business from, any entity mentioned in this report. This research report is prepared for private circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial situation and the particular needs of any specific investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report.