



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	1,52,123	8,530.32
Vol Futures	0	0
Stock Futures	3,51,590	18,008.97
Index Options	14,68,931	86,596.79
Stock Options	1,90,590	10,085.43
F&O Total	21,63,234	1,23,221.52

FII Derivatives Statistics

	OI at end of the day		Inflow /		
	Buy	Sell	Contract	Amount	Outflow
Index futures	1065.25	1030.46	259756	14862.98	34.79
Index options	10129.86	10769.58	1136839	65718.40	-639.72
Stock futures	2674.51	2715.04	987491	49150.65	-40.53
Stock options	1491.24	1508.98	49873	2458.76	-17.74
Net Inflow/Outflow (Cr)					-663.20

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7700	7550
Resistance	8000	8330

Nifty View for the Day

If it manages to cross and hold above 7850 zones then only a relief move may be seen towards next crucial hurdle of 7920 and 7980 zones. On the downside if it sustains below 7820 then profit booking may drag the index towards 7777 then 7725 zones.

News of the day

COLPAL DECLARED INTERIM DIVIDEND OF Rs. 3 – RECORD
DATE: 11th DECEMBER, 2015.

Activity Tracking

Stocks (Long Position)	Remarks
Dabur, Arvind, Godrejind	
KSCL, Justdial, Adanient	Suggesting strength in these counter
Asianpaint, Indusindbk, Siemens	
Stocks (Short Covering)	Remarks
Sunpharma, Hindunilvr, M&Mfin	
Pidiite, HDFC, Kotakbank	Suggesting strength in these counter
HDIL, Tatasteel, Ceatltd	
Stocks (Short Position)	Remarks
Bankindia, ITC, IGL	
Pageind, IRB, Orientbank	Suggesting weakness in these counter
Britannia, Maruti, Mleodruss	
Stocks (Long Liquidation)	Remarks
Cairn, TV18Brdcst, Suntv	
TVSmotor, IDFC, Oil	Suggesting weakness in these counter
Havells, Bankbaroda, MRF	

Activity in F&O

Nifty December future closed negative at 7808.50 levels. Nifty Future OI decreased by 0.73% with a fall in price by 0.15%. It closed at a premium of 43 points as compared to the premium of 40 points in previous trading session. Market witnessed selling pressure in Auto, Energy, FMCG and Metal sectors stocks while buying was seen in Banking, Realty and Pharma sector stock. The market turnover decreased by 18.44% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 18.43%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.79 to 0.77 levels as compared to previous session. Historical Volatility of Nifty fell down from 15.26 to 14.81 levels and Implied Volatility also fell down from 15.26 to 15.06 levels.

Conclusion

Nifty future opened on positive note with a gap up of around 40 points but in the absence of buying interest the bears pushed the index to breach its 7800 marks and registered an intraday low of 7790 levels. It has been making lower lows from last three trading session. Finally the day ended with the loss of around 12 points. Here on if it manages to cross and hold above 7850 zones then only buying interest may be seen towards next crucial hurdle of 7920 and 7980 zones. On the downside if it sustains below 7820 then profit booking may drag the index towards 7777 then 7725 zones. On the Option front, maximum Put OI is at 7500 followed by 8000 strike, whereas maximum Call OI is at 8000 followed by 8200 strike. Bank Nifty opened positive witnessed a minor fall towards 16990 levels. It outperformed the index as it closed positive with the gains of 0.28% compared to the Nifty loss of 0.11% on closing basis. Now it needs to sustain above its 17000 levels for the buyers to take the index towards 17250 levels, while on the downside support exist at around 16800 then 16666 levels.

Future STT Call



VEDL: Rs. 91.75

Execution Price Range	Stop Loss	Target
Sell Between Rs. 93 to Rs. 94	96	88.50

VEDL failed to cross the hurdle of 95 zones 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 at its falling supply trend line and has comparatively weak structure than other stocks of the same sector. Thus, recommending selling the stock with the stop loss of 96 for the downside target of 88.50 levels.

Future STT Call



ALBK: Rs. 73.25

Execution Price Range	Stop Loss	Target
Sell Between Rs. 74 to Rs. 75	77	69.50

ALBK witnessed a recovery from 73 to 78 zones in last two weeks but failed to cross the hurdle of 79-80 zones. It has been forming lower highs – lower lows from last three trading sessions. The overall structure of the stock is negative and it witnesses selling at every bounce One can sell the stock with the stop loss of 77 for the downside target of 69.50 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

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.