



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	1,83,358	10,434.94
Vol Futures	0	0
Stock Futures	5,26,257	28,051.41
Index Options	12,51,332	74,484.88
Stock Options	1,84,660	10,290.91
F&O Total	21,45,607	1,23,262.15

FII Derivatives Statistics

	OI at end of the day			Inflow / Outflow
	Buy	Sell	Contract Amount	
Index futures	2168.06	1411.38	257553.00	15075.70
Index options	10861.72	10246.01	923083.00	54510.52
Stock futures	5092.49	5354.08	949834.00	48142.82
Stock options	1185.52	1078.92	28701.00	1447.20
Net Inflow/Outflow (Cr)				1217.41

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 it needs to hold above 7920 zones with follow up buying interest to continue the bounce back move towards 8050 and 8080 levels.

Quote of the day

“STOP SAYING I WISH, START SAYING I WILL. “

Activity Tracking

Stocks (Long Position)	Remarks
DLF, Relinfra, IDBI	
Wockpharma, Voltas, Powergrid	Suggesting strength in these counter
Relcapital, Gmrinfra, HDIL	
Stocks (Short Covering)	Remarks
Pdilite, Bankindia, Glenmark	
ALBK, NHPC, Andhrabank	Suggesting strength in these counter
Suntv, SRF, Castrolind	
Stocks (Short Position)	Remarks
Cadilahc, Ashokley, Infratel	
Tatamtrdrv, Hindunilvr, Jswenergy	Suggesting weakness in these counter
Lupin, NTPC, Ambujacem	
Stocks (Long Liquidation)	Remarks
Hindalco, Federalbnk, Bajifinance	
Kotakbank, IRB, VEDL	Suggesting weakness in these counter
PTC, Tatasteel	

Activity in F&O

Nifty December future closed positive at 7980.10 levels. Nifty Future OI increased by 2.62% with a marginal rise in price by 0.10%. It closed at a premium of 45 points as compared to the premium of 30 points in previous trading session. Market witnessed buying interest in IT, Consumer durables, Realty, Power and Banking sector stocks while selling pressure was seen in Energy, Telecom and Metal sectors stocks. The market turnover decreased by 23.27% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 22.62%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.91 levels as compared to previous trading sessions. Historical Volatility of Nifty moved up from 15.85 to 15.86 levels but Implied Volatility fell down from 16.35 to 15.69 levels.

Conclusion

Nifty future opened flat and attempted to move towards 8000 levels in the early morning trade. However, it failed to hold the higher levels in the absence of follow up buying activity and traded in a range of 50 points with immediate support of 7950 zones. Now it needs to hold above 7920 zones with follow up buying interest to continue the bounce back move towards 8050 and 8080 levels. However if it fails to hold 7900 levels then the index may again get trapped in range from 7850 and 7725 levels. On the Option front, maximum Put OI is at 7500 followed by 8000 strike, whereas maximum Call OI is at 8500 followed by 8300 strike. Bank Nifty opened positive and outperformed the broader market as it closed with the gains of around 70 points. It crossed the hurdle of 17500 but failed to sustain it in the absence of follow up buying activities. Now it has the next support near to 17250 then 17000 zones, while on the upside hurdle near to 17800 then 18000 zones.

Future STT Call



DISHTV: Rs. 108.50

Execution Price Range	Stop Loss	Target
Buy Between Rs. 106 to Rs. 107	103.50	113

DISHTV has formed multiple bottoms near 94-95 zones and now the support has shifted to 101 and 103.50 zones. It has surpassed the falling supply trend line and had given a small price breakout on last session above 105 zones. It is set to start an up move after the long consolidation of last 4 weeks with built up of long position. Major trend of the stock is positive and after the recent consolidation it is well placed to start the next leg of rally with buying interest in entire sector with rising volume activities. Thus recommending the traders to buy the stock with the stop loss 103.50 for the upside immediate target of 113 levels.

Future STT Call



CAIRN: Rs. 135.50

Execution Price Range	Stop Loss	Target
Sell Between Rs. 138 to Rs. 140	142	132

CAIRN has been falling down from last three trading session as failed to cross immediate hurdle of 141-142 zones and adding fresh built up of short position. Overall trend of the stock is negative as it is trading near to seven year low levels and shorts are intact in the counter with rollover activities. We are suggesting to sell the stock on small bounce back move with stop loss of 142 for the downside target of 132 levels.

Graphic Snapshot

%Price Gainers		%Price Losers		ADXX Futures		%Volume Gainers		%Retainers	
IBBL	8.12	INFRAEL	-3.41	NIFTY	138.8M	TV1BRDCST	555.48	IOB	10.89
TV1BRDCST	5.88	CADLAHC	-3.08	BANKNIFTY	72,257	MARUTI	526.06	BRITANEA	10.02
RELINFRA	4.78	ASHOKLEY	-2.86	MARUTI	47,208	OIL	249.18	SAIL	6.84
IFCI	4.42	UPL	-2.85	ICICIBANK	38,564	IDBI	236.15	NHPC	6.21
GMRINFRA	4.17	ASIANPAINT	-2.22	ASHOKLEY	15,415	WOCKPHARMA	218.83	COALINDIA	5.83
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Lmt	
MARUTI	55.68	PICLITIND	-91.17	DLF	1.85	JUSTDIAL	-3.50	UNITECH	90.27
CADLAHC	32.28	SAP500	-5.63	NHPC	1.04	BATAINDIA	-3.34	ISLJARQS	79.85
DLF	32.93	BANKINDIA	-5.61	SOUTHBANK	1.06	NHPC	-2.23	IDBI	79.65
RELINFRA	32.38	NIFTYIT	-4.38	COOBANK	0.91	VOLTAS	-3.13	CENTURYTEX	76.48
ASHOKLEY	29.32	SAIL	-3.43	GMRINFRA	0.91	IDEA	2.20	IBREALEST	76.31
Options									
Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
NIFTY,31-DEC-15,C,8200	99511	NIFTY,25-FEB-16,C,8800	18,390	NIFTY,31-DEC-15,P,7800	975,324	IDBI,31-DEC-15,P,87.5	21,500		
NIFTY,31-DEC-15,C,8000	86651	IDBI,31-DEC-15,C,100	4,850	NIFTY,31-DEC-15,P,7900	86,843	NIFTY,25-FEB-16,P,8100	4,950		
NIFTY,31-DEC-15,C,8100	86210	IDBI,31-DEC-15,C,102.5	5,775	NIFTY,31-DEC-15,P,7700	55,311	IDBI,31-DEC-15,P,90	4,542		
NIFTY,31-DEC-15,C,8300	73211	UPL,31-DEC-15,C,420	4,367	NIFTY,31-DEC-15,P,8000	86,783	INPY,31-DEC-15,P,1080	996		
NIFTY,31-DEC-15,C,8400	43231	IDBI,31-DEC-15,C,87.5	2,280	NIFTY,31-DEC-15,P,7600	42,226	HINDPETRO,31-DEC-15,P,820	978		
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
NIFTY,25-FEB-16,C,8900	52,208	UNIONBANK,31-DEC-15,C,175	-34	NIFTY,25-FEB-16,P,8100	9,858	NIFTY,20-JAN-16,P,7100	-33		
NIFTY,25-FEB-16,C,8000	2,767	MHM,31-DEC-15,C,1360	-31	NIFTY,25-FEB-16,P,8000	1,957	DIRREDDY,31-DEC-15,P,2900	-32		
IDBI,31-DEC-15,C,102.5	2,222	ROOM,31-DEC-15,C,70	-28	IDBI,31-DEC-15,P,87.5	1,800	IDFC,31-DEC-15,P,50	-25		
TV1BRDCST,31-DEC-15,C,37.5	2,000	HINDPETRO,31-DEC-15,C,820	-25	IDBI,31-DEC-15,P,90	625	NHPC,31-DEC-15,P,1240	-23		
IDBI,31-DEC-15,C,100	1,733	INPY,31-DEC-15,C,1080	-17	INPY,31-DEC-15,P,1080	170	RELIANCE,31-DEC-15,P,940	-17		

Derivatives Lesson: LONG BUTTERFLY STRATEGY

- The butterfly spread is a neutral strategy that is a combination of a bull spread and a bear spread. It is a limited profit, limited risk options strategy. There are 3 striking prices involved in a butterfly spread and it can be constructed using calls or puts.
- Long butterfly spreads are entered when the investor thinks that the underlying stock will not rise or fall much by expiration. Using calls, the long butterfly can be constructed by buying one lower striking in-the-money call, writing two at-the-money calls and buying another higher striking out-of-the-money call. A resulting net debit is taken to enter the trade.
- $\text{Max Profit} = \text{Strike Price of Short Call} - \text{Strike Price of Lower Strike Long Call} - \text{Net Premium Paid} - \text{Commissions Paid}$
- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- $\text{Upper Breakeven Point} = \text{Strike Price of Higher Strike Long Call} - \text{Net Premium Paid}$
- $\text{Lower Breakeven Point} = \text{Strike Price of Lower Strike Long Call} + \text{Net Premium Paid}$

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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