



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	6,80,083	16,995.76
Vol Futures	0	0
Stock Futures	7,68,138	19,310.49
Index Options	57,90,650	1,23,435.45
Stock Options	3,50,071	9,002.11
F&O Total	75,88,942	1,68,743.82

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1735.47	1276.68	978420	20646.08	458.79
Index options	14123.41	13855.00	3382104	80181.68	268.41
Stock futures	2323.29	2002.66	1805964	44520.04	320.63
Stock options	1407.00	1419.48	66048	1665.30	-12.48
	Net Inflow/Outflow (Cr)				1035.34

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7665	7500
Resistance	7960-8000	8330-8350

Nifty View for the Day

Holding above 7850 may take the index towards 7940 and 8000 levels. The hopes of bounce back may fizzle out if it fails to hold 7750 levels.

Quote for the day

"OBSTACLES ARE THOSE FRIGHTFUL THINGS YOU SEE WHEN YOU TAKE YOUR EYES OFF YOUR GOALS."

Activity Tracking

Stocks (Long Position)	Remarks
Jswenergy, ZEEL, Ibrealst	
Jswstel, DLF, PFC	Suggesting strength in these counter
Sksmicro, Britania, Relcapital	
Stocks (Short Covering)	Remarks
Enginersin, Wipro, Bajaj-Auto	
IDBI, Kotakbank, Canbk	Suggesting strength in these counter
Southbank, SAIL, Indusinbk	
Stocks (Short Position)	Remarks
Ceatltd, Glenmark, Heromotoco	
KSCL, Boschltd, IDEA	Suggesting weakness in these counter
BPCL, Ajantpharm, COLPAL	
Stocks (Long Liquidation)	Remarks
Amtekauto, Pageind	
Justdial	Suggesting weakness in these counter
Apollotyre	

Activity in F&O

Nifty September future closed negative at 7842.55 levels. The open interest decreased by 0.38% with a rise in price by 1.30%. It closed at the premium of 19 points as compared to the premium of 25 points of previous session. Market witnessed buying interest across the board especially in Metal, Realty, Banking and Auto sector stocks. The market turnover decreased by 11.14% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 11.94%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.99 level as compared to the previous trading session. Historical Volatility of Nifty fell down from 31.62 to 31.24 levels and Implied Volatility also fell down from 26.74 to 24.47 levels.

Conclusion

Nifty future opened positive and traded in a pleasant mood throughout the session as bulls actively supported the index at the lower levels. It negated its three day losing streak with declining volatility and ended the session with the gains of around 105 points. Now it has to hold above 7850 zones to witness a bounce move towards 7940 and 8000 zones, while if it fails to hold 7750 then the hope of recovery may wipe out and index can revisit its recent low of 7667 levels. On the Option front, maximum Put OI is at 7800 followed by 8000 strike whereas maximum Call OI is at 8500 followed by 8200 strike. Bank Nifty opened positive and rebounded from the lower levels. It outperformed the broader market after the recent correction of last couple of trading sessions thus showing the early sign of trend reversal. Now the next hurdle exists at 16650 then 16800 levels while if it fails to hold 16350 levels then selling pressure may drag the index towards 16200 levels.

Future STT Call



KSCL : Rs. 444

Execution Price Range	Stop Loss	Target
Sell Between Rs. 453 to Rs. 457	465	435

KSCL has been falling from last four consecutive series with aggressive built up of short position. Recently, it witnessed a bounce back move but failed to cross 513 levels and broke its immediate support of 465 levels. Overall the stock is in bears grip and may fall down towards 435 and 420 levels. Thus, recommending selling the stock with the stop loss of 465 for the downside target of 435 levels.

Future STT Call



DABUR : Rs. 285

Execution Price Range	Stop Loss	Target
Buy Between Rs. 278 to Rs. 281	272	295

DABUR has taken multiple supports near to 270 zones in last seven trading sessions and may start the up move after the recent profit booking from 317 to 257 levels. Overall trend is positive and recent correction provides a good opportunity to enter into the trade. Thus recommending to go long in the counter with the stop loss of 272 for the upside target of 295 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
DLF 9.89	AMTEKAUTO -35.19	NIFTY 510,803	AMTEKAUTO 1,504.91	DJIA 100
JSWENERGY 7.00	KSCL -6.20	BANKNIFTY 166,802	KSCL 368.70	S&P500 99.71
IBREALEST 6.92	IDEA2 3.86	SBIN 31,275	DJIA 57.18	NMDC 1.42
TATAMTRDVR 6.33	CEATLT 0.04	AXISBANK 28,100	TATAMTRDVR 52.87	IOB 0.25
CAIRN 5.40	BOSCHLT 1.56	ICICIBANK 25,410	S&P500 19.17	BANKINDIA 0.85
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
CEATLTD 12.89	DJIA -44.87	JPASSOCIAT 1.06	NMDC -4.08	CENTURYTEX 83.12
AMARAJABAT 11.41	S&P500 -22.18	GMRINFRA 0.89	TVSMOTOR -3.50	JINDALSTEL 71.58
JSWENERGY 10.22	BANKNIFTY -9.60	UNITECH 0.82	RELINFRA -3.12	JISLJALEQS 65.67
ZEEL 9.14	ENGINEERSIN 5.93	GLENMARK 0.71	IOB -3.07	IBREALEST 64.48
IBREALEST 7.94	AMTEKAUTO 5.62	UCOBANK 0.69	PTC -3.02	WOCKPHARMA 61.12
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,24-SEP-15,C,8000 449007	NIFTY,24-SEP-15,C,9600 5,100	NIFTY,24-SEP-15,P,7500 430,696	NIFTY,29-OCT-15,P,9000 22,000	
NIFTY,24-SEP-15,C,8200 405863	DLF,24-SEP-15,C,145 3,020	NIFTY,24-SEP-15,P,7600 279,411	AMTEKAUTO,24-SEP-15,P,40 20,600	
NIFTY,24-SEP-15,C,8100 340069	BIOCON,24-SEP-15,C,470 2,020	NIFTY,24-SEP-15,P,7400 261,510	DLF,24-SEP-15,P,120 9,800	
NIFTY,24-SEP-15,C,8300 257520	AMTEKAUTO,24-SEP-15,C,50 1,985	NIFTY,24-SEP-15,P,7800 255,721	NIFTY,24-SEP-15,P,9200 6,741	
NIFTY,24-SEP-15,C,7900 254926	AMTEKAUTO,24-SEP-15,C,60 1,632	NIFTY,24-SEP-15,P,7700 242,897	KSCL,24-SEP-15,P,420 4,920	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
RELIANCE,29-OCT-15,C,900 603	CIPLA,24-SEP-15,C,640 -60	YESBANK,29-OCT-15,P,660 7,000	YESBANK,24-SEP-15,P,520 -71	
SUNTV,24-SEP-15,C,420 387	BPCL,24-SEP-15,C,880 -56	AMTEKAUTO,24-SEP-15,P,35 1,725	KOTAKBANK,24-SEP-15,P,580 -54	
AMTEKAUTO,24-SEP-15,C,55 269	RELCAPITAL,24-SEP-15,C,380 -52	AMTEKAUTO,24-SEP-15,P,40 915	GLENMARK,24-SEP-15,P,1100 -35	
AMTEKAUTO,24-SEP-15,C,50 253	HDFC,24-SEP-15,C,1140 -50	KSCL,24-SEP-15,P,420 870	HDFCBANK,24-SEP-15,P,980 -31	
M&M,24-SEP-15,C,1180 244	KOTAKBANK,24-SEP-15,C,610 -50	SUNTV,24-SEP-15,P,380 744	BANKNIFTY,24-SEP-15,P,14900 -31	

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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