



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	1,30,211	10,189.53
Stock Futures	5,81,087	43,690.65
Index Options	26,38,999	2,18,557.76
Stock Options	3,67,461	28,572.23
F&O Total	37,17,758	3,01,010.17

FII Derivatives Statistics

			OI at end of the day		Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	851.18	1088.86	211644	15420.45	-237.68
Index options	26526.45	26032.46	836347	59603.24	493.99
Stock futures	7547.88	6866.16	1043263	69445.48	681.72
Stock options	5026.06	5015.06	66501	4746.64	11.00
Net Inflow/Outflow (Cr)					949.04

Securities in Ban Period

ADANIENT, BHARATFIN, IRB, UJJIVAN & KTKBANK

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	9090	8950
Resistance	9450	9550

Nifty View for the Day

Now a on the downside, the index has multiple supports at 9,280 levels to change the recent market setup

Quote for the Day

SUCCESS IS NOT FINAL, FAILURE IS NOT FATAL: IT IS THE COURAGE TO CONTINUE THAT COUNTS.

Activity Tracking

Stocks (Long Position)	Remarks
MRPL, NIITTECH, Canbk Balkrisind, IndianB, Ibrealst CESC, Hexaware, GSFC	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
Idea, Cumminsind, Torntpower ALBK, Ultracemco, Jswenergy Federalbnk, Vguard, Icicibank	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Infibeam, Lichsgfin, MCX Bajaj-Auto, Fortis, Reliance Ajantpharm, Concor, Hindalco	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Ktkbank, Ujjivan, Godrejcp MRF, Titan, IOC Bharatfin, Apollotyre, M&MFin	Suggesting weakness in these counter

Activity in F&O

Nifty future closed on a positive note at 9343.60 levels. Nifty future open interest increased by 1.14% with a rise in price by 0.29%. It closed at a premium of 29 point as compared to 31 points of previous trading session. Market witnessed selling pressure in FMCG and Metals sector stocks while buying interest was seen in IT, Realty, Auto and Banking sector stocks. The market turnover decreased by 25.80% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 24.98%.

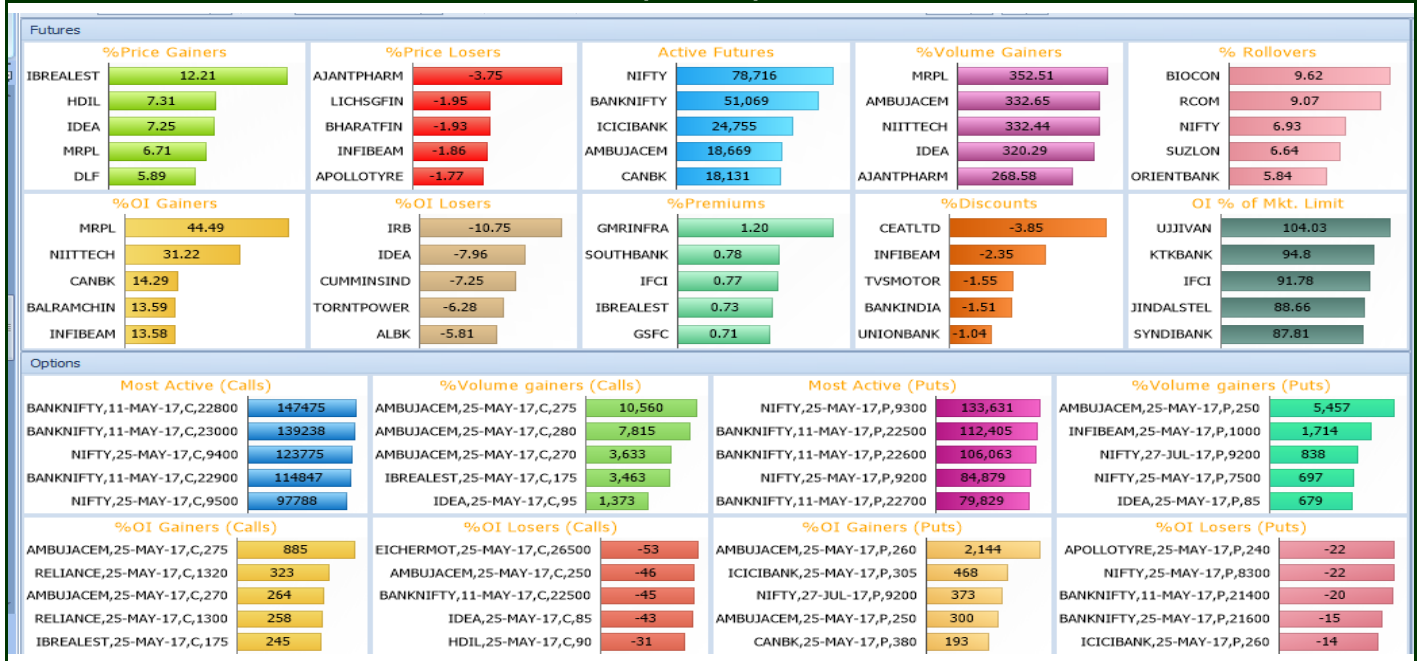
Indication

Put Call Ratio based on Open Interest of Nifty moved up from 1.11 levels to 1.12 levels as compared to previous session. Historical Volatility moved up from 9.75 to 9.96 levels and Implied Volatility moved up from 10.82 levels to 10.95 levels as compared to previous session.

Conclusion

The Nifty Future opened on a positive note and after the initial consolidation it headed towards 9363 levels. However, it failed to sustain the higher levels and witnessed a decline towards 9320 zones. It managed to close above its 9300 zones with the gains of around 30 points. On the downside, the index has multiple supports at 9,280 levels to change the recent market setup while on the upside resistance is around 9380 then 9450 zones. On the options front, maximum Put OI is seen at 9,300 level followed by 9200 strikes while maximum Call OI stood at strike price 9,500 followed by 9,400 strike prices. Fresh Put writing was seen at strike price 9,300, which has again given the bulls a grip on the market, while Call writing remained intact at strike prices 9,400 and 9,500, which should restrict the upside momentum. The Bank Nifty opened positive and headed towards 22840 levels and finally ended the session with the gains of around 130 points. It has now support at 22,550 then 22,300 levels, while on the upside; hurdles are seen at the 23,000 level.

Graphic Snapshot



CORPORATE ACTION

Symbol	Purpose	BoardMeetingDate	Symbol	Purpose	BoardMeetingDate
CANBK	Results/Dividend	8-May-17	TITAN	Results/Dividend	12-May-17
UNIONBANK	Results/Dividend	8-May-17	ORIENTBANK	Results/Others	12-May-17
INFRATEL	Results/Dividend	8-May-17	PEL	Results	12-May-17
INFRATEL	Results	8-May-17	HAVELLS	Results/Dividend	12-May-17
BHARTIARTL	Results	9-May-17	CENTURYTEX	Results/Dividend	12-May-17
SYNDIBANK	Results/Dividend	9-May-17	IDEA	Board meeting Rescheduled	13-May-17
PETRONET	Results/Dividend	9-May-17	KTKBANK	Results/Dividend	13-May-17
INDIGO	Results/Dividend	9-May-17	BATAINDIA	Results/Dividend	15-May-17
INDIGO	Results	9-May-17	VEDL	Results	15-May-17
GODREJCP	Results/Dividend	9-May-17	SOUTHBANK	Results/Dividend	15-May-17
BHARTIARTL	Results/Dividend	9-May-17	MRPL	Results/Dividend	15-May-17
CAPF	Results/Dividend	10-May-17	ICIL	Results/Dividend	15-May-17
ZEEL	Results/Dividend	10-May-17	COLPAL	Results	15-May-17
SIEMENS	Results	10-May-17	ANDHRABANK	Results	16-May-17
IDEA	Results/Others	10-May-17	SHREECEM	Results/Dividend	16-May-17
HEROMOTOCO	Results/Dividend	10-May-17	PNB	Results	16-May-17
DALMIABHA	Results/Dividend	10-May-17	GRASIM	Results/Dividend	16-May-17
ARVIND	Results/Dividend	11-May-17	BAJAJFINSV	Results/Dividend	17-May-17
HCLTECH	Results/Dividend	11-May-17	UBL	Results/Dividend	17-May-17
HAVELLS	Board meeting Rescheduled	11-May-17	JSWSTEEL	Results/Dividend	17-May-17
GRANULES	Results/Dividend	11-May-17	HINDUNILVR	Results/Dividend	17-May-17
GLENMARK	Results/Dividend	11-May-17	BAJFINANCE	Results/Dividend	17-May-17
ASIANPAINT	Results/Dividend	11-May-17	BAJAJ-AUTO	Results/Dividend	18-May-17
DRREDDY	Results/Dividend	12-May-17	PIDILITIND	Results/Dividend	18-May-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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