



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,63,013	22,350.32
Stock Futures	7,66,831	59,472.35
Index Options	65,97,556	5,99,837.50
Stock Options	5,39,121	44,309.39
F&O Total	81,66,521	7,25,969.57

FII Derivatives Statistics

	OI at end of the day		Inflow /	
	Buy	Sell	Contract	Amount
Index futures	1556.95	1974.02	277817	21221.31
Index options	85445.55	84160.01	992515	76414.14
Stock futures	8080.51	8054.36	803904	56220.82
Stock options	8725.69	8656.28	111595	8325.33
Net Inflow/Outflow (Cr)				964.03

Securities in Ban Period

HDIL, IBREALEST, INDIACEM, JINDALSTEL, JPASSOCIAT, JSWENERGY, WOCKPHARMA AND KSCL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	9830	9450
Resistance	10150	10150

Nifty View for the Day

Now it needs to move above 10050 zones to reclaim its upside momentum while on the upside resistance is at 10100 then 10150 zones and support is around 9940 then 9900.

Quote for the Day

"TOUGH TIMES DON'T LAST TOUGH TEAMS DO."

Activity Tracking

Stocks (Long Position)	Remarks
MRPL, MGL, Hindalco Nationalum, Cipla, Bajaj-Auto Muthootfin, Jublfood, Eichermot	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
PCJeweller, Bergepaint, Hexaware VEDL, NHPC, Jswenergy IGL, JSWSteel, Bharatforg	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Jindalstel, DCBBank, DLF Drreddy, Bhel, Mothersumi Sintex, ITC, Ceatltd	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Apollotyre, HDIL, KSCL Pidilitind, Balkrisind, Raymond L&TFH, Havells, Bataindia	Suggesting weakness in these counter

Activity in F&O

Nifty future closed on a negative note at 9999.45 levels. Nifty future open interest increased by 6.03% with a fall in price by 0.91%. It closed at a premium of 21 point as compared to premium of 34 points of previous trading session. Market witnessed selling pressure across the board except in Metal sector stocks. The market turnover increased by 139.55% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 143.53%.

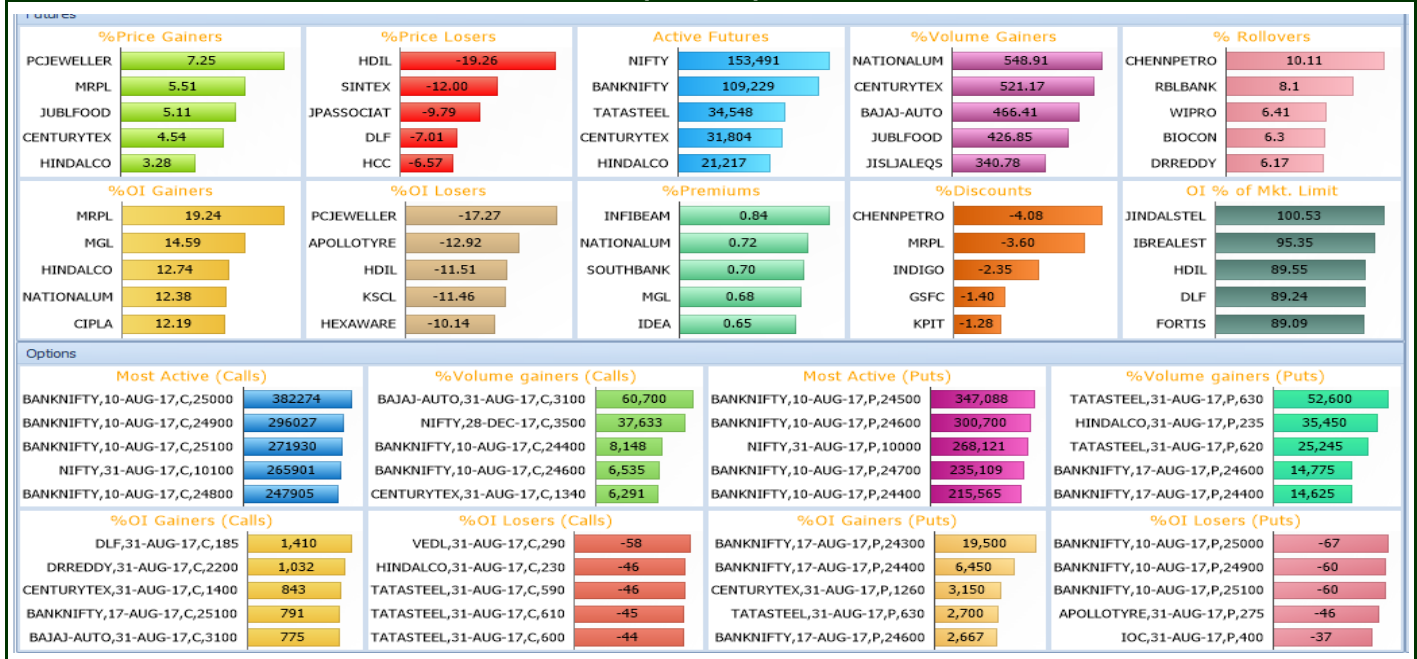
Indication

Put Call Ratio based on Open Interest of Nifty fell from 1.25 levels to 1.15 levels as compared to previous session. Historical Volatility moved from 9.00 to 9.68 levels and Implied Volatility also moved up from 10.76 levels to 11.29 levels as compared to previous session.

Conclusion

Nifty August Future opened on a negative note and drifted towards 9950 levels. However, it witnessed buying interest and headed towards 10105 levels but failed to sustain it and declined towards 9980 zones. Finally, it ended the session with the loss of around 90 points. On the option front, maximum Put OI is at 10000 followed by 9900 strike while maximum Call OI is at 10100 followed by 10500 strike. We have seen put unwinding was seen at 10000 and 10100 strikes while fresh Call writing was seen at 10000, 10100 and 10200 strikes. Bank Nifty opened on a flattish note and traded in line with Nifty as after a decline towards 24600 zones it witnessed buying interest and headed towards 24800 zones but failed to sustain and again drifted towards 24550 zones. Finally it ended the session with the loss of around 300 points. Now it has support near to 24400 zones while on the upside hurdles are seen at 25000 then 25250 zones.

Graphic Snapshot



CORPORATE ACTION

Symbol	Purpose	BoardMeetingDate	Symbol	Purpose	BoardMeetingDate
BHARATFORG	Results	10-Aug-17	HINDALCO	Results/Others	11-Aug-17
UBL	Results	10-Aug-17	HINDALCO	Results	11-Aug-17
UNIONBANK	Results	10-Aug-17	HDIL	Results	11-Aug-17
PTC	Results/Others	10-Aug-17	GODREJIND	Results	11-Aug-17
MOTHERSUMI	Results	10-Aug-17	GMRINFRA	Results	11-Aug-17
PFC	Results	10-Aug-17	BPCL	Results	11-Aug-17
PETRONET	Results	10-Aug-17	BOSCHLTD	Results	11-Aug-17
PAGEIND	Results	10-Aug-17	ALBK	Results	11-Aug-17
MANAPPURAM	Results	10-Aug-17	BEML	Results	11-Aug-17
MANAPPURAM	Results/Dividend	10-Aug-17	BANKBARODA	Results	11-Aug-17
KAJARIACER	Results	10-Aug-17	CIPLA	Results	11-Aug-17
ICIL	Results	10-Aug-17	CGPOWER	Results/Others	11-Aug-17
IFCI	Results	10-Aug-17	CESC	Results	11-Aug-17
GAIL	Results	10-Aug-17	ADANIENT	Results	12-Aug-17
ADANIPOWER	Results	10-Aug-17	RCOM	Results	12-Aug-17
BHEL	Results	10-Aug-17	GODFRYPHP	Results	12-Aug-17
CADILAHC	Results	11-Aug-17	DLF	Results	12-Aug-17
STAR	Results	11-Aug-17	ADANIPORTS	Results	12-Aug-17
TVSMOTOR	Results	11-Aug-17	APOLLOHOSP	Results	14-Aug-17
TATAGLOBAL	Results	11-Aug-17	TATAPOWER	Results	14-Aug-17
SUNTV	Results/Dividend	11-Aug-17	NBCC	Results	14-Aug-17
SUNPHARMA	Results	11-Aug-17	JISLJALEQS	Results	14-Aug-17
RECLTD	Results	11-Aug-17	IDBI	Results	14-Aug-17
ORIENTBANK	Results	11-Aug-17	INFIBEAM	Results	14-Aug-17
SBIN	Results	11-Aug-17	GRASIM	Results	14-Aug-17
OIL	Results	11-Aug-17	GRANULES	Results/Dividen	14-Aug-17
OFSS	Results	11-Aug-17	COALINDIA	Results	14-Aug-17
SAIL	Results	11-Aug-17	DISHTV	Results	17-Aug-17
JSWENERGY	Results	11-Aug-17	CASTROLIND	Results/Dividen	23-Aug-17

Derivatives Lesson: COVERED CALL

- A covered call is constructed by buying the shares of a company in which you feel may rise but not much in the near term so you also sell a call option. The Call Option which is sold is usually an OTM Call.
- This strategy is usually adopted by a stock owner who is Neutral to moderately bullish about the stock
- Upside capped at the Strike price plus the Premium received. So if the Stock rises beyond the Strike price the investor (Call seller) gives up all the gains on the stock.
- When to Use: This is often employed when an investor has a short-term neutral to moderately bullish view on the stock he holds. He takes a short position on the Call option to generate income from the option premium. Since the stock is purchased simultaneously with writing (selling) the Call, the strategy is commonly referred to as "buy-write".
- Max loss: If the Stock Price falls to zero, the investor loses the entire value of the Stock but retains the premium, since the Call will not be exercised against him. **So maximum risk = Stock Price Paid – Call Premium**
- Reward: **Limited to (Call Strike Price – Stock Price paid) + Premium received**
- Breakeven: **Stock Price - 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

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