



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,84,849	19,786.08
Vol Futures	0	0
Stock Futures	5,94,681	43,006.26
Index Options	50,30,151	3,53,136.50
Stock Options	3,98,015	29,011.73
F&O Total	63,07,696	4,44,940.56

FII Derivatives Statistics

	OI at end of the day		Contract	Amount	Inflow / Outflow
	Buy	Sell			
Index futures	2237.11	2966.91	221591	14854.53	-729.80
Index options	45216.86	42159.37	1101643	73613.29	3057.48
Stock futures	7668.41	6445.04	882800	58457.74	1223.37
Stock options	5049.19	5001.70	111232	7491.70	47.49
Net Inflow/Outflow (Cr)					3598.55

Securities in Ban Period

BANKINDIA, CEATLTD, HDIL, IBREALEST & JINDALSTEL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	8500	8350
Resistance	8745	8968

Nifty View for the Day

Now if it manages to hold above 8620 zones then bounce back move may extend towards 8745 and 8787 zones while on the downside multiple supports are seen at 8550 and 8500 zones.

Q2FY17 Result

HINDZINC & KPIT

Activity Tracking

Stocks (Long Position)	Remarks
Hindzinc, Havells, Arvind MRF, L&TFH, Lichsgfin Hindalco, BankIndia, Suntv	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
DCBbank, HDFC, Orientbank ALBK, TCS, Siemens Cipla, LT, DHFL	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Mindtree Oil, Britannia Infratel	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
****	Suggesting weakness in these counter

Activity in F&O

Nifty future closed positive at 8679.85 levels. Nifty future OI increased by 0.40% with a rise in price by 1.83% It closed at premium of 2 points as compared to the premium of 3 points in previous session. Market witnessed buying interest across the board especially in Banking, Pharma, FMCG and IT sector stocks. The market turnover increased by 22.11% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 22.38%.

Indication

Put Call Ratio based on Open Interest of Nifty moved up from 0.87 to 0.96 levels as compared to previous trading session. Historical Volatility moved up from 16.32 to 17.96 levels but Implied Volatility fell down from 15.22 to 14.58 levels.

Conclusion

Nifty future opened positive and headed towards 8690 levels. It witnessed a monster rally after the decline seen in previous session. Finally, the session ended with the gains of around 155 points. India VIX fell down by 7.71% at 14.53 levels and decline in VIX has given an upper hand to bulls to turn from immediate oversold price territory. On the option front, maximum Put OI is at 8500 followed by 8600 strike while maximum Call OI is at 9000 followed by 8800 strike. We have seen significant Put writing at 8600 and 8700 strike while Call unwinding at 8500, 8600 and 8700 strike may give a scope for bounce back move in next coming sessions. Bank Nifty witnessed a strong rally of more than 2% and headed towards 19500 zones. It has been making higher highs – higher lows from last three trading sessions and support are shifting to 19150 zones. If it manages to hold above 19350 then it may head towards 19750-19800 zones.

Future STT Call



LT : Rs.1487

Execution Price Range	Stop Loss	Target
Buy Between Rs. 1458 to Rs. 1472	1435	1525

LT surpassed its falling supply trend line and is showing the signs of bottoming out. It gave the highest daily close of last fourteen trading sessions and fresh longs are adding in the counter. It looks attractive in terms of risk reward ratio. Thus recommending buying the stock with the stop loss of 1435 for the upside target of 1525 levels.

Future STT Call



INFRATEL : Rs.357

Execution Price Range	Stop Loss	Target
Sell Between Rs.362 to Rs.366	372	348

INFRATEL is making lower highs - lower lows from last two weeks and failed to surpass its multiple hurdles of 375-378 zones. It has a tendency of witnessing selling pressure at every small bounce back move. It is witnessing liquidation of longs as well as fresh built up of short position thus supporting our negative view in the counter. One can sell the stock on a small bounce back move with strict stop loss of 372 for the downside target of 348 levels.

Graphic Snapshot

<p>%Price Gainers</p> <ul style="list-style-type: none"> ADANIAPORTS: 6.48 LICHSGFIN: 6.05 APOLLOTYRE: 5.23 DHFL: 5.14 KSCL: 4.81 	<p>%Price Losers</p> <ul style="list-style-type: none"> MINDTREE: -2.29 OIL: -0.90 BRITANNIA: -0.88 INFRATEL: -0.71 ONGC: -0.66 	<p>Active Futures</p> <ul style="list-style-type: none"> NIFTY: 177,181 BANKNIFTY: 106,892 ICICIBANK: 33,376 AXISBANK: 20,816 TATASTEEL: 19,740 	<p>%Volume Gainers</p> <ul style="list-style-type: none"> KSCL: 308.46 MINDTREE: 226.04 ADANIAPORTS: 210.80 DIVISLAB: 173.11 ARVIND: 158.95 	<p>% Rollovers</p> <ul style="list-style-type: none"> IOC: 43.84 DHFL: 20.15 BANKINDIA: 17.89 CROMPGREAV: 12.79 NIFTY: 12.59
<p>%OI Gainers</p> <ul style="list-style-type: none"> HINDZINC: 25.26 HAVELLS: 23.12 ARVIND: 21.65 TORNTPOWER: 19.32 MINDTREE: 18.56 	<p>%OI Losers</p> <ul style="list-style-type: none"> NIFTYIT: -9.02 DCBBANK: -6.90 BANKNIFTY: -6.31 DJIA: -5.62 HDFC: -5.16 	<p>%Premiums</p> <ul style="list-style-type: none"> ANDHRABANK: 0.54 IDFC: 0.52 PIDILITIND: 0.49 INFRATEL: 0.49 BHARATFORG: 0.48 	<p>%Discounts</p> <ul style="list-style-type: none"> INFY: -1.01 HCLTECH: -0.42 NIFTYIT: -0.39 KTKBANK: -0.23 DHFL: -0.22 	<p>OI % of Mkt. Limit</p> <ul style="list-style-type: none"> BANKINDIA: 107.27 HDIL: 99.03 CEATLTD: 97.08 TV18BRDCST: 88.51 JINDALSTEL: 86.53
Options				
<p>Most Active (Calls)</p> <ul style="list-style-type: none"> NIFTY,27-OCT-16,C,8700: 300554 NIFTY,27-OCT-16,C,8600: 296063 NIFTY,27-OCT-16,C,8800: 216073 BANKNIFTY,20-OCT-16,C,19500: 189781 BANKNIFTY,20-OCT-16,C,19400: 158440 	<p>%Volume gainers (Calls)</p> <ul style="list-style-type: none"> NIFTY,24-NOV-16,C,7900: 62,950 AXISBANK,24-NOV-16,C,520: 14,167 BANKNIFTY,27-OCT-16,C,22000: 12,060 KSCL,27-OCT-16,C,450: 10,500 CANBK,24-NOV-16,C,310: 10,100 	<p>Most Active (Puts)</p> <ul style="list-style-type: none"> NIFTY,27-OCT-16,P,8600: 315,793 NIFTY,27-OCT-16,P,8500: 315,141 NIFTY,27-OCT-16,P,8400: 170,792 BANKNIFTY,20-OCT-16,P,19000: 147,566 NIFTY,27-OCT-16,P,8300: 108,204 	<p>%Volume gainers (Puts)</p> <ul style="list-style-type: none"> NIFTY,29-DEC-16,P,9500: 15,550 BANKNIFTY,20-OCT-16,P,19400: 4,887 BEL,27-OCT-16,P,1260: 4,267 ARVIND,27-OCT-16,P,360: 2,909 NIFTY,24-NOV-16,P,7100: 2,471 	
<p>%OI Gainers (Calls)</p> <ul style="list-style-type: none"> CANBK,24-NOV-16,C,310: 8,800 AXISBANK,24-NOV-16,C,520: 2,938 L&TFH,24-NOV-16,C,105: 1,350 NIFTY,24-NOV-16,C,7900: 1,047 MARUTI,24-NOV-16,C,6100: 843 	<p>%OI Losers (Calls)</p> <ul style="list-style-type: none"> BANKNIFTY,20-OCT-16,C,19100: -66 BANKNIFTY,20-OCT-16,C,19300: -61 RELIANCE,27-OCT-16,C,1070: -60 BANKNIFTY,20-OCT-16,C,19400: -60 BANKNIFTY,20-OCT-16,C,19000: -58 	<p>%OI Gainers (Puts)</p> <ul style="list-style-type: none"> BANKNIFTY,03-NOV-16,P,19000: 39,400 BANKINDIA,27-OCT-16,P,95: 2,900 BANKNIFTY,20-OCT-16,P,19300: 1,391 ICICIBANK,27-OCT-16,P,265: 1,267 BANKNIFTY,20-OCT-16,P,19600: 1,113 	<p>%OI Losers (Puts)</p> <ul style="list-style-type: none"> BANKNIFTY,20-OCT-16,P,17600: -95 BANKNIFTY,27-OCT-16,P,17800: -67 BANKNIFTY,27-OCT-16,P,17700: -56 BANKNIFTY,27-OCT-16,P,17500: -46 BANKNIFTY,20-OCT-16,P,17800: -41 	

Derivatives Lesson: LONG COMBO: SELL A PUT, BUY A CALL

- A Long Combo is a Bullish strategy. If an investor is expecting the price of a stock to move up he can do a Long Combo strategy. It is constructed by selling an OTM (lower strike) Put and buying an OTM (higher strike) Call.
- This strategy simulates the action of buying a stock (or futures) but at a fraction of the stock price. It is an inexpensive trade, similar in pay-off to Long Stock, except there is a gap between the strikes.
- Max loss: **Unlimited (Lower Strike + net debit)**
- Reward: **Unlimited**
- Breakeven: **Higher strike + net debit**

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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