



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,24,732	17,727.76
Stock Futures	7,49,392	49,845.15
Index Options	39,40,058	3,28,043.41
Stock Options	4,41,970	30,626.57
F&O Total	53,56,152	4,26,242.89

FII Derivatives Statistics

	OI at end of the day		Contract	Amount	Inflow / Outflow
	Buy	Sell			
Index futures	2994.34	1786.02	258270	19224.11	1208.32
Index options	53717.43	52685.19	736758	54106.13	1032.24
Stock futures	8836.82	9135.58	1060066	68278.63	-298.75
Stock options	6231.90	6189.95	53019	3644.20	41.95
Net Inflow/Outflow (Cr)					1983.75

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	9420	9350
Resistance	9700	9700

Nifty View for the Day

Now on the downside, the index has supports at 9540 levels to change the recent market setup while on the upside resistance is around 9650 zones then 9700 zones.

Quote for the Day

“GREAT THINGS NEVER COME FROM COMFORT ZONES.”

Activity Tracking

Stocks (Long Position)	Remarks
Escorts, Torntpharm, PCjeweller Tatacomm, Hindunilvr, M&M Hindalco, Colpal, Kajariacer	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
MGL, Cadilalc, Reliance Cipla, M&Mfin, NIITTECH Dabur, Cholafin, Powergrid	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Sunpharma, Jubfood, DLF TechM, Sintex, CGpower Adaniports, SBIN, Unionbank	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
Apollo tyre, Ajantpharm, L&TFH Pageind, Amarajabat, Tatachem Voltas, CAPF, Tatasteel	Suggesting weakness in these counter

Activity in F&O

Nifty future closed on a positive note at 9605.70 levels. It closed at a premium of 2 point as compared to discount 20 points of previous trading session. Market witnessed buying interest in Auto, FMCG and Financial sector stocks while IT, Media, Realty and Pharma witnessed selling pressure. The market turnover increased by 16.66% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 18.08%.

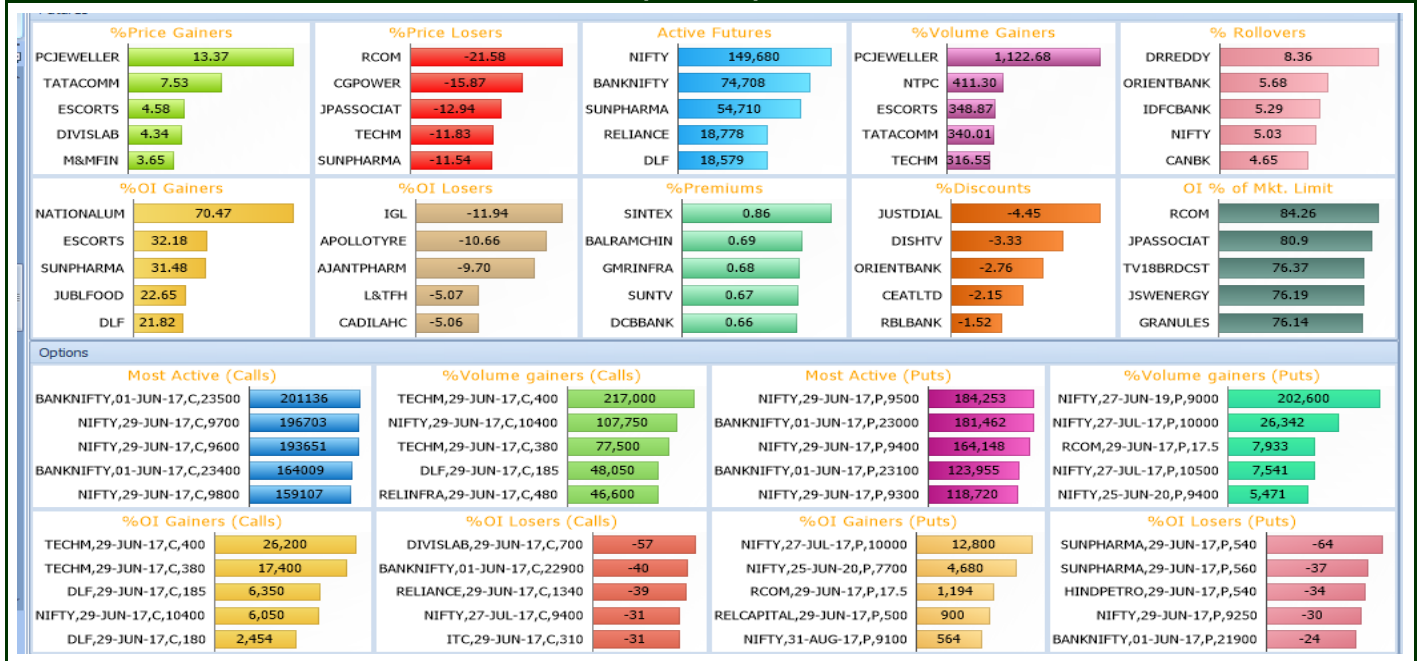
Indication

Put Call Ratio based on Open Interest of Nifty moved up from 1.10 levels to 1.13 levels as compared to previous session. Historical Volatility fell from 12.40 to 12.04 levels but Implied Volatility moved from 10.03 levels to 10.78 levels as compared to previous session.

Conclusion

Nifty Future opened on a flattish note and witnessed a rally towards its lifetime high territory. It rallied by around 100 points from day's low levels. It witnessed some bit of profit taking in the last part of the day but managed to sustain its positive price action and finally ended the session with the gains of around 35 points. On the downside, the index has supports at 9540 levels to change the recent market setup while on the upside resistance is around 9650 zones then 9700 zones. On the option front, maximum Put OI is at 9400 followed by 9500 strike while maximum Call OI is at 9700 followed by 9600 strike. We have seen put writing at 9400, 9500 and 9600 strikes while fresh Call writing is seen at 9700 and 9800 strike. Bank Nifty opened flat to negative note and after heading towards 23380 levels it witnessed a decline towards 23100 levels. It underperformed the index and finally ended the session with the loss of around 120 points. Now it has support near to 23000 then 22800 zones while on the upside hurdles are seen at 23500 then 23650 zones.

Graphic Snapshot



CORPORATE ACTION

Symbol	Purpose	BoardMeetingDate	Symbol	Purpose	BoardMeetingDate
BEL	Results/Dividend	30-May-17	MFSL	Results	30-May-17
TATAGLOBAL	Results/Dividend	30-May-17	MCDOWELL-N	Results	30-May-17
TATAGLOBAL	Results/Dividend	30-May-17	HINDALCO	Results	30-May-17
RECLTD	Results/Dividend	30-May-17	INFIBEAM	Results	30-May-17
SAIL	Results	30-May-17	HDIL	Results/Others	30-May-17
RAMCOCEM	Results/Dividend	30-May-17	GODFRYPHP	Results/Dividend	30-May-17
PVR	Results/Dividend	30-May-17	GMRINFRA	Results	30-May-17
NHPC	Results/Dividend	30-May-17	FORTIS	Results	30-May-17
JETAIRWAYS	Results	30-May-17	BEML	Board Meeting Postponed	30-May-17
M&M	Results/Dividend	30-May-17	BERGEPAIN	Results/Dividend	30-May-17
M&M	Results/Others	30-May-17	APOLLOHOSP	Results/Dividend	30-May-17
IRB	Results/Dividend	30-May-17	CASTROLIND	Results	31-May-17

Derivatives Lesson: BEAR PUT SPREAD STRATEGY: BUY PUT, SELL PUT

- A bear put spread is constructed by buying an in-the-money (higher) put option and sell an out-of-the-money (lower) put option on the same stock with the same expiration date.
- This strategy creates a net debit for the investor. The net effect of the strategy is to bring down the cost and raise the breakeven on buying a Put (Long Put).
- When you are moderately bearish on market direction.
- Risk: Limited to the net amount paid for the spread .i.e. the premium paid for long position less premium received for short position.
- Reward: Limited to the difference between the two strike prices minus the net premium paid for the position.
- Break Even Point: Strike Price of Long Put – 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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