



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	1,39,551	11,167.84
Stock Futures	6,95,156	48,149.70
Index Options	32,97,236	2,82,084.78
Stock Options	4,19,565	30,840.65
F&O Total	45,51,508	3,72,242.96

FII Derivatives Statistics

			OI at end of the day		Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1109.91	1073.71	263575	19663.22	36.20
Index options	36835.50	36605.50	743817	54847.08	230.00
Stock futures	8619.52	7790.29	1076021	69836.72	829.22
Stock options	5828.17	5529.58	62888	4446.87	298.59
Net Inflow/Outflow (Cr)					1394.02

Securities in Ban Period

RCOM

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
Recltd, Godrejind, NIITECH MFSL, Ramcocem, Mindtree Tomtpharm, PFC, Sunpharma	Suggesting strength in these counter
Stocks (Short Covering)	Remarks
NBCC, Adaniports, Shreecem Cadilahc, Ajantpharm, Oil IGL, HDIL, Enginersin	Suggesting strength in these counter
Stocks (Short Position)	Remarks
Jublfood, Cholafin, Hexaware Rcom, PVR, Jetairways BHEL, Sintex, HCC	Suggesting weakness in these counter
Stocks (Long Liquidation)	Remarks
NCC, Infratel Escorts, Powergrid ICIL, BPCL	Suggesting weakness in these counter

Activity in F&O

Nifty future closed on a positive note at 9619.85 levels. It closed at a discount of 5 point as compared to premium of 2 points of previous trading session. Market witnessed buying interest in Auto, Realty, Banking and Financial sector stocks while some bit of selling pressure was seen in FMCG sector stocks. The market turnover decreased by 15.02% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 12.66%.

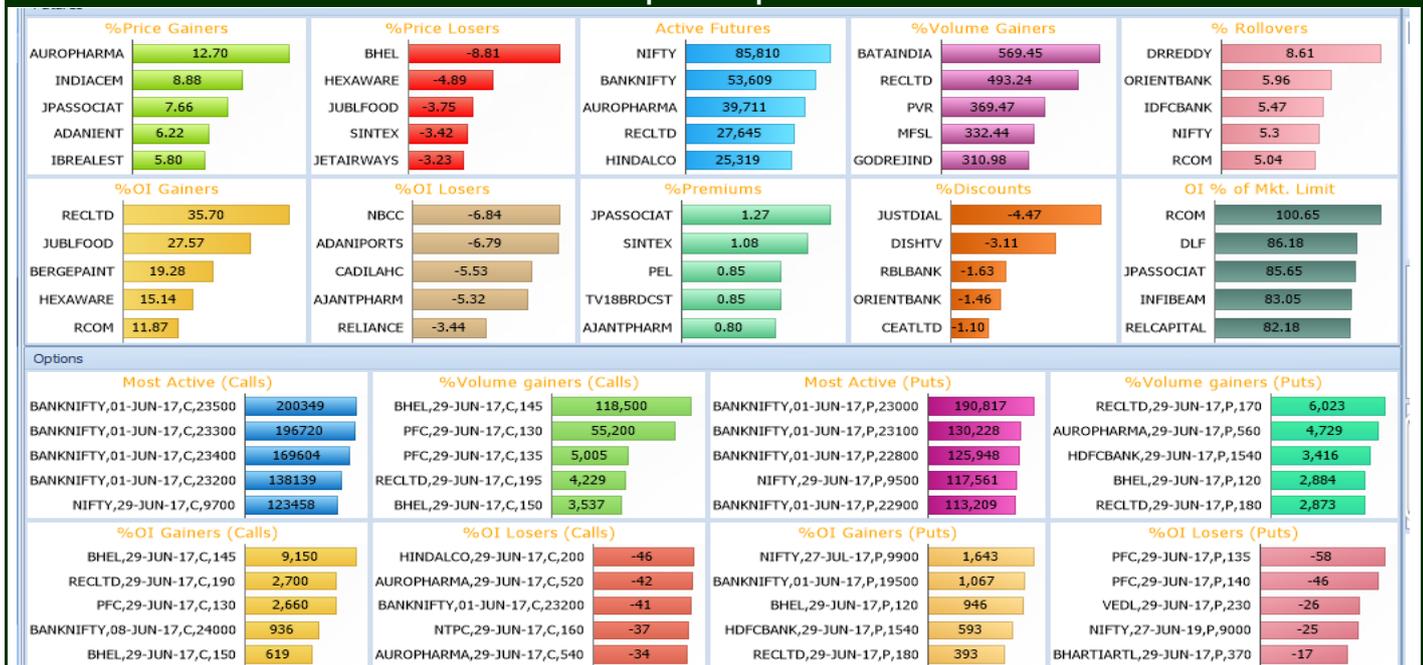
Indication

Put Call Ratio based on Open Interest of Nifty remained unchanged at 1.13 levels as compared to previous session. Historical Volatility fell from 12.04 to 11.71 levels but Implied Volatility moved from 10.78 levels to 10.90 levels as compared to previous session.

Conclusion

Nifty Future opened on a flattish note and traded inside the trading range of previous trading session. It witnessed some bit of profit taking and declined towards 9580 levels but after taking support at the low of the day it reclaimed its 9600 zones and finally ended the session with the gains of around 10 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 positive note and moved towards 23280 levels. It outperformed the index and finally ended the session with the gains 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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