

**D E R I V A T I V E S****Market Statistics**

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,67,419	14,951.73
Vol Futures	1	0.07
Stock Futures	4,86,875	24,241.30
Index Options	28,10,518	1,66,087.96
Stock Options	2,95,110	15,298.54
F&O Total	38,59,923	2,20,579.60

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	50.5748	69.989	282768	16226.94	-19.4142
Index options	233.0805	233.0805	1198630	69616.38	0
Stock futures	187.7299	120.6535	961771	46973.09	67.0764
Stock options	1.05	0	68503	3325.208	1.05
Net Inflow/Outflow (Cr)					48.71

Securities in Ban Period

CEATLTD

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7777	7550
Resistance	8080	8330

Nifty View for the Day

Now It needs to hold its 7950 levels to see some bounce back move till 8000 levels while if it fails to hold 7900 levels then index might drift towards 7820 then 7777 levels

Q2 FY'16 Result

CESC, GMRINFRA & KSCL

Activity Tracking

Stocks (Long Position)	Remarks
Jindalstel, Tatamtrdrv, Ibulhsgfin	
Tatamotors, Maruti, Jswenergy	Suggesting strength in these counter
Bajfinance, HDIL, SAIL	
Stocks (Short Covering)	Remarks
NCC, DHFL, Hindzinc	
Dabur, Pidilitind, Marico	Suggesting strength in these counter
LT, Sunpharma, Drreddy	
Stocks (Short Position)	Remarks
KSCL, Pageind	
Wockpharma	Suggesting weakness in these counter
Heromotoco	
Stocks (Long Liquidation)	Remarks
Grasim, ITC	Suggesting weakness in these counter

Activity in F&O

Nifty November future closed positive at 7825.05 levels. Nifty Future OI decreased by 0.49% with a rise in price by 0.29%. It closed at a par as compared to 21 points of previous trading session. Market witnessed buying interest across the board except in FMCG sector stocks. The market turnover decreased by 22.14% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 22.54%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.77 to 0.73 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 14.94 to 16.73 levels and Implied Volatility also moved up from 14.94 to 15.38 levels.

Conclusion

Nifty future opened under the dominance of the bears and continued with the negative move for the fifth straight session. Now it needs to negate the negative pattern of making lower highs by holding above 7900 levels to get back a bounce back move towards 7950 and 8000 zones, while if it fails to sustain the 7850 levels then selling pressure might drag the index towards 7800 and 7750 levels. On the Option front, maximum Put OI is at 7700 followed by 7800 strike, whereas maximum Call OI is at 8200 followed by 8000 strike. Bank Nifty opened below its 17000 levels and fell towards 16800 levels. It traded in the line of the broader market and ended the day with the loss of around 200 points. Now it has support near to 16666 zones while hurdle is at 17000 then 17181 levels.

Future STT Call



IDEA: Rs. 128.40

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 129.50 to Rs. 130.50	133	124
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IDEA broke its support of 137-135 levels after the consolidation of last three weeks. It has added significant built up of short position and holding below 127 may continue the negativity. It has been making lower top – lower bottom formation from last five weeks. Thus recommending selling the stock with the stop loss of 133 for the downside target of 124 levels.

Future STT Call



AMBUJACEM: Rs. 198

Execution Price Range	Stop Loss	Target
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Sell Between Rs. 200 to Rs. 202	205	193
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AMBUJACEM fell towards its yearly low levels with built up of short and liquidation of long position. It broke its support of 200 levels and has dull price behavior. It witnesses selling pressure at every small bounce back. We are expecting this behavior to continue which may drag it to 187 levels. So, one can sell the stock with the stop loss of 205 for the downside target of 193 levels.

Graphic Snapshot



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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