



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	9,24,403	22,579.58
Vol Futures	0	0
Stock Futures	9,29,007	23,830.80
Index Options	74,41,538	1,59,693.78
Stock Options	4,58,850	11,831.82
F&O Total	97,53,798	2,17,935.98

FII Derivatives Statistics

	OI at end of the day			Inflow / Outflow	
	Buy	Sell	Contract Amount		
Index futures	3629.76	3240.54	1010390	21527.84	389.22
Index options	19539.56	18774.26	3824991	90249.17	765.30
Stock futures	3369.90	2353.88	1841724	45667.34	1016.02
Stock options	2151.34	2289.03	89314	2199.13	-137.69
	Net Inflow/Outflow (Cr)				2032.85

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7700	7500
Resistance	7950-8000	8181

Nifty View for the Day

Holding above 7800 may take the index towards 7900 and 7950 levels.

Quote for the day

"IF THE PLAN DOESN'T WORK CHANGE THE PLAN BUT NEVER THE GOAL."

Activity Tracking

Stocks (Long Position)	Remarks
Amarajabat, BEL, IRB	
Ceatltd, Sksmicro, Hindzinc	Suggesting strength in these counter
Lichsgfin, Idea, Apollotyre	
Stocks (Short Covering)	Remarks
Unionbank, Amtekauto, IOB	
SAIL, PNB, IFCI	Suggesting strength in these counter
HDIL, Indusindbk, Hindalco	
Stocks (Short Position)	Remarks
Ibulhsgfin, Divislab, Justdial	
STAR, TECHM	Suggesting weakness in these counter
Sunpharma, Suntv	
Stocks (Long Liquidation)	Remarks
GAIL & Auropharma	Suggesting weakness in these counter

Activity in F&O

Nifty September future closed positive at 7826.7 levels. Nifty Future OI decreased by 4.54% with a rise in price by 1.39%. It closed at the premium of 8 points as compared to the premium of 31 points of previous session. Market witnessed buying interest across the board especially in Metal, Auto, Realty, Power and Consumer durables sector stocks. The market turnover decreased by 1.62% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 0.52%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.95 to 0.94 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 31.94 to 31.63 levels but Implied Volatility moved up from 25.67 to 25.79 levels.

Conclusion

Nifty future opened positive and traded strongly during the day, carrying the optimism from the previous trading session. It reclaimed its 7800 levels and settled the day with the handsome gains of around 100 points. Looking at the option data, maximum Put OI is at 7200 followed by 7500 strike while maximum Call OI is at 8500 followed by 8200 strike. If the bulls manage to hold the index above 7800 levels, then the bounce back move may continue towards 7900 and 7950 zones, while if it fails to hold 7777 zones then bears may again propel the market to drift towards 7700 and 7665 zones. Bank Nifty also continued its up move of previous session and outperformed the broader market as it headed towards 16800 levels and settled the day with the smart gains of 200 points. If it manages to hold above 16400 zones then the up move may be seen towards 16761 and 17000 levels, while on the downside immediate support is seen at 16250 then 16000 levels.

Future STT Call



AUROPHARMA : Rs. 717

Execution Price Range	Stop Loss	Target
Sell Between Rs. 724 to Rs. 731	742	700

AUROPHARMA in the previous week failed to cross 794 levels and now it is forming lower top-lower bottom formation. It witnessed liquidation of long position and is under bears grip as it failed to recover with the broader market thus indicating further weakness in the counter. So, recommending selling the stock with the stop loss of 742 for the downside target of 700 levels.

Future STT Call



AMARAJABAT : Rs. 952

Execution Price Range	Stop Loss	Target
Buy Between Rs. 933 to Rs. 943	920	974

AMARAJABAT has formed bullish reversal pattern and it is turning from the lower levels. It witnessed built up of long position with huge open interest addition. It has been taking support at its rising supply trend line with support base shifting to higher levels. Thus recommending to go long in the stock with the stop loss of 920 for the upside target of 974 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
RCOM 11.84	SUNTV -1.56	NIFTY 725,896	IDEA 296.30	S&P500 99.68
AMTEKAUTO 10.93	AUROPHARMA -1.52	BANKNIFTY 197,283	IFCI 224.08	DJIA 97.88
MCLEODRUSS 10.67	IBULHSGFIN -1.32	AXISBANK 34,449	CASTROLIND 166.37	NMDC 14.83
HINDALCO 7.87	STAR -1.19	YESBANK 33,285	HINDALCO 166.22	IOBI 2.26
NMDC 7.76	JUSTDIAL -1.07	SBIN 31,584	BHARTIARTL 147.41	PNB 1.65
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
AMARAJABAT 23.20	UNIONBANK -13.94	JPOWER 1.69	PTC -3.21	CENTURYTEX 85.83
IBULHSGFIN 20.45	CNXIT -11.92	JPASSOCIAT 1.04	RELINFRA -2.81	AMTEKAUTO 78.42
S&P500 19.32	AMTEKAUTO -11.82	UNITECH 0.83	NMDC -2.69	JINDALSTEL 73.03
DIVISLAB 13.78	DJIA -11.58	ANDHRABANK 0.57	TVSMOTOR -2.60	IBREALST 69.48
ANDHRABANK 11.55	IOB -8.08	JINDALSTEL 0.56	RELCAPITAL -2.37	WOCKPHARMA 69.05
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,24-SEP-15,C,8000 694187	JSWSTEEL,24-SEP-15,C,1020 3,800	NIFTY,24-SEP-15,P,7700 518,023	JSWSTEEL,24-SEP-15,P,980 18,800	
NIFTY,24-SEP-15,C,7900 487750	ULTRACEMCO,24-SEP-15,C,3100 3,550	NIFTY,24-SEP-15,P,7500 460,595	SBIN,29-OCT-15,P,210 18,000	
NIFTY,24-SEP-15,C,7800 414585	MARUTI,24-SEP-15,C,4700 2,650	NIFTY,24-SEP-15,P,7600 459,399	BHARTIARTL,24-SEP-15,P,360 17,700	
NIFTY,24-SEP-15,C,8100 397706	HEROMOTOCO,24-SEP-15,C,2750 2,425	NIFTY,24-SEP-15,P,7800 423,236	HINDALCO,24-SEP-15,P,77.5 8,150	
NIFTY,24-SEP-15,C,8200 354335	NIFTY,26-NOV-15,C,7900 2,404	NIFTY,24-SEP-15,P,7400 262,304	YESBANK,24-SEP-15,P,720 6,350	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
NIFTY,26-NOV-15,C,7900 309	TATAMOTORS,24-SEP-15,C,300 -66	SBIN,29-OCT-15,P,210 17,900	NIFTY,26-NOV-15,P,7200 -61	
IDEA,24-SEP-15,C,175 197	HINDALCO,24-SEP-15,C,75 -63	JSWSTEEL,24-SEP-15,P,980 5,600	RPOWER,24-SEP-15,P,32.5 -49	
RCOM,24-SEP-15,C,75 193	HDFC,24-SEP-15,C,1180 -63	RCOM,24-SEP-15,P,62.5 1,900	HINDPETRO,24-SEP-15,P,700 -43	
JSWSTEEL,24-SEP-15,C,1020 178	RCOM,24-SEP-15,C,57.5 -56	YESBANK,24-SEP-15,P,720 544	BANKNIFTY,24-SEP-15,P,15100 -40	
KTKBANK,24-SEP-15,C,125 177	M&M,24-SEP-15,C,1160 -50	JSWSTEEL,24-SEP-15,P,940 453	INFY,24-SEP-15,P,1140 -38	

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.
- Max Profit = Strike Price of Short Call - Strike Price of Lower Strike Long Call - Net Premium Paid - Commissions Paid
- Max Loss = Net Premium Paid + Commissions Paid
- Upper Breakeven Point = Strike Price of Higher Strike Long Call - Net Premium Paid
- Lower Breakeven Point = Strike Price of Lower Strike Long Call + 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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