



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	8,82,717	21,456.60
Vol Futures	0	0
Stock Futures	8,67,746	22,557.11
Index Options	69,63,174	1,48,890.61
Stock Options	4,14,380	10,903.82
F&O Total	91,28,017	2,03,808.14

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1768.10	2041.50	1048823	22342.70	-273.40
Index options	17016.07	16659.18	3933857	92236.98	356.88
Stock futures	2360.14	2047.78	1846829	45764.52	312.36
Stock options	1850.62	1963.93	101046	2452.83	-113.31
	Net Inflow/Outflow (Cr)				282.54

Securities in Ban Period

CENTURYTEX

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 7900-7950 levels.

Quote for the day

“TEAMWORK DIVIDES THE TASK AND MULTIPLIES THE SUCCESS.”

Activity Tracking

Stocks (Long Position)	Remarks
BEL, Ceatltd, Dabur	
Apollohosp, Wockpharma, MRF	Suggesting strength in these counter
Apollotyre, Jswenergy, Hexaware	
Stocks (Short Covering)	Remarks
Divislab, Mindtree, Abirlanuvo	
Gorejind, Eichermot, Ibulhsgfin	Suggesting strength in these counter
Icicibank, OFSS, LT	
Stocks (Short Position)	Remarks
Centurytex, UPL, Powergrid	
Mothersumi, Petronet, Holtech	Suggesting weakness in these counter
Bharatforg, Hindunilvr, Canbk	
Stocks (Long Liquidation)	Remarks
Suntv, DHFL, Hindzinc	
Arvind, NHPC, IOB	Suggesting weakness in these counter
IDBI, ONGC, Castrolind	

Activity in F&O

Nifty September future closed negative at 7808.25 levels. Nifty Future OI increased by 2.85% with a fall in price by 0.24%. It closed at the premium of 20 points as compared to the premium of 8 points of previous session. Market witnessed selling pressure across the board except in Auto sector stocks. The market turnover decreased by 6.42% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 6.48%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 0.94 to 0.95 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 31.63 to 30.69 levels but Implied Volatility moved up from 25.79 to 26.66 levels.

Conclusion

Nifty future opened with a huge gap down of around 90 points and plunged towards 7690 levels. However, it witnessed buying activities at every decline and recouped the intraday losses as it regained its 7800 levels by the end of the day. 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. Now if it manages to hold the index above 7800 levels, then the bounce back move may continue towards 7900-7950 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 opened negative as it failed to hold the higher levels and drifted towards 16150 levels. However, it recovered from the lower levels with support based buying activities and retrieved finally ended the day with the flattish note. Now the hurdle exist around 16800 levels and holding above the same may take it to 17000 and 17250 levels while support exist at around 16400 and 16161 levels.

Future STT Call



BPCL : Rs. 842

Execution Price Range	Stop Loss	Target
Buy Between Rs. 827 to Rs. 835	820	863

BPCL has formed base at 815-820 zones and added Open interest by more than 5% in last couple of trading sessions. It is turning from the major support with rising trading and open interest activity. It looks quite strong at current levels, so one can go long in the stock with the stop loss of 820 for the upside target of 863 levels.

Future STT Call



SRTRANSFIN : Rs. 874

Execution Price Range	Stop Loss	Target
Buy Between Rs. 852 to Rs. 860	835	920

SRTRANSFIN has been moving upwards from last three trading sessions and crossed its immediate hurdle of 850 and 880 zones. We are expecting sharp move led by short covering activities towards 920 and higher levels. Thus traders can buy the stock with stop loss of 835 for the upside immediate target of 920 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
WOCKPHARMA 8.46	SUNTV -7.36	NIFTY 685,548	CEATLTD 212.31	S&P500 99.59
CEATLTD 7.41	UPL -4.70	BANKNIFTY 195,804	MRF 165.93	DJIA 97.62
JSWENERGY 5.04	PETRONET -4.05	WOCKPHARMA 35,099	WOCKPHARMA 147.28	NMDC 5.41
APOLLOHOSP 4.48	CENTURYTEX -3.51	TATAMOTORS 31,507	UBL 143.90	IOBI 2.17
RCOM 4.17	SAIL -3.33	LT 28,782	SUNTV 140.35	PNBI 1.89
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
BEL 38.47	S&P500 -23.24	JUSTDIAL 0.89	PTC -3.04	CENTURYTEX 98.06
CEATLTD 31.32	DJIA -10.80	JPOWER 0.86	TVSMOTOR -2.55	AMTEKAUTO 79.5
DABUR 12.92	SUNTV -9.86	UNITECH 0.84	RELINFRA -2.45	WOCKPHARMA 76.77
CNXIT 12.16	DHFL -6.59	NHPC 0.62	RELCAPITAL -2.22	JINDALSTEL 73.68
APOLLOHOSP 11.54	IRB -5.58	YESBANK 0.59	IFCI -2.18	CEATLTD 72.53
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,24-SEP-15,C,8000 620553	HCLTECH,24-SEP-15,C,920 36,700	NIFTY,24-SEP-15,P,7600 494,315	WOCKPHARMA,24-SEP-15,P,1300 11,083	
NIFTY,24-SEP-15,C,7900 546647	TATAMOTORS,29-OCT-15,C,340 14,100	NIFTY,24-SEP-15,P,7500 466,561	SUNPHARMA,24-SEP-15,P,760 8,814	
NIFTY,24-SEP-15,C,7800 466852	IRB,24-SEP-15,C,280 7,650	NIFTY,24-SEP-15,P,7700 393,540	SUNTV,24-SEP-15,P,280 3,725	
NIFTY,24-SEP-15,C,8100 359516	NIFTY,24-SEP-15,C,8650 6,825	NIFTY,24-SEP-15,P,7400 284,136	CEATLTD,24-SEP-15,P,1140 2,150	
NIFTY,24-SEP-15,C,8200 324385	CEATLTD,24-SEP-15,C,1300 5,730	NIFTY,24-SEP-15,P,7800 251,531	BANKNIFTY,29-OCT-15,P,14500 1,867	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
TATAMOTORS,29-OCT-15,C,340 2,950	BANKNIFTY,24-SEP-15,C,17300 -52	CEATLTD,24-SEP-15,P,1180 6,400	HDFC,24-SEP-15,P,1180 -58	
IRB,24-SEP-15,C,280 667	EICHERMOT,24-SEP-15,C,18000 -46	CEATLTD,24-SEP-15,P,1200 3,950	UNIONBANK,24-SEP-15,P,165 -44	
SKSMICRO,24-SEP-15,C,440 314	EICHERMOT,24-SEP-15,C,18500 -31	CEATLTD,24-SEP-15,P,1160 780	SUNTV,24-SEP-15,P,360 -42	
HCLTECH,24-SEP-15,C,920 270	HCLTECH,24-SEP-15,C,1020 -27	CEATLTD,24-SEP-15,P,1140 711	HINDUNILVR,24-SEP-15,P,800 -29	
AUROPHARMA,24-SEP-15,C,720 241	TATAMOTORS,24-SEP-15,C,330 -25	JSWENERGY,24-SEP-15,P,75 246	PNB,24-SEP-15,P,135 -28	

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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