



### DERIVATIVES

#### Market Statistics

| Product              | No. of Contracts | Turnover (Rs.cr)   |
|----------------------|------------------|--------------------|
| Index Futures        | 6,72,732         | 17,907.31          |
| Vol Futures          | 0                | 0                  |
| Stock Futures        | 8,78,698         | 23,788.12          |
| Index Options        | 59,27,616        | 1,35,644.46        |
| Stock Options        | 5,34,043         | 14,421.80          |
| <b>F&amp;O Total</b> | <b>80,13,089</b> | <b>1,91,761.69</b> |

#### FII Derivatives Statistics

|               | OI at end of the day           |          |          | Inflow / |               |
|---------------|--------------------------------|----------|----------|----------|---------------|
|               | Buy                            | Sell     | Contract | Amount   | Outflow       |
| Index futures | 1875.116                       | 1437.686 | 999289   | 22475.47 | 437.4306      |
| Index options | 9185.65                        | 8046.251 | 2168216  | 68165.95 | 1139.399      |
| Stock futures | 2206.207                       | 2740.484 | 1800184  | 47230.75 | -534.277      |
| Stock options | 1758.954                       | 1855.461 | 114057   | 3122.284 | -96.5061      |
|               | <b>Net Inflow/Outflow (Cr)</b> |          |          |          | <b>946.05</b> |

#### Securities in Ban Period

NIL

#### Nifty Future/Option Trading Guide

| NIFTY      | Short term | Medium term |
|------------|------------|-------------|
| Support    | 8080       | 7850        |
| Resistance | 8330       | 8500        |

#### Nifty View for the Day

Now, till it holds above its 8180 levels the positive momentum may continue towards 8280 and 8330 zones.

#### Q2 FY'16 Result

INFY

#### Activity Tracking

| Stocks (Long Position)             | Remarks                              |
|------------------------------------|--------------------------------------|
| Hindzinc, Andhrabank, Auropharma   |                                      |
| Pidilite, INFY, Justdial           | Suggesting strength in these counter |
| Lichsgfin, CESC, Mothersumi        |                                      |
| Stocks (Short Covering)            | Remarks                              |
| Hcltech, Cipla, Drreddy            |                                      |
| Bharatforg, KSCL, HDIL             | Suggesting strength in these counter |
| Glenmark, Tataglobal, Kotakbank    |                                      |
| Stocks (Short Position)            | Remarks                              |
| Exideind, M&MFin, Infratel         |                                      |
| Ceatltd, Amrajabat, Jswenergy      | Suggesting weakness in these counter |
| Bankbaroda, Indiacem, Ibulhsgfin   |                                      |
| Stocks (Long Liquidation)          | Remarks                              |
| Ambujacem, Sksmicro, Amtekauto     |                                      |
| Mcleodruss, Bajfinance, Apollotyre | Suggesting weakness in these counter |
| Marico, Jindalstel, SRF            |                                      |

#### Activity in F&O

Nifty October future closed positive at 8205.25 levels. Nifty Future OI increased by 1.07% with a rise in price by 0.59%. It closed at premium of 16 points as compared to the premium of 28 points of previous trading session. Market witnessed buying interest in IT, Metal, Capital Goods and Banking sector stocks while selling pressure was seen in Consumer durables and Power sector stocks. The market turnover increased by 28.22% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also increased by 28.85%.

#### Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 1.02 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 23.46 to 22.91 levels and Implied Volatility also fell down from 18.45 to 17.50 levels.

#### Conclusion

Nifty future opened with a gap up of around 50 points and headed towards 8250 levels but witnessed minor profit booking in the second half of the session. Finally, it ended the session with the gains of around 40 points on closing basis. It continued making higher highs with declining volatility and now till it holds above its 8180 levels the positive momentum may continue towards 8280 and 8330 zones. If index fails to hold 8150 zones then momentum may fizzle out and market may tumble down towards next support of 8080 zones. On the Option front, maximum Put OI is at 8100 followed by 8000 strike whereas maximum Call OI is at 8300 followed by 8200 strike. Bank Nifty opened positive and supported the broader market at every minor decline. Finally it ended the session with the gains of around 65 points. Now it has immediate support near 17500 followed by 17250 zones while next hurdle exists at around 18000 zones and above that a fresh leg of rally cannot be ruled out in the market.

### Future STT Call



|  |                  |               |
|--|------------------|---------------|
| <b>ACC : Rs. 1350</b>  |                  |               |
| <b>Execution Price Range</b>   | <b>Stop Loss</b> | <b>Target</b> |
| <b>Sell Between Rs. 1365 to Rs. 1379</b>   | <b>1400</b>      | <b>1313</b>   |
| <p><b>ACC</b> failed to cross immediate hurdle of 1380-1400 zones and has been making lower top – lower bottom formation. It is witnessing built up of short position with open interest addition of around 24% in the October series and these shorts are intact in the counter. We are expecting this weakness to continue for next coming sessions. So, one can sell the stock with the stop loss of 1400 for the downside target of 1313 levels.</p> |                  |               |

### Future STT Call



|   |                  |               |
|---|------------------|---------------|
| <b>VOLTAS : Rs. 276</b>   |                  |               |
| <b>Execution Price Range</b>  | <b>Stop Loss</b> | <b>Target</b> |
| <b>Buy Between Rs. 269 to Rs. 272</b>   | <b>264</b>       | <b>285</b>    |
| <p><b>VOLTAS</b> is moving after the recent breakout and has been holding the support base firmly. According to its recent price behavior it is well placed to start next round of rally towards 285 and higher levels. Even after the consolidation it is now adding built up of long position with the open interest addition by around 33%. Thus recommending the traders to buy the stock with the stop loss 264 for the upside immediate target of 285 levels.</p> |                  |               |

### Graphic Snapshot

| Futures   |   |   |   |   |
|---|---|---|---|---|
| <b>%Price Gainers</b><br>VEDL 11.81<br>AUROPHARMA 4.81<br>TATASTEEL 4.51<br>TATAMOTORS 3.95<br>HINDZINC 3.88  | <b>%Price Losers</b><br>CEATLTD -3.95<br>JSWENERGY -3.63<br>AMTEKAUTO -3.00<br>APOLLOTYRE -2.96<br>M&MFIN -2.83   | <b>Active Futures</b><br>NIFTY 519,142<br>BANKNIFTY 152,268<br>TATAMOTORS 41,080<br>VEDL 37,055<br>SBIN 33,381  | <b>%Volume Gainers</b><br>INDUSINDBK 275.25<br>DHFL 168.96<br>HINDZINC 161.62<br>VEDL 160.60<br>AUROPHARMA 158.02   | <b>% Rollovers</b><br>S&P500 100<br>DJIA 96.47<br>HINDUNILVR 12.15<br>ANDRABANK 10.32<br>JUSTDIAL 10.29   |
| <b>%OI Gainers</b><br>DJIA 38.96<br>HINDZINC 32.21<br>EXIDEIND 12.16<br>M&MFIN 12.06<br>CADILAH 11.51   | <b>%OI Losers</b><br>CNXIT -13.92<br>HCLTECH -7.42<br>ARVIND -6.69<br>CIPLA -6.10<br>DRREDDY -6.05  | <b>%Premiums</b><br>JPASSOCIAT 1.20<br>GMRINFRA 0.73<br>UNITECH 0.70<br>UCOBANK 0.62<br>IBREALST 0.60   | <b>%Discounts</b><br>JUSTDIAL -3.13<br>GODREJIND -1.81<br>NMDC -1.61<br>M&MFIN -1.45<br>VOLTAS -1.04  | <b>OI % of Mkt. Limit</b><br>CENTURYTEX 76.17<br>JISLJALEQS 72.66<br>JPASSOCIAT 71.77<br>WOCKPHARMA 68.94<br>DISHTV 68.5  |
| Options   |   |   |   |   |
| <b>Most Active (Calls)</b><br>NIFTY,29-OCT-15,C,8300 662916<br>NIFTY,29-OCT-15,C,8400 503405<br>NIFTY,29-OCT-15,C,8200 474963<br>NIFTY,29-OCT-15,C,8500 453932<br>NIFTY,29-OCT-15,C,8600 237737 | <b>%Volume gainers (Calls)</b><br>INDUSINDBK,29-OCT-15,C,1060 21,750<br>NIFTY,29-DEC-16,C,9000 7,633<br>HINDZINC,29-OCT-15,C,160 6,450<br>VEDL,29-OCT-15,C,115 5,062<br>NIFTY,31-DEC-15,C,11000 4,567 | <b>Most Active (Puts)</b><br>NIFTY,29-OCT-15,P,8000 490,645<br>NIFTY,29-OCT-15,P,8100 454,844<br>NIFTY,29-OCT-15,P,8200 386,556<br>NIFTY,29-OCT-15,P,7900 278,320<br>NIFTY,29-OCT-15,P,7800 227,900 | <b>%Volume gainers (Puts)</b><br>VEDL,29-OCT-15,P,100 95,250<br>NIFTY,29-OCT-15,P,8900 20,356<br>INFY,29-OCT-15,P,900 14,200<br>KSCL,29-OCT-15,P,480 8,600<br>HDFC,29-OCT-15,P,1300 5,300 | <b>%OI Gainers (Calls)</b><br>INDUSINDBK,29-OCT-15,C,1060 3,200<br>INFY,29-OCT-15,C,1360 872<br>BANKNIFTY,26-NOV-15,C,19000 813<br>INDUSINDBK,29-OCT-15,C,1080 733<br>INFY,26-NOV-15,C,1300 629 |
| <b>%OI Losers (Calls)</b><br>HINDALCO,29-OCT-15,C,75 -54<br>HCLTECH,29-OCT-15,C,800 -52<br>TATAMOTORS,29-OCT-15,C,290 -40<br>VEDL,29-OCT-15,C,90 -39<br>VEDL,29-OCT-15,C,95 -35                 | <b>%OI Gainers (Puts)</b><br>VEDL,29-OCT-15,P,105 5,500<br>INFY,29-OCT-15,P,900 2,108<br>VEDL,29-OCT-15,P,100 1,477<br>NIFTY,26-NOV-15,P,9000 1,200<br>NIFTY,29-OCT-15,P,8350 929                     | <b>%OI Losers (Puts)</b><br>COALINDIA,29-OCT-15,P,340 -49<br>KOTAKBANK,29-OCT-15,P,650 -48<br>APOLLOTYRE,29-OCT-15,P,190 -32<br>HCLTECH,29-OCT-15,P,780 -27<br>CEATLTD,29-OCT-15,P,1200 -23         |   |   |

**Derivatives Lesson: SHORT STRADDLE STRATEGY**

- A short straddle is a strategy to be adopted when the investor feels the market will not show much movement. He sells a Call and a Put on the same stock / index for the same maturity and strike price. It creates a net income for the investor.
- If the stock / index do not move much in either direction, the investor retains the Premium as neither the Call nor the Put will be exercised. However, incase the stock / index moves in either direction, up or down significantly, the investor's losses can be significant. So this is a risky strategy and should be carefully adopted and only when the expected volatility in the market is limited.
- Max profit = Limited to the premium received.
- Max loss = Unlimited
- Upper Breakeven Point = Strike Price of Short Call + Net Premium Received
- Lower Breakeven Point = Strike Price of Short Put - Net Premium Received

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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