



### DERIVATIVES

#### Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	5,44,015	14,706.46
Vol Futures	0	0
Stock Futures	8,78,492	23,451.29
Index Options	54,23,645	1,23,085.34
Stock Options	6,68,957	18,474.33
<b>F&amp;O Total</b>	<b>75,15,109</b>	<b>1,79,717.42</b>

#### FII Derivatives Statistics

	OI at end of the day		Inflow /		Outflow
	Buy	Sell	Contract	Amount	
Index futures	1765.068	1022.401	1023802	23151.61	742.6664
Index options	9469.055	10356.62	2212580	69205.77	-887.568
Stock futures	2433.425	2498.913	1797010	47200.06	-65.4877
Stock options	2704.491	2864.75	119361	3216.424	-160.258
	<b>Net Inflow/Outflow (Cr)</b>				<b>-370.65</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, it needs to cross and hold above 8200 levels to continue the positive move towards 8280 and 8330 zones.

#### Q2 FY'16 Result

TCS

#### Activity Tracking

Stocks (Long Position)	Remarks
Ucobank, Andhrabank, TV18Brdcst	
Indiacem, Glenmark, Crompgreav	Suggesting strength in these counter
Unitech, Jpassociat, Siemens	
Stocks (Short Covering)	Remarks
Mothersumi, PTC, NMDC	
Jindalstel, Hcltech, UPL	Suggesting strength in these counter
NHPC, PFC, SRF	
Stocks (Short Position)	Remarks
Infratel, Mindtree, TCS	
Maruti, Castrolind, BEML	Suggesting weakness in these counter
Ibrealst, Bankindia, Infy	
Stocks (Long Liquidation)	Remarks
Syndibank, Dreddy, IRB	
DHFL, DLF, Boschltd	Suggesting weakness in these counter
Marico, Pidilite, ITC	

#### Activity in F&O

Nifty October future closed negative at 8149.6 levels. Nifty Future OI increased by 3.78% with a fall in price by 0.68%. It closed at premium of 6 points as compared to the premium of 16 points of previous trading session. Market witnessed buying interest in Power, Metal and Capital Goods sector stocks while selling pressure was seen in IT, FMCG and Healthcare sector stocks. The market turnover decreased by 6.21% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 6.28%.

#### Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 1.02 to 1.01 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 22.91 to 22.41 levels and Implied Volatility also fell down from 17.50 to 17.31 levels.

#### Conclusion

Nifty future opened positive above its 8200 levels but failed to sustain it as profit booking at higher levels dragged the index towards the intraday low of 8135 levels. Although it continued making higher highs but a pause in the rally is giving a sign of caution in the market. Now, it needs to cross and hold above 8200 levels to continue the positive move towards 8280 and 8330 zones. While if it fails to hold 8100 zones then short term trend may get in the grip of profit booking to drag the index towards 8000-7980 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 negative and after the consolidation in the 1st half of the session it witnessed profit taking and slipped into the negative zones. Finally it ended the session with the loss of around 50 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



**JSWSTEEL : Rs. 1350**

Execution Price Range	Stop Loss	Target
Sell Between Rs. 920 to Rs. 930	945	880

JSWSTEEL it failed to cross immediate hurdle of 935 zones after a bounce back of last eight trading sessions. Overall major trend of the stock is negative and after the recent bounce back move provides a fresh opportunity to sell the stock. We have seen long liquidation followed by built up of shorts. We are expecting this weakness to continue for next coming sessions. So, one can sell the stock with the stop loss of 945 for the downside target of 880 levels.

Future STT Call



**L&T : Rs. 1555**

Execution Price Range	Stop Loss	Target
Buy Between Rs. 1530 to Rs. 1545	1502	1616

LT, In the beginning of October series it took support near the 1420 zones and noticeably this support is holding well from last seventeen series. It is turning from the lower band of the trading range and continuously holding the gains above 1500-1520 zones even after the market volatility. It has immediate hurdle at 1570 zones and above that fresh up move cannot be ruled out in the stock. Thus recommending the traders to buy the stock with the stop loss 1502 for the upside immediate target of 1616 levels.

Graphic Snapshot

Futures				
<b>%Price Gainers</b> ADANIPOWER 10.23 VEDL 6.87 HINDALCO 5.52 JPASSOCIAT 5.16 MOTHERSUMI 5.04	<b>%Price Losers</b> INFY -4.34 INFRATEL -4.18 BANKBARODA -3.09 DLF -3.04 MINDTREE -2.37	<b>Active Futures</b> NIFTY 412,439 BANKNIFTY 130,154 INFY 114,664 TATAMOTORS 40,277 VEDL 30,700	<b>%Volume Gainers</b> ADANIPOWER 549.25 MARICO 319.59 NHPC 289.05 INFY 243.55 TATAPOWER 142.36	<b>% Rollovers</b> S&P500 100 DJIA 94.85 ANDHRABANK 16.74 HINDUNILVR 11.88 NMDC 10.66
<b>%OI Gainers</b> UCObANK 17.18 INFRATEL 9.90 MINDTREE 9.52 ANDHRABANK 8.82 TV18BRDCST 8.18	<b>%OI Losers</b> MOTHERSUMI -8.74 IGL -7.03 PTC -6.23 NMDC -5.40 JINDALSTEL -5.34	<b>%Premiums</b> JPASSOCIAT 1.15 GMRINFRA 0.73 UNITECH 0.67 FEDERALBNK 0.60 IBREALST 0.60	<b>%Discounts</b> JUSTDIAL -3.14 M&MFIN -1.78 GODREJIND -1.52 NMDC -1.51 HINDZINC -0.94	<b>OI % of Mkt. Limit</b> CENTURYTEX 76.38 JPASSOCIAT 72.98 JISLJALEQS 72.76 DISHTV 70.11 WOCKPHARMA 68.92
Options				
<b>Most Active (Calls)</b> NIFTY,29-OCT-15,C,8300 616705 NIFTY,29-OCT-15,C,8200 515027 NIFTY,29-OCT-15,C,8400 476309 NIFTY,29-OCT-15,C,8500 410294 NIFTY,29-OCT-15,C,8600 180369	<b>%Volume gainers (Calls)</b> ADANIPOWER,29-OCT-15,C,35 47,700 BANKBARODA,29-OCT-15,C,170 44,200 VEDL,29-OCT-15,C,150 31,300 HINDALCO,29-OCT-15,C,110 16,400 HINDALCO,29-OCT-15,C,105 7,120	<b>Most Active (Puts)</b> NIFTY,29-OCT-15,P,8000 453,905 NIFTY,29-OCT-15,P,8100 449,105 NIFTY,29-OCT-15,P,8200 383,455 NIFTY,29-OCT-15,P,7900 278,019 NIFTY,29-OCT-15,P,7800 191,682	<b>%Volume gainers (Puts)</b> NIFTY,29-OCT-15,P,6300 13,200 BANKBARODA,29-OCT-15,P,150 9,367 VEDL,29-OCT-15,P,110 7,783 HINDALCO,29-OCT-15,P,90 7,600 TCS,29-OCT-15,P,2350 5,867	<b>%OI Gainers (Calls)</b> VEDL,29-OCT-15,C,150 16,700 BANKBARODA,29-OCT-15,C,175 4,567 HINDALCO,29-OCT-15,C,120 3,767 VEDL,29-OCT-15,C,140 2,814 NIFTY,31-DEC-15,C,7300 1,831
<b>%OI Losers (Calls)</b> VEDL,29-OCT-15,C,95 -63 JINDALSTEL,29-OCT-15,C,77.5 -46 NMDC,29-OCT-15,C,95 -41 JINDALSTEL,29-OCT-15,C,65 -37 VEDL,29-OCT-15,C,105 -37	<b>%OI Gainers (Puts)</b> VEDL,29-OCT-15,P,110 1,383 HINDALCO,29-OCT-15,P,87.5 1,030 VEDL,29-OCT-15,P,115 1,000 BANKBARODA,29-OCT-15,P,150 915 ADANIPOWER,29-OCT-15,P,27.5 779	<b>%OI Losers (Puts)</b> KSCL,29-OCT-15,P,460 -54 HDFC,29-OCT-15,P,1300 -53 M&M,29-OCT-15,P,1280 -48 INFY,29-OCT-15,P,900 -43 HCLTECH,29-OCT-15,P,760 -35		

**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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