



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	6,15,813	16,939.91
Vol Futures	0	0
Stock Futures	8,61,121	23,554.52
Index Options	68,39,723	1,58,270.01
Stock Options	5,28,553	14,033.34
F&O Total	88,45,210	2,12,797.78

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1122.81	1954.26	990835.00	24881.67	-831.45
Index options	11422.64	11205.17	32985.00	74049.18	217.48
Stock futures	2518.07	2975.68	1804826.00	48744.39	-457.61
Stock options	2024.22	2046.58	129743.00	3539.59	-22.37
Net Inflow/Outflow (Cr)					-1093.94

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	8150-8180	7850
Resistance	8330	8500

Nifty View for the Day

Now it needs to hold above 8250 levels to continue the buying interest towards 8330 and 8400 levels. While if it fails to hold 8180 zones then short term trend may get in the grip of profit booking to drag the index towards 8100 zones.

Q2 FY'16 Result

HCLTECH, HINDZINC, PETRONET, SKSMICRO & ULTRACEMCO

Activity Tracking

Stocks (Long Position)	Remarks
Mindtree, IOC, NCC	
Petronet, Biocon, Ambujacem	Suggesting strength in these counter
Dreddy, SRF, Britannia	
Stocks (Short Covering)	Remarks
Maruti, NHPC, Auropharma	
INFY, OFSS, Hindpetro	Suggesting strength in these counter
Tatamotors, BPCL, Bataindia	
Stocks (Short Position)	Remarks
Sail, IOB, Srtransfin	
Unionbank, Ibulhsgfin, IDFC	Suggesting weakness in these counter
Jswenergy, Southbank, Engineersin	
Stocks (Long Liquidation)	Remarks
Bhartiartl, Adanient, VEDL	
Amtekauto, DLF, Lupin	Suggesting weakness in these counter
Tatapower, Idea	

Activity in F&O

Nifty October future closed positive at 8259.45 levels. Nifty Future OI increased by 3.25% with a rise in price by 0.88%. It closed at premium of 21 points as compared to the premium of 8 points of previous trading session. Market witnessed buying interest in Banking, Oil & gas and Auto sector stocks while selling pressure was seen in Consumer Durables, Metal and realty sector stocks. The market turnover increased by 15.69% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also increased by 17.25%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 1 to 1.02 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 20.83 to 20.61 levels and Implied Volatility also fell down from 15.85 to 14.96 levels.

Conclusion

Nifty future opened positive and after an early struggle it managed to register a strong rally of more than 100 points from lower levels by crossing immediate hurdle of 8250 zones. It gave the highest daily close of last thirty seven trading sessions with a price breakout from the consolidation of last 8 trading session. Now it needs to hold above 8250 levels to continue the buying interest towards 8330 and 8400 levels. While if it fails to hold 8180 zones then short term trend may get in the grip of profit booking to drag the index towards 8100 zones. On the Option front, maximum Put OI is at 8000 followed by 8100 strike whereas maximum Call OI is at 8300 followed by 8200 strike. A shift in option strike to higher levels is also giving an upper hand to bulls and also indicates that support is shifting to higher levels. Bank Nifty future opened positive and towards the close managed to test a psychological barrier of 18000 mark by crossing the recent consolidation phase. Now it has immediate support near 17850 followed by 17500 zones while next hurdle exists at around 18250 zones.

Future STT Call

**JSWSTEEL : Rs. 902**

Execution Price Range	Stop Loss	Target
Sell Between Rs. 914 to Rs. 923	937	880

JSWSTEEL is continuously finding hurdle at 950 levels and has been underperforming the broader metal sector. The overall trend of the counter is intact to negative and has been witnessing selling pressure at every minor attempt to bounce back. Thus recommending selling the stock with the stop loss of 937 for the downside target of 880 levels.

Future STT Call

**L&T : Rs. 1609**

Execution Price Range	Stop Loss	Target
Buy Between Rs. 1581 to Rs. 1597	1555	1666

L&T took support near to 1420 zones at the beginning of October series and noticeably this support is holding well from last seventeen series. It is turning from the lower band of the trading range and registered a breakout from the consolidation of last nine sessions and gave the highest daily close of last twenty sessions. Thus recommending the traders to buy the stock with the stop loss 1555 for the upside immediate target of 1666 levels.

Graphic Snapshot

Futures									
%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		%Rollovers	
CROMPGREAV	4.76	DLF	-4.97	NIFTY	467,218	SRTRANSFIN	337.56	NIFTY	20.33
HINDZINC	4.15	SRTRANSFIN	-3.70	BANKNIFTY	147,405	BIOCON	250.32	TV18BRDCST	18.35
RCOM	3.89	SAIL	-2.89	TATAMOTORS	46,817	CROMPGREAV	240.85	ANDHRABANK	17.98
IDBI	3.48	UNITECH	-2.53	SBIN	35,760	RCOM	217.22	NMDC	15.38
NMDC	3.35	KSCL	-2.25	LT	31,886	BEL	152.34	DIVISLAB	13.93
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Limit	
MINDTREE	28.72	DJIA	-100.00	AMTEKAUTO	0.70	NMDC	-2.96	CENTURYTEX	79.19
IOC	13.42	S&P500	-100.00	UNITECH	0.65	GODREJIND	-1.90	IBREALEST	77.99
TV18BRDCST	12.35	ZEEL631		IDFC	0.58	JUSTDIAL	-1.50	JPASSOCIAT	76.41
BEML	12.17	MARUTI510		IOC	0.54	HINDZINC	-1.49	INDIACEM	75.82
NCC	12.03	SYNDIBANK476		AMBUJACEM	0.52	HINDUNILVR	-0.47	WOCKPHARMA	75.41
Options									
Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
NIFTY,29-OCT-15,C,8200	800415	NIFTY,26-NOV-15,C,7100	9,640	NIFTY,29-OCT-15,P,8100	678,869	CROMPGREAV,29-OCT-15,P,185	21,300		
NIFTY,29-OCT-15,C,8300	689838	ICICIBANK,29-OCT-15,C,260	3,275	NIFTY,29-OCT-15,P,8200	611,103	MINDTREE,29-OCT-15,P,1450	7,483		
NIFTY,29-OCT-15,C,8400	621287	RCOM,29-OCT-15,C,90	2,854	NIFTY,29-OCT-15,P,8000	555,982	BPCL,29-OCT-15,P,900	2,964		
NIFTY,29-OCT-15,C,8500	375885	BPCL,29-OCT-15,C,960	2,550	NIFTY,29-OCT-15,P,7900	355,731	LT,29-OCT-15,P,1600	2,828		
NIFTY,29-OCT-15,C,8100	234405	BANKNIFTY,26-NOV-15,C,19300	2,300	NIFTY,29-OCT-15,P,7800	260,159	RELCAPITAL,29-OCT-15,P,410	2,600		
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
NIFTY,26-NOV-15,C,7100	1,884	KSCL,29-OCT-15,C,480	-59	CROMPGREAV,29-OCT-15,P,185	1,867	HINDUNILVR,29-OCT-15,P,700	-58		
BANKNIFTY,26-NOV-15,C,19300	445	ACC,29-OCT-15,C,1360	-50	BPCL,29-OCT-15,P,900	700	DRREDDY,29-OCT-15,P,4050	-54		
TATAMOTORS,29-OCT-15,C,440	269	CROMPGREAV,29-OCT-15,C,180	-47	RELCAPITAL,29-OCT-15,P,410	400	MINDTREE,29-OCT-15,P,1300	-49		
TATAMOTORS,29-OCT-15,C,410	169	RCOM,29-OCT-15,C,70	-46	NIFTY,29-OCT-15,P,8250	376	INFY,29-OCT-15,P,1140	-44		
TVSMOTOR,29-OCT-15,C,260	157	ICICIBANK,29-OCT-15,C,260	-44	BANKNIFTY,29-OCT-15,P,17900	359	MINDTREE,29-OCT-15,P,1350	-43		

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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