



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	7,30,950	19,251.79
Vol Futures	0	0
Stock Futures	9,06,059	24,098.66
Index Options	48,13,117	1,06,856.97
Stock Options	4,79,746	12,978.46
F&O Total	69,29,872	1,63,185.87

FII Derivatives Statistics

	OI at end of the day		Inflow /		Outflow
	Buy	Sell	Contract	Amount	
Index futures	1639.133	1783.717	784427	17551.84	-144.584
Index options	8921.912	9042.199	1982844	60871.6	-120.287
Stock futures	2544.128	2654.715	1762719	44637.64	-110.587
Stock options	1372.143	1294.312	50992	1327.996	77.8308
	Net Inflow/Outflow (Cr)				-297.62

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7750	7665
Resistance	8080	8181

Nifty View for the Day

Now if the index manages to sustain the 7980 levels, the bulls will lead the index to 8050-8080 zones.

News for the day

- IDFC F&O contracts will be cash settled on Sept 30, a day before IDFC shares become ex-bank i.e. Oct 1.
- From Oct 1, there will be a new series of F&O contracts on IDFC ex-bank shares which will be traded and settled in a manner similar to such contracts on other listed stocks.

Activity Tracking

Stocks (Long Position)	Remarks
Marico, TV18brdcast, NCC	
IGL, Petronet, BEML	Suggesting strength in these counter
DHFL, Cadilalc, Jswenergy	
Stocks (Short Covering)	Remarks
IDFC, Bhel, Indiacem	
Dreddy, Colpal, Divislab	Suggesting strength in these counter
IRB, Abirlanuvo, Tatacomm	
Stocks (Short Position)	Remarks
Dishtv, Infratel, Unionbank	
Oil, Ultracemco, Vedl	Suggesting weakness in these counter
Titan, Apollotyre, Techm	
Stocks (Long Liquidation)	Remarks
Srtransfin, IDBI	
Syndibank, Canbk	Suggesting weakness in these counter

Activity in F&O

Nifty October future closed positive at 7980.35 levels. Nifty Future OI decreased by 0.23% with a rise in price by 1.33%. It closed at premium of 32 points. Market witnessed buying interest across the board except in banking sector stocks. The market turnover decreased by 41.56% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 77.01%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 0.91 to 0.92 levels as compared to previous trading session. Historical Volatility of Nifty fell down marginally from 25.37 to 25.36 levels and Implied Volatility fell down from 20.97 to 19.13 levels.

Conclusion

Nifty future opened in an upbeat mood and continued to trade positive throughout the day. It witnessed buying interest at every minor decline as the sentiment remained positive. Finally the session ended at the highest daily closing levels of last five trading sessions with the gains of around 110 points. Now if the index manages to sustain above 7980 levels then buying interest may continue towards 8050-8080 zones, while if it fails to hold 7940 levels then the bears might push the index towards 7880 and 7850 levels. On the Option front, maximum Put OI is at 7500 followed by 7800 strike whereas maximum Call OI is at 8300 followed by 8000 strike. Bank Nifty opened positive but unlike the broader market it failed to hold the positive move and ended the day with the loss of around 60 points. Now it has immediate support near to 17250 then 17000 levels while hurdle exists at 17660 zones and above that a fresh leg of rally cannot be ruled out in the market.

Future STT Call



IRB : Rs. 238

Execution Price Range	Stop Loss	Target
Buy Between Rs. 233 to Rs. 235	229	244

IRB has been consolidating in a broader range from last couple of series but the support is base is intact even after the volatility in the broader market. Even though, it is stuck in a range but still managed to hold the base. It is turning from the lower levels with short covering activities. Thus recommending buying the stock with the stop loss of 229 for the upside target of 244 levels.

Future STT Call



SYNDIBANK : Rs. 83

Execution Price Range	Stop Loss	Target
Sell Between Rs. 85 to Rs. 86	88	80.50

SYNDIBANK failed to cross a strong hurdle of 85-86 zones and has been making lower top – lower bottom formation. It is witnessing built up of short position and these shorts are intact in the counter with short rollover from previous series to current series. We are expecting this weakness to continue for next coming sessions. So, one can sell the stock with the stop loss of 88 for the downside target of 80.50 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
JSWENERGY 7.02	DISHTV -3.57	NIFTY 539,114	IGL 949.55	S&P500 100
WOCKPHARMA 6.94	UNIONBANK -3.34	BANKNIFTY 190,938	IDFC 379.56	DJIA 99.28
IDEA 6.64	IDBI -3.06	AXISBANK 36,260	DISHTV 357.73	HINDUNILVR 11.17
IBULHSGFIN 6.17	TECHM -2.31	IDFC 33,339	TV18BRDCST 243.17	NMDC 7.8
TV18BRDCST 6.12	ORIENTBANK -2.31	WOCKPHARMA 31,119	MARICO 194.71	NIFTY5 76
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
MARICO 254.02	DJIA -14.76	UNITECH 1.63	GODREJIND -3.38	CENTURYTEX 71.28
DISHTV 61.98	IDFC -7.27	NHPC 0.91	EXIDEIND -2.63	JISLJALEQS 69.48
TV18BRDCST 43.43	ZEEL -5.80	JPASSOCIAT 0.88	SAIL -2.14	DISHTV 65.49
INFRATEL 31.39	BHEL -5.50	SOUTHBANK 0.88	JUSTDIAL -1.97	WOCKPHARMA 63.52
GODREJIND 27.45	INDIACEM -5.11	JISLJALEQS 0.86	CAIRN -1.73	IDBI 61.46
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,29-OCT-15,C,8100 428624	DISHTV,29-OCT-15,C,105 29,800	NIFTY,29-OCT-15,P,7800 345,185	IDFC,29-OCT-15,P,142.5 45,700	
NIFTY,29-OCT-15,C,8000 412864	IDFC,26-NOV-15,C,142.5 11,175	NIFTY,29-OCT-15,P,7700 315,705	WOCKPHARMA,29-OCT-15,P,1500 33,400	
NIFTY,29-OCT-15,C,8200 366550	JSWENERGY,29-OCT-15,C,95 7,125	NIFTY,29-OCT-15,P,7500 275,694	IGL,29-OCT-15,P,460 17,000	
NIFTY,29-OCT-15,C,8300 225870	WOCKPHARMA,29-OCT-15,C,1800 5,586	NIFTY,29-OCT-15,P,7600 242,327	IGL,29-OCT-15,P,450 11,625	
NIFTY,29-OCT-15,C,7900 220991	IGL,29-OCT-15,C,500 3,647	NIFTY,29-OCT-15,P,7900 229,179	RCOM,29-OCT-15,P,67.5 5,800	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
DISHTV,29-OCT-15,C,105 6,850	HINDUNILVR,29-OCT-15,C,800 -67	NIFTY,29-OCT-15,P,6750 78,800	IGL,29-OCT-15,P,450 -53	
IDFC,26-NOV-15,C,142.5 1,786	INFY,29-OCT-15,C,1140 -56	WOCKPHARMA,29-OCT-15,P,1500 2,929	RELIANCE,29-OCT-15,P,700 -43	
IDFC,26-NOV-15,C,145 1,600	ASIANPAINT,29-OCT-15,C,820 -45	IDFC,29-OCT-15,P,142.5 1,850	RELIANCE,29-OCT-15,P,900 -35	
LICHSGFIN,29-OCT-15,C,520 1,086	NIFTY,29-OCT-15,C,10000 -44	IGL,29-OCT-15,P,460 1,317	TATAMOTORS,29-OCT-15,P,270 -29	
DISHTV,29-OCT-15,C,110 729	ASIANPAINT,29-OCT-15,C,800 -38	HINDUNILVR,29-OCT-15,P,820 1,300	DRREDDY,29-OCT-15,P,4200 -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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