



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	4,09,058	11,222.18
Vol Futures	0	0
Stock Futures	8,41,949	23,294.94
Index Options	49,05,786	1,13,817.61
Stock Options	5,29,816	14,202.48
F&O Total	66,86,609	1,62,537.20

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1044	1447	994067	25057	-403
Index options	8376	7896	2384588	75914	479
Stock futures	2827	2589	1801492	48950	238
Stock options	1928	1891	129118	3516	37
Net Inflow/Outflow (Cr)					351.52

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 has to continue to hold above 8225-8250 zones to continue this momentum towards crucial hurdle of 8330 levels.

Q2 FY'16 Result

ACC, BAJFINANCE, BIOCON, DHFL, FEDERALBNK & HEROMOTOCO

Activity Tracking

Stocks (Long Position)	Remarks
Hindzinc, IFCI, IDBI	
Ajantapharm, TV18brdcst, Ucobank	Suggesting strength in these counter
Dreddy, Ibrealst, Amtekauto	
Stocks (Short Covering)	Remarks
Hindunilvr, INFY, UPL	
Mindtree, Divislab, Colpal	Suggesting strength in these counter
SRF, Amarajabat, Glenmark	
Stocks (Short Position)	Remarks
Sksmicro, Jswsteel, Ambujacem	
Tatasteel, Hexaware, Adaniports	Suggesting weakness in these counter
NMDC, Ultracemco, Bankindia	
Stocks (Long Liquidation)	Remarks
Mothersumi, Tatapower	
Abirlanuvo, VEDL, Yesbank	Suggesting weakness in these counter
Lichsgfin, CEATLTD, Titan	

Activity in F&O

Nifty October future closed positive at 8270.75 levels. Nifty Future OI decreased by 0.29% with a marginal rise in price by 0.14%. It closed at discount of 4 points as compared to the premium of 21 points of previous trading session. Market witnessed buying interest in Realty, Oil & gas and IT sector stocks while selling pressure was seen in Capital goods, Metal and Banking sector stocks. The market turnover decreased by 24.40% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 23.61%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 1.02 to 1.03 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 20.61 to 19.99 levels but Implied Volatility moved up from 14.96 to 15.28 levels.

Conclusion

Nifty future opened flat and after the struggle in the early hours it regained the momentum and witnessed a smart rally towards 8283 levels. It gave the highest daily close of last thirty eight trading sessions with the gains of around 15 points. Now it has to continue to hold above 8225-8250 zones to continue this momentum towards crucial hurdle of 8330-8350 zones. While, if it sustains below 8200 then it may again get stuck in range between 8080 to 8200 levels. On the Option front, maximum Put OI is at 8000 followed by 8200 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 but failed to hold 18000 levels and underperformed the broader market. It ended the session with the loss of around 115 points. Now it has immediate support near 17500 followed by 17250 zones while next hurdle exists at around 18250 zones.

Future STT Call



JSWSTEEL : Rs. 892

Execution Price Range	Stop Loss	Target
Sell Between Rs. 900 to Rs. 909	937	880

JSWSTEEL is continuously finding hurdle at 935-940 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 925 for the downside target of 860 levels.

Future STT Call



UPL : Rs. 488

Execution Price Range	Stop Loss	Target
Buy Between Rs. 476 to Rs. 481	468	500

UPL had negated the negative formation of making lower top lower bottom formation in the previous week and now follow up buying also confirms the trend reversal for the next leg of rally. It is slowly moving upwards from the last couple of trading sessions with built up of long position. Thus recommending the traders to buy the stock with the stop loss 468 for the upside immediate target of 500 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
IFCI 16.17	LICHSGFIN -3.42	NIFTY 311,649	AMTEKAUTO 522.54	DIVISLAB 27.8
AMTEKAUTO 8.68	ADANIPOWER -2.54	BANKNIFTY 96,133	AJANTPHARM 333.73	TV18BRDCST 22.89
IBREALEST 6.06	ONGC -2.47	RELIANCE 67,434	PETRONET 316.41	NIFTY 21.63
KSCL 5.95	ADANIENIT -2.39	HCLTECH 30,801	ENGINEERSIN 288.75	BAJAJ-AUTO 19.23
IRB 5.74	ADANIPORTS -2.06	TATAMOTORS 26,510	CADILAHC 278.48	ANDHRABANK 18.74
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
CNXIT 54.11	PETRONET -11.83	JSWENERGY 1.01	NMDC -3.04	IBREALEST 83.1
HINDZINC 45.19	HINDUNILVR -11.59	GMRINFRA 0.72	GODREJIND -2.10	CENTURYTEX 77.67
IFCI 20.51	ENGINEERSIN -6.43	JPASSOCIAT 0.70	MCLEODRUSS -1.51	JPASSOCIAT 77.11
SKSMICRO 11.59	ITC -5.81	AMTEKAUTO 0.64	JUSTDIAL -1.34	WOCKPHARMA 77.06
IDBI 10.54	INFY -5.38	UNITECH 0.62	HINDZINC -1.01	INDIACEM 76.33
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,29-OCT-15,C,8300 616138	NIFTY,26-NOV-15,C,9200 20,200	NIFTY,29-OCT-15,P,8200 571,190	IFCI,29-OCT-15,P,27.5 54,150	
NIFTY,29-OCT-15,C,8400 532351	RELIANCE,29-OCT-15,C,1040 19,880	NIFTY,29-OCT-15,P,8100 396,551	RELIANCE,29-OCT-15,P,960 43,433	
NIFTY,29-OCT-15,C,8200 349381	RELIANCE,26-NOV-15,C,1020 12,300	NIFTY,29-OCT-15,P,8000 373,826	BHARTIARTL,29-OCT-15,P,360 15,867	
NIFTY,29-OCT-15,C,8500 291080	IFCI,26-NOV-15,C,35 10,300	NIFTY,29-OCT-15,P,8300 304,218	RELIANCE,26-NOV-15,P,940 9,350	
NIFTY,29-OCT-15,C,8600 87304	ULTRACEMCO,29-OCT-15,C,3150 8,767	NIFTY,29-OCT-15,P,7900 174,978	RELIANCE,29-OCT-15,P,940 8,827	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
RELIANCE,26-NOV-15,C,1020 7,900	RELIANCE,29-OCT-15,C,920 -55	NIFTY,29-OCT-15,P,8450 6,000	DRREDDY,29-OCT-15,P,4050 -69	
IRB,29-OCT-15,C,300 1,467	RELIANCE,29-OCT-15,C,940 -50	RELIANCE,26-NOV-15,P,940 2,560	RELIANCE,29-OCT-15,P,1040 -67	
IFCI,26-NOV-15,C,35 1,167	HINDUNILVR,29-OCT-15,C,780 -45	IFCI,29-OCT-15,P,27.5 2,529	CENTURYTEX,29-OCT-15,P,540 -53	
SKSMICRO,29-OCT-15,C,520 1,146	HDFC,29-OCT-15,C,1260 -44	DRREDDY,29-OCT-15,P,4300 1,044	INFY,29-OCT-15,P,1140 -45	
ULTRACEMCO,29-OCT-15,C,3050 967	IFCI,29-OCT-15,C,25 -41	BHARTIARTL,29-OCT-15,P,360 1,044	HCLTECH,29-OCT-15,P,740 -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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