



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	4,52,682	12,816.39
Vol Futures	0	0
Stock Futures	9,16,200	25,968.24
Index Options	58,91,582	1,36,101.24
Stock Options	5,23,657	14,054.89
F&O Total	77,84,121	1,88,940.76

FII Derivatives Statistics

	OI at end of the day			Inflow / Outflow
	Buy	Sell	Contract Amount	
Index futures	1219.85	1188.45	1001265.00	25489.32
Index options	9260.10	9199.40	2387842.00	76389.38
Stock futures	3740.47	3265.53	1791824.00	49076.31
Stock options	1919.49	1951.41	129743.00	3564.02
	Net Inflow/Outflow (Cr)			535.13

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	8150	7850
Resistance	8330	8500

Nifty View for the Day

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

Q2 FY'16 Result

BAJAJ- AUTO, CAIRN, HDFCBANK, IBREALEST, IBULHSGFIN, IDEA, IRB, JSWSTEEL, M&MFIN & WIPRO

Activity Tracking

Stocks (Long Position)	Remarks
Bajfinance, BEML, Mleodruss	
Castrolind, Hexaware, GMRIinfra	Suggesting strength in these counter
Tatapower, IDBI, Tataglobal	
Stocks (Short Covering)	Remarks
TCS, Mindtree, Infy	
Maruti, Ajantapharm, PNB	Suggesting strength in these counter
Hindpetro, Tamamtrdrv, Holtech	
Stocks (Short Position)	Remarks
Divislab, Marico, Adaniports	
IOC, Godrejind, Tvsmotor	Suggesting weakness in these counter
M&M, Sksmicro, Cipla	
Stocks (Long Liquidation)	Remarks
Drreddy, Amtekauto, Vedl	
Voltas, Apollohosp, Reliance	Suggesting weakness in these counter
BPCL, Jpassociat, Indusindbk	

Activity in F&O

Nifty October future closed negative at 8253.90 levels. Nifty Future OI increased by 1.13% with a marginal fall in price by 0.20%. It closed at discount of 7 points as compared to the discount of 4 points of previous trading session. Market witnessed selling pressure in Metal, Oil & gas and Realty stocks while buying interest was seen in Power, IT and Consumer Durables sector stocks. The market turnover increased by 16.41% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also increased by 16.24%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 1.03 to 1.04 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 19.99 to 19.41 levels and Implied Volatility also fell down from 15.28 to 14.73 levels.

Conclusion

Nifty future gave a subdued opening and after a consolidation near 8280 zones in the early hours of trade it fell in the negative zone towards 8226 levels. The volatility index is turning from the lower levels indicating a pause in the positive momentum and finally the day ended with the loss of around 20 points. Now it has to hold above 8225-8250 zones to continue this momentum towards crucial hurdle of 8330 levels. While, if it sustains below 8200 then it may again get stuck in range from 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. Bank Nifty future opened on a dull note and underperformed the broader market for second consecutive trading sessions. It ended the session with the loss of around 60 points. Now it has immediate support near 17500 followed by 17250 zones while next hurdle exists at around 18000 then 18250 zones.

Future STT Call



AMBUJACEM : Rs. 210

Execution Price Range	Stop Loss	Target
Sell Between Rs. 212 to Rs. 214	217	204

AMBUJACEM has recently failed to surpass the immediate hurdle of 215 and started to decline from last two trading sessions with built up of short and liquidation of long position. The stock has dull price behavior and witnesses selling pressure at every small bounce back. We are expecting this behavior to continue which may drag it to 204 and lower levels. So, one can sell the stock with the stop loss of 217 for the downside target of 204 levels.

Future STT Call



ONGC : Rs. 253

Execution Price Range	Stop Loss	Target
Sell Between Rs. 255 to Rs. 258	262	245

ONGC failed to cross immediate hurdle of 265-267 zones after a bounce back in previous three weeks. Overall major trend of the stock is negative and after the recent bounce back move provides a fresh opportunity to sell the stock. The counter is witnessing liquidation of long position from last seven trading sessions even after the positive move in the broader market. We are expecting this weakness to continue for next coming sessions. So, one can sell the stock with the stop loss of 262 for the downside target of 245 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
ADANIPOWER 8.70	VEDL -6.42	NIFTY 335,672	BAJFINANCE 1,374.42	DIVISLAB 53.17
BAJFINANCE 5.54	AMTEKAUTO -5.01	BANKNIFTY 116,330	BEL 778.00	NIFTY 23.85
RPOWER 5.02	CAIRN -3.75	TATAMOTORS 47,572	GMRINFRA 459.34	JSWSTEEL 23.37
HEXAWARE 4.94	HDIL -3.39	RELIANCE 25,408	CASTROLIND 442.21	TV18BRDCST 21.59
BEL 4.88	TATASTEEL -3.33	SKSMICRO 23,397	ADANIPOWER 426.37	ANDHRABANK 21.16
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
BAJFINANCE 20.34	TCS -9.20	GMRINFRA 0.71	GODREJIND -3.30	IBREALEST 87.3
PIDILITIND 16.34	MINDTREE -7.77	UNITECH 0.63	NMDC -3.25	IDBI 79.66
BEML 15.51	INFY -7.14	AMTEKAUTO 0.56	HINDZINC -2.01	CENTURYTEX 78.88
HEROMOTOCO 15.06	CNXIT -6.87	ADANIPOWER 0.48	MCLEODRUSS -1.96	INDIACEM 78.23
DIVISLAB 14.45	HINDZINC -6.06	L&TFH 0.44	TVSMOTOR -1.42	JISLJALEQS 77.91
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,29-OCT-15,C,8300 786469	BAJFINANCE,29-OCT-15,C,5400 18,400	NIFTY,29-OCT-15,P,8200 766,145	RPOWER,29-OCT-15,P,50 29,900	
NIFTY,29-OCT-15,C,8400 652061	BAJFINANCE,29-OCT-15,C,5300 16,800	NIFTY,29-OCT-15,P,8100 496,588	HDFCBANK,26-NOV-15,P,1100 15,700	
NIFTY,29-OCT-15,C,8200 407180	TATAPOWER,29-OCT-15,C,80 10,900	NIFTY,29-OCT-15,P,8300 418,356	TATAGLOBAL,29-OCT-15,P,140 10,400	
NIFTY,29-OCT-15,C,8500 348350	BAJAJ-AUTO,26-NOV-15,C,2650 10,200	NIFTY,29-OCT-15,P,8000 350,609	DHFL,29-OCT-15,P,235 6,600	
NIFTY,29-OCT-15,C,8600 102445	M&M,29-OCT-15,C,1260 7,800	NIFTY,29-OCT-15,P,7900 158,125	MOTHERSUMI,29-OCT-15,P,260 3,125	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
HDFCBANK,26-NOV-15,C,1100 3,120	BANKNIFTY,29-OCT-15,C,19200 -82	HDFCBANK,26-NOV-15,P,1100 7,700	NIFTY,29-DEC-16,P,6400 -74	
NIFTY,26-NOV-15,C,9500 1,475	HCLTECH,29-OCT-15,C,820 -48	RPOWER,29-OCT-15,P,52.5 7,500	NIFTY,29-DEC-16,P,3600 -66	
BAJAJ-AUTO,26-NOV-15,C,2650 1,060	BANKNIFTY,29-OCT-15,C,19100 -47	TATAMTRDVR,29-OCT-15,P,270 1,900	HINDUNILVR,29-OCT-15,P,800 -47	
TATAGLOBAL,29-OCT-15,C,145 867	HDIL,29-OCT-15,C,82.5 -45	DHFL,29-OCT-15,P,235 1,600	NIFTY,29-DEC-16,P,4800 -47	
WIPRO,29-OCT-15,C,570 687	TATAMOTORS,29-OCT-15,C,340 -42	FEDERALBNK,29-OCT-15,P,60 779	BANKNIFTY,29-OCT-15,P,16300 -37	

Derivatives Lesson: LONG COLLAR STRATEGY

- A collar is an options trading strategy that is constructed by holding shares of the underlying stock while simultaneously buying protective puts and selling call options against that holding. The puts and the calls are both out-of-the-money options having the same expiration month and must be equal in number of contracts.
- Technically, the collar strategy is the equivalent of an out-of-the-money covered call strategy with the purchase of an additional protective put.
- The collar is a good strategy to use if the options trader is writing covered calls to earn premiums but wish to protect him from an unexpected sharp drop in the price of the underlying security.
- $\text{Max Profit} = \text{Strike Price of Short Call} - \text{Purchase Price of Underlying} + \text{Net Premium Received} - \text{Commissions Paid}$
- $\text{Max Loss} = \text{Purchase Price of Underlying} - \text{Strike Price of Long Put} - \text{Net Premium Received} + \text{Commissions Paid}$
- $\text{Breakeven Point} = \text{Purchase Price of Underlying} + \text{Net Premium Paid}$

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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