



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	5,47,853	16,478.54
Vol Futures	0	0
Stock Futures	14,71,550	47,121.91
Index Options	84,23,608	1,98,739.24
Stock Options	4,78,466	14,103.70
F&O Total	1,09,21,477	2,76,443.38

FII Derivatives Statistics

	OI at end of the day			Inflow / Outflow
	Buy	Sell	Contract	
Index futures	4424.37	3092.28	949269	27457.06
Index options	12390.10	12965.16	2370440	77320.58
Stock futures	13861.99	14336.80	1610322	51166.27
Stock options	2091.59	2270.83	130717	3573.10
	Net Inflow/Outflow (Cr)			102.98

Securities in Ban Period

IBREALEST

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 witness buying towards 8300-8330 zones.

Q2 FY'16 Result

AXISBANK, CEATLTD, DISHTV, LUPIN, MARUTI, STAR,
TATACOMM, TVSMOTOR & VEDL

Activity Tracking

Stocks (Long Position)	Remarks
Apollohosp, KSCL, Bajajauto	
Petronet, Auropharma, Wockpharma	Suggesting strength in these counter
Tatacomm, Dabur, BHEL	
Stocks (Short Covering)	Remarks
Federalbank, Lichsgfin, SAIL	
Tatasteel, Mindtree, Divislab	Suggesting strength in these counter
Marico, Godrejind, Exideind	
Stocks (Short Position)	Remarks
Ceatltd, Unionbank, Orientbank	
Ultracemco, Albk, HDIL	Suggesting weakness in these counter
Hindpetro, Coalindia, Unitech	
Stocks (Long Liquidation)	Remarks
Tvsmotor, ACC, Axisbank	
Ibrealst, Bataindia, Ktkbank	Suggesting weakness in these counter
Antekauto, DLF, Indiacem	

Activity in F&O

Nifty October future closed negative at 8263.60 levels. Nifty Future OI increased by 0.54% with a fall in price by 0.49%. It closed at a premium of 3 points as compared to the premium of 9 points in previous session. Market witnessed selling pressure in Banking, Metal and Oil & gas sector stocks while buying interest was seen in Capital Goods, power and IT sector stocks. The market turnover increased by 16.19% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also increased by 18.11%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 1.06 to 1.08 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 18.40 to 17.99 levels but Implied Volatility moved up from 12.90 to 16.78 levels.

Conclusion

Nifty future opened positive and made a freak trade of 8723 levels at the beginning of the day. However, it failed to hold 8330 zones and corrected towards 8255 levels in the absence of follow up buying interest and ended the session near day's low levels with the loss of around 45 points. Now it has to hold above 8225-8250 zones to witness buying towards 8300-8330 zones. 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 8200 followed by 8000 strike whereas maximum Call OI is at 8300 followed by 8400 strike. A shift in option strike to higher levels is giving an upper hand to bulls and indicates that support is shifting to higher levels. Bank Nifty future opened above 18000 levels but failed to sustain it and fell down towards 17786 and ended the day with the loss of around 125 points. Now it has immediate support near 17750 followed by 17500 zones while next hurdle exists at around 18000 then 18250 zones.

Future STT Call



AMBUJACEM : Rs. 208

Execution Price Range	Stop Loss	Target
Sell Between Rs. 210 to Rs. 212	215.50	202

AMBUJACEM failed to surpass the immediate hurdle of 215 in the previous week and started to decline 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 202 - 200 levels. So, one can sell the stock with the stop loss of 215.50 for the downside target of 202 levels.

Future STT Call



LICHSGFIN : Rs. 487

Execution Price Range	Stop Loss	Target
Buy Between Rs. 478 to Rs. 483	471	500

LICHSGFIN has been consolidating in a range from last 14 trading sessions and has managed to hold the support base at 471- 472 zones. The stock is not ready to give up even after sustain supply at higher levels which clearly indicates inherent strength of the counter. Looking at the price pattern and over all data we are recommending buying the stock with the strict stop loss of 471 for the upside target of 500 levels.

Graphic Snapshot

Futures							
%Price Gainers BHEL 3.68 KSCL 3.41 GODREJIND 3.21 WOCKPHARMA 3.00 EXIDEIND 2.49	%Price Losers JSWENERGY -5.47 ASIANPAINT -4.60 JPASSOCIAT -4.44 CEATLTD -4.09 CADILAHC -3.64	Active Futures NIFTY 417,722 BANKNIFTY 128,301 RELIANCE 51,172 SBIN 48,375 HDFCBANK 40,777	%Volume Gainers CROMPGREAV 355.92 BHEL 336.22 KSCL 293.01 CNXIT 288.81 LUPIN 241.76	% Rollovers NIFTYCAP50 100 DIVISLAB 64.19 JSWSTEEL 62.97 COLPAL 59.43 AUROPHARMA 58.01			
%OI Gainers DJIA 30.86 APOLLOHOSP 19.88 CNXIT 19.32 CEATLTD 18.79 UNIONBANK 15.80	%OI Losers TVSMOTOR -18.74 FEDERALBNK -10.28 S&P500 -10.22 LICHSGFIN -9.30 ACC -7.57	%Premiums UNITECH 0.66 AMTEKAUTO 0.47 GMRINFRA 0.38 SUNTV 0.37 SAIL 0.35	%Discounts GODREJIND -1.84 NMDC -0.72 M&MFIN -0.71 VOLTAS -0.69 CEATLTD -0.62	OI % of Mkt. Limit CEATLTD 94.17 UNITECH 84.76 IDBI 84.75 IBREALEST 83.32 JISLJAEQS 83.19			
Options							
Most Active (Calls) NIFTY,29-OCT-15,C,8300 1205461 NIFTY,29-OCT-15,C,8400 1016567 NIFTY,29-OCT-15,C,8500 380293 NIFTY,29-OCT-15,C,8200 338282 NIFTY,29-OCT-15,C,8350 287455	%Volume gainers (Calls) NIFTY,26-NOV-15,C,7300 12,900 ASIANPAINT,26-NOV-15,C,840 12,300 NIFTY,26-NOV-15,C,7400 11,300 HDFC,26-NOV-15,C,1340 6,600 UPL,29-OCT-15,C,460 5,375	Most Active (Puts) NIFTY,29-OCT-15,P,8300 1,065,133 NIFTY,29-OCT-15,P,8200 1,035,472 NIFTY,29-OCT-15,P,8100 586,839 NIFTY,29-OCT-15,P,8250 270,600 NIFTY,29-OCT-15,P,8000 256,108	%Volume gainers (Puts) CEATLTD,29-OCT-15,P,1160 9,033 HDFC,26-NOV-15,P,1340 5,620 UPL,29-OCT-15,P,440 5,303 BHEL,29-OCT-15,P,220 5,220 UPL,29-OCT-15,P,420 4,738	%OI Gainers (Calls) ASIANPAINT,26-NOV-15,C,840 6,600 ASIANPAINT,29-OCT-15,C,820 1,256 HDFC,26-NOV-15,C,1340 1,114 HDFC,29-OCT-15,C,1360 645 ASIANPAINT,29-OCT-15,C,840 565	%OI Losers (Calls) ORIENTBANK,29-OCT-15,C,145 -50 BAJAJ-AUTO,29-OCT-15,C,2500 -46 ASIANPAINT,29-OCT-15,C,920 -42 JSWSTEEL,29-OCT-15,C,1000 -38 INDUSINDBK,29-OCT-15,C,940 -36	%OI Gainers (Puts) HDFC,26-NOV-15,P,1340 2,460 HDFC,29-OCT-15,P,1360 1,200 AXISBANK,26-NOV-15,P,520 740 BAJAJ-AUTO,29-OCT-15,P,2550 396 UPL,29-OCT-15,P,440 384	%OI Losers (Puts) ASIANPAINT,29-OCT-15,P,840 -72 NMDC,29-OCT-15,P,100 -47 UNIONBANK,29-OCT-15,P,170 -45 ASIANPAINT,29-OCT-15,P,860 -44 BHEL,29-OCT-15,P,300 -44

Derivatives Lesson: BULL CALL SPREAD

- A bull call spread is constructed by buying a call option, and selling another out-of-the-money (OTM) call option. Often the call with the lower strike price will be in-the-money while the Call with the higher strike price is out-of-the-money. Both calls must have the same underlying security and expiration month.
- The net effect of the strategy is to bring down the cost and breakeven on a Buy Call (Long Call) Strategy. This strategy is exercised when investor is moderately bullish to bullish, because the investor will make a profit only when the stock price / index rise.
- If the stock price falls to the lower (bought) strike, the investor makes the maximum loss (cost of the trade) and if the stock price rises to the higher (sold) strike, the investor makes the maximum profit.
- $\text{Max Profit} = \text{Strike Price of short call} - \text{Strike Price of Long Call} - \text{Net Premium Paid}$
- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- $\text{Breakeven Point} = \text{Strike Price of Purchased Call} + \text{Net Debit Paid}$

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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