



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	5,63,735	14,807.92
Vol Futures	1	0.12
Stock Futures	7,09,289	18,189.42
Index Options	37,27,904	85,295.12
Stock Options	3,17,450	8,094.90
F&O Total	53,18,379	1,26,387.48

FII Derivatives Statistics

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	878.1476	869.4887	771086	16733.93	8.6589
Index options	9425.003	7719.472	1730432	54295.92	1705.531
Stock futures	1960.044	1935.094	1702375	42346.02	24.9503
Stock options	1186.238	1089.472	32107	804.3944	96.7655
	Net Inflow/Outflow (Cr)				1835.90

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 it has to hold 7800 zones to witness an up move towards 7880 and 7920 levels.

News for the day

- a) IDFC F&O contracts will be cash settled on Sept 30, a day before IDFC shares become ex-bank i.e. Oct 1.
- b) 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
Dreddy, Tatapower, HDIL	
Srtransfin, IDBI, Grasim	Suggesting strength in these counter
Petronet, Techm, IDEA	
Stocks (Short Covering)	Remarks
Yesbank, Indiacem, Ibulhsgfin	
Relinfra, Biocon, Lupin	Suggesting strength in these counter
Tataglobal, Hindunilvr, Wockpharma	
Stocks (Short Position)	Remarks
Coalindia, Oil, LT	
Ultracemco, Bhartiartl, Tatamotors	Suggesting weakness in these counter
Tatasteel, Justdial, Sunpharma	
Stocks (Long Liquidation)	Remarks
Divislab, Hindzinc, Jswenergy	
Hexaware, Amtekauto, Sksmicro	Suggesting weakness in these counter
Mothersumi, Suntv, Siemens	

Activity in F&O

Nifty October future closed negative at 7825.50 levels. Nifty Future OI increased by 1.74% with a fall in price by 0.89%. It closed at premium of 30 points as compared to the premium of 27 points in previous trading session. Market witnessed buying interest in Realty, Consumer Durable and Healthcare sector stocks while selling pressure was seen in Metal, Capital Goods, Auto, IT and Oil & gas sector stocks. The market turnover decreased by 78.54% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 77.35%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.93 to 0.90 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 26.67 to 25.98 levels but Implied Volatility moved up from 19.84 to 20.25 levels.

Conclusion

Nifty future opened flat and was struggling to cross 7900 zones for most part of the day. However, in the absence of follow up buying it fell down sharply in the last hour of the trade pushing the index toward 7820 levels and finally closed the day with a loss of 65 points. Now if it manages to hold above 7800 levels then an up move may be seen towards 7880 and 7920 levels, while if it fails to hold 7777 levels then weakness may be witnessed towards 7720 and 7665 levels. On the Option front, maximum Put OI is at 7500 followed by 7800 strike whereas maximum Call OI is at 8300 followed by 8200 strike. Bank Nifty opened positive and witnessed a positive trade in the first half of the session. However, it shed its opening gains and fell down towards 17150 levels. Now its next support is at 16800 then 16500 levels while hurdle exists at 17400 then 17660 levels.

Future STT Call



NMDC : Rs. 93		
Execution Price Range	Stop Loss	Target
Sell Between Rs. 95 to Rs. 96	98	89

NMDC has been making lower highs – lower lows from last three trading sessions and is hovering near the lifetime low levels. It has formed a weak structure 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. One can sell the stock with stop loss of 98 for the downside target of 89 levels.

Future STT Call



AMBUJACEM : Rs. 204		
Execution Price Range	Stop Loss	Target
Sell Between Rs. 207 to Rs. 209	213	196

AMBUJACEM has recently failed to cross its multiple hurdles of 215-213 zones and falling towards lower levels. It witnesses correction at every minor attempt to bounce back from last five series and has also broken immediate support of 205-203 levels. It is hovering near the 52 weeks lows and holding below 206 may drag it to lower levels. It is also adding fresh built up of short position and may slide towards 198 and lower zones. Traders can sell the stock with stop loss of 213 for the downside target of 196 levels.

Graphic Snapshot

Futures							
%Price Gainers IDBI: 6.80 DRREDDY: 5.44 PETRONET: 3.62 HDIL: 3.58 INDIACEM: 3.56	%Price Losers TATAMTRDVR: -6.37 TATAMOTORS: -6.08 MOTHERSUMI: -5.53 SUNTV: -5.33 VEDL: -4.79	Active Futures NIFTY: 417,124 BANKNIFTY: 145,605 TATAMOTORS: 33,716 WOCKPHARMA: 26,837 LT: 23,963	%Volume Gainers DJIA: 55.12 S&P500: 51.27 DRREDDY: 26.62 IDBI: 8.18	% Rollovers HINDUNILVR: 10.54 NMDC: 6.81 NIFTY: 4.59 VEDL: 3.85 SAIL: 3.63			
%OI Gainers COALINDIA: 15.83 DRREDDY: 15.29 OIL: 14.86 ENGINEERSIN: 8.33 LT: 8.24	%OI Losers DJIA: -21.59 DIVISLAB: -12.63 YESBANK: -5.09 KSCL: -5.01 INDIACEM: -4.97	%Premiums GMRINFRA: 1.14 NHPC: 0.92 DHFL: 0.87 UNITECH: 0.82 TV18BRDCST: 0.75	%Discounts SAIL: -3.48 PTC: -3.42 TVSMOTOR: -3.40 EXIDEIND: -2.95 GODREJIND: -2.48	OI % of Mkt. Limit CENTURYTEX: 69.42 JISLJALEQS: 63.17 WOCKPHARMA: 57.89 JPASSOCIAT: 56.06 JINDALSTEL: 55.83			
Options							
Most Active (Calls) NIFTY,29-OCT-15,C,8100: 337764 NIFTY,29-OCT-15,C,8000: 304831 NIFTY,29-OCT-15,C,8200: 245193 NIFTY,29-OCT-15,C,7900: 207609 NIFTY,29-OCT-15,C,8300: 189161	%Volume gainers (Calls) WOCKPHARMA,29-OCT-15,C,1650: 22,000 WOCKPHARMA,29-OCT-15,C,1700: 19,400 DRREDDY,29-OCT-15,C,4300: 14,450 HDIL,29-OCT-15,C,90: 8,400 DRREDDY,29-OCT-15,C,4250: 8,000	Most Active (Puts) NIFTY,29-OCT-15,P,7600: 212,984 NIFTY,29-OCT-15,P,7700: 210,343 NIFTY,29-OCT-15,P,7800: 200,052 NIFTY,29-OCT-15,P,7500: 191,577 NIFTY,29-OCT-15,P,7900: 145,245	%Volume gainers (Puts) HDIL,29-OCT-15,P,70: 16,400 SUNPHARMA,29-OCT-15,P,780: 15,800 SUNPHARMA,29-OCT-15,P,800: 14,200 RELIANCE,29-OCT-15,P,740: 13,100 TATASTEEL,29-OCT-15,P,170: 12,800	%OI Gainers (Calls) DRREDDY,29-OCT-15,C,4250: 3,350 NIFTY,29-OCT-15,C,8550: 3,250 TATAMOTORS,29-OCT-15,C,290: 3,179 HDIL,29-OCT-15,C,90: 2,875 TATAPOWER,29-OCT-15,C,67.5: 2,495	%OI Losers (Calls) HINDUNILVR,29-OCT-15,C,780: -61 MOTHERSUMI,29-OCT-15,C,240: -33 SUNTV,29-OCT-15,C,400: -23 LUPIN,29-OCT-15,C,2000: -19 ITC,29-OCT-15,C,320: -17	%OI Gainers (Puts) RELIANCE,29-OCT-15,P,700: 14,000 RELIANCE,29-OCT-15,P,740: 8,900 SUNPHARMA,29-OCT-15,P,780: 6,100 HINDALCO,29-OCT-15,P,60: 1,922 INFY,29-OCT-15,P,1060: 1,884	%OI Losers (Puts) COALINDIA,29-OCT-15,P,320: -17 ITC,29-OCT-15,P,310: -9 BHARTIARTL,29-OCT-15,P,320: -7 HDFC,29-OCT-15,P,1140: -5 AUROPHARMA,29-OCT-15,P,700: -5

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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