



D E R I V A T I V E S

Market Statistics

| Product | No. of Contracts | Turnover (Rs.cr) |
|----------------------|------------------|--------------------|
| Index Futures | 2,79,804 | 16,080.39 |
| Vol Futures | 0 | 0 |
| Stock Futures | 6,24,231 | 32,010.11 |
| Index Options | 17,65,907 | 1,07,387.77 |
| Stock Options | 2,84,275 | 14,798.72 |
| F&O Total | 29,54,217 | 1,70,276.99 |

FII Derivatives Statistics

| | OI at end of the day | | | | Inflow / Outflow |
|--------------------------------|----------------------|-------|----------|--------|---------------------|
| | Buy | Sell | Contract | Amount | |
| Index futures | 2269 | 1935 | 285238 | 17026 | 334 |
| Index options | 17035 | 14881 | 859525 | 51735 | 2154 |
| Stock futures | 3503 | 3580 | 893650 | 45027 | -77 |
| Stock options | 2391 | 2170 | 28822 | 1442 | 221 |
| Net Inflow/Outflow (Cr) | | | | | 2631 |

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

| NIFTY | Short term | Medium term |
|------------|------------|-------------|
| Support | 8080 | 7850 |
| Resistance | 8330 | 8500 |

Nifty View for the Day

Till it remains below 8180 zones, weakness may continue as traders would opt for sell on rally strategy.

Q2 FY'16 Result

ADANI PORTS, INDIACEM, RELCAPITAL & UBL

Activity Tracking

| Stocks (Long Position) | Remarks |
|-----------------------------------|--------------------------------------|
| Tvsmotor, Relinfra, Jswenergy | |
| Adanient, Dreddy, Icicibank | Suggesting strength in these counter |
| Centurytex, Glenmark, Jindalstel | |
| Stocks (Short Covering) | Remarks |
| Bharatforg, Hindpetro, Amarajabat | |
| Sunpharma, PTC, Reliance | Suggesting strength in these counter |
| PTC, IOC, Sail | |
| Stocks (Short Position) | Remarks |
| Hexaware, LT, Zeel | |
| Justdial, Ajantpharm, Bataindia | Suggesting weakness in these counter |
| Marico, Tapatpower, IOB | |
| Stocks (Long Liquidation) | Remarks |
| Arvind, Sksmicro, HDFCbank | |
| Bajajauto, SRF, Mothersumi | Suggesting weakness in these counter |
| Syndibank, IDBI, IFCI | |

Activity in F&O

Nifty November future closed negative at 8094.7 levels. Nifty Future OI increased by 5.37% with a fall in price by 0.59%. It closed at a premium of 29 points. Market witnessed buying interest in Power, Consumer Durables and Healthcare sector stocks while selling pressure was seen in Realty, FMCG, Metals and Auto stocks. The market turnover decreased by 84.94% in terms of number of contracts traded vis-à-vis previous trading day but in terms of rupees it decreased by 67.01%.

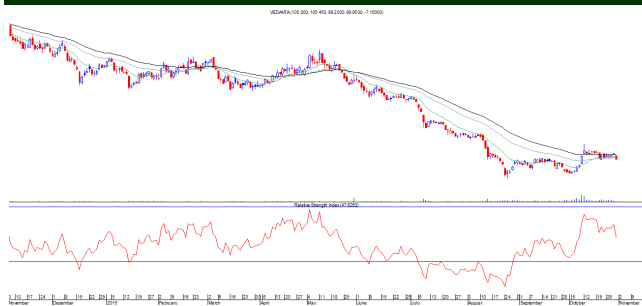
Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.86 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 17.25 to 16.78 levels and Implied Volatility also fell down from 16.92 to 16.45 levels.

Conclusion

Nifty future opened on a flattish note and moved up towards 8182 levels but in the absence of buying interest it failed to sustain the opening levels and fell down towards 8066 levels. It has been making lower highs – lower lows price formation and also observing profit booking from last five consecutive sessions. So now it needs to negate the negativity buy holding above 8065-8080 zones, for it to witness a bounce back move towards 8150-8180 zones, while if it fails to sustain the 8050 levels then selling pressure might drag the index towards 8000-7980 levels. On the Option front, maximum Put OI is at 8000 followed by 7900 strike, whereas maximum Call OI is at 8500 followed by 8400 strike. Bank Nifty opened on a flattish note and after a fall towards 17220 levels it witnessed sudden buying at the lower levels and regained its 17400 levels towards the end of the session. Now it has support near to 17250 zones while hurdle is at 17500 then 17666 levels.

Future STT Call

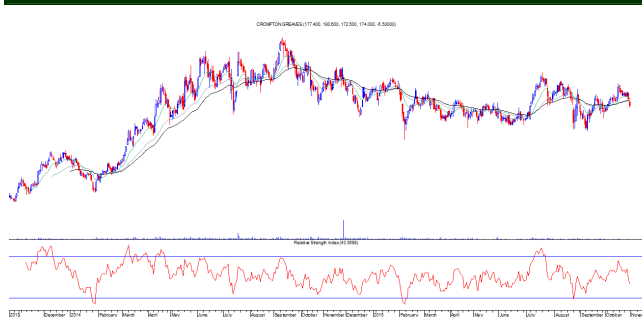


VEDANTA: Rs. 100

| Execution Price Range | Stop Loss | Target |
|---------------------------------|-----------|--------|
| Sell Between Rs. 102 to Rs. 103 | 106 | 95 |

VEDANTA has broken the immediate support of 101-100 zones and it started to decline with liquidation of long position. The stock has dull price behavior and witnesses selling pressure at every small bounce back. It has been making lower highs lower lows formation from last two weeks. So, one can sell the stock with the stop loss of 106 for the downside target of 95 levels.

Future STT Call



CROMPGREAV: Rs. 174

| Execution Price Range | Stop Loss | Target |
|---------------------------------|-----------|--------|
| Sell Between Rs. 176 to Rs. 178 | 182 | 167 |

CROMPGREAV broke its support trend line and has formed a bearish pattern. It failed to cross the hurdle of 192 zones and has been falling from last two weeks with built up of short position. So according to its recent price behavior weakness in the counter cannot be ruled out towards 171 and lower levels. Thus one can sell the stock with the stop loss of 182 for the downside target of 167 levels.

Graphic Snapshot

| Futures | | | | |
|-----------------------------------|----------------------------------|----------------------------------|------------------------------------|---------------------------|
| %Price Gainers | %Price Losers | Active Futures | %Volume Gainers | %Inflows |
| GLENMARK 5.13 | WOODRUMA -6.07 | NIFTY 108,101 | S&P500 66.34 | NIFTY 24.47 |
| BHARATFORG 4.81 | APOLLOTYRE -6.85 | BANKNIFTY 111,394 | CADILAC 57.47 | CADILAC 10.71 |
| SUNTV 4.80 | JUSTDIAL -6.01 | LT 57,693 | KOTAKBANK 52.28 | SAIL 6.31 |
| RELIINFRA 4.61 | HEXAWARE -5.31 | ICICIBANK 34,500 | AJANTYARM 43.99 | NMDC 5.58 |
| WTPC 3.73 | HCL -4.38 | AXISBANK 21,011 | APOLLOTYRE 34.82 | ICICIBANK 3.28 |
| %OI Gainers | %OI Losers | %Premiums | %Discounts | OI % of Net. Limt. |
| HEXAWARE 23.69 | BHARATFORG -9.58 | MHPC 0.83 | NMDC -5.24 | JINDALSTEL 71.87 |
| LT 22.01 | BANKNIFTY -5.72 | GNRINFRA 0.76 | KSCL -3.11 | ISRLAIGS 71.81 |
| S&P500 19.91 | ARVIND -5.49 | IFCI 0.75 | BATAINDIA -2.71 | CENTURYTEX 71.50 |
| ZOOL 17.84 | HDFCBANK -3.86 | NCC 0.71 | HEXAWARE -1.81 | UNITECH 88 |
| JUSTDIAL 17.95 | ANARABAT -3.10 | JNASSOCIAT 0.74 | VOLTA 1.53 | IBREALST 67.25 |
| COBYS | | | | |
| Most Active (Calls) | %Volume gainers (Calls) | Most Active (Puts) | %Volume gainers (Puts) | |
| NIFTY,26-NOV-15,C,8300 149294 | NIFTY,31-DEC-15,C,9200 54,800 | NIFTY,26-NOV-15,P,8000 143,449 | APOLLOTYRE,26-NOV-15,P,160 25,956 | |
| NIFTY,26-NOV-15,C,8200 143211 | ITC,26-NOV-15,C,345 28,000 | NIFTY,26-NOV-15,P,8100 139,557 | ITC,26-NOV-15,P,330 16,900 | |
| NIFTY,26-NOV-15,C,8400 128266 | LT,26-NOV-15,C,1750 25,498 | NIFTY,26-NOV-15,P,7900 87,511 | KTNBANK,26-NOV-15,P,120 16,255 | |
| NIFTY,26-NOV-15,C,8500 122259 | RELIINFRA,26-NOV-15,C,440 13,100 | NIFTY,26-NOV-15,P,7800 82,293 | HERONOTOCO,26-NOV-15,P,2490 13,600 | |
| NIFTY,26-NOV-15,C,8600 71272 | NIFTY,26-NOV-15,C,8750 11,300 | NIFTY,26-NOV-15,P,7700 82,767 | VOLTA,26-NOV-15,P,200 13,000 | |
| %OI Gainers (Calls) | %OI Losers (Calls) | %OI Gainers (Puts) | %OI Losers (Puts) | |
| NIFTY,31-DEC-15,C,9200 6,100 | NIFTY,26-NOV-15,C,9500 -27 | JINDALSTEL,26-NOV-15,P,80 5,966 | RELIANCE,26-NOV-15,P,880 -23 | |
| JINDALSTEL,26-NOV-15,C,95 3,050 | DREDDY,26-NOV-15,C,4250 -23 | APOLLOTYRE,26-NOV-15,P,160 4,800 | APOLLOTYRE,26-NOV-15,P,160 -17 | |
| NTPC,26-NOV-15,C,137.5 2,929 | BHARATFORG,26-NOV-15,C,900 -18 | ITC,26-NOV-15,P,315 3,108 | NIFTY,26-NOV-15,P,8600 -14 | |
| ITC,26-NOV-15,C,345 2,550 | NIFTY,31-DEC-15,C,9100 -18 | NIFTY,31-DEC-15,P,8900 2,784 | AXISBANK,26-NOV-15,P,480 -12 | |
| HERONOTOCO,26-NOV-15,C,2850 2,300 | NIFTY,26-NOV-15,C,8900 -14 | BHEL,26-NOV-15,P,170 2,233 | BANKNIFTY,26-NOV-15,P,17000 -10 | |

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.
- Max Profit = Strike Price of Short Call - Strike Price of Lower Strike Long Call - Net Premium Paid - Commissions Paid
- Max Loss = Net Premium Paid + Commissions Paid
- Upper Breakeven Point = Strike Price of Higher Strike Long Call - Net Premium Paid

Lower Breakeven Point = Strike Price of Lower Strike Long Call + 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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