



DERIVATIVES

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	12,80,529	33,616.89
Vol Futures	1	0.13
Stock Futures	11,13,149	29,066.00
Index Options	89,81,540	1,99,643.85
Stock Options	4,83,302	12,578.32
F&O Total	1,18,58,521	2,74,905.19

FII Derivatives Statistics

	OI at end of the day		Inflow /		Outflow
	Buy	Sell	Contract	Amount	
Index futures	2536.301	3055.707	776446	17274.39	-519.406
Index options	21145.83	17530.87	1950459	59365.61	3614.955
Stock futures	3013.445	2878.513	1736880	43336.48	134.932
Stock options	2054.351	2038.485	42506	1074.54	15.866
	Net Inflow/Outflow (Cr)				3246.34

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 above 7870-7880 zones to witness an up move towards 7970 and 8050 levels.

News for the day

- IDFC F&O contracts will be cash settled on Sept 30, a day before IDFC shares become ex-bank i.e. Oct 1.
- 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
NCC, DHFL, DLF	
Apollohosp, Jswenergy, OIL	Suggesting strength in these counter
Mindtree, Amarajbat, Lichsgfin	
Stocks (Short Covering)	Remarks
Bajfinance, PTC, Bhel	
Indiacem, Powergrid, NHPC	Suggesting strength in these counter
Havells, Auropharma, SRF	
Stocks (Short Position)	Remarks
Infratel, BEML, TV18Brdcast	
Arvind, Abirlanuvo, PFC	Suggesting weakness in these counter
Dishtv, Adaniports, Tatasteel	
Stocks (Long Liquidation)	Remarks
IDFC, Dreddy, KSCL	
Hexaware, IOC, Lupin	Suggesting weakness in these counter
Divislab, Hindzinc, Bharatforg	

Activity in F&O

Nifty October future closed positive at 7875.85 levels. Nifty Future OI increased by 1.77% with a rise in price by 0.64%. It closed at premium of 32 points as compared to the premium of 30 points in previous trading session. Market witnessed buying interest in Realty, Auto and Banking sector stocks while selling pressure was seen in Metal, Healthcare and Oil & gas sector stocks. The market turnover increased by 122.97% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also increased by 117.50%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 0.90 to 0.91 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 25.98 to 25.37 levels but Implied Volatility moved up from 20.25 to 20.97 levels.

Conclusion

Nifty future opened on negative note with a gap down of around 105 points. However, post the boost of the RBI policy and a much favorable rate cut the index bounced back in full swing moving towards 7970 levels and finally closed the session with a gain of around 35 points. Now if the index manages to sustain the 7870-7880 levels, the bulls will lead the index to 7970 and 8050 levels, while if it fails to hold 7850 levels then the bears might push the index back to 7800 and 7750 levels. On the Option front, maximum Put OI is at 7500 followed by 7800 strike whereas maximum Call OI is at 8200 followed by 8000 strike. Bank Nifty opened below its 17000 levels and fell towards 16670 levels. However, post RBI policy the sentiment got boosted and the index headed towards 17600 levels. It outperformed the broader market and ended the session with the gains of around 170 points. Now it has immediate support at around 17250 then 17000 levels while hurdle exists at 17660 then a fresh rally towards 18000 levels.

Future STT Call



TATASTEEL : Rs. 202

Execution Price Range	Stop Loss	Target
Sell Between Rs. 207 to Rs. 209	212	197

TATASTEEL has been making lower highs from last two weeks and is hit fresh 52 weeks low and failed to recover even after the recovery in the broader market. 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. One can sell the stock with stop loss of 212 for the downside target of 197 levels.

Future STT Call



ADANI PORTS : Rs. 300

Execution Price Range	Stop Loss	Target
Sell Between Rs. 306 to Rs. 309	312	291

ADANI PORTS in the last week failed to cross a strong hurdle of 312 zones and falling down from last six sessions making lower highs with built up of short position. It has given a lowest closing since 3rd June, 2015 and also closed below immediate support of 298 levels. We are expecting this weakness to continue for next coming sessions. So, one can sell the stock with the stop loss of 312 for the downside target of 291 levels.

Graphic Snapshot

Futures				
%Price Gainers	%Price Losers	Active Futures	%Volume Gainers	% Rollovers
HDIL 9.25	INFRATEL -5.18	NIFTY 935,525	LICHSGFIN 304.91	HINDUNILVR 10.53
LICHSGFIN 6.37	VEDL -5.08	BANKNIFTY 343,357	IBULHSGFIN 288.66	NMDC 7.07
BAJFINANCE 5.64	BPCL -3.97	AXISBANK 55,609	BOSCHLTD 245.63	JUSTDIAL 5.19
NCC 5.29	BATAINDIA -3.84	SBIN 51,898	CESC 238.29	NIFTY 5.11
SRTRANSFIN 5.21	HINDALCO -3.60	ICICIBANK 45,547	ICICIBANK 224.25	SAIL 4.15
%OI Gainers	%OI Losers	%Premiums	%Discounts	OI % of Mkt. Limit
INFRATEL 220.86	BAJFINANCE -10.21	GMRINFRA 1.13	SAIL -3.97	CENTURYTEX 69.81
NCC 149.03	IDFC -8.02	JPASSOCIAT 0.90	TVSMOTOR -2.77	JISLJALEQS 65.51
MARICO 123.08	CNXIT -6.27	AMTEKAUTO 0.90	JUSTDIAL -2.07	IDBI 59.74
DJIA 28.33	COLPAL -5.87	TV18BRDCST 0.90	GODREJIND -1.60	WOCKPHARMA 59.35
BEML 27.37	PTC -5.69	SOUTHBANK 0.88	CAIRN -1.03	JPASSOCIAT 58.04
Options				
Most Active (Calls)	%Volume gainers (Calls)	Most Active (Puts)	%Volume gainers (Puts)	
NIFTY,29-OCT-15,C,8000 868893	NIFTY,29-OCT-15,C,7650 23,350	NIFTY,29-OCT-15,P,7500 662,743	NIFTY,29-OCT-15,P,6750 7,900	
NIFTY,29-OCT-15,C,8100 630907	BANKNIFTY,29-OCT-15,C,16800 18,062	NIFTY,29-OCT-15,P,7700 481,641	HDFCBANK,29-OCT-15,P,1080 3,550	
NIFTY,29-OCT-15,C,8200 535463	NIFTY,29-OCT-15,C,6900 7,286	NIFTY,29-OCT-15,P,7600 451,187	NIFTY,29-OCT-15,P,6300 3,154	
NIFTY,29-OCT-15,C,7900 534740	BANKNIFTY,29-OCT-15,C,16700 7,171	NIFTY,29-OCT-15,P,7400 408,507	BANKNIFTY,29-OCT-15,P,15600 3,125	
NIFTY,29-OCT-15,C,8300 415357	JSWSTEEL,29-OCT-15,C,860 7,100	NIFTY,29-OCT-15,P,7800 391,913	HDFC,29-OCT-15,P,1200 2,294	
%OI Gainers (Calls)	%OI Losers (Calls)	%OI Gainers (Puts)	%OI Losers (Puts)	
NIFTY,29-OCT-15,C,7650 4,050	COALINDIA,29-OCT-15,C,310 -56	RELCAPITAL,29-OCT-15,P,370 4,800	AMBUJACEM,29-OCT-15,P,200 -52	
JSWSTEEL,29-OCT-15,C,860 1,667	RELCAPITAL,29-OCT-15,C,340 -47	DRREDDY,29-OCT-15,P,4050 3,100	HDFCBANK,29-OCT-15,P,980 -36	
BANKNIFTY,29-OCT-15,C,16800 1,204	WOCKPHARMA,29-OCT-15,C,1700 -40	BANKNIFTY,29-OCT-15,P,15600 1,850	BANKNIFTY,29-OCT-15,P,17400 -33	
ADANI PORTS,29-OCT-15,C,300 677	M&M,29-OCT-15,C,1240 -36	AXISBANK,29-OCT-15,P,490 833	MOTHERSUMI,29-OCT-15,P,210 -31	
BHARTIARTL,29-OCT-15,C,320 550	LICHSGFIN,29-OCT-15,C,440 -31	ONGC,29-OCT-15,P,215 820	ACC,29-OCT-15,P,1300 -29	

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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