

**D E R I V A T I V E S****Market Statistics**

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,11,179	12,025.29
Vol Futures	0	0
Stock Futures	4,74,770	24,086.88
Index Options	16,18,846	97,343.04
Stock Options	2,16,466	11,303.81
<b>F&amp;O Total</b>	<b>25,21,261</b>	<b>1,44,759.01</b>

**FII Derivatives Statistics**

	OI at end of the day				Inflow / Outflow
	Buy	Sell	Contract	Amount	
Index futures	1554.17	1810.21	281867.00	16801.70	-256.04
Index options	14611.57	12396.57	941388.00	56504.95	2214.99
Stock futures	3076.02	3342.94	912215.00	45855.81	-266.92
Stock options	1619.88	1548.29	38038.00	1905.46	71.59
<b>Net Inflow/Outflow (Cr)</b>					<b>1763.61</b>

**Securities in Ban Period**

NIL

**Nifty Future/Option Trading Guide**

NIFTY	Short term	Medium term
Support	8000	7850
Resistance	8180	8330

**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**

ADANIPOWER, DLF, HEXAWARE, IOC, MCLEODRUSS, PFC, POWERGRID, PTC & TECHM

**Activity Tracking**

Stocks (Long Position)	Remarks
Orientbank, Tvsmotor, Titan	
Indiacem, Mcleodruess, UBL	Suggesting strength in these counter
Unionbank, Southbank, Jisjaleqs	
Stocks (Short Covering)	Remarks
ALBK, Eichermot, Tatamotors	
Ultracemco, Apollohosp, Wockpharma	Suggesting strength in these counter
Federalbnk, Maruti, Ibulhsgfin	
Stocks (Short Position)	Remarks
IOB, KSCL, Marico	
Bataindia, Mindtree, Ucobank	Suggesting weakness in these counter
LT, Cadilac, HDIL	
Stocks (Long Liquidation)	Remarks
Bajaj-auto, Colpal, Biocon	
Ajantpharm, Hindzinc, Ktkbank	Suggesting weakness in these counter
IOC, BEL, Jpassociat	

**Activity in F&O**

Nifty November future closed negative at 8076.15 levels. Nifty Future OI increased by 1.61% with a fall in price by 0.23%. It closed at a premium of 25 points as compared to 29 points of previous trading session. Market witnessed selling pressure in Metals, Capital good and Healthcare sector stocks while buying interest was seen in Realty, Consumer durables and IT stocks. The market turnover decreased by 14.66% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 14.99%.

**Indication & Outlook**

Put Call Ratio based on Open Interest of Nifty moved up from 0.86 to 0.88 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 16.78 to 16.29 levels but Implied Volatility moved up from 16.45 to 18.36 levels.

**Conclusion**

Nifty future opened under the dominance of the bears and continued with the negative move for the sixth straight session. It has been making lower highs lower lows and witnessing selling pressure with rise in volatility index. However it managed to recover around 50 points from the day's low levels in the last hour of trade and ended the day with the loss of around 20 points. 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 7900 followed by 7800 strike, whereas maximum Call OI is at 8500 followed by 8400 strike. Bank Nifty opened on a flattish note and after a fall towards 17250 levels it witnessed sudden buying at the lower levels and headed towards 17400 levels in the last hour. Now it has support near to 17250 zones while hurdle is at 17666 then 17800 levels.

## Future STT Call

**VEDANTA: Rs. 97.50**

Execution Price Range	Stop Loss	Target
Sell Between Rs. 99 to Rs. 100	103	92.50

VEDANTA has broken the immediate support of 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 three weeks. So, one can sell the stock with the stop loss of 103 for the downside target of 92.50 levels.

## Future STT Call

**ZEEL: Rs. 414**

Execution Price Range	Stop Loss	Target
Buy Between Rs. 404 to Rs. 408	397	424

ZEEL negated the negativity of last seven trading session and ended on a positive note. It has taken support at its rising trend line and gave an early sign of reversal in short term negative trend. Overall trend of the stock is intact to positive and it is well placed to witness a bounce back towards 424 and higher levels. Thus recommending to buy the stock with the stop loss of 397 for the upside immediate target of 424 levels.

## Graphic Snapshot



**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.
- $\text{Max Profit} = \text{Strike Price of Short Call} - \text{Strike Price of Lower Strike Long Call} - \text{Net Premium Paid} - \text{Commissions Paid}$
- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- $\text{Upper Breakeven Point} = \text{Strike Price of Higher Strike Long Call} - \text{Net Premium Paid}$

$\text{Lower Breakeven Point} = \text{Strike Price of Lower Strike Long Call} + \text{Net Premium Paid}$

**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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