



3 November 2015

DERIVATIVES

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			
F&O Total	25,21,261	1,44,759.01			

FII Derivatives Statistics

		-	Ol at end o	Inflow /	
	Buy	Sell	Contract	Amount	Outflow
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
Net Inflow/Outflow (Cr)					1763.61

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, Mcleodruss, UBL	Suggesting strength in these counter				
Unionbank, Southbank, Jisljaleqs					
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, Cadilahc, HDIL					
Stocks (Long Liquidation)	Remarks				
Bajaj-auto, Colpal, Biocon Ajantpharm, Hindzinc, Ktkbank IOC, BEL, Jpassociat	Suggesting weakness in these counter				

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.

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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 Exc Buy Bet ZEEL no positive of revers positive levels. T upside in

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.

				Graph	ic Snapsho	t			
Potent					-581				
TOP	Vice-Gainers		Price Lasors	Act	lw.Futurin	947	jume Saltera	95 800	Decis.
ORIENTBANK	8.31	108	15,02	NIFTY	123,211	ORIENTBANK	729.75	RIFTY	15.01
INDIACEM	6.75	KSCL.	-1.95	BANKNIFTY	97,001	INDIACEM	475.65	CADILAHC 10.	21
ROOM	6.09	BAJAJ-AUTO	580	LT	21,923	ю	406.30	SAIL 5.85	
WOODPHARMA	1.83	ADAMENT	421	MARLETT	17,099	PAGEIND	314.00	NMDC 436	
TVSHOTOR	152	JPASSOCIAT	-1.04	TCICIBANK	ME.855	BAJAJ-AUTO	200,25	108 3.48	
-	Of Garners		KOLLines	16	Promiums.		Deconti	Of Section	MZ_Limit
106	49.44	DRA	-12.90	CHRINERA	1.28	KSO.	411	JUNDALSTEL	10.7
ORIENTBANK	39.63	ALBK	-5.96	340	0.94	BATAINDIA	0.51	JISLAUEQS	78.13
TVSMOTOR	25.00	ISWEMERGY	-5.78	MPC	0.014	MMDC	-2.12	INDIACON	2428
KSCL.	19.67	BAJAJ-AUTO	4.78	JPASSOCIAT	0.72	GODREJINO	-2.67	CENTURYTEX	13.99
HARTOO	17.45	COLPAL	-4,40	FTC	0.77	108	41.34	IBREALEST (F1.8
Optons									
	Hist Active (Cally)	-	NAVOLUME SANIOR	(Cals)	. 10	ing Autive (Purs	7	Systems gaviers	(Pins)
NIFTY, 26-NOV-	15,C4200 E2654	BAG	A1-AUTO,26-NOV-15,C,250	17,267	NIFTY, 25-NOV-1	5,P,8000	25331	108,26-NOV-15,P,27.5	28,500
HFTY,24-NOV-	15,C,8100 20729		INDIACON, 26-NOV-15, C.9	50,000	4,000 N(FTY, 26-NOV-15, P, 7900 ELL 0.00		1,000	ORSENTSANK, 25-NOV-15, P, 125	22,300
HETY, 24-NOV-	15,C,0000 98793	ON	IENTEWSK, 26-NOV-15,C,14	5 12.560 NIFTY,26-NOV-15,P,7900 15,711		57.11	ORIENTEANN, 25-NOV-15, P, 120	8,254	
HFTY,24-NOV-	15.C.8400 43023	BAI	Al-AUTO,26-NOV-15,C,249	0 80,200 N(FTY,26-NOV-15,P,7700 NI,420		(430	DESENTEANX, 25-NOV-15, P. 135	7,250	
VIFTY, 26-NOV-	15.C.8500 Z2001	QR.	ENTBANK, 26-NOV-15, C, 164	11,167	NIFTY, 26-NOV-1	5,P,7500 111	217	INDIACO4.26-NOV-15,F,70	2,625
	ACE Estnore Cally)		NOI Losers (0	atni	76	Of Clames (Pin	(1)	NO! Loons (F	uit)
DESENTEANK,		500	HDFC,36-NOV-15,C,334	-31	108.26	-NOV-15,P,27.5		MIAI-AUTO,26-NOV-15,F,2500	-68)
ORDENTBANK,2		213	HDPC,26-NOV-15,C,332		NIFTY, 28	-JAN-16,P,7000	2,384	TATASTEEL,26-NOV-15,P,250	- 70
ORIENTBANK,2			INDPETRO, 26-NOV-15, C, 78		ORGENTBANK,26	HOV-15,F,135	1,200	HDFC,26-NOV-15,P,1260	8
HDFC,26	6-NOV-15,C,1240 8	79 HC	OFOBANK,26-WOV-15,C,116	-33	ORGENTBANK,26	-NOV-15, P, 120	1,173	IOC,26/NOV-15,P,380	-23
INDIACEM,	26-MOV-15,C,95 B	15 BAD	AT-AUTOL26-NOV-15,C,269	-21	CEATLTD, 26	NOV-15, F, 1030	1,629	HOFCBANK,26-NOV-15,F,1100.	-33

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Derivatives Lesson: LONG BUTTERLFLY 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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