



# The Strategist

# DERIVATIVES

	Market Statistics	
Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,06,306	11,747.52
Vol Futures	1	0.09
Stock Futures	4,24,688	21,864.48
Index Options	14,49,551	87,233.68
Stock Options	1,86,334	9,894.81
F&O Total	22,66,880	1,30,740.58

## FII Derivatives Statistics

		-	OI at end o	f the day	Inflow /
	Buy	Sell	Contract	Amount	Outflow
Index futures	1411.35	1009.00	281750.00	16797.79	402.35
Index options	12172.20	11927.83	990721.00	59487.55	244.37
Stock futures	2858.44	2741.05	918903.00	46198.09	117.39
Stock options	1247.50	1244.54	43706.00	2191.99	2.97
Net Inflow/Out	tflow (Cr)				767.07

# Securities in Ban Period

NIL

ure/Option	Frading Guide
Short term	Medium term
	-

	Short term		
Support	8000	7850	
Resistance	8180	8330	

## Nifty View for the Day

Now it needs to hold above its 8065-8080 levels to continue the bounce back move and head towards 8120 and 8180 levels

# Q2 FY'16 Result

ASHOKLEY, BATAINDIA, CANBK, ENGINERSIN, IDBI, MARICO & RELINFRA

Activity Tracking					
Stocks (Long Position)	Remarks				
Marico, ACC, Powergrid					
Rcom, Heromotoco, OFSS	Suggesting strength in these counter				
Petronet, PFC, VedI					
Stocks (Short Covering)	Remarks				
Cadilahc, Apollohosp, Sksmicro					
Mindtree, ONGC, TCS	Suggesting strength in these counter				
M&M, NTPC, IFCI					
Stocks (Short Position)	Remarks				
Apollotyre, Bataindia, Idea					
Amarajabat, Exideind, Havells	Suggesting weakness in these counter				
Arvind, Sail, UPL					
Stocks (Long Liquidation)	Remarks				
Orientbank, UBL, Pidilite					
Ucobank, Tatamotors, Titan	Suggesting weakness in these counter				
Jindalstel, Cipla, Wockpharma					

# Activity in F&O

Nifty November future closed positive at 8087.25 levels. Nifty Future OI increased by 0.54% with a rise in price by 0.14%. It closed at a premium of 27 points as compared to 25 points of previous trading session. Market witnessed selling pressure in Consumer Durables and Capital good sector stocks while buying interest was seen in Oil & gas, Power and IT stocks. The market turnover decreased by 10.09% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it decreased by 9.68%.

## Indication & Outlook

Put Call Ratio based on Open Interest of Nifty moved up from 0.88 to 0.90 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 16.29 to 15.80 levels and Implied Volatility also fell down from 18.36 to 18.10 levels.

## Conclusion

Nifty future opened above its 8100 levels and headed towards its 8130 levels in the wee hours of trade. However it shed most of the early morning gains and fell towards 8055 levels. Finally the day ended with on a flattish note with the gains of around 11 points. Now it needs to hold above its 8065-8080 levels to continue the bounce back move and head towards 8120 and 8180 levels. However if it fails to hold 8050 levels then the index may come under the grip of bears and drift towards 7980-7950 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 positive but failed to sustain the opening gains and fell towards 17300 levels. It ended in the negative zone with the loss of around 45 points. Now it has support near to 17250 zones while hurdle is at 17666 then 17800 levels.

Anand Rathi



#### JINDALSTEL: Rs. 76.40

Execution Price Range	Stop Loss	Target		
Sell Between Rs. 78 to Rs. 79	82	72.50		
JINDALSTEL failed to hold immediate support	of 78-76 zones	and has been		
witnessing built up of shorts in last two trading	g sessions. It ha	d witnessed a		
strong recovery in the previous series but could not cross 88-90 zones and is				
turning back to the lower levels. Overall the str	ock is trading in v	weakness and		
witnesses selling pressure at every bounce b	ack move. So, r	ecommending		
selling the stock with stop loss of 82 for the dow	nside target of 72	2.50 levels.		



- Can						
GODREJIND: Rs. 393						
Execution Price Range	Stop Loss	Target				
Buy Between Rs. 385 to Rs. 389	379	409				
GODREJIND has been making higher top	higher bottom for	ormation and is				
moving upside with built up of long position.	It is continuously	taking support				
and that support base is shifting to higher le	evels. It has form	ed an attractive				
price structure and showing the potential t	o head towards	409 and higher				
levels. So, recommending selling the stoc	k with stop loss	of 379 for the				
downside target of 409 levels.						

				Graphic	c Snapshot				
Putures		444				_			
	Price Germere	11.0	the Lines of	Att	et Poturna	96 M D	wint Seren	Case 1	Ratores
RETRONET	4,10	INDALSTEL	128	NUFTY.	1DLAW	XXC	842.63	NIFTY	15.2
TVENUTOR	8.04	ADWAIPOWER	-3.15	BANKNIFTY	11.200	PEC	233.34	SAIL	3.00
REG.TO	3.22	APOLLOTYRE		LT.	96,500	POWERGRID	217.40	HEXANARE	8.35
PEC	1.01	EXIDEND	-101	ide I	13,047	ADANIPOWER	100.00	NEC	3
DIVISLAB	2.01	UCOBANK	4.22	SECIM	12,110	HARICO	100.20	108	1.04
	COLUMN T		04 Lovers	10.1	marriama.		Decoutts	. 01 %	of stit. Limit
MARICO	55:42	CADILAHC	-11.54	CHRINARA	0.79	KSCL	-128	JINDALSTEL	82.02
5849500	18.35	ORIENTEWOK	-8.96	TVIBBRDCST	0.77	BATAINDIA	-111	JIR. JALEQS	1.24 201
APOLLOTYRE	17.71	UBL	-8.20	LATER	0.68	NMDC	-1-34	INDIACEM	755
BATAINCOA	25.41	APOLLOHOSP	-6.00	UNITION	0.67	106	-2.28	CENTURYTCH.	76.17
HEXANARE	15.30	SKSMICRO	-5.24	SAF	0.63	GODREINO	-2.28	IBREALEST	/2.92
Options						-			-
	Host Active (Cale)		Novolume galogy	(Cals)	Must Mark	Active (Pols		NoVotume un	INVESTIGATION OF THE OWNER
NIFTY, 25-MOV	15.0.8200 13	TVSMI	0TDR,26-NOV-15,C,320	33.800	NIFTY,26-MOV-15,P	8000 13	N.593	10C,26-NOV-15.P,1	12,100
NIFTY, 26-NOV	-14, C, 6300 100	630	PEC,26-NOV-15,C,270	4,620	NIFTY, 26-MOV-15, P	7960	687	IOC,26-NOV-15,9,	360 3.636
NIFTY, 26-NOV	-15.C.B100 59	K24. TV5M	570R,26-NOV-15,C,310	1864	NIPTY, 26-NOV-15, P	,8100 0018,	720	10C,26-NOV-15,P,	390 LS61
NIFTY, 26-NOV	-11,C,8400 695	206 N	FTY, 26-WOV-15, C, 9400	3,558	WIFTY, 26-NOV-15, P	7800 -61	994	TVSMOTOR, 25-NOV-15,P,	260 1,438
NUFTY, 26-NOV	-13,C,8500 738	HL N	PTY,26-NOV-15,C,8300	2,306	NIPTY, 26-NOV-15, P	,2750	93	10C,26-NOV-15,P,	370
	601 Gamera (Calit	1	NOT Leaves (1	afei	100	Gamers (Pubr		%(O) 1am	m (Pum)
100,2	6-WOY-15,C,300		0108,25-NOV-35,C,270		10C,26-W09	15,P,350	1,268	PNB, 26-NOV-15,	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
			010R,26-NOV-15,C,280	-28	TVSMOTOR, 26-NOV			BANKALFTY, 26-NOV-15, P,	
100 C 100 C	8-WOV-15,C,310		PITAL, 25-NOV-15, C, 400		10C,26-NOV		376	ASHOWLEY, 26-NOV-35	
	8-W04-15,C,300 23		TCS.26-NOV-15,C,2550		10C-26-W0V		442	ORIENTEWNK, 26-WOV-15,	
POWERGRID, 2	16-NOV-15,C,140 20	9 - C	TITAN, 26-NOV-15, C, 390	1000	10C, 26-NOV	-15,9,200	403	ORIENTEWNK, 26-NOV-15.	P,140 -21

#### 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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