



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

**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
<b>F&amp;O Total</b>	<b>22,66,880</b>	<b>1,30,740.58</b>

**FII Derivatives Statistics**

	OI at end of 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
<b>Net Inflow/Outflow (Cr)</b>					<b>767.07</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**

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, ENGINEERSIN, IDBI, MARICO & RELINFRA

**Activity Tracking**

Stocks (Long Position)	Remarks
Marico, ACC, Powergrid	
Rcom, Heromotoco, OFSS	Suggesting strength in these counter
Petronet, PFC, Vedl	
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.

### Future STT Call



**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 sessions. It had 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 stock is trading in weakness and witnesses selling pressure at every bounce back move. So, recommending selling the stock with stop loss of 82 for the downside target of 72.50 levels.

### Future STT Call



**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 formation and is moving upside with built up of long position. It is continuously taking support and that support base is shifting to higher levels. It has formed an attractive price structure and showing the potential to head towards 409 and higher levels. So, recommending selling the stock with stop loss of 379 for the downside target of 409 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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