



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,09,836	12,017.99
Vol Futures	0	0
Stock Futures	4,40,084	22,992.47
Index Options	14,83,467	89,251.58
Stock Options	2,07,889	11,396.08
F&O Total	23,41,276	1,35,658.11

FII Derivatives Statistics

	OI at end of the day			Inflow /	
	Buy	Sell	Contract	Amount	Outflow
Index futures	1124.299	1418.273	282544	16800.79	-293.973
Index options	10660.02	10853.44	1015025	60728.84	-193.417
Stock futures	2789.557	2824.036	928697	46721.84	-34.4793
Stock options	1437.663	1353.333	48441	2427.196	84.33
Net Inflow/Outflow (Cr)					-437.53

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

ARVIND, CASTROLIND, CIPLA, OFSS & TATAGLOBAL

Activity Tracking

Stocks (Long Position)	Remarks
Marico, UBL, PFC	
IDBI, Jisjaleqs, Ashokley	Suggesting strength in these counter
Tatamtrdrv, Southbank, DLF	
Stocks (Short Covering)	Remarks
Unionbank, Apollohosp, Cadilahc	
Relinfra, petronet, Hexaware	Suggesting strength in these counter
Orientbank, Bajfinance, NCC	
Stocks (Short Position)	Remarks
Canbk, Arvind, IRB	
Apollotyre, IGL, CeatLtd	Suggesting weakness in these counter
Pidilite, Cairn, Adanient	
Stocks (Long Liquidation)	Remarks
Sksmicro, NTPC, Mcleodruss	
TechM, Ambujacem, Relcapital	Suggesting weakness in these counter
Indiacem, Ucobank, Ajantpharm	

Activity in F&O

Nifty November future closed negative at 8070.05 levels. Nifty Future OI decreased by 0.57% with a fall in price by 0.21%. It closed at a premium of 30 points as compared to 27 points of previous trading session. Market witnessed selling pressure in Healthcare, Banking, Consumer Durables and Power sector stocks while buying interest was seen in Auto and Metal sector stocks. The market turnover increased by 3.28% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 3.76%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.90 to 0.89 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.80 to 15.37 levels but Implied Volatility moved up from 18.10 to 18.11 levels.

Conclusion

Nifty future opened above its 8100 levels and headed towards its 8150 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. 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 17250 levels. It ended in the negative zone with the loss of around 105 points. Now it has support near to 17000 zones while hurdle is at 17500 then 17800 levels.

Future STT Call



SYNDICATE BANK: Rs. 92.40

Execution Price Range Stop Loss Target

Sell Between Rs. 94 to Rs. 95 97 89.50

SYNDICATE BANK failed to cross a strong hurdle of 97-98 zones and has been making lower top – lower bottom formation. It is witnessing built up of short position and we are expecting this weakness to continue for next coming sessions. So, one can sell the stock with the stop loss of 97 for the downside target of 89.50 levels.

Future STT Call



INDUSIND BANK: Rs. 913

Execution Price Range Stop Loss Target

Buy Between Rs. 898 to Rs. 907 885 940

INDUSINDBNK is holding its positive stance and taking support at its rising trend line. It is consolidating in a range from last six trading sessions even after a profit booking decline in the broader market which indicates that the major trend of the stock is intact to positive. Thus recommending the traders to buy the stock with the stop loss 885 for the upside immediate target of 940 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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