



The Strategist

DERIVATIVES

Market Statistics							
Product	No. of Contracts	Turnover (Rs.cr)					
Index Futures	2,53,342	14,325.93					
Vol Futures	0	0					
Stock Futures	4,45,912	22,784.90					
Index Options	20,57,760	1,23,159.61					
Stock Options	2,36,461	12,587.43					
F&O Total	29,93,475	1,72,857.88					

FII Derivatives Statistics

		-	Inflow /		
	Buy	Sell	Contract	Amount	Outflow
Index futures	1683.677	2542.043	286164	16778.94	-858.367
Index options	15210.39	17392.28	1060268	62646.79	-2181.89
Stock futures	2501.855	3574.328	928943	45965.13	-1072.47
Stock options	1683.712	1718.369	53633	2645.757	-34.657
Net Inflow/Outf				-4147.39	

Securities in Ban Period

NIL

Nifty Fu	ture/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

AUROPHARMA, BANKBARODA, BEML, BHEL, MOTHERSUMI, TATACHEM, TATAMOTORS, TATAMTRDVR, UNIONBANK, VOLTAS, SRF, RCOM & SBIN

Activity Tracking					
Stocks (Long Position)	Remarks				
Marico, Arvind					
Jisljaleqs, ITC	Suggesting strength in these counter				
NTPC					
Stocks (Short Covering)	Remarks				
Relcapital, Coalindia					
M&MFin	Suggesting strength in these counter				
Heromotoco					
Stocks (Short Position)	Remarks				
Jublfood, Sunpharma, Tatasteel					
BHEL, Suntv, Lichsgfin	Suggesting weakness in these counter				
CESC, HDFC, Pidilitind					
Stocks (Long Liquidation)	Remarks				
Apollohosp, Drreddy, Jswenergy Relinfra, Amarrajabat, Unionbank OIL, Yesbank, Kotakbank	Suggesting weakness in these counter				

Activity in F&O

Nifty November future closed negative at 7989.40 levels. Nifty Future OI increased by 2.28% with a fall in price by 1.0%. It closed at a premium of 34 points as compared to 30 points of previous trading session. Market witnessed selling pressure across the board especially in Healthcare, Realty, Banking, IT and Power sector stocks. The market turnover increased by 27.85% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 27.45%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.89 to 0.86 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 15.37 to 15.70 levels and Implied Volatility also moved up from 18.11 to 18.48 levels.

Conclusion

Nifty future opened on a flat to negative note and broke its 8000 levels in the absence of buying activities. It fell towards 7975 levels in the last hour of sessions and ended the day with the loss of around 95 points. Now it needs to cross and hold above its 8000 levels for the index to witness bounce back move towards 8080 and 8120 levels. However if it fails to hold 7950 levels then it may be further pushed towards 7900 and lower levels. On the Option front, maximum Put OI is at 7800 followed by 7900 strike, whereas maximum Call OI is at 8300 followed by 8500 strike. Bank Nifty opened negative and with sustained selling it fell towards 17000 levels. It traded in line with the broader market and ended in the negative zone for the consecutive third trading session with the loss of around 200 points. Now the support is at 17000 then 16800 while hurdle is at 17500 then 17800 levels.

Anand Rathi

Target

230



Future STT Call



VEDANTA: Rs. 94.45					
Execution Price Range	Stop Loss	Target			
Sell Between Rs. 97 to Rs. 98	100.50	91.50			
VEDANTA failed to cross the immediate hu	urdle of 120 levels	s and started to			
decline with built up of short and liquidation of long position. It has been					
making lower highs lower lows from last three	e weeks. It has du	Il price behavior			
and witnesses selling pressure at every sma	II bounce back. W	le are expecting			
this behavior to continue which may drag it t	o 91.50 and lower	r levels. So, one			
can sell the stock with the stop loss of 100.5	0 for the downside	e target of 91.50			
levels.					

				Graphic	Snapsho	t			
Futures									
901	Nor Gamers		WAYKE LEGITS	AUTO	e Pattures		Youme Galeere	W Ru	overe .
ARVIND	4.02	UNITEC	H -6.80	NIFTY	949,223	JURI FOOD	511.33	SMP900	99.03
CONLINEDA	1.94	3.8LF00	126	BANKNIFTY	101,400	ARVINO	282.43	DXA	05.80
MARICO	1,111	ASHOKLE	·	JUBLFOOD	10,562	GHRINFRA	236,56	NETY BLOD	
HAPPEN	603.	DISH	-5.U	ASHORLEY	10,843	SUNTV	214.94	MARKO 9.2	
RELCAPITAL		D	7 -0.10	TATAMOTORS	15,023	OK I	15.20	108.755	
	Of General		1901 Leters	10,01	(email) a		TeDescurra	Of te of 1	THE LIMIT
3.6.F000	21.04	APOLLOH	OSP -10.65	CHRINERA	0.43	KS01	1.97	INSLIALEQS	#0.36
MARICO	14.51	SM	-10.59	JPASSOCIAT	11.80	NMEC	2.07	CEATLTD	18.41
AMARHAN	\$2.81	CADIL	AHC -8.79	ID+C	0.67	108	2.63	JINDALSTEL	16.29
ARVIND	10.94	DERE	DOY -7.79	пс	0.65	ONGE	2.38	CENTURYTEX	77.112
TATASTEEL	9.12	SWENE	PCY -7.61	SKSHEDED	4.65	VOLTAS	1.07	INDIACEM EX	76.88
Options		a a constante a	and a second second second	and an an and a second s		have see a		i se manasieral et	
11	tion Active (Ca	day	NVolume gw	nen (Celt)	M	ost Aidine (Put	60	NVolume gwmm	v (Putr)
NIFTY,26-NOV	15,0,8200	177792	JUBLF000,26-NOV-15,0	1400 109,900	NIFTY, 26-MOV-1	IS,P,8000	141.462 6	AMONIFTY, 26-NOV-15, #, 1580	8,350
NIFTY, 26-NOV	15,C,8300	149085	BANKNEPTY,26-NOV-15,C	17100 18,833	NIPTY,25-MOV-1	5,8,7900	118,482	TATASTIDE, 26-NOV-15,P,100	2,875
NIFTY, 25-MOV	15.0.8100	121052	BANKNEPTY,26-W/hr-15,C,	10,400	NIPTY, 26-MOV-1	5.P.7800	47,717	JUBLF0000,25-W0Y-15,P,1400	2,417
NIFTY, 26-NOV-	11.0.8400	123477	MPTY, 26 NOV-15,0	2,2000 8,613	NIFTY, 26-NOV-1	15,P,7500	162-01	NIFTY, 31-MAR-16, P, 8000	2,000
NIFTY, 28-MOV-	15, C.8500	10795	SUNTV.26-ROV-15	,C.503 7,000	NIFTY, 26-NOV-1	5.P,7700	6,000	NIFTY,33-DEC-15,P,7200	1.62
	OI Gainera (Ca	the second se	NOI Land	rs (Calle)		QL Gamers (Ps	in the second	NO) Linero (Parts)
JUBLF000,25	NOV-15,C,1400	9,700	TVSHOTOR,26-NOV-15	C, 320 -11	JJBLF000,26-N	KOV-15,P,1300	6,700	YESBANK, 26 NOV-15, P, 780	-11
SUNPHARMA, 25	6-NOV-15,C,840	1,687	CANBR, 26-MOV-15	C,310	NIFTY,31-D	XEC-15,P,8800	380 4	SHOKLEY, 26-NOV-15, P, 87.5	X
CIRLA,2	6-NOV-15,C,960	0.053	NIFTY, 31-OEC-15,4		TATASTERL, 26-	NOV-15,P, 190	378	SHOKLEY, 26-W3Y-15,9,92.5	-34
ASHOKLEY,20	HNOV-15, C, 87.5	978	REG.TD, 36-NOV-15	-10	CIPLA35-	NOV-15,P,600	305	ASHOKLEY, 26-NOV-15, P,90	-34
3.8LF000.26	NOV-15.C.1450	INTS	TADAHOTORS.26-NOV-15	C,420 +88	TATASTER, 26-	NOV-15,P,210	200	TECHN.26-NOV-15, P.520	-31

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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