



The Strategist

DERIVATIVES

Market Statistics						
Product	No. of Contracts	Turnover (Rs.cr)				
Index Futures	2,58,319	14,622.56				
Vol Futures	2	0.18				
Stock Futures	5,87,792	28,969.81				
Index Options	23,60,931	1,40,852.69				
Stock Options	3,49,884	17,734.11				
F&O Total	35,56,928	2,02,179.36				

FII Derivatives Statistics

		-	Inflow /		
	Buy	Sell	Contract	Amount	Outflow
Index futures	1712.084	2360.747	273898	16020.09	-648.663
Index options	20690.43	21527.61	1109090	65446.61	-837.177
Stock futures	3194.414	3629.814	932586	46046.06	-435.399
Stock options	2643.106	2700.002	58543	2869.567	-56.8962
Net Inflow/Outf				-1978.14	

Securities in Ban Period

CEATLTD

Nifty Fu	ture/Option [·]	Trading Guide	
NIFTY	Short term	Medium term	
Support	7777	7550	
Resistance	8080	8330	

Nifty View for the Day

Now It needs to hold its 7950 levels to see some bounce back move till 8000 levels while if it fails to hold 7900 levels then index might drift towards 7820 then 7777 levels

Q2 FY'16 Result

ABIRLANUVO, ALBK, BPCL, HAVELLS, HINDPETRO, JISJALEQS, NHPC, OIL & RECLTD

Activity Tracking					
Stocks (Long Position)	Remarks				
Mothersumi, Bankbaroda					
Unionbank, PNB	Suggesting strength in these counter				
Indiacem, Oreintbank					
Stocks (Short Covering)	Remarks				
Arvind, BEML, IOB					
Hexaware, Ambujacem, Voltas	Suggesting strength in these counter				
Bnakindia, Coalinda, PTC					
Stocks (Short Position)	Remarks				
Drreddy, IDFC, Enginersin					
lcicibank, Sail, Boschltd	Suggesting weakness in these counter				
Adanient, Tatasteel, Ceatltd					
Stocks (Long Liquidation)	Remarks				
Jswenergy, CESC, Jisjaleqs					
Recltd, Tatamotors, Relinfra	Suggesting weakness in these counter				
Tatapower, Bajfinance, Relcapital					

Activity in F&O

Nifty November future closed negative at 7977.40 levels. Nifty Future OI decreased by 0.96% with a fall in price by 0.15%. It closed at a premium of 23 points as compared to 34 points of previous trading session. Market witnessed selling pressure in Healthcare, Power, Metal and Auto sector stocks while buying was seen in It and Banking sector stocks. The market turnover increased by 18.82% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 16.96%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.86 to 0.83 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 15.70 to 15.23 levels but Implied Volatility moved up from 18.48 to 18.93 levels.

Conclusion

Nifty future gave a dull opening and witnessed a choppy session in the range from 8026 to 7946 levels. Finally it ended the day near the opening levels with the marginal loss of 12 points. It needs to hold its 7950 levels to see some bounce back move till 8000 levels while if it fails to hold 7900 levels then index might drift towards 7820 then 7777 levels. On the Option front, maximum Put OI is at 7800 followed by 8000 strike whereas maximum Call OI is at 8200 followed by 8300 strike. Bank Nifty future gave a dull opening and fell towards 16981 levels. However buying at the lower levels revived the index to regain its 17000 and ended the session with the gains of around 100 points. Now it needs to hold above 17250 levels to move up towards 17500 then 17800 levels, while on the downside support exists at around 17000 levels and below that selling pressure may drag the index towards 16800 and 16666 levels.



VEDANTA: Rs. 92.70						
Execution Price Range	Stop Loss	Target				
Sell Between Rs. 94.50 to Rs. 95.50	97.50	89				
VEDANTA has been falling down from last 3	3 weeks and re	cently broken				
immediate support of 100 and 97 levels. It has	s added fresh bu	ilt up of short				
position and bears are dragging it to lower I	levels as overal	I trend of the				
counter is negative. Now till it remains below 9	6.50-97 zones, v	veakness may				
continue in the stock towards 89 levels. So, o	ne can sell the	stock with the				
stop loss of 97.50 for the downside target of 89 l	levels.					



JSWENERGY: Rs. 86						
Execution Price Range	Stop Loss	Target				
Sell Between Rs. 87.50 to Rs. 88.50	90.50	83				
JSWENERGY failed to cross the hurdle of 9	6 levels. Although	it is trading in a				
range from last five weeks but added signifi	icant built up of sh	nort position and				
holding below 88.50 may push the stock to	owards its next su	pport of 83 and				
lower levels. It has failed its attempt for a break	eakout so long liqui	idation may also				
support it to go to lower levels. Thus, recom	mending selling th	e stock with the				
stop loss of 90.50 for the downside target of	83 levels.					

				Graphic	Snapsho	ot			
Putures									
951	like Gamers		White Levers	Attiv	Futures	9490	dume Galedra	So Ruda	with .
HOTHERSUME	9.70	DRREDOV	10.00	BIFTY	198,299	DRRECOR	1.092.25	NIPTY .	17.35
HEXAWARE	5.55	RECL7D	-00/00	BANKNUFTY	99,781	MOTHERSUME	847,67	MARICO 9.26	
BANKBARODA	4.70	PFC	6.23	SBIN	10,180	BANKBARODA	SUS 60	K08 0.25	
SBIN	4.04	IDPC	IN BE	DRIECOT	46,176	EICHERMOT	104.67	SAIL 797	
PTC	3.60	RECIVER	545	BANKBARODA	27,687	IND	\$42.77	ASHOKLEY 7.36	
	OI GENES		NOI Luters	No.	ensurs.		Discounts	01 % of M	t. Limit
DEREDOY	\$4.73	15WEWERG	07.64	UR	0.03	NHOC E	-2.54	CEATLED CEATLED	92.8
IDFC	54.21	ARVINE	-10.33	CPHRINTRA	0.85	KSCL	2.15	JIBLIALEQS	88
ENGINERSIN	11.41	604	-4.75	UNITEOH	0.72	ONGC	1.60	INDALSTEL	85.74
ICICIBANK S	-	100	46.47	ADANIPOWER	9.70	108	-1.63	CENTURYTES D	18,29
HOTHERSUNI	30	CESC	-8.26	BANKINCIA	0.67	MINYEIN	8.20	INDIACOM	17.25
Opton					-				
	that Active (Call	1	M/Volumn:	gatours (Calle)	Sec. and	Sout Active (Pubs)	£	Wolume gamers	(Pate)
NIFTY, 26-MOV-	11.0.000	233530	DRREDDY,26-NOV-1	15,0,4000 30,038	NIFTY, 26-NOV-	15,P,7900	0.780	DRREDDY,26-NOV-15,P,3900	35,100
NIFTY, 26-NOV-	15,0,0100	00078	IDFC,26-NOV-15,C,55 15,457		NIFTY,25-NOV-15,P,7800		1.884	HEXAIKARE,26-NOV-15,P,250 22,000	
NIFTY, 24-NOV-	15,0,000	19023 BA	NKBARODA 26-NOV	-15,C,195 14,000	C.195 24.000 NIFTY, 26-NOV-15.		1300	DRREDDY, 25-NOV-15, P. 3900	38,275
NIFTY, 24-NOV-	15,0,8000	1000	8461,26-NOV-15,C,190 7,328		NIFTY,26-WOV-15,P,7700		1958	SBDL26-NOV-15,P,245	
NIFTY, 26-NOV-	15.0.8400	1242	PEC, 26-NOV	15,0,240 5,978	NIFTY, 26-NOV-	15,P,7500	NT NO	THERSUML26-WOV-15,P,260	6.650
HADE Gainers (Care) 4401 Liners (serv (Cals:	Shirt Strength (Parts)		0	WEN LINETY (Pully)			
DRREDDY, 26-N	OV-15,C,3900	77,400 80	LCAPITAL, 26-NOV-3	5,0,400 -58	NIFTY,2	19-1AN-16,P,8300	3,850 D46	EDDV,26-NOV-15,P,4250	42
DEREDIDY, 26-N	W-15,C,4000	10,700 3,	BLF000,26-NOV-15	C.1400 -45	BANKBARODA,	85-NOV-15, P. 120	2,067 D48	8EDDV, 26-NOV-15, P.4000	-44
DAIREDDY, 25-N	KOV-15,C.3900	61.400 H	EXAMPLE 26 NOV-1	5,0,250	BANKBARODA,	26 440V-15, P, 130	2.744	CIPLA,25-NOV-15,P,660	-++
DRREDDY, 26-N	KOV-15,C,4100	4,800	SBIN,26-NOV-1	5,C,230 27	MOTHERSUMIL	26-WOV-15, P.260	1,400 #1	LINPRA, 25-NOV-15, P, 380	-2
DRREDDY, 26-N	OV-15,C,4050	L200	DALINDIA,26-NOV-1	5,C,340 -26	BANKBARODA,	26 NOV-15, P. 147	759	EQ.TD,26-NOV-15,P,250	-41

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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