



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

**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
<b>F&amp;O Total</b>	<b>35,56,928</b>	<b>2,02,179.36</b>

**FII Derivatives Statistics**

	OI at end of the day			Inflow / Outflow
	Buy	Sell	Contract	
Index futures	1712.084	2360.747	273898	16020.09
Index options	20690.43	21527.61	1109090	65446.61
Stock futures	3194.414	3629.814	932586	46046.06
Stock options	2643.106	2700.002	58543	2869.567
<b>Net Inflow/Outflow (Cr)</b>				<b>-1978.14</b>

**Securities in Ban Period**

CEATLTD

**Nifty Future/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
Bnakinidia, Coalinda, PTC	
Stocks (Short Position)	Remarks
Dreddy, IDFC, Engineersin	
Icicibank, 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.

### Future STT Call

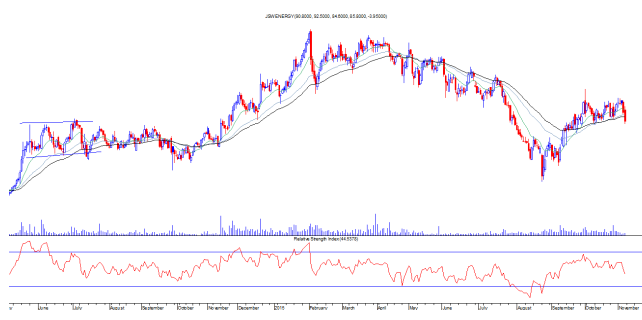


**VEDANTA: Rs. 92.70**

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 weeks and recently broken immediate support of 100 and 97 levels. It has added fresh built up of short position and bears are dragging it to lower levels as overall trend of the counter is negative. Now till it remains below 96.50-97 zones, weakness may continue in the stock towards 89 levels. So, one can sell the stock with the stop loss of 97.50 for the downside target of 89 levels.

### Future STT Call



**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 96 levels. Although it is trading in a range from last five weeks but added significant built up of short position and holding below 88.50 may push the stock towards its next support of 83 and lower levels. It has failed its attempt for a breakout so long liquidation may also support it to go to lower levels. Thus, recommending selling the stock with the stop loss of 90.50 for the downside target of 83 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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