



### DERIVATIVES

#### Market Statistics

| Product              | No. of Contracts | Turnover (Rs.cr)   |
|----------------------|------------------|--------------------|
| Index Futures        | 7,38,784         | 17,559.70          |
| Vol Futures          | 0                | 0                  |
| Stock Futures        | 6,47,799         | 16,059.20          |
| Index Options        | 63,68,263        | 1,33,452.55        |
| Stock Options        | 3,03,388         | 7,777.62           |
| <b>F&amp;O Total</b> | <b>80,58,234</b> | <b>1,74,849.08</b> |

#### FII Derivatives Statistics

|               | OI at end of the day           |          |                  | Inflow /<br>Outflow |
|---------------|--------------------------------|----------|------------------|---------------------|
|               | Buy                            | Sell     | Contract Amount  |                     |
| Index futures | 1201.67                        | 2289.00  | 1020953 20852.67 | -1087.33            |
| Index options | 15396.89                       | 16006.70 | 3763120 85157.18 | -609.81             |
| Stock futures | 1887.52                        | 1680.53  | 1822187 43142.89 | 206.99              |
| Stock options | 1567.29                        | 1533.28  | 74487 1799.29    | 34.01               |
|               | <b>Net Inflow/Outflow (Cr)</b> |          |                  | <b>-1456.14</b>     |

#### Securities in Ban Period

NIL

#### Nifty Future/Option Trading Guide

| NIFTY      | Short term | Medium term |
|------------|------------|-------------|
| Support    | 7500       | 7350        |
| Resistance | 7650-7700  | 7777-7850   |

#### Nifty View for the Day

Weakness may continue towards 7500 if it sustains below 7650 levels.

#### Quote for the day

**"NO ONE CAN CLIMB THE LADDER OF SUCCESS WITH BOTH HANDS IN POCKET."**

#### Activity Tracking

| Stocks (Long Position)          | Remarks                              |
|---------------------------------|--------------------------------------|
| Havells, Sail                   |                                      |
| HDFC, Techm                     | Suggesting strength in these counter |
| Relinfra                        |                                      |
| Stocks (Short Covering)         | Remarks                              |
| PTC, Relcapital                 |                                      |
| Southbank, IGL                  | Suggesting strength in these counter |
| PFC                             |                                      |
| Stocks (Short Position)         | Remarks                              |
| Jswenergy, Divislab, Mothersumi |                                      |
| Icicibank, Mindtree, Andhrabank | Suggesting weakness in these counter |
| Axisbank, Srtransfin, Star      |                                      |
| Stocks (Long Liquidation)       | Remarks                              |
| Pidilite, Colpal, Syndibank     |                                      |
| Indusindbk, Hexaware, DLF       | Suggesting weakness in these counter |
| Lupin, Bharatfarg, Bhartiartl   |                                      |

#### Activity in F&O

Nifty September future closed negative at 7574.50 levels. Nifty Future OI increased by 2.02% with a fall in price by 1.17%. It closed at the premium of 16 points as compared to the premium of 10 points of previous session. Market witnessed selling pressure across the board especially in Realty, Power, Metal, Banking and healthcare sector stocks. The market turnover decreased by 24.25% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it also decreased by 24.61%.

#### Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.96 to 0.95 levels as compared to previous trading sessions. Historical Volatility of Nifty fell down from 32.14 to 31.65 levels but Implied Volatility moved up from 26.29 to 31.65 levels.

#### Conclusion

Nifty Future opened positive but failed to hold the opening levels and headed towards its 13 series low of 7560 levels. In the last hour of trade it breached its 7600 levels and finally ended the day with the loss of around 100 points indicating complete dominance of bears. Now for the day, weakness may continue in the index till it doesn't negate this weak trend by holding above previous day's high of 7725 levels. On downside next support exists at around 7540 then 7500 levels. Traders are required to remain cautious as now the index is witnessing selling pressure at every attempt to bounce back. On the Option front, maximum Put OI is at 7500 followed by 7200 strike whereas maximum Call OI is at 8200 followed by 8000 strike. Bank Nifty opened positive in line with the broader market but witnessed selling pressure in the last hour of the session and plunged towards 15790 levels. It ended the session with the loss of around 345 points. Now its next support is at 15500 levels while hurdle is at 16250 then 16500 levels

Future STT Call



**ADANI PORTS : Rs. 324**

| Execution Price Range           | Stop Loss | Target |
|---------------------------------|-----------|--------|
| Sell Between Rs. 327 to Rs. 330 | 335       | 312    |

ADANI PORTS in the previous week failed to cross 374 levels and now it is falling down from last six trading session. It broke its support of 335 levels and has formed a weak structure with built up of short position. It is under bears grip with over all broader market. Thus, recommending selling the stock with the stop loss of 335 for the downside target of 312 levels.

Future STT Call



**IDFC : Rs. 123**

| Execution Price Range                 | Stop Loss | Target |
|---------------------------------------|-----------|--------|
| Sell Between Rs. 124.50 to Rs. 125.50 | 128       | 118    |

IDFC is continuously trading in weakness from last six series and witnessing selling pressure at every minor attempt to bounce back. It is trading at six series low levels and has been making lower top – lower bottom formation. Thus one can sell the stock on small bounce back move with a stop loss of 128 levels for the downside target of 118 levels.

Graphic Snapshot

| Futures   |   |   |   |   |
|---|---|---|---|---|
| <b>%Price Gainers</b><br>PTC 3.51<br>RELCAPITAL 2.31<br>TECHM 1.77<br>SOUTHBANK 1.52<br>PFC 1.34  | <b>%Price Losers</b><br>AMTEKAUTO -11.70<br>STAR -6.55<br>WOCKPHARMA -6.24<br>SRTRANSFIN -6.03<br>BHARATFORG -5.73  | <b>Active Futures</b><br>NIFTY 577,547<br>BANKNIFTY 160,425<br>SBIN 28,695<br>AXISBANK 26,018<br>ICICIBANK 25,207   | <b>%Volume Gainers</b><br>S&P500 113.99<br>PTC 93.80<br>SOUTHBANK 46.77<br>MOTHERSUMI 45.71<br>ADANI PORTS 44.62  | <b>% Rollovers</b><br>DJIA 100<br>S&P500 99.74<br>NMDQ 2.52<br>IOBI 1.97<br>BANKINDIA 0.84  |
| <b>%OI Gainers</b><br>S&P500 11.65<br>JSWENERGY 8.00<br>BANKNIFTY 7.62<br>DIVISLAB 7.27<br>MOTHERSUMI 6.16  | <b>%OI Losers</b><br>CNXIT -9.87<br>PIDILITIND -7.75<br>COLPAL -5.05<br>VOLTAS -4.71<br>SYNDIBANK -4.54   | <b>%Premiums</b><br>UNITECH 0.88<br>UPL 0.64<br>ANDHRABANK 0.58<br>DABUR 0.54<br>AMARAJABAT 0.51  | <b>%Discounts</b><br>IOB -5.60<br>RELINFRA -4.48<br>TVSMOTOR -3.98<br>GODREJIND -3.97<br>PTC -3.70  | <b>OI % of Mkt. Limit</b><br>CENTURYTEX 87.47<br>AMTEKAUTO 77.45<br>JINDALSTEL 72.1<br>JISLJALEQS 66.49<br>IBREALEST 63.66  |
| Options   |   |   |   |   |
| <b>Most Active (Calls)</b><br>NIFTY,24-SEP-15,C,8000 481521<br>NIFTY,24-SEP-15,C,7800 434326<br>NIFTY,24-SEP-15,C,7900 369695<br>NIFTY,24-SEP-15,C,8100 293751<br>NIFTY,24-SEP-15,C,7700 281450 | <b>%Volume gainers (Calls)</b><br>NIFTY,26-NOV-15,C,7500 16,350<br>BANKNIFTY,24-SEP-15,C,15900 2,240<br>ASHOKLEY,24-SEP-15,C,82.5 2,229<br>SUNPHARMA,24-SEP-15,C,8401 1,650<br>BANKNIFTY,24-SEP-15,C,158001 305 | <b>Most Active (Puts)</b><br>NIFTY,24-SEP-15,P,7500 456,833<br>NIFTY,24-SEP-15,P,7400 345,224<br>NIFTY,24-SEP-15,P,7600 307,566<br>NIFTY,24-SEP-15,P,7200 271,598<br>NIFTY,24-SEP-15,P,7300 269,582 | <b>%Volume gainers (Puts)</b><br>ULTRACEMCO,24-SEP-15,P,2850 4,400<br>HCLTECH,24-SEP-15,P,860 3,325<br>NIFTY,26-NOV-15,P,7600 1,538<br>BHARATFORG,24-SEP-15,P,950 885<br>SBIN,24-SEP-15,P,270 841 | <b>%OI Gainers (Calls)</b><br>NIFTY,26-NOV-15,C,7500 16,400<br>BANKNIFTY,29-OCT-15,C,16500 14,100<br>BANKNIFTY,24-SEP-15,C,15800 2,000<br>NIFTY,24-SEP-15,C,7550 1,090<br>BANKNIFTY,24-SEP-15,C,15900 718 |
| <b>%OI Losers (Calls)</b><br>HDFC,24-SEP-15,C,1140 -61<br>NIFTY,29-OCT-15,C,9100 -52<br>NIFTY,29-OCT-15,C,9200 -37<br>HDFC,24-SEP-15,C,1240 -37<br>TATAMOTORS,24-SEP-15,C,320 -24               | <b>%OI Gainers (Puts)</b><br>ULTRACEMCO,24-SEP-15,P,2850 994<br>BHARATFORG,24-SEP-15,P,950 407<br>NIFTY,29-OCT-15,P,6600 241<br>BANKNIFTY,24-SEP-15,P,15100 180<br>NIFTY,29-OCT-15,P,6200 134                   | <b>%OI Losers (Puts)</b><br>INFY,24-SEP-15,P,1020 -44<br>STAR,24-SEP-15,P,1050 -42<br>NIFTY,24-SEP-15,P,7550 -38<br>DRREDDY,24-SEP-15,P,4000 -33<br>BPCL,24-SEP-15,P,840 -30                        |   |   |

**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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