



DERIVATIVES

Market Statistics

| Product | No. of Contracts | Turnover (Rs.cr) |
|----------------------|------------------|------------------|
| Index Futures | 145934 | 12,064.37 |
| Stock Futures | 559819 | 42,623.57 |
| Index Options | 3461698 | 305362.95 |
| Stock Options | 312570 | 24,589.75 |
| F&O Total | 4480021 | 384640.64 |

FII Derivatives Statistics

| | | | OI at end of the day | | Inflow / Outflow |
|-------------------------|----------|----------|----------------------|----------|---------------------|
| | Buy | Sell | Contract | Amount | |
| Index futures | 824.50 | 744.47 | 180142 | 13826.13 | 80.03 |
| Index options | 34610.75 | 33479.83 | 857640 | 66015.70 | 1130.93 |
| Stock futures | 6411.79 | 6378.48 | 753689 | 52766.99 | 33.31 |
| Stock options | 3395.62 | 3359.52 | 44858 | 3319.31 | 36.11 |
| Net Inflow/Outflow (Cr) | | | | | 1280.36 |

Securities in Ban Period

IBREALEST AND JSWENERGY

Nifty Future/Option Trading Guide

| NIFTY | Short term | Medium term |
|------------|------------|-------------|
| Support | 9800 | 9685 |
| Resistance | 10050 | 10137 |

Nifty View for the Day

Market is stuck in a trading range and now needs a decisive move on either side to start the next leg of rally, it needs to move above 10050 zones to reclaim its upside momentum. The resistance is at 10050 then 10137 zones while on the downside the support is around 9790 then 9700.

Quote for the Day

“LEADERSHIP IS ACTION, NOT POSITION”

Activity Tracking

| Stocks (Long Position) | Remarks |
|---|--------------------------------------|
| Ramcoem, Vguard, L&TFH Hexaware, Ceatltd, Titan NIITTECH, Bergepaint, CGpower | Suggesting strength in these counter |
| Stocks (Short Covering) | Remarks |
| ICICIPruli, Nestleind, Chennpetro Canbk, Suntv, CAPF Coalindia, Godfryphl, ONGC | Suggesting strength in these counter |
| Stocks (Short Position) | Remarks |
| OFSS, Cumminsind, Idea NHPC, Tatachem, Sunpharma Booschld, Infratel, Rcom | Suggesting weakness in these counter |
| Stocks (Long Liquidation) | Remarks |
| Relcapital Indigo Bhartiartl | Suggesting weakness in these counter |

Activity in F&O

Nifty future closed on a positive note at 9971.60 levels. Nifty future open interest moved up by 4.08% with a rise in price by 0.44%. It closed at a premium of 19 point as compared to premium of 15 points of previous trading session. Market witnessed buying interest in Media, realty, IT and Metal sector stocks while selling pressure was seen in Pharma sector stocks. The market turnover decreased by 18% in terms of number of contracts traded vis-à-vis previous trading day but in terms of rupees it decreased by 18%.

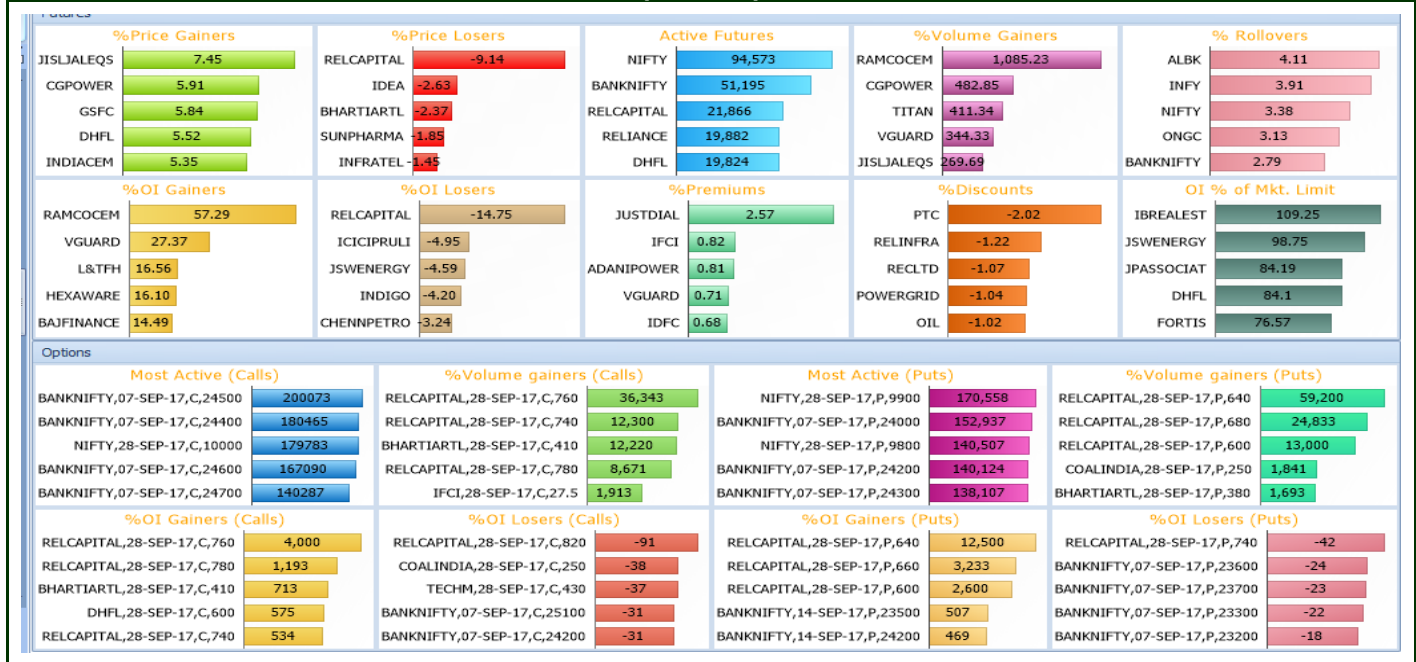
Indication

Put Call Ratio based on Open Interest of Nifty moved up from 1.30 to 1.35 levels as compared to previous session. Historical Volatility fell from 12.84 to 12.62 levels and Implied Volatility also fell from 12.58 levels to 12.30 levels as compared to previous session.

Conclusion

Nifty September Future opened on a positive note however it witnessed a decline towards 9915 levels but due to buying at the lower levels the bulls managed to pull the market towards 9982 levels. It witnessed buying interest at lower levels and finally the session ended on a positive note with the gains of around 50 points. On the option front, maximum Put OI is at 9700 strike followed by 9800 strike while maximum Call OI is at 10000 followed by 10100 strike. We have seen put writing in 9700, 9800 & 9900 strikes while, call unwinding was seen at all the strikes between 9900 to 10100 strikes. Bank Nifty opened on a positive note and traded in line with nifty. It witnessed buying at the lower levels and headed towards 24430 zones and finally it ended the session on a positive note with the gains of around 100 points. Now it has support near to 24100 zones then 23900 while on the upside hurdles are seen at 24450 zones.

Graphic Snapshot



CORPORATE ACTION

| Symbol | Purpose | Ex-Date | Record Date |
|------------|---|-----------|-------------|
| CASTROLIND | Interim Dividend - Rs 4.50 Per Share | 5-Sep-17 | 6-Sep-17 |
| RELCAPITAL | Scheme Of Arrangement | 5-Sep-17 | 6-Sep-17 |
| HINDALCO | Annual General Meeting/Dividend - Rs 1.10 Per Share | 5-Sep-17 | - |
| BALKRISIND | Annual General Meeting/Dividend - Rs 2.50 Per Share | 6-Sep-17 | - |
| RELIANCE | Bonus 1:1 | 7-Sep-17 | 9-Sep-17 |
| ESCORTS | Dividend - Rs 1.50 Per Share | 7-Sep-17 | - |
| APOLLOHOSP | Annual General Meeting/Dividend - Rs 6/- Per Share | 7-Sep-17 | - |
| STAR | Annual General Meeting/Dividend - Rs 4.50 Per Share | 7-Sep-17 | - |
| GODFRYPHLP | Annual General Meeting/Dividend - Rs 8/- Per Share | 7-Sep-17 | - |
| NBCC | Annual General Meeting/ Dividend - Rs 1.10 Per Share | 7-Sep-17 | - |
| PETRONET | Annual General Meeting/Dividend - Rs 2.50/- Per Share (Purpose Revised) | 7-Sep-17 | - |
| NTPC | Annual General Meeting/Dividend - Rs 2.17 Per Share | 7-Sep-17 | - |
| GRASIM | Annual General Meeting/Dividend - Rs 5.50 Per Share | 8-Sep-17 | - |
| PFC | Annual General Meeting | 11-Sep-17 | - |
| POWERGRID | Dividend - Rs 3.35 Per Share | 11-Sep-17 | - |
| JINDALSTEL | Annual General Meeting | 11-Sep-17 | - |
| ENGINERSIN | Annual General Meeting/Dividend - 0.50 Per Share | 11-Sep-17 | - |
| HCLTECH | Annual General Meeting | 12-Sep-17 | - |
| CONCOR | Dividend - Rs 7.50 Per Share | 12-Sep-17 | - |
| MUTHOOTFIN | Annual General Meeting | 12-Sep-17 | - |
| OFSS | Annual General Meeting | 12-Sep-17 | - |
| DALMIABHA | Annual General Meeting/Dividend - Rs 2.20 Per Share | 12-Sep-17 | - |
| PTC | Annual General Meeting/Dividend - Rs 3/- Per Share | 13-Sep-17 | - |
| NHPC | Dividend - Re 0.10 Per Share | 13-Sep-17 | - |
| BEML | Annual General Meeting/Dividend - Rs 8 Per Share | 13-Sep-17 | - |

Derivatives Lesson: COVERED PUT

- A Covered Put is a neutral to Bearish strategy. It is constructed by selling stock futures and selling a put option of the same stock. The Put that is sold is generally an OTM Put.
- If the stock price does not change, the investor gets to keep the Premium. He can use this strategy as an income in a neutral market.
- This strategy is usually adopted by a stock owner who is of the view that the markets are moderately bearish.
- Risk: **Unlimited** if the price of the stock rises substantially.
- Reward: Maximum is **(Sale Price of the Stock – Strike Price) + Put Premium**.
- Breakeven: **Sale Price of Stock + Put Premium**

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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