



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,02,084	11,270.05
Vol Futures	0	0
Stock Futures	4,41,662	22,806.41
Index Options	17,85,552	1,04,923.45
Stock Options	2,23,155	12,078.71
F&O Total	26,52,453	1,51,078.62

FII Derivatives Statistics

	OI at end of the day		Inflow /		Outflow
	Buy	Sell	Contract	Amount	
Index futures	1147.413	2113.139	267045	15295.62	-965.726
Index options	14294	13919.5	1117789	64719.16	374.4973
Stock futures	2826.508	3151.046	994227	49433.73	-324.537
Stock options	1584.712	1536.733	46604	2300.554	47.9797
Net Inflow/Outflow (Cr)					-867.78

Securities in Ban Period

NIL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7777	7700
Resistance	8000	8330

Nifty View for the Day

Nifty needs to negate the negativity buy holding above 7850 levels to witness a bounce back move towards 7950 and 8000 zones.

News of the day

COLPAL DECLARED INTERIM DIVIDEND OF Rs. 3 – RECORD
DATE: 11th DECEMBER, 2015.

Activity Tracking

Stocks (Long Position)	Remarks
Cairn, Sunpharma, Voltas	
Jindalstel, Star, Petronet	Suggesting strength in these counter
BEML, Apollohosp, Bataindia	
Stocks (Short Covering)	Remarks
Mcleodruss, Hindzinc, Infratel	
MRF, Oil, Tatamtrdrv	Suggesting strength in these counter
L&T	
Stocks (Short Position)	Remarks
KSCL, Cadilalc, Bharatforg	
Mothersumi, Lichsgfin, Lupin	Suggesting weakness in these counter
Canbk, IRB, Ashokley	
Stocks (Long Liquidation)	Remarks
Gmrinfra, M&mfin, M&M	
Relcapital, IDBI, Techm	Suggesting weakness in these counter
Biocon, Suntv, Dabur	

Activity in F&O

Nifty December future closed negative at 7820.50 levels. Nifty Future OI increased by 5.26% with a fall in price by 1.90%. It closed at a premium of 40 points as compared to the premium of 27 points in previous trading session. Market witnessed selling pressure in Banking, Auto, Energy, FMCG, Media and Realty sectors stocks while buying was seen in Pharma sector stock. The market turnover increased by 6.55% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 5.34%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty remained unchanged at 0.79 levels as compared to previous trading session. Historical Volatility of Nifty moved up from 15.14 to 15.26 levels and Implied Volatility also moved up from 15.04 to 15.26 levels.

Conclusion

Nifty future opened under the dominance of the bears and continued with the negative move for the third straight session. It selling mounted in the last hour of trade and continued with the pattern of making lower highs lower lows of last two trading sessions. Finally, it ended the day with the loss of around 65 points. Now it needs to negate the negativity buy holding above 7850 levels to witness a bounce back move towards 7950 and 8000 zones, while if it fails to sustain 7800 levels then selling pressure might drag the index towards 7777 and 7700 levels. On the Option front, maximum Put OI is at 7500 followed by 8000 strike, whereas maximum Call OI is at 8200 followed by 8000 strike. Bank Nifty opened negative and continued trading on a subdued note. However it witnessed a minor pull back and ended the session above 17000 levels with the loss of around 155 points. Now it needs to sustain above 17000 to witness a bounce back up move towards 17250 and 17500 while support is at 16800 levels.

Future STT Call



M&M: Rs. 1323

Execution Price Range	Stop Loss	Target
Sell Between Rs. 1345 to Rs. 1359	1380	1290

M&M failed to cross immediate hurdle of 1380 levels and negated the pattern of making higher highs – higher lows of last four weeks. It has seen a strong move from 1180 to 1380 zones and now witnessing liquidation of long followed by fresh short position. It has seen a strong move in last four weeks and now taking a pause so a profit booking decline cannot be ruled out as sustained supply seen from last 2 sessions. One can sell the stock on bounce back move with the stop loss of 1380 for the downside target of 1290 levels.

Future STT Call



VOLTAS: Rs. 284

Execution Price Range	Stop Loss	Target
Buy Between Rs. 279 to Rs. 282	274	295

VOLTAS has been making higher highs – higher lows from last three weeks. It is holding the gains even after the weakness in broader market which indicates inherent strength and potential to head towards higher levels. It is respecting its support zones and has been witnessing built up of long position. One can buy the stock with stop loss of 274 for the upside target of 295 levels.

Graphic Snapshot

%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		%Rebovers	
SUNPHARMA	4.21	GMRINFRA	-14.29	NIFTY	124,756	SUNPHARMA	651.11	S&P500	100
BEHL	2.68	JUSTDIAL	-4.85	BANKNIFTY	76,784	ADANIPOWER	302.48	DJIA	87.33
HINDZINC	2.60	KSCL	-4.13	SUNPHARMA	47,523	KSCL	155.75	IDEX	2.86
CAIRN	2.39	TVSBRD CST	-4.08	RCOM	29,305	JPASSOCIAT	101.79	BRITANNIA	37
OO	2.03	3DFC	-3.85	TATAMOTORS	12,258	GHRINFRA	15.84	HAVELLS	35
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Limit	
KSCL	10.66	DJIA	-24.87	MCLEODRUS	1.27	KSCL	-2.04	UNITECH	89
CADILAH	10.35	MCLEODRUS	-22.04	GMRINFRA	0.97	BATAINDEA	-2.02	IBREALEST	66.25
BHARATP	10.04	S&P500	-17.78	NCC	0.84	3DEA	-1.77	JISLIAEQS	85.14
MOTHERS	9.46	GMRINFRA	-5.59	ENGINERSIN	0.79	NMDC	-1.61	CENTURYT	81.99
CAIRN	8.95	NBMFIN	-4.44	JPASSOCIAT	0.78	IOB	-1.43	INDIACEM	80.77
Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
NIFTY,31-DEC-15,C,8000	167581	HDFC,31-DEC-15,C,1180	10,080	NIFTY,31-DEC-15,P,7800	128,413	SUNPHARMA,31-DEC-15,P,780	16,209		
NIFTY,31-DEC-15,C,7900	146848	JPASSOCIAT,31-DEC-15,C,17.5	5,000	NIFTY,31-DEC-15,P,7700	114,353	SUNPHARMA,31-DEC-15,P,740	3,374		
NIFTY,31-DEC-15,C,8100	116156	SUNPHARMA,31-DEC-15,C,860	3,145	NIFTY,31-DEC-15,P,7600	74,276	NIFTY,28-JAN-16,P,6900	2,156		
NIFTY,31-DEC-15,C,8200	115221	SUNPHARMA,31-DEC-15,C,780	3,095	NIFTY,31-DEC-15,P,7500	67,531	JPASSOCIAT,31-DEC-15,P,12.5	1,338		
NIFTY,31-DEC-15,C,8300	73631	SUNPHARMA,31-DEC-15,C,840	2,594	NIFTY,31-DEC-15,P,7900	60,777	KOTAKBANK,31-DEC-15,P,660	1,222		
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
BANKINDIA,31-DEC-15,C,125	321	TCS,31-DEC-15,C,2500	-40	SUNPHARMA,31-DEC-15,P,740	336	KOTAKBANK,31-DEC-15,P,680	-51		
HDFC,31-DEC-15,C,1180	313	SUNPHARMA,31-DEC-15,C,740	-36	BANKNIFTY,31-DEC-15,P,15400	285	GAIL,31-DEC-15,P,350	-29		
NIFTY,31-DEC-15,C,7850	310	BANKNIFTY,31-DEC-15,C,18800	-23	NIFTY,25-FEB-16,P,7400	208	BANKNIFTY,31-DEC-15,P,15600	-22		
BANKNIFTY,31-DEC-15,C,16800	290	CAIRN,31-DEC-15,C,140	-22	LICHSGFIN,31-DEC-15,P,440	204	BANKINDIA,31-DEC-15,P,125	-18		
PNB,31-DEC-15,C,135	183	BANKNIFTY,31-DEC-15,C,19000	-22	NIFTY,28-JAN-16,P,6900	196	NIFTY,31-DEC-15,P,7950	-17		

Derivatives Lesson: SHORT STRADDLE STRATEGY

- A short straddle is a strategy to be adopted when the investor feels the market will not show much movement. He sells a Call and a Put on the same stock / index for the same maturity and strike price. It creates a net income for the investor.
- If the stock / index do not move much in either direction, the investor retains the Premium as neither the Call nor the Put will be exercised. However, incase the stock / index moves in either direction, up or down significantly, the investor's losses can be significant. So this is a risky strategy and should be carefully adopted and only when the expected volatility in the market is limited.
- Max profit = Limited to the premium received.
- Max loss = Unlimited
- Upper Breakeven Point = Strike Price of Short Call + Net Premium Received
- Lower Breakeven Point = Strike Price of Short Put - Net Premium Received

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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