



D E R I V A T I V E S

Market Statistics

Product	No. of Contracts	Turnover (Rs.cr)
Index Futures	2,74,189	15,280.90
Vol Futures	1	0.09
Stock Futures	4,72,327	23,393.14
Index Options	28,75,537	1,67,225.54
Stock Options	2,75,158	14,031.24
F&O Total	38,97,212	2,19,930.91

FII Derivatives Statistics

	OI at end of the day			Inflow /	
	Buy	Sell	Contract	Amount	Outflow
Index futures	1386.19	2032.16	284924	16377.90	-645.96
Index options	20706.57	19208.70	1282325	74367.40	1497.87
Stock futures	3137.36	3495.44	967386	47361.31	-358.08
Stock options	2190.24	2266.26	76284	3750.17	-76.03
Net Inflow/Outflow (Cr)					417.80

Securities in Ban Period

CEATLTD & JINDALSTEL

Nifty Future/Option Trading Guide

NIFTY	Short term	Medium term
Support	7700	7550
Resistance	8080	8330

Nifty View for the Day

It has negated the negative pattern of making lower highs but now needs to hold above 7800 zone to continue its bounce back move towards 7900 and 7950 zones.

Quote of the day

“THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT.”

Activity Tracking

Stocks (Long Position)	Remarks
Kotakbank, Relinfra, Bhartiartl	
Ambujacem, Syndibank, Orientbank	Suggesting strength in these counter
Sksmicro, BEML, Apollotyre	
Stocks (Short Covering)	Remarks
Dreddy, Federalbank, Hindpetro	
Jindalstel, Glenmark, Exideind	Suggesting strength in these counter
Apollohosp, IRB, ITC	
Stocks (Short Position)	Remarks
Dabur, Oil, Ajantpharm	
Ibulhsgfin, Hindunilvr, Infratel	Suggesting weakness in these counter
Cadilahc, KSCL, MRF	
Stocks (Long Liquidation)	Remarks
Hindzinc, Jswsteel, Siemens	
Marico, Tatamtrdvr	Suggesting weakness in these counter
Powergrid	

Activity in F&O

Nifty November future closed positive at 7827.25 levels. Nifty Future OI decreased by 1.71% with a rise in price by 0.68%. It closed at a premium of 21 points as compared to the 12 points premium of previous trading session. Market witnessed buying interest in most of the sector especially in Banking, FMCG, Healthcare and Capital goods sector stocks while selling pressure was seen in IT sector stocks. The market turnover increased by 25.89% in terms of number of contracts traded vis-à-vis previous trading day and in terms of rupees it increased by 25.96%.

Indication & Outlook

Put Call Ratio based on Open Interest of Nifty fell down from 0.72 to 0.71 levels as compared to previous trading session. Historical Volatility of Nifty fell down from 16.13 to 15.86 levels but Implied Volatility moved up from 15.84 to 16.66 levels.

Conclusion

Nifty future opened under the dominance of the bears for consecutive eighth trading sessions and fell towards 7725 levels. It witnessed strong recovery of more than 120 points towards 7860 levels and finally ended the day with gain of around 50 points. It has negated the negative pattern of making lower highs but now needs to hold above 7800 zone to continue its bounce back move towards 7900 and 7950 zones, while if it fails to sustain the 7777 levels then selling pressure might drag the index towards 7700 levels. On the Option front, maximum Put OI is at 7700 followed by 7800 strike, whereas maximum Call OI is at 8200 followed by 8000 strike. Bank Nifty outperformed the broader market and closed the day with handsome gain of around 1.50% near to 17200 zones. Now it has to hold above 17250 zones to continue the up move towards 17500 levels while support is at 16800 then 16666 levels.

Future STT Call



TATASTEEL: Rs. 229

Execution Price Range	Stop Loss	Target
Buy Between Rs. 223 to Rs. 225	219	236

TATASTEEL has crossed multiple hurdles of 223-225 zones and also made a base for a bounce back move from current levels. We have seen fresh buying along with short covering which suggests that upswing may continue for next couple of sessions before it takes hurdle at higher levels. We are suggesting to buy the stock to play the bounce back move with strict stop loss of 219 for the upside target of 236 levels.

Future STT Call



TATAPOWER: Rs. 68

Execution Price Range	Stop Loss	Target
Sell Between Rs. 68.50 to Rs. 69.50	71	64

TATAPOWER has a dull price behavior and finding sustained selling near to 70-72 zones from last four weeks. It witnessed a recovery from 56 to 72 levels in previous two series and now pause in momentum indicates an early sign of end of the positive trend. It is adding built up of short position as open interest added by 10% with fall in price in last few sessions. One can sell the stock with stop loss of 71 for the downside target of 64 levels.

Graphic Snapshot

%Price Gainers		%Price Losers		Active Futures		%Volume Gainers		%Retainers	
GMRINFRA	12.97	KSCL	-9.11	NIFTY	196,508	GMRINFRA	602.25	S&P500	92.67
IPASSOCIAT	10.00	ADANTHARM	-8.39	BANKNIFTY	105,943	FEDERALBNK	353.26	DJA	86.89
RELINFRA	5.82	CADILAC	-3.91	50BN	16,961	SOUTHBANK	352.50	NIFTY	29.55
FEDERALBNK	5.49	HEXAVAPE	-3.02	ICICIBANK	15,056	APOLLOTYRE	253.94	TPOWER	17.18
CENTURYTEK	5.15	BRITANNA	-2.39	DRREDDY	14,263	IPASSOCIAT	207.85	SAIL	12.15
%OI Gainers		%OI Losers		%Premiums		%Discounts		OI % of Mkt. Limt	
DABUR	21.98	S&P500	-41.28	IPASSOCIAT	0.78	TPOWER	-1.81	INDALSTEL	35.21
OIL	21.64	DJA	-29.09	GMRINFRA	0.75	IOB	-1.30	DLF	17.37
ADANTHARM	21.03	DRREDDY	10.49	INDALSTEL	0.74	GAIL	-1.04	IRJALQ55	16.32
KOTAKBANK	17.82	FEDERALBNK	4.86	UNITECH	0.73	IDEA	-0.84	CEATLTD	15.35
IRLHGFIN	13.56	HINDPETRO	4.59	ADANIPOWER	0.72	BATAINDIA	-0.79	IRCONEST	15.28
Most Active (Calls)		%Volume gainers (Calls)		Most Active (Puts)		%Volume gainers (Puts)			
NIFTY,26-NOV-15,C,7800	285371	BANKNIFTY,26-NOV-15,C,18400	7,100	NIFTY,26-NOV-15,P,7700	339,123	NIFTY,26-DEC-16,P,6500	6,000		
NIFTY,26-NOV-15,C,8000	271438	ADANTHARM,26-NOV-15,C,1400	8,300	NIFTY,26-NOV-15,P,7800	233,505	DRREDDY,26-NOV-15,P,3450	3,800		
NIFTY,26-NOV-15,C,7900	262577	INFY,26-NOV-15,C,1080	4,233	NIFTY,26-NOV-15,P,7600	176,374	BANKNIFTY,31-DEC-15,P,17500	3,800		
NIFTY,26-NOV-15,C,8100	112951	KSCL,26-NOV-15,C,400	3,900	NIFTY,26-NOV-15,P,7500	131,812	INFY,26-NOV-15,P,1020	4,975		
NIFTY,26-NOV-15,C,8200	66454	GMRINFRA,26-NOV-15,C,15	3,885	BANKNIFTY,26-NOV-15,P,10500	62,004	TCS,26-NOV-15,P,2250	3,957		
%OI Gainers (Calls)		%OI Losers (Calls)		%OI Gainers (Puts)		%OI Losers (Puts)			
ADANTHARM,26-NOV-15,C,1400	2,082	FEDERALBNK,26-NOV-15,C,55	-56	TCS,26-NOV-15,P,2250	4,225	BANKNIFTY,26-NOV-15,P,19000	-67		
INFY,26-NOV-15,C,1080	1802	DRREDDY,26-NOV-15,C,3450	-55	RELINFRA,26-NOV-15,P,410	3,625	DRREDDY,26-NOV-15,P,3150	-46		
TCS,26-NOV-15,C,2350	791	DRREDDY,26-NOV-15,C,3300	-42	CAIRN,26-NOV-15,P,120	300	DRREDDY,26-NOV-15,P,3350	-44		
TATAMOTORS,31-DEC-15,C,430	558	ICICIBANK,26-NOV-15,C,260	-39	KSCL,26-NOV-15,P,360	391	WOCKPHARMA,26-NOV-15,P,1300	-41		
KSCL,26-NOV-15,C,400	460	DRREDDY,26-NOV-15,C,3500	-39	BANKNIFTY,31-DEC-15,P,15200	254	ONGC,26-NOV-15,P,230	-32		

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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