DERIVATIVES STRATEGY

Date: 09 JULY, 2018

Scrip Name: BANKNIFTY
Strategy – Long Straddle Spread

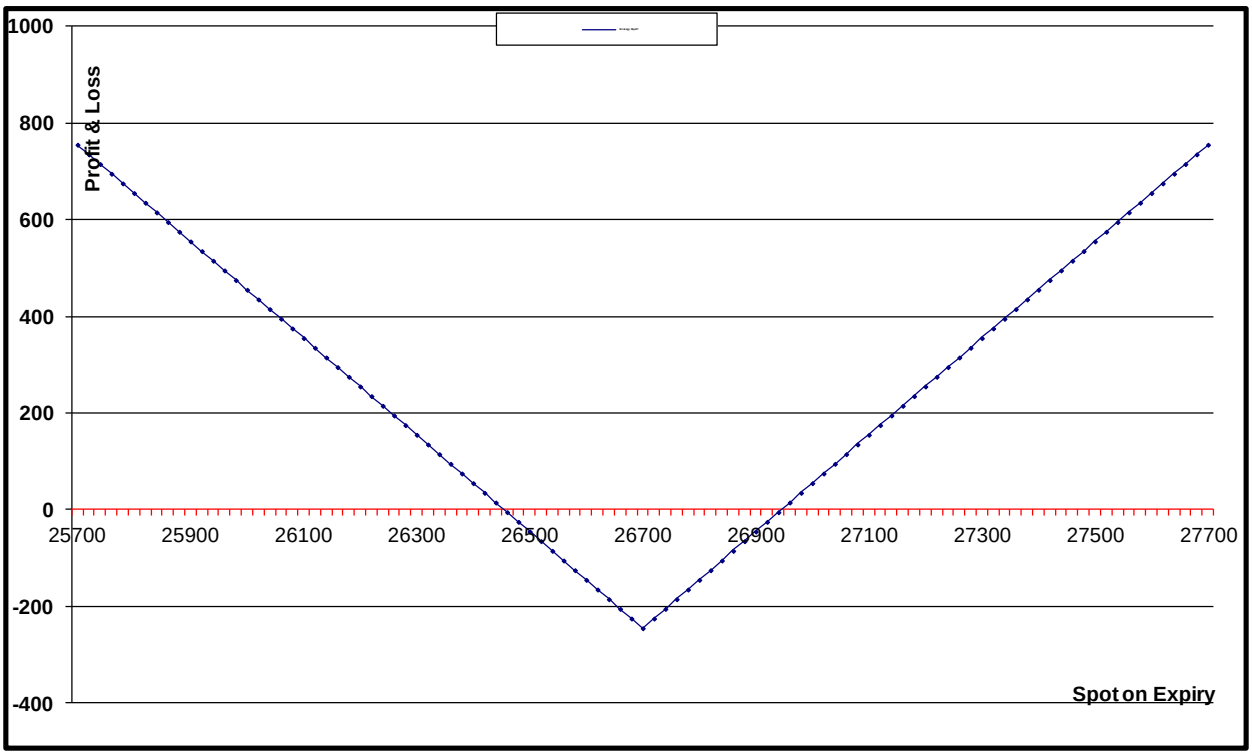
Buy BANKNIFTY 12JUL 26700 CE at 125
Buy BANKNIFTY 12JUL 26700 PE at 120

Margin Requirement: Rs 9800 (Approx)

Keep a stop loss 60 points loss or Rs 2400 loss
Target 120 points premium gain
Max Loss: Rs 9800 (245*40) at 26700 BANKNIFTY expiry (if one doesn't keep SL)
Max Gain: Unlimited above 26945 or below 26455

Upper Breakeven point: 26945
Lower Breakeven point: 26455

Pay off:



Reason – The index contract is up for expiry in 2 days and is placed near very important level. The Vix has cooled off and PCR has increased increasing hope of a linear move in the index. The index is expected to move more than 300 points in either direction before expiry.

Derivatives & Technical Analyst
Nirav H Chheda
Contact:- 022-39268199
nirav.chheda@nirmalbang.com

Profit/Loss at different prices	
NIFTY	**Profit/Loss**
26300	6200
26400	2200
26500	-1800
26600	-5800
26700	-9800
26800	-5800
26900	-1800
27000	2200
27100	6200
27200	10200

NOTE: -

1. **The above table payoff is on expiry basis. If the stock moves to expected levels before expiry the profit would then be determined by the time value and volatility and hence in most cases will be lower**
2. **If the expected move is achieved before the expiry the strategy will most certainly be closed before expiry.**
3. **The strategy has to be executed in totality and closed in totality as advised by the analyst. There can be market risks associated with not doing the same.**

DISCLOSURES

This Report is published by Nirmal Bang Securities Private Limited (hereinafter referred to as "NBSPL") for private circulation. NBSPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001766. NBSPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments. It is also a registered Portfolio Manager having registration no as INP000002981.

Derivatives & Technical Analyst
Nirav H Chheda
Contact:- 022-39268199
nirav.chheda@nirmalbang.com

NBSPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBSPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBSPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBSPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBSPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBSPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBSPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBSPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I Nirav Chheda the research analysts and authors of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

DISCLAIMER

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBSPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBSPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBSPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBSPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBSPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBSPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBSPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBSPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBSPL accept any liability whatsoever for any direct, indirect,

consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBSPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBSPL.
Our reports are also available on our website www.nirmalbang.com

Derivatives & Technical Analyst
Nirav H Chheda
Contact:- 022-39268199
nirav.chheda@nirmalbang.com