

Derivatives Market									
		Portfolio pledging							
Futures		You have portfolio	You have 5-10 Stocks which has grown now to 5L						
Options			When you pledge, your stocks are not sold						
			Broker will give appropriate amount with interest						
			You have to use for option selling						
Ultratech Cement		Capital	100000						
		Entry	12000						
		SL	11800						
		Risk	200						
		Investment	84000					Patience	
		Reward	1500					Skill	
				ROI				Faith	
Futures	Lot Size	50	600000	12.5				Knowledge	
	Margin	50	105430	71.137					
	Risk	200	10000						
	Reward	1500	75000						
BEP	Your entry itself is BEP							Profit	
								Margin	
Futures					Silver	30	5500	165000	490000
Stocks, Indices and Commodities					Silver Mini	5	5500	27500	83000
You can trade in both the direction (Bullish & Bearish)					Silver Micro	1	5500	5500	17000
It will expiry, mainly monthly (Gold and Silver has 3 months expiry)									
Stock and Indices are traded in NSE exchange									
Commodities are traded in MCX exchange									

We need margin money to trade

Last trade price	
Premium	

+

Debit - Buyer pays upfront premium	
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Options	Lot Size	50	600000
BUYER			
Option Buyer	CALL (CE)	View Is Bullish	As a bull I buy CE
Loss is limited to premium paid		Loss is limited to premium paid	
Profit is unlimited		Profit is unlimited	
Debit - Buyer pay upfront premium		Debit - Buyer pay upfront premium	
I am buying ATM CE		ATM will have 0.5 Delta	
ATM will have 0.5 Delta		As a buyer I bought 52000CE by paying premium of 670 * lot size(15) = 10050	
As a buyer I bought 52000CE by paying premium of 670 * lot size(15) = 10050		As a buyer I bought 52000PE by paying premium of 517 * lot size(15) = 7755	
When market is bullish CE premium will go up		When market is bearish PE premium will go up	
OPTION Seller			
CALL Seller		PUT Seller	
We need big margin		We need big margin	
View is Bearish when you want to sell CE		View is Bullish when you want to sell PE	
Credit - Seller receive the premium		Credit - Seller receive the premium	
Loss is unlimited		Loss is unlimited	
Profit is limited to premium recieved		Profit is limited to premium recieved	
Ex: Banknifty		Ex: Banknifty	
Margin: 117000		Margin: 117000	
Premium received = 585		Premium received = 740 (740*15 = 11100)	
3450			
2.95 ROI			

View Bullish			View Bearish		
CALL Premium goes up	Buyer		PUT Premium goes up	Buyer	
PUT Premium goes down	Sellers		CALL Premium goes down	Sellers	
Strike	11300CE		ULTRATECH CEMENT		
Premium	309				
ATM					
Spot	11380				
IV	Spot - Strike	80			
	TV	229			
CE BEP	Strike + Premium				
Buyer and Seller have same BEP					
Seller makes profit below BEP and makes loss above BEP					
Buyer makes profit above BEP and loss below BEP					
BEP to be calculated with reference to expiry					
			Strike	11300CE	
BEP	11609 Spot		BEP is 11609	Above BEP	Below BEP
IV	309		Scenario 1	Scenario 2	Scenario 3
			When spot closed at 11609	When spot closed at 11700	When spot closed at 11500
			IV	400	200
Buyer	We pay premium		Buyer gets back 309	Buyer	91 Above BEP
Seller	We receive premium		Seller has to pay be 309	Seller	-91 Above BEP
BEP	is no los no profit zone/point		No loss and no profit		

Buyer makes profit above BEP and loss below BEP								
BEP to be calculated with reference to expiry			Strike			11300CE		
			BEP is 11609			Below BEP		
			Scenario 1			Scenario 3		
BEP	11609	Spot	When spot closed at 11609			When spot closed at 11500		
IV	309		When spot closed at 11700					
Buyer			IV			400		
Seller			Buyer			91 Above BEP		
BEP			Seller			-91 Above BEP		
We pay premium			Buyer gets back 309					
We receive premium			Seller has to pay be 309					
is no los no profit zone/point			No loss and no profit					
PUT								
Strike			Strike			11300PE		
Premium			BEP is 11112			Below BEP		
ATM			Scenario 1			Scenario 3		
Spot			When spot closed at 11112			When spot closed at 11000		
IV			When spot closed at 11300					
IV			IV			0		
TV			Buyer			-188 Above BEP		
Buyer			Seller			188 Above BEP		
Seller			No loss and no profit					
BEP								
PE BEP								
Strike - Premium								
BEP								
IV								
PUT								
Buyer and Seller have same BEP								

Buyer	We pay premium	Buyer gets back 309	Buyer	91	Above BEP	-109
Seller	We receive premium	Seller has to pay be 309	Seller	-91	Above BEP	109
BEP	is no los no profit zone/point	No loss and no profit				
PUT						
Strike	11300PE		Strike	11300PE		
Premium	188	BEP is 11112	Above BEP			Below BEP
ATM		Scenario 1	Scenario 2	11300		Scenario 3
Spot	11380	When spot closed at 11112	When spot closed at 11300			When spot closed at 11000
IV	Strike-Spot		IV	0		300
IV	0	Buyer gets back 188	Buyer	-188	Above BEP	112
TV	188	Seller has to pay be 188	Seller	188	Above BEP	-112
Buyer	We pay premium	No loss and no profit				
Seller	We receive premium					
BEP	is no los no profit zone/point					
PE BEP	Strike - Premium					
BEP	11112					
IV	188					
PUT						
Buyer and Seller have same BEP						
Seller makes profit above BEP and makes loss below BEP						
Buyer makes profit below BEP and loss above BEP						
BEP to be calculated with reference to expiry						