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A STUDY ON FUTURE AND OPTIONS WITH REFERENCE TO NETWORTH

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Abstract

Now a day's all the technological changes are being made in the competitive environment. In all fields computerization as taken place. In case of stock exchange also they go for on line trading. So the investors have to be aware of online trading procedure, in order to know the minute-to-minute changes in trading in stoic exchanges.

The main aim of this study to make the investor aware of the online trading procedures, and the disadvantages from it . When the investor come to know the changes in the trading in stock exchanges, then only he can sell or buy the securities which give high return and in order to minimize the risk. The online trading system displays the overall changes in the world of trading per second. So the knowledge of online trading is must for every investor.

The online system displays the graphs of senses, Nifty, and the risk and return of a security which the investor need to invest and displays the profile of the company, dividend declare by that company. The main advantage to the investor is that he can buy and sells shares by sitting at home instead of calling the broker and ordering him to buy or sell

Introduction

The emergence of the market for derivatives products, most notably forwards, futures and options, can be tracked to the willingness of risk-averse economic agents to guard themselves against uncertainties arising out of fluctuations in asset prices. By their very nature, the financial markets are marked by a very high degree of volatility. Through the use of derivative products, it is possible to partially or fully transfer price risks by locking-in asset prices. As instruments of risk management, these generally do not locking-in asset prices, derivative product minimizes the impact of fluctuations in asset prices on the profitability and cash flow situation of risk-averse investors.

Derivatives are risk management instruments, which derive their value from an underlying asset. The underlying asset can be bullion, index, share, bonds, currency, interest etc., Banks, securities firms, companies and investors to hedge risks, to gain access to cheaper money and to make profit, use derivatives are likely to grow even at a faster rate in future.

Objectives

- To know how the companies listed in the stock exchanges.
- To know how trading activity is to be done.
- To know the complete awareness of secondary market (stock exchanges like NSE, BSE).
- To know why the companies go to new issue market in Net worth.
- It is to analyze the changes in trading after the exchange shifted from outer to online trading system.
- It is to study the functions of net worth through various departments.

Research Methodology

The data collections methods include both primary and secondary collections methods.
Primary Method:

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This method includes the data collected from the personal interaction with authorized members of networth.
Secondary Method:
The secondary data collection method includes:

- The lecturers delivered by the superintendents of respective departments.
- The brochures and material provided by net worth.
- The data collected from the magazines of the NSE, economic times, ect.
- Various books relating to the investments, capital market and other related topics.

Data analysis and Interpretation
For the purpose of data anal and interpretation

Reliance Communications
Analysis
Prices of Reliance Communication in Future Market.
First Week

Date	**Open**	**High**	**Low**	**Close**
27-12-2017	792	796.1	775.3	778.5
28-12-2017	782.1	799	791.1	795
31-12-2017	782.1	784	771	775.6
01-01-2018	770	790.2	781.25	783
02-01-2018	778.06	781.45	753	760

Open =792 High =799
Low =753 Close =760

Calculation of Mean
Mean = High Value + Low Value/2
= 799 + 753 / 2
= 776

Interpretation
The price of ICICI bank future market in 27-12-2017 (open) is Rs. 792 after that has increased to Rs. 799 (28-12-2017) and it has come down to low is Rs. 753 at last it was to close at Rs. 760 (02-01-2018)

Second Week

DATE OPEN	HIGH	LOW	CLOSE	
03-01-2018	765	772.6	740.7	749.5
04-01-2018	742	776.4	742	768.45
07-01-2018	795	810	790	810
17-01-2018	818	823	818	812
18-01-2018	820	849	826	835

Interpretation of Second Week Graph
Open = 765 High = 849
Low = 740.7 Close = 835CALCULATION OF MEAN :
Mean = High Value + Low Value/2
= 849 + 740.7 / 2
= 794.85

Interpretation: The price of ICICI bank future market in 03-01-2018 (open) is Rs. 765 after that has increased to Rs. 849 (18-01-2018) and it has come down to low is Rs. 740.7 at last it was to close at Rs. 835 (18-01-2018)

Findings and suggestion

- The volume on the same dates or days volumes are increased. Because totally this session. ICICI BANK EPS value is increased i.e. percentage of 7.88%.
- The volume on the same dates or days volumes are increased. Because on this session RELIANCE COMMUNICATIONS value is raised i.e. percentage of 1.62 %.
- The derivative market is newly started in India and it is not known by every investor, so SEBI has to take steps to create awareness among the investors about the derivative segment
- In order to increase the derivatives market in India, SEBI should revise some of their regulations like contract size, participation of FII in the derivatives market.

Conclusion

- In bullish market the call option writer incurs more losses so the investor is suggested to go for a call option to hold, where as the put option holder suffers in a bullish market, so he is suggested to write a put option.
- In bearish market the call option holder will incur more losses so the investor is suggested to go for a call option to write, where as the put option writer will get more losses, so he is suggested to hold a put option.

Books

1. Donald E.Fischer and Ronald J.Jordan , (2006) Securities analysis and portfolio Management, Pearson Education.
2. Financial Markets and Services – Gordon and Natrajan
3. Indian Financial System – M.Y.Khan
4. WEBSITES :
5. http://www.nseindia.com
6. http://www.bseindia.com
7. http://www.investopedia.com