



Tips for Nifty Futures and Options Trading

What is Nifty Futures?

Nifty futures hold a special position in the Indian derivatives world. It is the most widely traded futures and liquid contract in the Indian stock market. Moreover, Nifty Futures is on the list of top 10 index futures. Nifty futures derive their value from the underlying asset called - Nifty index. However, when the Nifty Index will raise, the Nifty futures value also goes up. Nifty futures is available in three variants - current month, mid-month, and far month.

Tips for Nifty futures Trading

1. Trading is a risky business. Before investing money, ensure that you have the right to buy a particular stock. There are very few shares that can be future traded. Check out all the stocks before investing your money in buying future traded stocks. Shyamadvisory is offering professional Nifty futures tips for successful trading.
2. All the future trading stocks have an expiration date. Here are the guidelines you should follow before investing in futures trading:
 - Expiration date month
 - Expiration date in the third month

Before signing any Nifty futures contract, check out the expiration date.

3. Never invest money in buying individual future stock. A trader buys the futures from the company in bulk as the stock price in bulk is lesser than the actual price. If the stock price is unpredictable, the margin amount will be high.
4. You can sell future stocks any time before the expiration date or on the expiration date. The cash of the future will be settled in two ways
 - In case of loss, the trader pays the differentiation
 - In the case of profit, the trader is paid the difference.
5. Future trends are always settled on the decided date. That means a trader can sell the future without owning it. It is also known as short going, not good for traditional stock trading.
6. Nifty futures positions are leveraged. In normal trading, you get a 10% margin, in intraday 5% margin but when you invest in a Nifty lot, both profit and loss are multiplied. Invest in Nifty futures with strict stop losses and profit targets.
7. Before investing in Nifty futures, understand spread over spot price. Avoid purchasing futures in huge number even if its looks premium steep compared to spot price. Also, never buy lots of the Nifty futures at discount price, it is a sign of aggressive selling.
8. It is advisable to check the open interest data to know about the trend accumulation. It will give you an idea about the direction of open interest - short or long side. However, the data helps you to make wise decisions while investigating Nifty futures trading. You can take [bank nifty options tips](#) from the Shyamadvisory.
9. You must know who is on the other side while selling the Nifty futures options. If you know the seller's intentions, you can make a wise decision while buying Nifty futures.
10. There is a statutory and brokerage cost when you trade the Nifty futures. At a breakeven point, these costs make a huge difference. Under Nifty futures, the profit and loss are considered as capital gains or capital losses. Tax will be imposed on the capital gains from the market instruments. However, you can save huge money by monitoring the additional costs.

What is the Nifty Option?

Nifty Options is the derivative asset of Nifty. The size of the Nifty futures is 75, with different strikes and multiple expiry periods. Nifty Option is just a derivative like Futures, but the profit and loss will depend on the up and down in NSE NIFTY. There are two types of Nifty Options - Call options and Put options.

Nifty Option offers a right to buy the index on a predetermined date. And Put Option, allows the buyer to sell the index.



Tips for Nifty Options Trading

1. You can make a large profit by trading nifty options when the market is at its lowest point. Nifty put option gets you the profit when the market is at a low point, buy nifty put option and make profit with less risk. Invest in a nifty put option, when the market is moving opposite to short-term trend direction. You can check Shyamadvisory for the best [bank nifty tips](#).

2. Nifty option trading depends on the price chosen by the trader. The expiration date of the nifty option affects the strike price. Traders can choose the out-of-money or in-the-money options as per the expiration date.

3. Traders can go for both types of nifty options - put option and call option. Both the options have the same price, bought at the same point of time, and same expiration date. The risk in nifty options trading is less and the profit is limitless.

4. Traders can make a huge profit when the expiration date is close as it is the premium time.

However, to make a profit in the market, a trader should have knowledge and tips. The deep research helps you to understand the market thoroughly and saves you from losing all the capital. You need to be very careful while investing in anything whether stock, commodity, or Nifty.

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