



Omnesys Technologies Pvt. Ltd.



NEST PLUS

**Nest Plus IndexMatters User Manual
February, 2013**

Document Information

DOCUMENT CONTROL INFORMATION	
DOCUMENT	Nest Plus – IndexMatters User Manual
VERSION	1.0.0.0
VERSION NOTES	This document explains about the features and functionalities of the IndexMatters service on Nest Plus.
KEYWORDS	



Proprietary Notice

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Introduction to IndexMatters

IndexMatters is a Trader Navigation Service for traders of Nifty and related instruments/stocks/indices. IndexMatters provides market commentaries on key developments and expectations, periodic updates on market undercurrent and calls to action during market hours. The trader guidance is designed to be a comprehensive solution that spots quality entries followed by continuous trade management support in order to optimize yields.

All Calls to Action are followed by Stop Loss levels which are periodically revised based on the strength of the trend. A favorable trend leads to revision of the Stop Loss (SL) levels to Protect profit (PP) levels gradually. Proactive exit recommendations (before the trailing SL/PP are triggered) are generated to optimize the profits. The SL/PP levels provide cover in case of any rapid movement of the market against the position. You can expect 1-3 high conviction trading calls in a normal trading day.

Use cases for IndexMatters service

IndexMatters calls are optimised for intraday directional trading in Nifty futures. However, any of the following classes of traders can use IndexMatters' recommendations as a reference and guide for their trades.

- Nifty Option Traders
- Bank Nifty Traders (Futures/Options)
- High beta stock traders (Cash/Futures/Options)
- Strategy / Positional Traders who would like to add to/unwind their positions for timing their actions
- Trading desks which trade frequently for small profits could benefit from the market under current guide for better results

Benefits and Unique Features of IndexMatters

- Proven proprietary quant model
- Intelligent learning algorithms
- Crisp commentary for an overview of events and expectations that move the markets
- Entry to Exit guidance in real time, with built in, scientific risk management
- High quality and actionable recommendations (Around 1-3 per day; There might be no trade days also)
- Good trading yields without excessive downside exposure
- Reliable reference to avoid over trading and impulsive decisions
- Profit optimization through dynamic position monitoring

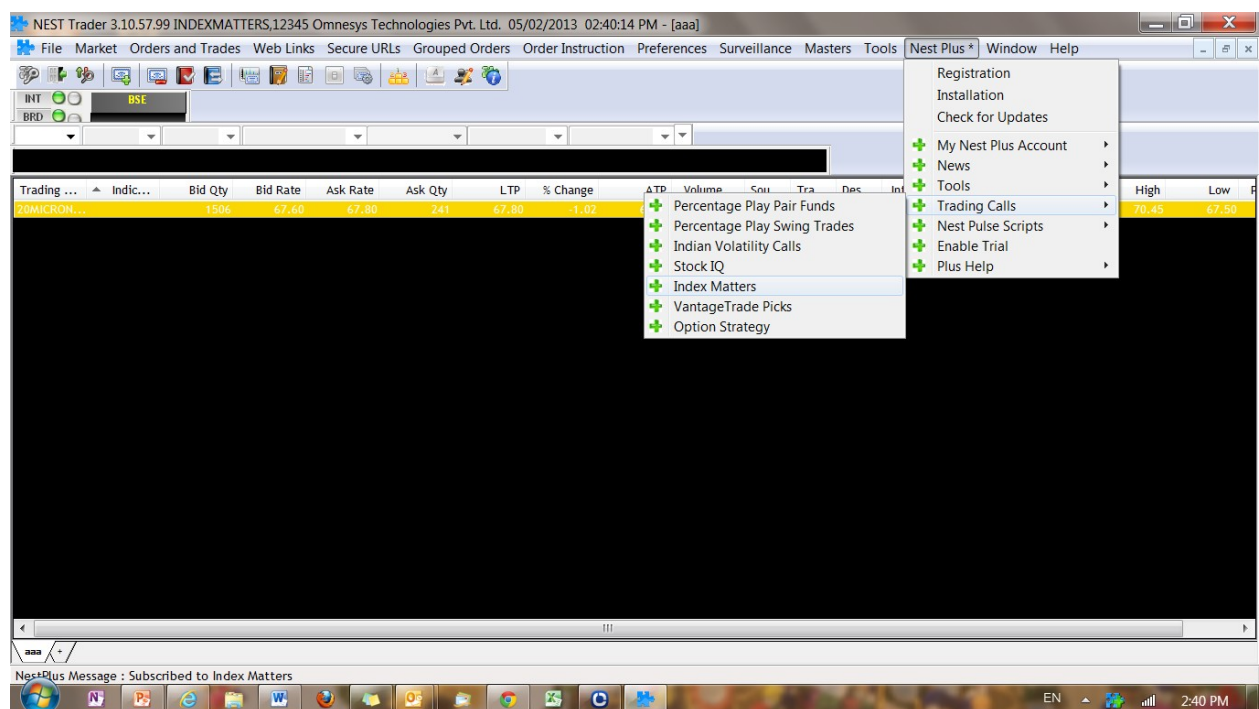
Getting Started with IndexMatters

To get started with IndexMatters calls:

Click on the Nest Plus menu in Nest Trader/ NOW → Select Trading Calls → Click on IndexMatters.

If you have not subscribed for this service, a window will appear along with the link to subscribe for it.

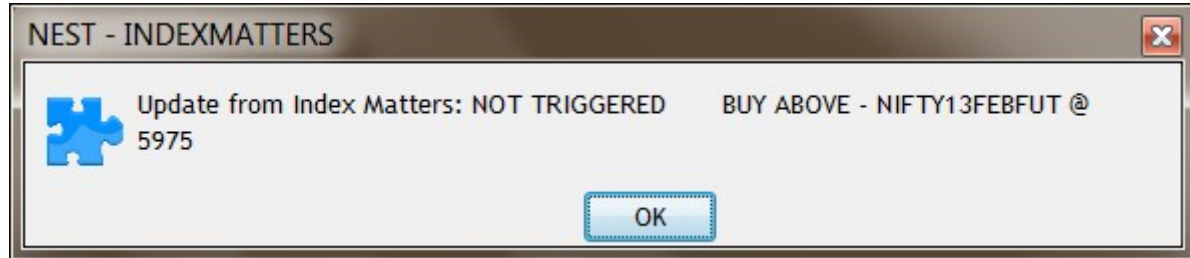
If you already have this service enabled, you can start viewing and acting on the calls.



Recommendations explained

IndexMatters has the following types of Calls to Action

BUY ABOVE:

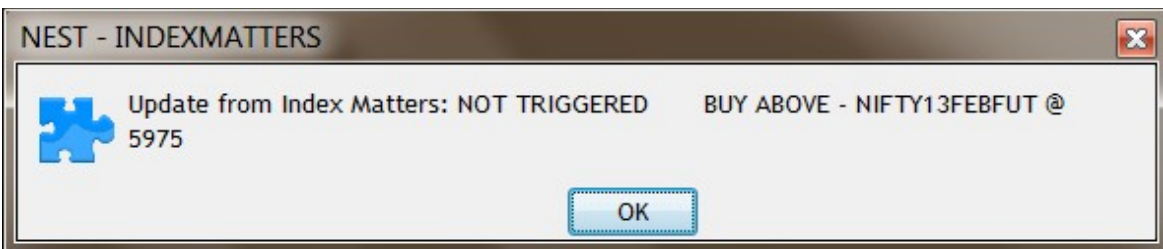


Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:09:20	5975	BUY ABOVE	5960	NA	NA	NOT TRIGGERED	NA	IndexMatters	BUY above 5975, with SL @ 5960

This is a level based Buy call, that will create a long position when it is triggered. The idea here is to buy Nifty futures when it crosses the Price Level (in this example 5975) on the upside. You should place the SL Buy order with the Price Level (5975) as the trigger and an appropriate Limit Price*. The order will not be executed until the price of Nifty futures touches/exceeds the trigger price (5975). The Stop Loss level (5960) is the recommended SL level for an active position triggered by this BUY ABOVE order.

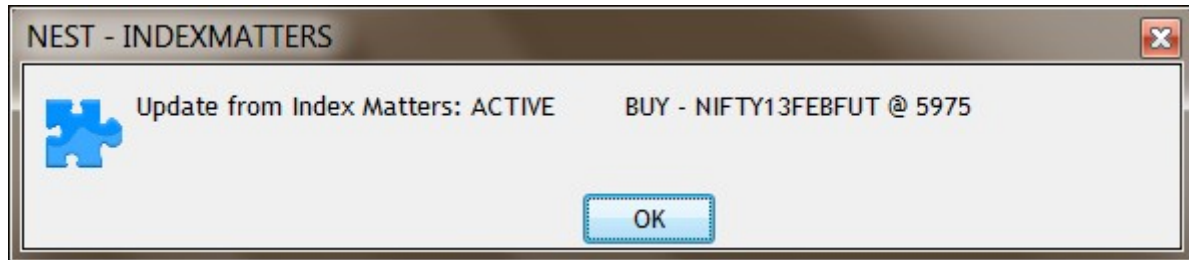
Notes:

The status of the call will be “NOT TRIGGERED” till the trigger level is reached. After the trigger level is crossed, please make sure your order is executed by opening your trade book and follow with a SL SELL order with trigger price around the recommended Stop Loss (5960) and appropriate Limit Price*. Once the BUY ABOVE is triggered, you will receive a notification call - (BUY at market price around 5975). You may ignore this if your Buy Above order is already executed. Limit Prices are chosen based on experience and it depends on the size of the order and the spreads in the chosen symbol. A very low band (between trigger and limit) may lead to failure of execution when the market is moving rapidly and a high band may incur higher spread costs. For 1 to 10 lot traders 0.2 to 0.8 points is suggested in Nifty futures. Some systems may not require/allow limit prices in which the order is activated as a market order



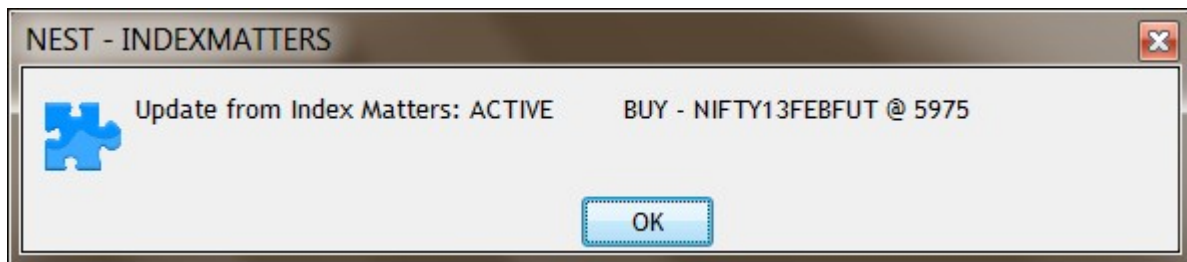
Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:09:20	5975	BUY ABOVE	5960	NA	NA	NOT TRIGGERED	NA	IndexMatters	BUY above 5975, with SL @ 5960

BUY:



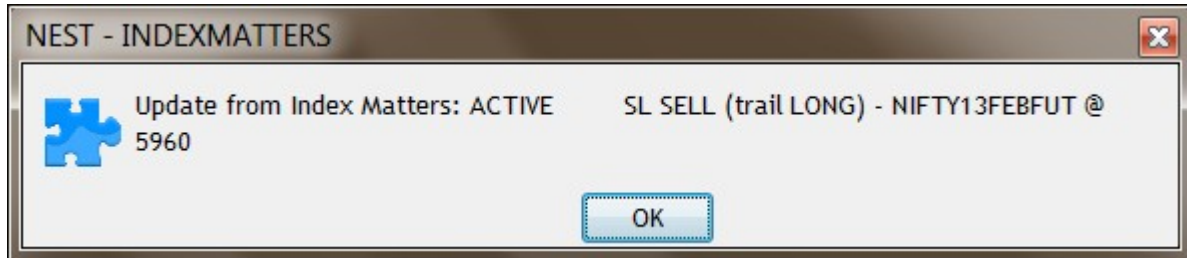
Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:14:26	5975	BUY	5960	NA	NA	ACTIVE	NA	IndexMatters	BUY at market around 5975 with SL @ 5960
NIFTY13FEBFUT	05-02-2013 14:09:20	5975	BUY ABOVE	5960	NA	NA	NOT TRIGGERED	NA	IndexMatters	BUY above 5975, with SL @ 5960

This is a call for buying Nifty futures at market price. (If this follows a BUY Above mentioned above, it is for notification purposes as you would already be in the LONG position). The Price Level (5975) at the time the call was initiated is specified. Execution may be done using market orders around this Price Level. The Stop Loss level (5960) is the recommended SL level for the active Long position. You will also also receive a notification for setting the SL immediately following this as shown under SL (Trail Long.) The status of the call will be 'ACTIVE'



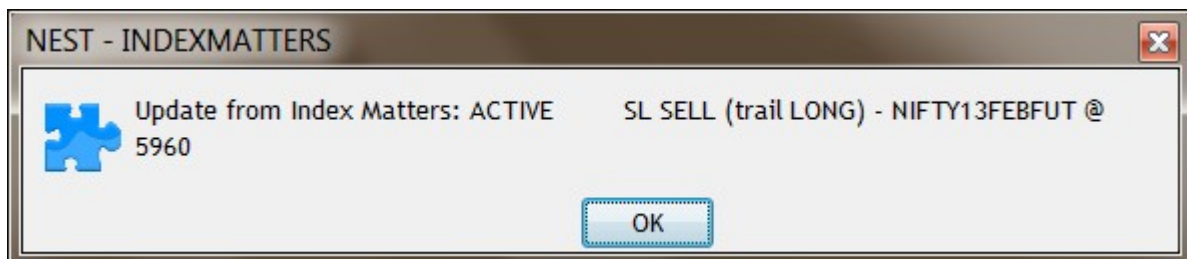
Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:09:20	5975	BUY ABOVE	5960	NA	NA	NOT TRIGGERED	NA	IndexMatters	BUY above 5975, with SL @ 5960

SL SELL (Trail Long):



Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:17:52	5960	SL SELL (trail LONG)	NA	NA	NA	ACTIVE	NA	IndexMatters	SL SELL order @ 5960 to protect LONG position

IndexMatters provides you with the appropriate stop loss level for every trade you enter. This is a call to place your stop loss order to protect yourself from downsides. SL SELL call comes to you right after you receive a BUY call. It is relevant to you only if you have a long position active. You will need to enter this order to trail your existing LONG position. Please go through your order book and ensure that you have entered the right no of of lots. Notes: Placing the SL SELL (Long Trail) order need not wait till this notification. Place this order rightaway once you are in a LONG position.



Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:17:52	5960	SL SELL (trail LONG)	NA	NA	NA	ACTIVE	NA	IndexMatters	SL SELL order @ 5960 to protect LONG position

Modify SL SELL:



The screenshot shows a dialog box titled "NEST - INDEXMATTERS" with a close button (X) in the top right corner. Inside the dialog, there is a blue puzzle piece icon on the left. The text reads: "Update from Index Matters: ACTIVE" and "MODIFY SL SELL (trail LONG) - NIFTY13FEBFUT @ 5972". Below this text is an "OK" button.

Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:21:34	5972	MODIFY SL SELL (trail LONG)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL SELL order to 5972

As a part of active trade management, it is important to adjust the SL levels as the market moves in your favour. As Nifty keeps moving up, the recommended stop loss level will move up too, eventually becoming protect profit level. As long as the long position is active, you may receive MODIFY SL SELL calls to move your SL levels. You can modify your stop loss by opening your order book and modifying the trigger to the Price Level (5972) and appropriate Limit of your SL SELL order. Do remember to ensure that your SL SELL quantity is same as the quantity you bought earlier.

Note: You may receive periodic MODIFY SL order recommendation aimed at improving the locked profit keeping the upside potential open.



This is a duplicate of the screenshot above, showing the same dialog box and order book table.



SELL (Square off Long):

X

Update from Index Matters: CLOSED SELL (sq.off LONG) - NIFTY13FEBFUT @
 5995

OK

Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:50:25	5995	SELL (sq.off LONG)	NA	5995	14:50:10	CLOSED	20	IndexMatters	Modify SL SELL order to Market order and exit LONG

This is an call to exit the long position at market price. It is not relevant if you don't have a long position or if your long position is already exited because of stop loss having been triggered. (If your stop loss was triggered, make sure you have no open position by checking your order book and you may ignore this notification) The call also provides you with the approximate Price Level at the time it was given. You can exit your long position by opening your order book and modifying your SL SELL order to a market order. Again, please ensure that the you are not selling more quantity than you had bought. The status of the call would be "CLOSED". The Exit time and Profit per Lot (points) will also mentioned.

X

Update from Index Matters: CLOSED SELL (sq.off LONG) - NIFTY13FEBFUT @
 5995

OK

Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:50:25	5995	SELL (sq.off LONG)	NA	5995	14:50:10	CLOSED	20	IndexMatters	Modify SL SELL order to Market order and exit LONG



Example of call flow in a LONG Trade

The following picture illustrates the different calls to action involved in a LONG trade from beginning to end. The top most call to action is the latest.

Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13FEBFUT	05-02-2013 14:50:25	5995	SELL (sq off LONG)	NA	5995	14:50:10	CLOSED	20	IndexMatters	Modify SL SELL order to Market order and exit LONG
NIFTY13FEBFUT	05-02-2013 14:24:47	5985	MODIFY SL SELL (trail LONG)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL SELL order to 5985
NIFTY13FEBFUT	05-02-2013 14:21:34	5972	MODIFY SL SELL (trail LONG)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL SELL order to 5972
NIFTY13FEBFUT	05-02-2013 14:17:52	5960	SL SELL (trail LONG)	NA	NA	NA	ACTIVE	NA	IndexMatters	SL SELL order @ 5960 to protect LONG position
NIFTY13FEBFUT	05-02-2013 14:14:26	5975	BUY	5960	NA	NA	ACTIVE	NA	IndexMatters	BUY at market around 5975 with SL @ 5960
NIFTY13FEBFUT	05-02-2013 14:09:20	5975	BUY ABOVE	5960	NA	NA	NOT T...	NA	IndexMatters	BUY above 5975, with SL @ 5960

Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13MARFUT	05-02-2013 15:09:48	5961	BUY (sq off SHORT)	NA	5961	15:09:5	CLOSED	14 points	IndexMatters	Modify SL BUY order to Market order and exit SHORT
NIFTY13MARFUT	05-02-2013 15:06:45	5960	SL BUY (trail SHORT)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL BUY order to 5960
NIFTY13MARFUT	05-02-2013 15:06:04	5983	SL BUY (trail SHORT)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL BUY order to 5983
NIFTY13MARFUT	05-02-2013 15:04:26	5990	SL BUY (trail SHORT)	NA	NA	NA	ACTIVE	NA	IndexMatters	SL BUY order @ 5990 to protect SHORT position
NIFTY13MARFUT	05-02-2013 15:03:11	5975	SELL	5990	NA	NA	ACTIVE	NA	IndexMatters	SELL at market around 5975 with SL @ 5990
NIFTY13MARFUT	05-02-2013 15:01:30	5975	SELL BELOW	5990	NA	NA	NOT T...	NA	IndexMatters	SELL below 5975 with SL @ 5990

Here's the sequence of the calls and what they represent.

14:09:20 – Buy Nifty Feb 2013 Futures above 5975: IndexMatters spots an entry. However, it is applicable only above the mentioned level. The status of this call is “NOT TRIGGERED”. It is recommended that you put in a level based (with trigger as 5975 and lets say, limit as 5976) buy order in the system. It is triggered only when Nifty Futures price crosses 5975 on the upside. There is no position yet. Hence, Exit time, Exit price and Profit per lot are not applicable yet.

14:14:26 – Buy Nifty Feb 2013 Futures at around 5975: The price trigger is met and the “BUY Above” call becomes a “BUY” call. The status is “ACTIVE”. 5975 is the approximate market price at the time of the call. This is a reminder for you to ensure that your level based buy order is executed. (And if not, buy at market price, assuming that the market price has not moved much from 5975). The LONG position is active now. Exit time, Exit price and Profit per lot are still not known at this point of time and will not be known until the exit actually happens (either a proactive exit or stop loss getting triggered).

14:17:52 – SL SELL (trail long) at 5960: Since the long position is active, you will need to put in a stop loss order in the system to protect from the downside. This sell order is not a market order it needs to be put in with trigger (5960) and limit prices (lets say 5959). This order is executed when Nifty Futures price crosses 5960 on the downside. Assuming that you entered the LONG position in Nifty futures at the level 5975, the stop loss given is 5960.



14:21:34 – Modify SL SELL (trail LONG) to 5972: Nifty futures moved up by 12 points from the recommended level of entry. So the stop loss order should also be moved approximately by 12 points to 5972 (from 5960). Please ensure that you modify the earlier order and not enter a fresh sell order.

14:24:47 – Modify SL SELL (trail LONG) to 5985: Nifty futures moved up by 25 points from the recommended level of entry. So the stop loss order should also be moved approximately by 25 points to 5985 (from 5960). Please ensure that you modify the earlier order and not enter a fresh sell order.

14:50:25 – SELL (Square off LONG) at 5995: IndexMatters detects that the end of the trend. It is a signal for you to take profits and square off your long position, even though your stop loss has not been triggered. However, not all exits are proactive. At times, exit from a position can happen by stop loss being triggered.

The calls to action in a Short trade are illustrated below.

Symbol	Call Date	Price Level	Action	Stop Loss	Exit Price	Exit Time	Status	Profit Per Lot	Trading System	Remarks
NIFTY13MARFUT	05-02-2013 15:09:48	5961	BUY (sq. off SHORT)	NA	5961	15:9:5	CLOSED	14 points	IndexMatters	Modify SL BUY order to Market order and exit SHORT
NIFTY13MARFUT	05-02-2013 15:06:45	5960	SL BUY (trail SHORT)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL BUY order to 5960
NIFTY13MARFUT	05-02-2013 15:06:04	5983	SL BUY (trail SHORT)	NA	NA	NA	ACTIVE	NA	IndexMatters	Modify SL BUY order to 5983
NIFTY13MARFUT	05-02-2013 15:04:26	5990	SL BUY (trail SHORT)	NA	NA	NA	ACTIVE	NA	IndexMatters	SL BUY order @ 5990 to protect SHORT position
NIFTY13MARFUT	05-02-2013 15:03:11	5975	SELL	5990	NA	NA	ACTIVE	NA	IndexMatters	SELL at market around 5975 with SL @ 5990
NIFTY13MARFUT	05-02-2013 15:01:30	5975	SELL BELOW	5990	NA	NA	NOT T...	NA	IndexMatters	SELL below 5975 with SL @ 5990

Note: The collapsable menu can be opened/Closed by double clicking any of the rows.