

# ASM (Additional Surveillance Measures) - Important Information for Investors

In line with SEBI and exchange mandates, securities that show signs of abnormal price or volume movements may be placed under **ST-ASM (Short-Term Additional Surveillance Measures)**. These measures aim to enhance market integrity, control volatility, and protect investors.

---

## What is ASM?

ASM is a surveillance mechanism used to monitor and control the trading of securities exhibiting unusual patterns. It involves staged actions based on real-time risk assessment.

---

## ASM Stages Explained

Stage	Details
Stage 1	Identification of securities based on predefined risk criteria, such as sudden spikes in price or trading volume.
Stage 2	Imposition of preventive controls like <b>tighter price bands, increased margin requirements, or disclosure obligations</b> .
Stage 3	Ongoing surveillance and review to check for continued irregularities or new risk indicators.
Stage 4	<b>Modification or removal</b> of surveillance measures depending on the security's performance and market behavior.
Stage 5	Continuous monitoring and re-adjustment to maintain orderly market conditions and safeguard investors.

---

## ITM & OTM – Options Trading Terminology

While not directly related to ASM, many traders monitor ITM/OTM options in volatile stocks often under surveillance.

- **ITM (In The Money)**

- **Call Option:** Strike Price < Current Market Price → Profitable if exercised.
- **Put Option:** Strike Price > Current Market Price → Profitable if exercised.
- **OTM (Out of The Money)**
  - **Call Option:** Strike Price > Current Market Price → Not profitable to exercise.
  - **Put Option:** Strike Price < Current Market Price → Not profitable to exercise.

These terms help traders evaluate risk and return when options are linked to volatile or ASM-listed stocks.

---

## Summary

Aspect	Details
<b>Purpose</b>	To curb excessive volatility and speculative activity
<b>Applies To</b>	Securities with unusual price/volume behavior
<b>Surveillance Levels</b>	Stage 1 to Stage 5
<b>Measures Include</b>	Price bands, margin hikes, trade restrictions
<b>Options Impact</b>	ITM/OTM evaluations are key for volatile stocks
<b>Objective</b>	Protect investors and ensure market stability

---

## Investor Advisory:

Securities under ASM may be risk-sensitive and subject to rapid changes in trading conditions. Please refer to the exchange bulletins or contact our team for the latest ASM listings before placing orders.