



daring derivatives



February 07, 2007

Derivatives Summary

- The discount in the Nifty (February) futures decreased to 1.3 points from 10.15 points and the futures added around 14 lakh shares in the open interest.
- The total open interest in the market is Rs57,872 crore and there was an addition of around Rs1,730 crore in the open interest during the day.
- The Nifty stocks added 68 lakh shares in the open interest.
- Amtek Auto (70%), Chennai Petro (50%), Zee Tele (18%), i-flex (16%) & Sesa Goa (16%) were the top open interest gainers.
- IFCI (-28%), Orchid Chemical (-13%) & IDFC (-12%) shed open interest.
- Nagarjuna Fertilisers (98%), Century Textile (96%), JPHydro (96%), Parsvnath (94%), Arvind Mills (94%), SRF (93%) & Essar Oil (92%) are very close to their market wide position limits.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4191	4205.2	-0.34%
Nifty CoC	-0.35%	-5.17%	-93.16%
OI	32989700	31589800	4.43%
Vol	16579000	13359900	24.10%
PCR(OI)	1.83	1.89	-3.17%
PCR (VOL)	1.47	1.85	-20.54%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	16.16%	14.52%	1554200	20.75%
4100 C	18.21%	15.48%	3207900	1.77%
4250 C	15.43%	13.80%	365200	32.51%
4300 C	14.21%	22.10%	186700	-
4200 Mar C	19.16%	18.78%	503100	47.23%

Market View

The market opened on a positive note but immediately slipped into negative territory and traded in a narrow 4195-4220 zone for the rest of the day. Towards the close the index broke below the key intra-day support of 4195 and closed below that level indicating a bit of worry in the market. The volumes in the Nifty futures were relatively higher and the futures added around 14 lakh shares in the open interest towards the long side. On the options front the implied volatility of the calls has increased indicating fresh long positions. The deep out of the money calls witnessed aggressive writing indicating limited upside in the short term. The puts continued to add open interest on the short side indicating a downward trigger for the market. The market is likely to open on a flat to negative note and the undertone of the market will be on the negative side unless the Nifty witnesses a strong bounce back from the current levels. The global markets will play an important role in deciding the direction of the market. The key support levels for the Nifty are 4170 and 4130 and there is a resistance around 4220.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 P	20.37%	21.04%	1456500	3.73%
4100 P	23.82%	23.81%	3937700	4.05%
4200 Mar P	26.37%	27.12%	566200	87.92%
4150 P	21.74%	22.04%	660600	4.15%
4000 P	27.08%	27.48%	3378500	2.42%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	9.88%	5.11%	11939100	5.79%
RCOM	17.74%	-5.63%	15890000	17.51%
RELCAPITAL	6.15%	3.54%	5310800	-5.04%
IDBI	14.91%	20.94%	50352000	1.99%
GMRINFRA	3.63%	-10.02%	5982000	-3.44%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1380 C	26.39%	23.43%	464400	-8.13%
DIVISLAB 3500 C	57.85%	39.19%	18750	-
RCOM 500 C	43.59%	30.84%	420700	57.74%
IDBI 110 C	62.37%	61.36%	2496000	15.30%
TATASTEEL 480 C	38.26%	38.88%	1049625	2.91%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1380 P	23.24%	22.60%	101400	6.96%
TATASTEEL 470 P	32.34%	32.82%	203175	15.77%
RCOM 500 P	37.19%	39.07%	56700	-18.18%
RELCAPITAL 700 P	40.21%	40.76%	20350	208.33%
SAIL 110 P	48.66%	48.57%	351000	4.00%

Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
6-Feb-07	Century Textile Sell	705	710	695-680	3-4 days	Closed
6-Feb-07	Hindalco Buy	177.7	176	180-183	Intraday	Stopped out
6-Feb-07	Nifty 4100 put Buy	41-42	-	75-90	3-4 days	Open
5-Feb-07	Bharat Forge Buy	356-358	353 (clsg basis)	372-378	1-2 days	Open
5-Feb-07	Allahabad Bank Sell	89.5	91.5	87.5-85	Intraday	Closed
5-Feb-07	Bombay Dyeing Sell	708-710	717	696-690	Intraday	Closed
2-Feb-07	Parsvnath Buy	402-403	398	410-420	2-3 Days	Closed
2-Feb-07	UTI Bank Buy	535-538	529.5	560-570	1-2 Days	Not Initiated
2-Feb-07	Zee TV Buy	324-326	318.5	331-336	1-2 Days	Target achieved

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