



daring derivatives



February 05, 2007

Derivatives Summary

- The Nifty (February) futures traded at a discount of 9.3 points as against a premium of 1.15 points witnessed the previous day and the futures shed around 9.48 lakh shares in the open interest.
- The total open interest in the market is Rs53,798 crore and there was an addition of around Rs1,430 crore in the open interest during the day.
- The Nifty stocks added 16.57 lakh shares in the open interest.
- UTI Bank (75%), Amtek Auto (48%), i-Flex (30%) & Kotak Bank (26%) were the top open interest gainers.
- Escorts (-25%), Ultracemco (-24%) & Gujambcem (-20%) shed open interest.
- Essar Oil (95%), Century Textile (93%), Parsvnath (93%), Arvind Mills (91%), Nagarjuna Fertilisers (91%) & IFCI (90%) are very close to their market wide position limits.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4172.5	4138.35	0.83%
Nifty CoC	-2.95%	0.48%	-710.10%
OI	31119300	32067400	-2.96%
Vol	16042200	20465400	-21.61%
PCR(OI)	1.8	1.72	4.65%
PCR (VOL)	1.7	1.68	1.19%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	15.47%	19.12%	1234000	13.28%
4100 C	16.95%	20.25%	3198000	-1.93%
4150 C	15.49%	19.59%	708200	7.43%
4100 Mar C	19.01%	21.52%	574600	23.94%
4200 Mar C	19.09%	19.57%	294700	67.73%

Market View

The market opened on a strong note on account of strong global cues and remained in positive territory all through the day. Towards the close there was some weakness on account of profit booking. The rally in the market could be attributed to selective buying in a few heavyweights like Bharti Airtel, Zee Tele and Rcom. The volumes in the Nifty futures were lower than on the previous trading days and the futures witnessed profit booking indicated by the decrease in the open interest along with a decrease in the cost of carry. On the options front the implied volatility of the calls decreased, indicating the bias of the market to remain positive. However one should adopt a cautious approach from the current levels, as the rise in the market is not broad based. The market is likely to open on a flat note and will take its cue from the global markets. The key support level for the Nifty is 4130 and there is a resistance around 4200.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	23.20%	24.05%	3570200	0.85%
4200 P	21.12%	22.86%	742800	399.87%
4000 P	25.06%	25.76%	3339900	3.64%
4150 P	22.08%	22.89%	469600	92.62%
4150 Mar P	26.68%	32.97%	318000	232.29%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RCOM	3.91%	2.01%	15734600	7.45%
TATASTEEL	16.20%	19.19%	26440425	10.94%
BHARTI	2.96%	-0.12%	9388000	15.45%
RELIANCE	-0.59%	9.90%	11474100	2.38%
RELCAPITAL	12.00%	16.15%	6034600	10.45%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
TATASTEEL 480 C	37.94%	42.83%	974025	12.30%
RCOM 490 C	32.51%	32.28%	226800	852.94%
RELIANCE 1410 C	19.64%	22.98%	504000	17.40%
SBIN 1200 C	34.34%	33.57%	229500	28.93%
HINDALCO 190 C	31.46%	35.35%	816640	14.03%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
HINDALCO 180 P	30.56%	26.90%	216920	142.86%
TATASTEEL 470 P	35.15%	35.14%	174825	64.97%
SBIN 1200 P	25.53%	28.44%	54000	125.00%
RCOM 480 P	31.10%	32.48%	42700	1425.00%
RELIANCE 1350 P	23.24%	21.71%	120300	20.06%

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Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
2-Feb-07	Parsvnath Buy	402-403	398	410-420	2-3 Days	Open
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
1-Feb-07	IVRCL Buy	409.5	406.5	425-440	2-3 Days	Target achieved
1-Feb-07	Nifty Buy	4101	4082	4120-4135	Intraday	Target achieved
29-Jan-07	Hindalco 190 Call Buy	1.8-2	-	5--6	8-10 Days	Open

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