



# daring derivatives



March 02, 2007

## Derivatives Summary

- The discount in the Nifty (March) futures increased to -31.05 points from -19.3 points and the futures added around 0.73 lakh shares in the open interest.
- The total open interest in the market is Rs51,269 crore and there was an addition of Rs2,367 crore in the open interest during the day.
- The Nifty stocks added 1.01 crore shares in the open interest.
- IFCI (14%), JP Associate (13%), Sail (13%), Gujarat Ambuja (12%) & Cipla (11%) were the top open interest gainers in the market.
- Renuka (-15%), Wockhardt (-14%) & GMR Infra (-12%) were the top open interest losers in the market.
- IFCI (94%) & Essar Oil (85%) are very close to their market wide position limits.

## Market View

The market witnessed a strong bounce back from the low of 3716 in the second half of the day mainly on account of selective buying in a few heavyweight counters like Reliance Industries and information technology stocks and aggressive short covering. The volumes in the Nifty futures were relatively higher and there was a marginal addition in the open interest of 73,000 shares on the short side. On the options front the implied volatility of both the calls and puts decreased significantly and call options witnessed writing while the puts witnessed profit booking. Overall the sentiments of the market are still cautious and we might continue to witness high volatility for the next few days. It is advisable to reduce the leveraged long positions on every rise till the market gives a clear signal of a trend reversal or bottoming out. The market is likely to open on a cautious note and if it is unable to hold 3750 then we might see some more downside. The global markets will continue to play an important role and will have a great impact on the morning trades. The key support levels for the Nifty are 3750 and 3700 and there will be resistances around 3850 and 3900.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	3784	3726	1.56%
Nifty CoC	-10.61%	-6.49%	63.58%
OI	37866350	37793250	0.19%
Vol	72926500	121785800	-40.12%
PCR(OI)	1.03	1.06	-2.83%
PCR ( VOL)	0.9	0.96	-6.25%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3800 C	26.21%	29.79%	2334400	60.40%
3900 C	26.28%	29.53%	1412100	2.98%
3700 C	27.86%	36.65%	486150	-
4100 C	25.90%	30.19%	2942500	8.79%
4000 C	26.18%	29.49%	2373900	3.21%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3700 P	28.11%	25.33%	1578400	-
3800 P	26.57%	30.57%	3684300	-2.74%
3900 P	26.56%	30.74%	2617900	-9.30%
4000 P	26.49%	30.64%	2341750	0.23%
3760 P	28.23%	31.83%	1919350	3.98%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	1.43%	7.68%	11732250	-1.17%
IFCI	8.56%	0.00%	97098750	15.16%
IVRCL	6.38%	5.16%	9268000	-0.84%
SESAGOA	7.19%	3.39%	1592850	10.35%
RCOM	-2.75%	5.56%	16308600	-1.87%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 23 FEB 07			
	Buy	Sell	Difference
INDEX FUTURES	2959.51	3355.02	-395.51
INDEX OPTIONS	796.55	144.07	652.48
STOCK FUTURES	1248.34	904.54	343.80
STOCK OPTIONS	5.1	2.66	2.44
TOTAL	5009.5	4406.29	603.21

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
IFCI 30 C	85.96%	90.25%	6583500	24.04%
RELIANCE 1410 C	25.87%	31.18%	422700	-14.74%
IDFC 100 C	66.65%	71.83%	1056100	12.23%
TATASTEEL 460 C	34.72%	40.53%	273375	24.23%
SBIN 1050 C	36.90%	38.91%	61750	51.53%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1320 P	24.79%	24.26%	123750	131.74%
IFCI 25 P	86.31%	94.57%	1071000	22.52%
SBIN 1020 P	36.38%	35.41%	41000	35.54%
SATYAM 420 P	41.56%	36.19%	43200	554.55%
TATASTEEL 440 P	30.02%	34.87%	139050	1.48%

## Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
27-Feb-07	Sterlite Ind. Buy	509	503	525-540	2-3 Days	Stoploss triggered
26-Feb-07	Nifty Buy	3937.5	3915	3985-4020	1-2 Days	Stoploss triggered

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