



daring derivatives



June 11, 2007

Derivatives Summary

- Nifty (June) futures' discount increased to 27.7 from 18.6 and added around 13.3 lakh shares in open interest.
- The total open interest in the market was 61,810 crore and added around 2,504 crore in open interest.
- Nifty calls added 16.79 lakh shares and puts added around 13.78 lakh shares in open interest.
- IPCL (36%), Relcap (18%), HCC (15%), Renuka (15%), ACC (14%), Gujarat Ambuja (13%), ITC (13%) and VSNL (13%) were the top interest gainers in the market.
- Shree Cement (-18%), IFCI (-11%) and GMR Infra (-11%) were the top open interest losers in the market.
- IFCI (92%), Parsvnath (91%), BRFL (90%), IDBI (89%) and Nagarjuna Fertilizers (86%) are very close to their market wide position limits.

Market View

The market opened in the red, in line with the weak global cues, with a gap of around 46 points. It made an attempt to become positive throughout the day and went till 4195 but closed down with a loss of about 36 points amid huge volatility in the last hour of the trading session. Volumes in Nifty futures were lower than the average and added around 13 lakh shares in open interest toward the short side. On the option front, implied volatility of options was almost the same with call options adding more open interest than put options. There is huge amount of short open interest build-up at around 4160-4180 levels in future which will prevent the market from bouncing back from here. All these factors along with weak global cues are indicating weakness in the market. So one should remain cautious and avoid long positions at these levels. Key support levels for the Nifty are 4120 and 4080 whereas resistance will be around 4160 and 4180.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4122.1	4160.9	-0.93%
Nifty CoC	-12.18%	-7.74%	57.49%
OI	36549150	35217100	3.78%
Vol	34585150	37283950	-7.24%
PCR(OI)	1.31	1.38	-5.07%
PCR (VOL)	0.91	0.96	-5.21%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	25.65%	24.76%	2911550	12.56%
4300 C	24.37%	23.41%	3496700	5.98%
4100 C	26.20%	26.15%	1341600	83.93%
4350 C	23.31%	22.25%	1759450	4.70%
4150 C	26.68%	24.64%	435500	104.17%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	25.44%	26.44%	3014550	15.67%
4200 P	24.70%	24.81%	4941950	-1.33%
4000 P	27.40%	27.04%	2329750	11.10%
4150 P	25.49%	25.35%	684700	66.03%
4250 P	23.91%	23.22%	1030950	4.76%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	7.14%	9.68%	6793200	7.63%
SBI	-5.41%	-4.02%	9228250	6.98%
INFOSYS	-2.34%	-1.20%	6213100	5.43%
SATYAM	5.54%	0.90%	12665400	9.59%
RCOM	10.64%	-0.17%	18372200	9.22%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 07 JUNE			
	Buy	Sell	Difference
INDEX FUTURES	1192.72	2805.93	-1613.22
INDEX OPTIONS	530.42	133.92	396.50
STOCK FUTURES	544.69	438.59	106.10
STOCK OPTIONS	0.05	3.15	-3.10
TOTAL	2267.88	3381.59	-1113.72

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 C	30.48%	30.90%	218400	21.33%
SATYAM 500 C	40.21%	38.70%	324600	72.84%
HINDALCO160 C	39.50%	40.75%	826210	-6.83%
TATASTEEL 640 C	41.94%	29.86%	710100	-6.41%
INFOSYS 2010 C	27.89%	27.31%	201500	7.52%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1650 P	28.78%	25.73%	81750	24.43%
SBI 1350 P	41.04%	38.43%	103000	19.77%
SATYAM 480 P	35.93%	39.41%	90600	694.74%
HINDALCO 150 P	38.21%	38.02%	263175	38.66%
INFOSYS 1920 P	30.14%	25.23%	69300	-5.84%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
7-Jun-07	Air Deccan	Buy	144-145	142	152-160	2-3 Days	Stop loss triggered
6-Jun-07	Nifty	Sell	4267-4270	4288	4230-4200	1-2 days	Target achieved
5-Jun-07	Praj Industries	Buy	489-490	484.9	505-525	3-4 Days	Profit booked
5-Jun-07	SBI	Sell	1395.5	1405	1382-1370	1-2 Days	Stop loss triggered
4-Jun-07	Nifty	Sell	4298-4300	4310	4250-4210	2-3 Days	Target achieved
31-May-07	Century	Buy	610-611	606.5	620-625	Intra-day	First target

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