



daring derivatives



June 14, 2007

Derivatives Summary

- Nifty (June) futures' discount increased to 21.3 from 8.45 and added around 25 lakh shares in open interest.
- Total open interest in the market is 65652 crs & added around 2087 crs in open interest.
- Nifty calls added 10.45 lakh shares and puts added around 2.17 lakh shares in open interest.
- Aban (17%), IVRCL (11%) and Reliance (10%) were the top interest gainers in the market.
- Crompton Greaves (-10%) was the top open interest loser in the market.
- BRFL (99%), Nagarjuna Fertilizers (92%), Parsvnath (91%), IDBI (89%), JP Hydro (87%), SRF (86%) and Jindal Stainless (85%) are very close to their market wide position limits.

Market View

The market opened on a flat note and continued to witness huge volatility in the range of 4100-4150 and closed the day with a loss of around 1%. Volumes in Nifty futures continued to remain on the higher end of the band and added around 25 lakh shares in open interest towards the short side. On the option front, implied volatility of options has increased by more than a per cent, indicating that the market may make a big move from hereon, amidst high volatility. The market is likely to open on a flat note and global cues will play a very crucial role in tomorrow's opening. If the Nifty is not able to sustain at 4100 level in the initial hour of the trade, then we might see some sharp sell-off in the remaining part of the day. It is the time to be very cautious in the market as tomorrow's trading may give a direction to the market. So one should trade with strict stop losses. Key support levels for the Nifty is 4100 and resistance will be around 4160 and 4200.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4082.9	4146.75	-1.54%
Nifty CoC	-12.63%	-4.64%	172.22%
OI	40514400	38013900	6.58%
Vol	31122650	33993250	-8.44%
PCR(OI)	1.22	1.29	-5.43%
PCR (VOL)	1.01	0.87	16.09%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	25.65%	25.91%	2002650	31.09%
4200 C	25.72%	24.96%	3228000	4.32%
4300 C	24.62%	23.22%	3657350	1.52%
4250 C	25.42%	23.92%	1185700	11.03%
4150 C	25.34%	25.65%	575700	4.93%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	26.65%	26.12%	3322500	6.67%
4200 P	25.70%	24.93%	4785500	-1.95%
4000 P	27.72%	27.99%	2631400	4.11%
4150 P	25.94%	25.95%	602800	-6.29%
4050 P	27.52%	27.02%	260500	59.57%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	4.23%	12.69%	8029350	10.79%
SBI	18.05%	-9.42%	9359500	1.77%
TATASTEEL	-7.16%	2.08%	9404100	3.63%
RELCAP	-2.51%	10.39%	5663350	1.17%
RCOM	5.28%	12.14%	20213900	4.46%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 12 JUNE			
	Buy	Sell	Difference
INDEX FUTURES	753.59	1438.18	-684.59
INDEX OPTIONS	442.44	100.88	341.55
STOCK FUTURES	412.70	326.46	86.24
STOCK OPTIONS	0.17	0.24	-0.07
TOTAL	1608.89	1865.75	-256.87

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 C	32.11%	32.04%	373050	47.33%
TATASTEEL 600 C	35.38%	36.58%	429300	11.97%
IDBI 100 C	49.81%	54.54%	2558400	1.52%
SBI 1350 C	40.49%	33.57%	194750	35.24%
RELCAP 1000 C	42.49%	43.84%	362540	1.07%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 P	28.48%	23.53%	78900	13.85%
TATASTEEL 600 P	39.23%	33.48%	189675	23.79%
SBI 1320 P	28.76%	37.08%	80000	13.88%
INFOSYS 1920 P	31.87%	28.21%	54900	-11.59%
IDBI 95 P	56.42%	57.68%	470400	32.43%

Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
11-Jun-07	Nifty	Buy	4200 C	71	0.00	0.00	Expiry
		Buy	4100 P	69			

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
13-Jun-07	Satyam	Buy	482-483	475	496-503	1-2 days	Open
12-Jun-07	Nifty	Buy	4122-4123	4099	4155-4170	2-3 Days	Stop loss triggered
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

For Private Circulation only

Disclaimer

"This document has been prepared by Sharekhan Ltd. This Document is subject to changes without prior notice and is intended only for the person or entity to which it is addressed to and may contain confidential and/or privileged material and is not for any type of circulation. Any review, retransmission, or any other use is prohibited. Kindly note that this document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction.

Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from publicly available data or other sources believed to be reliable. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. We do not represent that information contained herein is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

SHAREKHAN & affiliates may have used the information set forth herein before publication and may have positions in, may from time to time purchase or sell or may be materially interested in any of the securities mentioned or related securities. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. Any comments or statements made herein are those of the analyst and do not necessarily reflect those of SHAREKHAN."