



# daring derivatives



January 12, 2010

## Derivatives Summary

- Nifty (January) future premium has increased from 4.75 points to 6.70 points and 10.00 lakh shares were added in open interest.
- Total open interest in the market was Rs103,278 crore and Rs3,259 crore were added in open interest.
- Nifty call option added 10.70 lakh shares in open interest, whereas put option added 15.50 lakh shares in open interest.
- Great Eastern Shipping (32%), Jindal Saw (25%), Axis Bank (16%), MLL (15%) and Reliance Industries (13%) were the top open interest gainers in the market.
- Nagarjuna Construction Company (-17%), Power Finance Corporation (-11%), Tech Mahindra (-8%) and Petronet LNG (-7%) were the top open interest losers in the market.

## Market View

### Unable to carry momentum

On buoyant leads from overseas markets, Nifty opened 35 points up. However, there was no follow-up buying all through the day, which slowed the momentum and added to losses. Realty stocks along with SAIL and Suzlon Energy however saw some buying in late trades, which helped Nifty end the volatile session marginal 5 points up at 5250. Volumes in Nifty futures were slightly lower than the previous trading volumes. Around 10.00 lakh shares were added in open interest with increase in cost of carry, indicating long accumulation at lower levels. On the option front, implied volatility has decreased marginally with long position building up at lower levels, which indicates positive bias and that 5200-5150 will remain very good bets going forward.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Curr. MTH)	5256.1	5249.45	0.13%
Nifty CoC	2.74%	1.64%	67.56%
OI	26244550	25240250	3.98%
Vol	12967750	14224200	-8.83%
PCR(OI)	1.24	1.23	0.81%
PCR ( VOL)	0.95	1.17	-18.80%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
5300 C	19.90%	19.83%	5223850	8.64%
5400 C	18.77%	18.97%	4319150	-1.10%
5200 C	20.71%	20.58%	3131400	6.19%
5500 C	18.08%	18.26%	2550050	5.85%
5600 C	18.00%	17.91%	1365950	-1.03%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
5200 P	21.33%	21.03%	4890850	7.72%
5300 P	20.04%	19.95%	2020150	6.75%
5100 P	22.64%	22.27%	3765750	1.30%
5000 P	24.27%	23.78%	5127050	-2.32%
4900 P	25.78%	24.92%	2899250	-0.24%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	8.93%	3.64%	12719100	12.73%
DLF	8.06%	4.45%	14783200	2.62%
UNITECH	5.93%	5.27%	63288000	-5.05%
SUZLON	9.06%	3.94%	60387000	3.38%
SBIN	1.33%	-5.51%	3454440	1.50%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 08 JAN			
	Buy	Sell	Difference
INDEX FUTURES	561.76	858.25	-296.49
INDEX OPTIONS	1800.54	1676.66	123.88
STOCK FUTURES	830.69	1430.20	-599.51
STOCK OPTIONS	1.75	4.91	-3.15
<b>TOTAL</b>	<b>3194.75</b>	<b>3970.01</b>	<b>-775.26</b>

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1110 C	32.21%	30.19%	998100	30.11%
UNITECH 90 C	49.26%	54.79%	4207500	-16.14%
SUZLON 95 C	57.33%	57.12%	3831000	25.81%
IFCI 60 C	53.48%	54.97%	13057160	4.28%
DLF 400 C	45.70%	43.73%	444800	32.07%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1050 P	32.62%	31.04%	275100	1.66%
INFOSYSTCH 2500 P	27.99%	27.97%	140400	41.53%
UNITECH 90 P	50.55%	53.55%	1039500	216.44%
IFCI 55 P	50.77%	55.02%	2616160	0.30%
TATASTEEL 640 P	41.16%	39.14%	378944	14.81%

## Derivative Calls

Date	Scripts	Buy/Sell	Initiation Range	Stoploss	Target	Time frame	Remark
6-Jan-2010	GMR Infra Call 70	Buy	2.7	1.50 (Closing Basis)	8	Expiry	Open @ 2.85
5-Jan-2010	Unitech Call 85	Buy	5	3.5 (Closing Basis)	10	Expiry	Open @ 7.55
5-Jan-2010	RNRL Call 75	Buy	3.9	2.50 (Closing Basis)	8	Expiry	Open @ 3.70

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