



daring derivatives



January 18, 2007

Derivatives Summary

- The Nifty (Jan) future discount has increased to 2 points from 0.7 points and added around 5.05 lakh shares in open interest.
- Nifty stocks have added 36.36 lakh shares in open interest.
- The total open interest in the market is 62,189 crore and it witnessed an addition of 1,584 crore.
- Stocks close to their market-wide position limit are Essar Oil (94%), Nagarfert (90%), SRF (94%), Sobha (95%) and IFCI (99%).
- Stocks with significant addition in open interest are Renuka Sugar (23%), Sesagoa (18%), Stride Arcolab (18%), Ultracemco (21%) and Voltas (30%).

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Jan)	4074	4079.8	-0.14%
Nifty CoC	-2.63%	-0.70%	278.06%
OI	36303600	35797800	1.41%
Vol	11156000	13722800	-18.70%
PCR(OI)	1.73	1.72	0.58%
PCR (VOL)	1.42	1.53	-7.19%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	17.72%	17.63%	2751200	1.89%
4000 C	20.44%	18.37%	2385100	0.53%
4050 C	17.42%	18.66%	854200	1.56%
4000 Feb C	21.15%	22.57%	1126300	19.37%
4100 Feb C	21.69%	22.33%	838100	16.53%

Market View

The market opened on a flat note and traded in a very narrow range of 4070-4095 for the second consecutive day. The trading activity in the market lacked lustre and the volumes were also significantly lower than that in the previous working days. The open interest in the market continues to be above the alarming level 60,000 crore. The Nifty futures have added around 5 lakh shares towards the short side. The PCR is still at a comfortable level of 1.73 whereas the implied volatility of the call options has decreased. The implied volatility of puts remains flat at 20-22%, indicating a positive bias in the market. Overall, the market is poised to give a strong move in either direction and a break-out of 4060 levels on the downside or 4100 levels on the upside can take the Nifty in respective direction. Traders are advised to place strict stop losses as the market is all set to take a direction and is not giving any clear indication as to which way it will move.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4000 P	24.53%	22.89%	2340100	4.07%
4050 P	21.86%	21.77%	706200	20.66%
4100 P	20.86%	19.90%	917200	6.06%
3800 Feb P	29.92%	29.96%	1545300	18.79%
3900 Feb P	29.84%	29.84%	1551700	13.72%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	22.62%	21.53%	15158100	4.16%
RCOM	7.74%	25.91%	20156500	-3.21%
SIEMENS	22.91%	9.67%	4935375	2.17%
SAIL	25.90%	12.53%	24062400	3.08%
TATASTEEL	20.72%	8.83%	18287100	1.78%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 C	35.51%	32.54%	665700	37.31%
SAIL 100 C	65.46%	65.63%	1771200	25.91%
RPL 65 C	40.63%	36.37%	2133950	-17.91%
TATASTEEL 490 C	39.71%	41.13%	606825	12.66%
INDIACEM 250 C	53.39%	59.15%	1015000	4.01%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 P	28.46%	25.63%	167400	22.64%
SAIL 100 P	56.45%	58.28%	337500	30.21%
RPL 65 P	25.04%	23.98%	824100	-3.15%
TATASTEEL 480 P	34.57%	37.79%	261225	-12.05%
INDIACEM 250 P	46.93%	49.46%	117450	179.31%

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Recommendation Tracker

Date	Scrips	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
17-Jan-07	Nifty Buy	4086	4070	4110-4140	2-3 days	Open
17-Jan-07	Gmr Infra Buy	368	363.8	380-390	3-4 days	Open
17-Jan-07	Zee TV Buy	284.5	282.8	292-295	1-2 days	Open
16-Jan-07	Ashokley 50 Call Buy	0.4-0.5	-	1.5-2.0	Expiry	Open
16-Jan-07	CESC Buy	329-332	326.5	340-350	1-2 Days	Not Initiated
16-Jan-07	Amtek Auto Sell	345-347	355.5	338-330	3-4 Days	Open
15-Jan-07	Tatasteel 490 Call Buy	6.0-7.0	-	20-25	3-4 Days	Open
12-Jan-07	HCC Buy	162	157	172	3-4 Days	Open

Strategy Tracker

Date	Scrips	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
8-Jan-07	Reliance	Buy	1320 Call	17	22.5	-7.5	Expiry
	Reliance	Sell	1350 Call	9			

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