



# daring derivatives



May 21, 2007

## Derivatives Summary

- Nifty (May) futures' premium decreased to 10.3 from 13.5 and added around 1.83 lakh shares in open interest.
- The total open interest in the market is 58,561 crore and added around 1,184 crore in open interest.
- Nifty calls has added 3.4 lakh shares and puts added 6.2 lakh shares in open interest.
- McDowell (80%), Federal Bank (43%) Bajaj Auto (32%), Patni (24%), Titan (19%), Dr Reddy's (18%) and Gujarat Ambuja (18%) were the top interest gainers in the market.
- Shree Cement (-19%), Corporation Bank (-18%), Dabur (-17%) and Sobha (-13%) were the top open interest losers in the market.
- IFCI (97%), Nagarjuna Fertilizer (93%), Arvind Mills (93%), JP Hydro (91%) and Parsvnath (91%) are very close to their market wide position limits.

## Market View

The market opened on a negative note and soon recovered from the lower level in the initial minutes of the trade. It remained in a narrow zone of 4200-4225 for the rest of the day. Volumes in Nifty futures were marginally lower and added around 1.8 lakh shares in open interest. On the option front, not much activity was seen as call options witnessed closure of long positions and put options witnessed writing across the strike price, indicating a positive opening on Monday. The market is likely to open on a positive note and global cues will play in deciding the market's direction. Key support levels for the Nifty are 4180 and 4140 while resistance will come in at around 4250.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4229.7	4233.1	-0.08%
Nifty CoC	6.85%	8.37%	-18.14%
OI	31925400	31741800	0.58%
Vol	17168150	20069950	-14.46%
PCR(OI)	1.45	1.44	0.69%
PCR ( VOL)	1.11	1.41	-21.28%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	20.03%	20.85%	2369450	6.01%
4250 C	19.46%	20.97%	1260800	-0.65%
4300 C	18.55%	25.26%	383550	0.00%
4100 C	20.98%	22.37%	3312900	-2.76%
4150 C	20.53%	23.19%	716650	-3.92%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 P	20.99%	21.55%	1512400	9.75%
4100 P	23.34%	23.26%	3226550	0.51%
4150 P	22.14%	23.15%	1647650	0.58%
4000 P	26.10%	26.38%	3459100	-0.21%
4250 P	19.84%	20.53%	418750	20.11%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
BAJAJAUTO	16.14%	27.23%	1759000	35.25%
RELIANCE	-6.17%	-3.09%	6678750	-0.46%
SBIN	3.14%	5.80%	7109000	0.15%
REL. CAPITAL	4.33%	-6.51%	5248650	-1.68%
MCDOWELL	7.48%	-8.94%	802250	86.24%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 16 MAY			
	Buy	Sell	Difference
INDEX FUTURES	1815.42	718.24	1097.18
INDEX OPTIONS	592.27	222.67	369.60
STOCK FUTURES	701.34	829.37	-128.03
STOCK OPTIONS	3.18	2.2	0.98
<b>TOTAL</b>	<b>3112.21</b>	<b>1772.48</b>	<b>1339.73</b>

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 C	21.32%	23.04%	229500	127.34%
SBIN 1320 C	26.93%	36.38%	264250	31.63%
TATASTEEL 580 C	32.04%	28.11%	923400	30.53%
IDBI 105 C	51.05%	47.34%	2049600	10.62%
IDFC 110 C	35.91%	46.21%	1283250	-9.75%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1680 P	23.99%	25.25%	89850	177.31%
TATASTEEL 580 P	34.63%	43.37%	332775	2.71%
SBIN 1320 P	28.99%	36.13%	78500	61.03%
IDBI 100 P	40.20%	40.79%	686400	40.89%
IDFC 110 P	37.42%	40.90%	221250	368.75%

## Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
18-May-07	Polaris	Buy	175	170.5	185-190	4-5 Days	Open
17-May-07	Hindlever	Buy	198-199	195.5	205-210	3-4 Days	Stop loss triggered
17-May-07	Gujamb 125 Call	Buy	2.7	-	6--8	Expiry	Open
17-May-07	Cairns	Buy	140.5	137.4	146-150	1-2 Days	First target achieved
16-May-07	Nifty	Buy	4145	4120	4180-4210	1-2 days	First target achieved
16-May-07	Reliance	Buy	1614-1615	1600	1640-1660	3-4 Days	First target achieved

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