



daring derivatives



February 15, 2007

Derivatives Summary

- The Nifty (February) futures traded at a premium of 11.1 points from a discount of 4.25 witnessed the previous day and the futures added around 9.6 lakh shares in the open interest.
- The total open interest in the market is Rs59,389 crore and the open interest increased by around Rs1,543 crore during the day.
- The Nifty stocks added 43.31 lakh shares in the open interest.
- Gujarat Ambuja (29%), Zee TV (24%), UTI Bank (17%), UltraTech (16%), JSW Steel (16%) & IFCI (16%) were the top open interest gainers.
- HCC (-10%), Kotak Bank (-8%) & IVRCL Infra (-8%) shed open interest.
- IFCI (101%) & Century Textile (88%) are very close to their market wide position limits.
- The stocks with a positive bias are Bajaj Auto and IVRCL Infra.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4070	4040.3	0.74%
Nifty CoC	17.95%	-4.26%	-521.22%
OI	36235600	35268900	2.74%
Vol	42605000	50196500	-15.12%
PCR(OI)	1.26	1.31	-3.82%
PCR (VOL)	1.14	1.16	-1.72%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	26.15%	29.33%	3620600	1.20%
4000 C	28.73%	28.98%	2191700	6.56%
4200 C	23.54%	25.52%	2964300	11.88%
4050 C	27.66%	28.81%	474900	31.15%
4150 C	25.79%	27.38%	1347300	8.78%

Market View

The market opened on a very weak note for the second consecutive day and made an intra-day low of 3965 in the first half of the trading session. In the initial hour of trading the market was very volatile while in the second half of the day a strong recovery was seen, which pushed the Nifty into positive territory. The Nifty closed with marginal gains of 2.55 points. The volumes in the market continued to be relatively higher than the volumes witnessed on the previous day while the breadth of the market remained negative throughout the day. The Nifty futures added 9.6 lakh shares in the open interest indicating build-up of fresh long positions. On the options front there was a significant decrease in the implied volatility of the put options indicating closure of long positions in puts. On the other hand the call options witnessed writing indicating that the market is likely to witness a small rally from the current levels. The market is likely to open on a positive note and could touch 4070-4090 in the initial hour of the session. Some profit booking is expected in the 4100-4110 range, which will act as a very strong resistance for the Nifty for the day. The key support levels for the Nifty are 4000 and 3975 and there will be a resistance around 4110.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4000 P	25.27%	35.11%	3262200	-7.21%
3900 P	28.49%	35.79%	1801400	13.79%
4100 P	21.71%	35.66%	3205400	-1.78%
4050 P	23.23%	35.26%	852200	4.82%
3950 P	25.79%	37.72%	484800	38.83%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	34.66%	10.99%	10431600	0.57%
IVRCL	21.51%	20.40%	10921000	-0.54%
SBIN	11.36%	6.57%	6840500	7.95%
RCOM	27.68%	12.41%	15694000	-0.95%
SESAGOA	-11.86%	-8.25%	1758750	12.74%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1380 C	28.17%	27.27%	551700	-1.55%
SBIN 1110 C	41.52%	45.49%	116000	23100%
HINDALCO 150 C	58.27%	61.81%	720940	7.62%
SAIL 110 C	52.80%	59.42%	1887300	26.40%
TATASTEEL450 C	41.80%	44.88%	361125	24.13%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE1350 P	20.57%	24.19%	198300	3.77%
SBIN 1170 P	39.63%	35.40%	93000	-7.46%
TATASTEEL 450 P	32.62%	33.90%	293625	0.23%
RPL 65 P	27.83%	25.65%	991600	15.63%
SAIL 105 P	50.92%	60.88%	472500	-2.23%

Today's Recommendation

Scripts	Buy/Sell	Initiation Range	Stop loss	Target	Time Frame
Bajaj Auto	Buy	3010-3014	2970	3065-3100	2-3 Days

Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
9-Feb-07	IVRCL Buy	420.75	417.5	430-437	Intraday	Stoploss triggered
8-Feb-07	ICICI Bank Buy	989	979.5	1005-1020	1-2 Days	Tgt Achieved
8-Feb-07	Nifty Buy	4200	4185	4220-4250	Intraday	First Tgt Achieved
7-Feb-07	Cummins Buy	282.5	278.8	290-295	1-2 Days	Tgt Achieved
7-Feb-07	Siemens Buy	1200	1188	1235-1270	2-3 Days	Stoploss triggered

Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
8-Feb-07	Nifty	Buy	4200 P	54.5	77	23	Closed
	Nifty	Sell	4100 P	31.5			

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