

## Smart Trades

SCRIP (NSECode)	BHARTIARTL	INDIACEM
BSE Code	532454	530005
Bloomberg Code	BHARTI	ICEM
Maturity	Nov Futures	Nov Futures
LTP	330.55	125.70
Action	BUY	BUY
Initiation zone	327-324	124-122
Target zone	340	130
Stop loss	318	119.5

## Derivatives

### Daily Comment

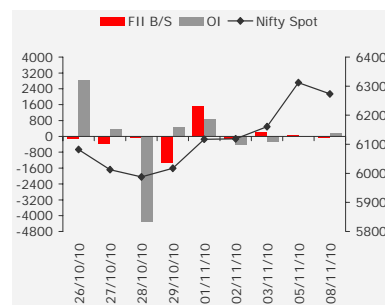
Nifty Nov futures were trading at a premium of 23-24 points to the spot Nifty. The Implied Volatility on Nifty Nov Options of ATM strike calls were at 14.92 and for puts were at 19.55. PCR for Nifty based on Open Interest was at 1.36 & PCR for the day based on volumes was 1.17 for the market. FII's were net buyers to the tune of Rs. 820.88 Crores on Monday. FII open interest in Index Futures has increased by Rs. 173.98 Crores.

### FII figures for 08/11/2010 (Rs. In Crs.)

Product	Buy	Sell	Net	OI
INDEX FUTURES	921.09	1018.05	-96.96	16661.81
INDEX OPTIONS	4917.86	3859.05	1058.81	55020.57
STOCK FUTURES	1466.10	1617.73	-151.63	43347.91
STOCK OPTIONS	582.74	572.08	10.66	925.13
Total	7887.79	7066.91	820.88	115955.43

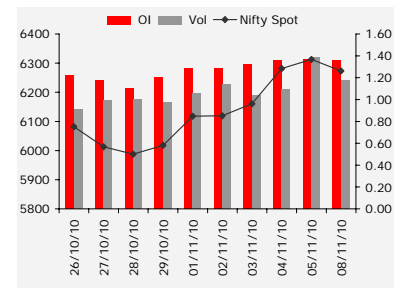
Source: nseindia.com

### FII Activity



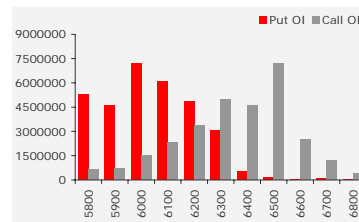
Source: nseindia.com

### Nifty PCR



Source: nseindia.com

### Nov Expiry



Source: nseindia.com

Top 5 stock Options				
Scrp	Strike	CA/PA	IV	Volume
IFCI	80	CA	50.01	4345
SBIN	3500	CA	34.22	3800
TATASTEEL	640	CA	38.73	3595
RELIANCE	1100	CA	28.03	3562
TATAMOTORS	1300	CA	47.80	3435

Source: Bloomberg

### OI Movement

Scrp	Price	Price change	OI change	% OI Change
IGL	330.00	-9.15	55000	69.62
ZEEL	294.00	-0.90	1028000	52.34
HINDOILEXP	285.15	15.55	907000	38.00
ESSAROIL	155.10	-2.55	-892000	-4.01
SINTEX	225.05	2.80	-64000	-4.10
CESC	393.25	3.75	-92500	-4.11

Source: nseindia.com

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<b>Scrip Name</b>	<b>IDFC</b>
Contract Size	2000
BSE Code	532659
NSE Code	IDFC
Bloomberg code	IDFC
Future Price	215.00
Expiry	25 NOV 2010

Option Trades	Action Buy/Sell	Option Type	Strike Price
Option Trade 1	B	C	220.00
Option Trade 2	S	P	210.00

Source: www.nseindia.com

<b>MAXIMUM PROFIT</b>	Unlimited	Above Rs.220.00
<b>MAXIMUM LOSS</b>	Rs.3800	B/w Rs.210.00- Rs.220.00
<b>Hedge</b>	Sell 1 lot of future	Below Rs.210.00

Source: www.nseindia.com

## IDFC Limited

### Outlook

IDFC Limited have seen rise in price with increase in Open Interest. Investor, who feels that stock can move above Rs.220.00 in month of NOV, may opt for the strategy.

### Strategy

The strategy consists of making Synthetic long future with 1 lot 220.00 CA and 1 lot of 210.00 PA. Buying one lot of 220.00 CA will cost Rs 5.50 and selling one lot of 210 PA will fetch Rs.3.60. Net premium outflow on the complete strategy is 1.90. The premium is LTP at NSE for the month of November.

### Leveraging cost

The SPAN Margin on the complete strategy would be approx Rs. 60,000. Initial outflow is estimated to be Rs.3800 for the strategy. The strategy would end up giving a decent returns in terms of the investment made.

### Conclusion

The profit on the above strategy would be unlimited above Rs.220.00. However one needs to hedge by selling one lot of future below Rs.210.00.

## Strategy Payoff



## Tina Khetan

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Option trades	Option trade1	Option trade2	Net Premium
Action: Buy/Sell	B	S	
Option Type	C	P	
Lot size	2,000	2,000	
Strikes/Price	220.00	210.00	
Option Premium	5.50	3.60	
Days to expiry	16	16	
Debit/Credit	(11,000.00)	7,200.00	(3,800.00)
Greeks	-	-	
Moneyness	At the Money	Out the Money	

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