



daring derivatives



April 13, 2007

Derivatives Summary

- The discount in the Nifty (April) futures increased to 32.35 points from 31.35 points and the futures added around 6.14 lakh shares in the open interest.
- The Nifty 50 stocks added 34 lakh shares in the open interest.
- The total open interest in the market is Rs49,627 crore and there was an addition of around Rs907 crore in the open interest during the day.
- Parsvnath (23%), Ranbaxy (19%), PFC (11%) and Aban (10%) were the top open interest gainers in the market.
- GE Shipping (-19%), Federal Bank (-17%) and McDowell (-15%) were the top open interest losers in the market.
- IFCI (94%) and Parsvnath (85%) are close to their market wide position limits.

Market View

The market opened with a negative gap of around 30 points and remained in the 3845-3820 range all through the day. The market slipped in the second half of the session to 3817 and recovered marginally before closing at 3829. The volumes in the Nifty futures were extremely lacklustre as compared to the average volumes of the last few trading sessions indicating lack of participation in the market. The futures added around 7.6 lakh shares in the open interest toward the short side. On the options front, the implied volatility of the call options increased while the implied volatility of the put options remained constant with long accumulation in the calls and writing in the puts. The market is likely to take a direction after the Infosys results. The key support levels for the Nifty are 3800 and 3760 and there will be a resistance around 3850.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	3797.5	3831.3	-0.88%
Nifty CoC	-22.02%	-19.75%	11.51%
OI	35512200	34752200	2.19%
Vol	32014000	35890900	-10.80%
PCR(OI)	1.02	1.01	0.99%
PCR (VOL)	1.09	1.14	-4.39%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3800 C	27.71%	25.82%	2816400	7.03%
3900 C	26.58%	24.06%	1857350	0.26%
4000 C	25.97%	23.30%	2426300	2.15%
3700 C	28.65%	27.96%	1470600	-3.65%
3850 C	26.79%	25.37%	362250	37.35%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3800 P	27.54%	26.28%	3482650	1.29%
3700 P	28.65%	28.16%	2763950	2.94%
3700 MayP	26.96%	27.04%	720150	57.82%
3900 P	25.86%	24.45%	1116900	8.44%
3600 P	28.53%	32.29%	2250100	1.64%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
INFOSYS	-5.11%	-0.24%	3652800	1.53%
TATASTEEL	11.84%	0.95%	12447000	3.04%
RELIANCE	-6.19%	0.00%	8398350	1.67%
PARSVANATH	9.64%	2.31%	5965400	23.27%
IFCI	6.85%	9.93%	88585875	3.57%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 10 APRIL			
	Buy	Sell	Difference
INDEX FUTURES	648.68	499.7	148.98
INDEX OPTIONS	245.41	256.65	-11.24
STOCK FUTURES	601.22	510.63	90.59
STOCK OPTIONS	0.8	7.64	-6.84
TOTAL	1496.11	1274.62	221.49

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
INFOSYS 2100 C	45.40%	45.97%	306800	61.22%
TATASTEEL 500 C	36.36%	38.91%	643275	31.81%
IFCI 40 C	82.42%	77.01%	7583625	8.20%
IDBI 80 C	59.64%	52.07%	1416000	12.81%
RELIANCE 1380 C	25.83%	25.90%	292050	4.28%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
INFOSYS 2010 P	53.95%	49.31%	186400	149.20%
TATASTEEL 500 P	33.13%	38.51%	200475	-15.14%
RELIANCE 1350 P	27.58%	26.56%	126600	14.05%
SAIL115 P	47.95%	44.03%	596700	-10.89%
IFCI 35 P	75.44%	76.57%	1653750	6.06%

Recommendation Tracker

Date	Scripts	Initiation Range	Stoploss	Target	Timeframe	Remark
10-Apr-07	Nifty Buy	3815	3804	3840-3860	1-2 Days	Stop loss triggered
10-Apr-07	GDL Buy	174	171.5	180-185	1-2 Days	Stop loss triggered
9-Apr-07	CESC Buy	398	389.8	410-425	2-3 days	Stop loss triggered
9-Apr-07	IDEA Buy	95-96	93.8	100-102	2-3 days	Closed @ 97.55
5-Apr-07	Century Textile Buy	561-517	508.5	530-545	1-2 Days	Target achieved

Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
9-Apr-07	Gujarat Ambuja	Buy	110 Call	3	3.5	1.5	Expiry
		Sell	115 Call	1.5			

For Private Circulation only

Disclaimer

"This document has been prepared by Sharekhan Ltd. This Document is subject to changes without prior notice and is intended only for the person or entity to which it is addressed to and may contain confidential and/or privileged material and is not for any type of circulation. Any review, retransmission, or any other use is prohibited. Kindly note that this document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction.

Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from publicly available data or other sources believed to be reliable. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. We do not represent that information contained herein is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

SHAREKHAN & affiliates may have used the information set forth herein before publication and may have positions in, may from time to time purchase or sell or may be materially interested in any of the securities mentioned or related securities. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. Any comments or statements made herein are those of the analyst and do not necessarily reflect those of SHAREKHAN."