



# daring derivatives



April 03, 2007

## Derivatives Summary

- The Nifty (April) futures traded at a discount of 16.8 points as against a discount of 21.7 points the previous day and the futures added around 10.27 lakh shares in the open interest.
- The total open interest in the market is Rs39,450 crore and there was an addition of around Rs688 crore in the open interest during the day.
- Tata Motors (26%), Kotak Bank (24%), M&M (24%), Maruti (23%) & HDFC (23%) were the top open interest gainers in the market
- Balrampur Chini (-19%), Colgate (-15%), Reliance Capital (-14%), Neyveli Lignite (-14%), Bajaj Hindustan (-13%) & Divi's Lab (-13%) were the top open interest losers in the market.

## Market View

The market opened on a very weak note with a negative gap of around 70 odd points and continued to witness strong selling pressure all through the day. Lack of buying interest resulted in huge losses of around 200 points in the Nifty. The volumes in the Nifty futures were average and there were long additions of around 11 lakh shares in the open interest indicating profit booking might come in if the Nifty witnesses a bounce back or may trigger margin calls if the Nifty comes down in a panic, adding to the volatility. On the options front, the implied volatility of both the call and put options increased significantly indicating that the market will be very volatile in the next few trading sessions. The market is likely to open on a negative note and will take cues from the world markets. The key support level for the Nifty is 3550 and there will be resistances around and 3650 and 3700.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	3601.85	3799.85	-5.21%
Nifty CoC	-7.06%	-7.68%	-8.02%
OI	33632600	32439000	3.68%
Vol	67284100	48407100	39.00%
PCR(OI)	0.82	0.91	-9.89%
PCR ( VOL)	0.87	0.64	35.94%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3800 C	30.38%	25.78%	2833350	41.67%
3700 C	29.55%	27.67%	1888250	61.75%
3600 C	29.75%	27.42%	1260950	91.27%
3900 C	29.21%	24.20%	1124200	-2.18%
3500 C	29.41%	28.39%	921000	-4.60%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3600 P	30.47%	28.59%	1715150	123.34%
3700 P	28.21%	27.51%	1810900	0.12%
3800 P	27.23%	25.62%	2257650	-20.27%
3500 P	30.38%	29.22%	1313800	74.14%
3650 P	29.24%	28.12%	127850	427.22%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	5.98%	5.92%	8306550	4.87%
INFOSYS	8.21%	1.57%	3025300	7.53%
ICICIBANK	-25.59%	-3.25%	6479550	5.52%
SBIN	-3.08%	7.07%	6172750	2.59%
TATASTEEL	7.20%	1.35%	14363325	-5.69%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 30 MARCH			
	Buy	Sell	Difference
INDEX FUTURES	532.41	960.31	-427.90
INDEX OPTIONS	536.19	283.02	253.17
STOCK FUTURES	334.6	283.91	50.69
STOCK OPTIONS	0	4.75	-4.75
TOTAL	1403.2	1531.99	-128.79

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 C	30.81%	28.41%	103350	107.53%
RPL 70 C	35.80%	31.92%	1350050	99.50%
INFOSYS 2100 C	45.90%	39.21%	82700	8.67%
TATASTEEL 440 C	40.87%	33.50%	166050	57.69%
ITC 150 C	36.82%	32.99%	463500	35.53%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1320 P	26.67%	25.29%	44400	284.42%
IFCI 30 P	86.64%	84.18%	1134000	176.92%
INFOSYS 2010 P	41.16%	38.80%	26500	5.58%
SAIL 110 P	51.80%	46.96%	162000	9.09%
RPL 70 P	37.91%	31.26%	512550	61.05%

## Recommendation Tracker

Date	Scripts	Initiation Range	Stoploss	Target	Timeframe	Remark
2-Apr-07	Bharti Buy	727-728	719.5	755-775	2-3 Days	Stop loss triggered

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