



daring derivatives



January 21, 2008

Derivatives Summary

- Nifty (January) future premium increased to 25.05 points from 18.55 points and around 22 lakh shares were added in open interest.
- Total open interest in the market was Rs127,917 crore and Rs4,339 crore were shed in open interest.
- Nifty call option added 8.7 lakh shares, while put option shed 60,000 shares in open interest.
- HDIL (13%) and ICICI Bank (11%) were top open interest gainers in the market.
- Bajaj Hindustan (-16%), Renuka Sugars (-12%), BEML (-12%), Ranbaxy (-12%) and Indian Bank (-12%) were top open interest losers in the market.
- Adlabs Film, Bindal agro, Essar Oil, IVR Prime, Orchid Chemical, Parsvnath and Rajesh Exports have crossed 95% of their market-wide position limits and are currently in the ban period of F&O segment.

Market View

Market opened on a negative note and moved in the range of 5,820-5,900. It took a sharp dip in the afternoon session to make an intra-day low of 5,677 before finally closing at 5,705 with a loss of 208 point. Volumes in Nifty future were significantly higher. Around 21.79 lakh shares were added in open interest with an increase in the cost of carry indicating creation of fresh long positions. On the option front, implied volatility shot to 40% indicating huge volatility in the coming days with a negative bias.

| NIFTY SNAPSHOT | | | |
|----------------|----------|----------|----------|
| | Current | Previous | % Change |
| Nifty (Dec) | 5730.35 | 5931.75 | -3.40% |
| Nifty CoC | 12.33% | 8.18% | 50.73% |
| OI | 45351750 | 43155600 | 5.09% |
| Vol | 44551250 | 35230300 | 26.46% |
| PCR(OI) | 1.05 | 1.11 | -5.41% |
| PCR (VOL) | 1.05 | 0.69 | 52.17% |

| MOST ACTIVE INDEX CALL OPTION | | | | |
|-------------------------------|----------|---------|----------|---------|
| Strike | Curr. IV | Pre. IV | Curr. OI | OI Chg% |
| 6000 C | 40.06% | 33.45% | 1954650 | -1.58% |
| 6100 C | 39.74% | 33.29% | 2203300 | 7.78% |
| 5900 C | 40.28% | 34.71% | 762850 | 33.38% |
| 6200 C | 38.80% | 33.14% | 2346300 | -2.12% |
| 5800 C | 42.12% | 37.62% | 653350 | 87.07% |

| MOST ACTIVE INDEX PUT OPTION | | | | |
|------------------------------|----------|---------|----------|---------|
| Strike | Curr. IV | Pre. IV | Curr. OI | OI Chg% |
| 5800 P | 39.68% | 36.21% | 1524650 | -8.78% |
| 5700 P | 40.62% | 36.20% | 1396500 | 15.03% |
| 5900 P | 40.49% | 35.02% | 2098600 | -8.23% |
| 6000 P | 39.49% | 33.62% | 2210700 | -12.83% |
| 5500 P | 41.26% | 36.00% | 1267550 | 22.10% |

| MOST ACTIVE STOCK FUTURES | | | | |
|---------------------------|-----------|----------|----------|---------|
| Strike | Curr. CoC | Pre. CoC | Curr. OI | OI Chg% |
| RELIANCE | 27.83% | 27.36% | 17718825 | 2.11% |
| ICICIBANK | 17.09% | 19.72% | 10413375 | 8.52% |
| RCOM | 9.59% | 20.00% | 40117700 | -3.38% |
| NTPC | 21.72% | 22.96% | 63456250 | -2.62% |
| JPASSOCIAT | 10.37% | 25.23% | 38643000 | 3.17% |

| FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 17 JAN | | | |
|---|----------------|----------------|----------------|
| | Buy | Sell | Difference |
| INDEX FUTURES | 3301.42 | 2689.82 | 611.60 |
| INDEX OPTIONS | 604.97 | 325.26 | 279.72 |
| STOCK FUTURES | 869.65 | 2089.90 | -1220.25 |
| STOCK OPTIONS | 7.14 | 4.97 | 2.16 |
| TOTAL | 4783.18 | 5109.95 | -326.77 |

| MOST ACTIVE STOCK CALL OPTIONS | | | | |
|--------------------------------|--------------|-------------|--------------|----------|
| Strike | Curr. IV (%) | Pre. IV (%) | Curr. OI (%) | OI Chg % |
| RELIANCE 3100 C | 49.79% | 40.84% | 995475 | 36.84% |
| NTPC 260 C | 69.40% | 63.41% | 1748500 | 22.83% |
| BHARTIARTL 900 C | 52.46% | 58.84% | 213000 | 244.94% |
| ITC 220 C | 43.59% | 40.55% | 855000 | 0.40% |
| ICICIBANK 1350 C | 56.98% | 49.64% | 212800 | 3.75% |

| MOST ACTIVE STOCK PUT OPTIONS | | | | |
|-------------------------------|--------------|-------------|--------------|----------|
| Strike | Curr. IV (%) | Pre. IV (%) | Curr. OI (%) | OI Chg % |
| RELIANCE 2900 P | 30.92% | 29.80% | 95175 | 13.10% |
| NTPC 240 P | 56.60% | 48.36% | 290875 | 23.45% |
| IDBI 160 P | 66.30% | 55.40% | 444000 | 8.19% |
| ITC 210 P | 44.40% | 49.56% | 126000 | 16.67% |
| RCOM 720 P | 48.51% | 52.25% | 68600 | 104.17% |

Recommendation Tracker

| Date | Scripts | Buy/sell | Initiation Range | Stop loss | Target | Time frame | Remark |
|-----------|--------------|----------|------------------|-----------|-----------|------------|---------------|
| 17-Jan-08 | Hotel Leela | Buy | 65-66 | 63 | 70-75 | 1-2 Days | SL Triggered |
| 15-Jan-08 | WWIL | Buy | 85 | 81 | 92-95 | 1-2 Days | SL Triggered |
| 11-Jan-08 | Rcom | Buy | 810 | 798 | 830-840 | 1-2 Days | SL Triggered |
| 10-Jan-08 | Nifty | Sell | 6280 | 6305 | 6210-6180 | 1-2 Days | Tgts Achieved |
| 10-Jan-08 | Century Text | Buy | 1203-1204 | 1190 | 1240-1255 | 1-2 Days | SL Triggered |
| 9-Jan-08 | NTPC | Buy | 270-270 | 265 | 280-280 | Intraday | Tgts Achieved |

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