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	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	Scrips	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