

DERIVATIVE STRATEGY | DAILY



OUR REPORTS

Fundamental

Company Report
Sector Report
Theme Based Report

Daily & Weekly

Fundamental Market Update
Technical Market Update
Derivative Market Update

Fortnightly

Banking Sector Report
Currency Report

Monthly

India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly

India and Global Strategy Report
India Economy Report

Others

Event Based Report
RBI Monetary Review Report
Annual Budget Review Report

15th July, 2010

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ANALYSIS OF FUTURES & OPTIONS MARKET

Nifty (5386.15)

JULY FUTURE

Price: 5386.15 (-0.27%)

Premium: 2.30

Open Int: 32215150 (-0%)

AUGUST FUTURE

Price: 5394.30 (+0.48%)

Premium: 8.15

Open Int: 2219550 (+9%)

NIFTY DAILY CHART



Trading Calls

◆ Long Siemens Future

Buy July Future @ Rs +/-
Target: Rs 196/- SL: Rs 172/- Lot Size: 2000

◆ Long REC Ltd Call option

Buy Jul 300 Call option
@ Rs 7/- Target: Rs 15/- Lot Size: 1000

HIGHLIGHTS

- ⇒ Nifty opened higher and tested the level of 5450 but gave away the gains during the day. Some selling pressure towards the end saw it close down by 0.27%. Nifty is likely to remain positive and might test 5500 soon
- ⇒ Nifty Call options of strike 5300 shed open interest by 5766 lots while Put options of strike 5100 had a build up of 6921 lots
- ⇒ Nifty Put Call ratio rose further to 1.38 with the total open interest in Call options at 1,223,636 lots and that in Put options at 1,682,616 lots
- ⇒ RNRL, Patni Computers, REC Ltd, Siemens India and DLF Ltd appear strong while Bharti Airtel, Ranbaxy Laboratories and Infosys Technologies appear relatively weak
- ⇒ Volatility Index rose by 5.02% from 19.11 to 20.07

**NIFTY
PIVOT POINTS**

**S2
5322**

**S1
5354**

**PIVOT
5404**

**R1
5436**

**R2
5486**

OPTION STRATEGY

Scrip/Index: **REC LTD**

Strategy: Long Call option

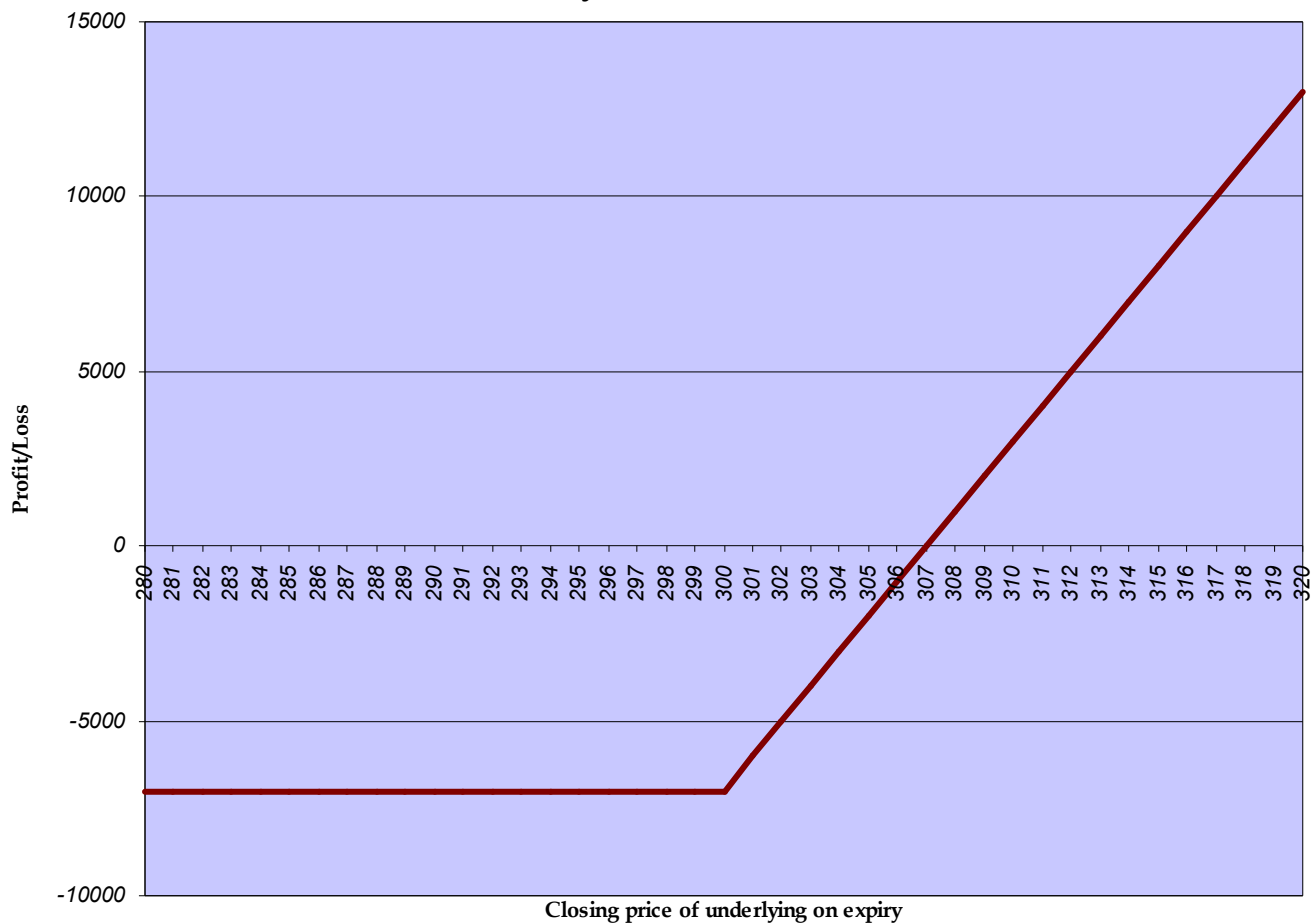
Current Price of Underlying: Rs 297.35 Lot Size: 1000

Buy Jul 300 Call option @ Rs 7/-

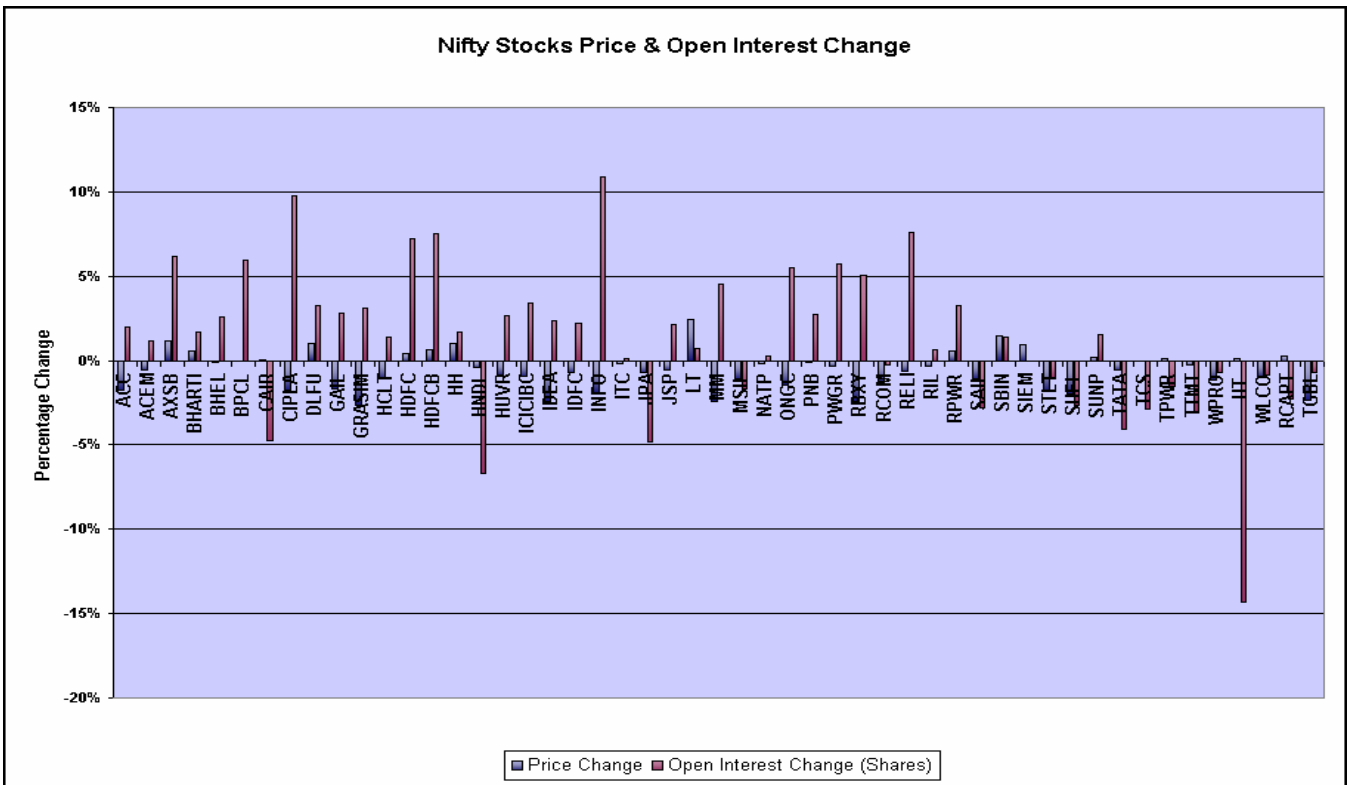
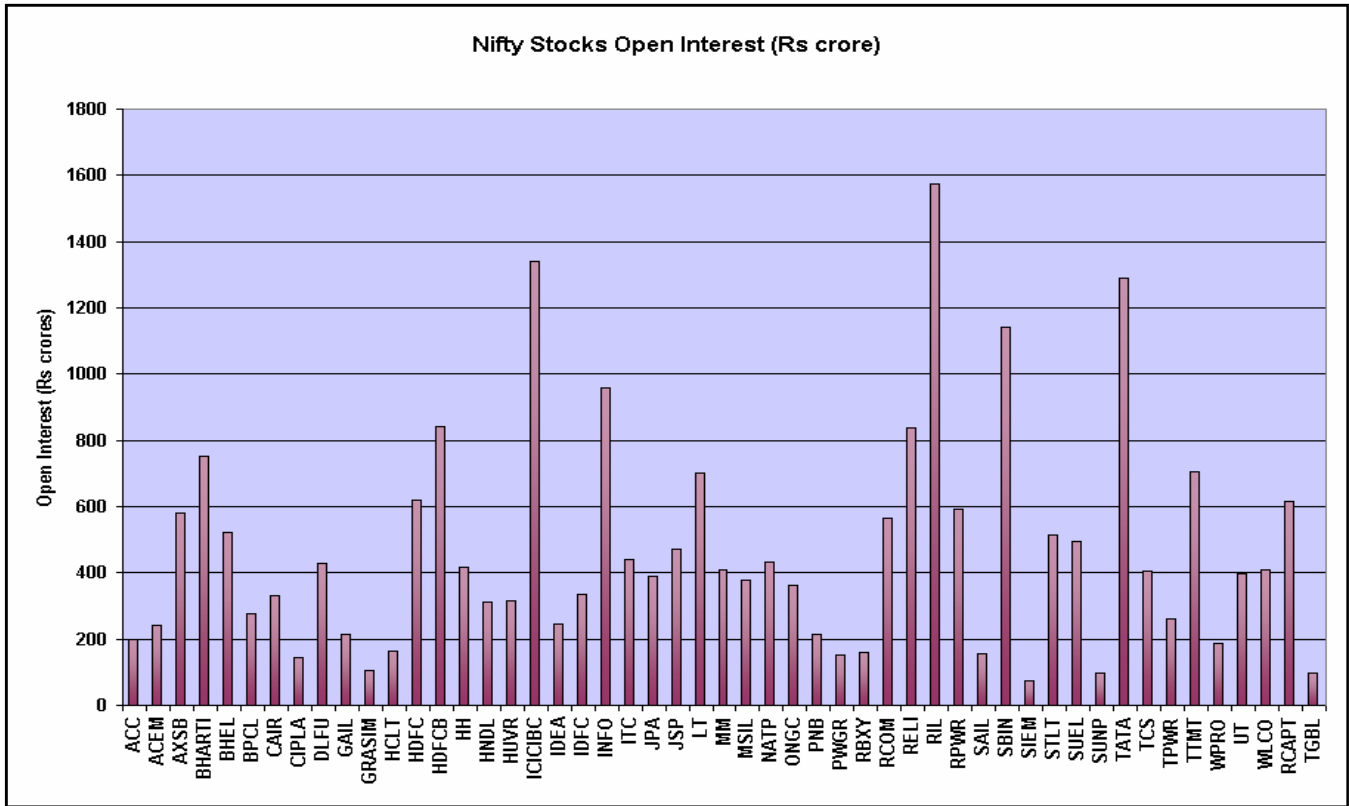
Profitable when closing price is above Rs 307/- on expiry

Maximum Potential Profit: Unlimited Maximum Possible Loss: Rs 7,000/-

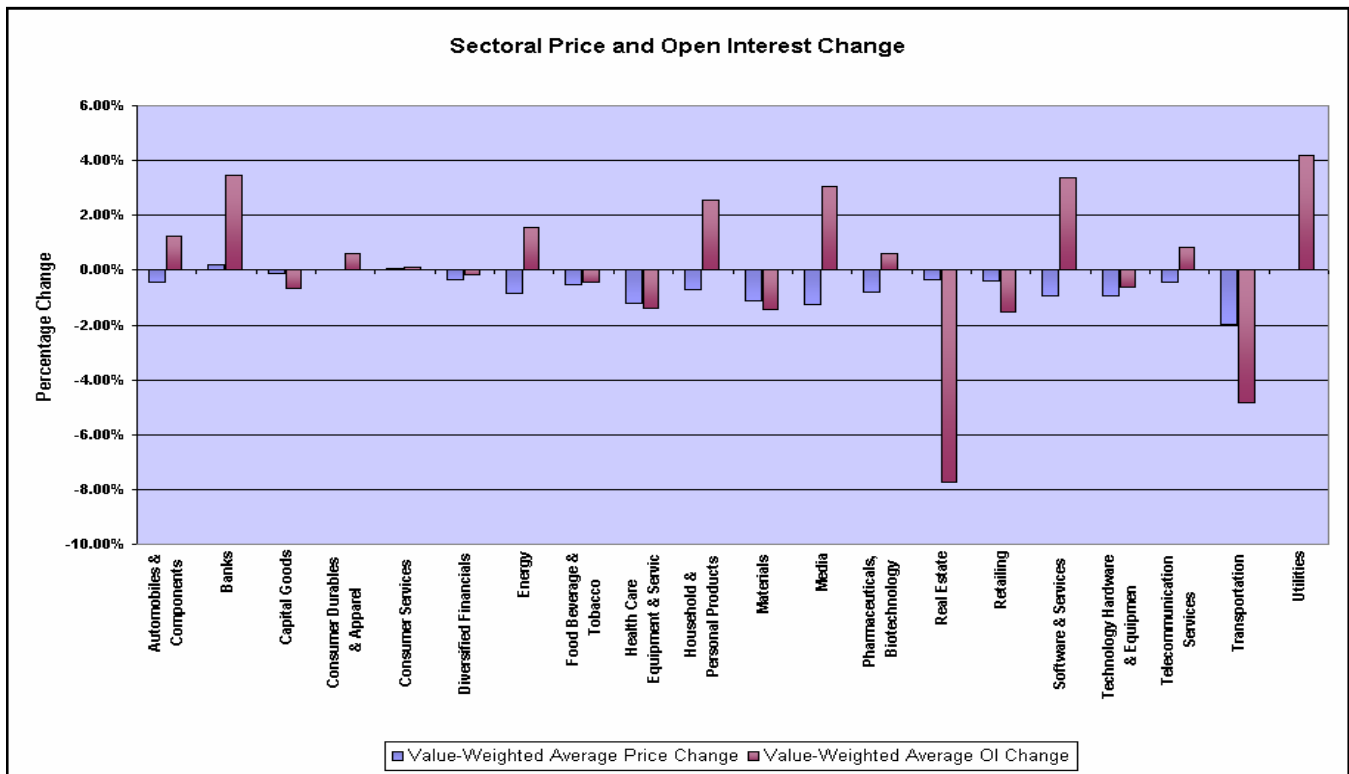
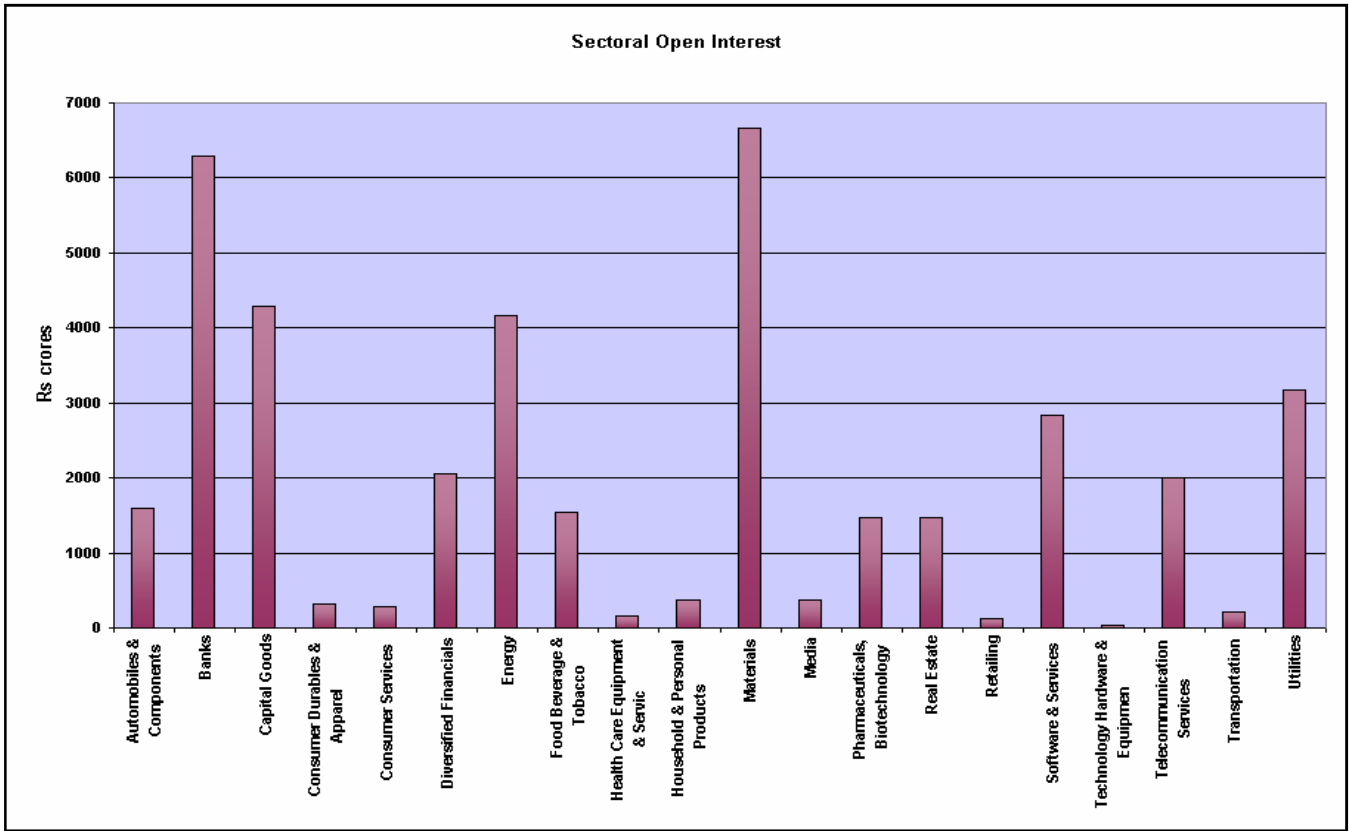
Time to Expiry: 15 days

Pay-off Chart

STOCK FUTURES - NIFTY STOCKS



STOCK FUTURES - SECTORAL ANALYSIS



TOP PRICE GAINERS (STOCKS)

| Scrip | Lot Size | Spot price | % Change |
|-------------------|----------|------------|----------|
| Tata Comm | 1000 | 289.15 | 2.88 |
| Sintex Industries | 1000 | 342.00 | 2.84 |
| GVK Power & Infra | 8000 | 45.35 | 2.83 |
| RNRL | 4000 | 45.60 | 2.82 |
| Patni Computers | 500 | 527.40 | 2.65 |

TOP PRICE LOSERS (STOCKS)

| Scrip | Lot Size | Spot Price | % Change |
|-----------------------|----------|------------|----------|
| Kingfisher Airlines | 4000 | 50.95 | (3.41) |
| Nagarjuna Fertilizers | 8000 | 32.65 | (2.97) |
| Grasim Industries | 125 | 1829.15 | (2.64) |
| M&M | 250 | 616.70 | (2.44) |
| Idea Cellular | 4000 | 64.40 | (2.42) |

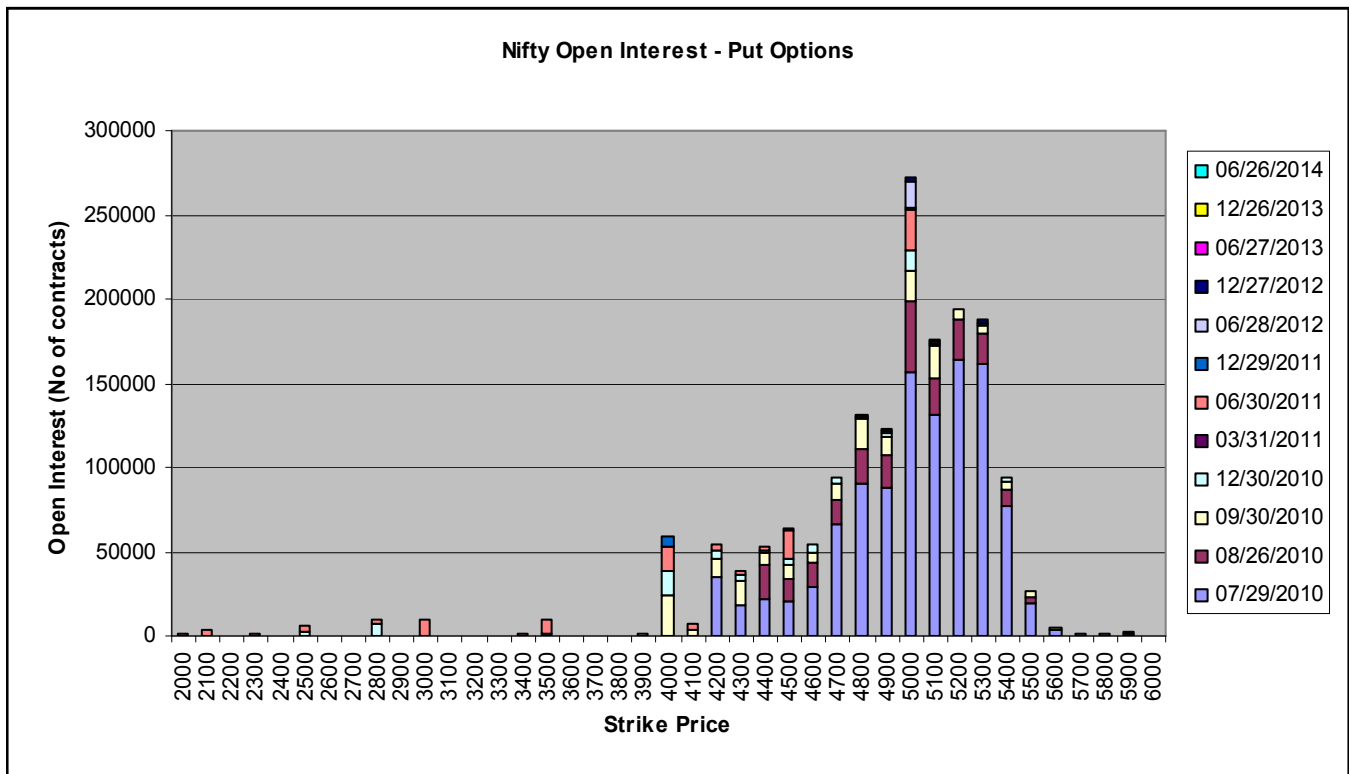
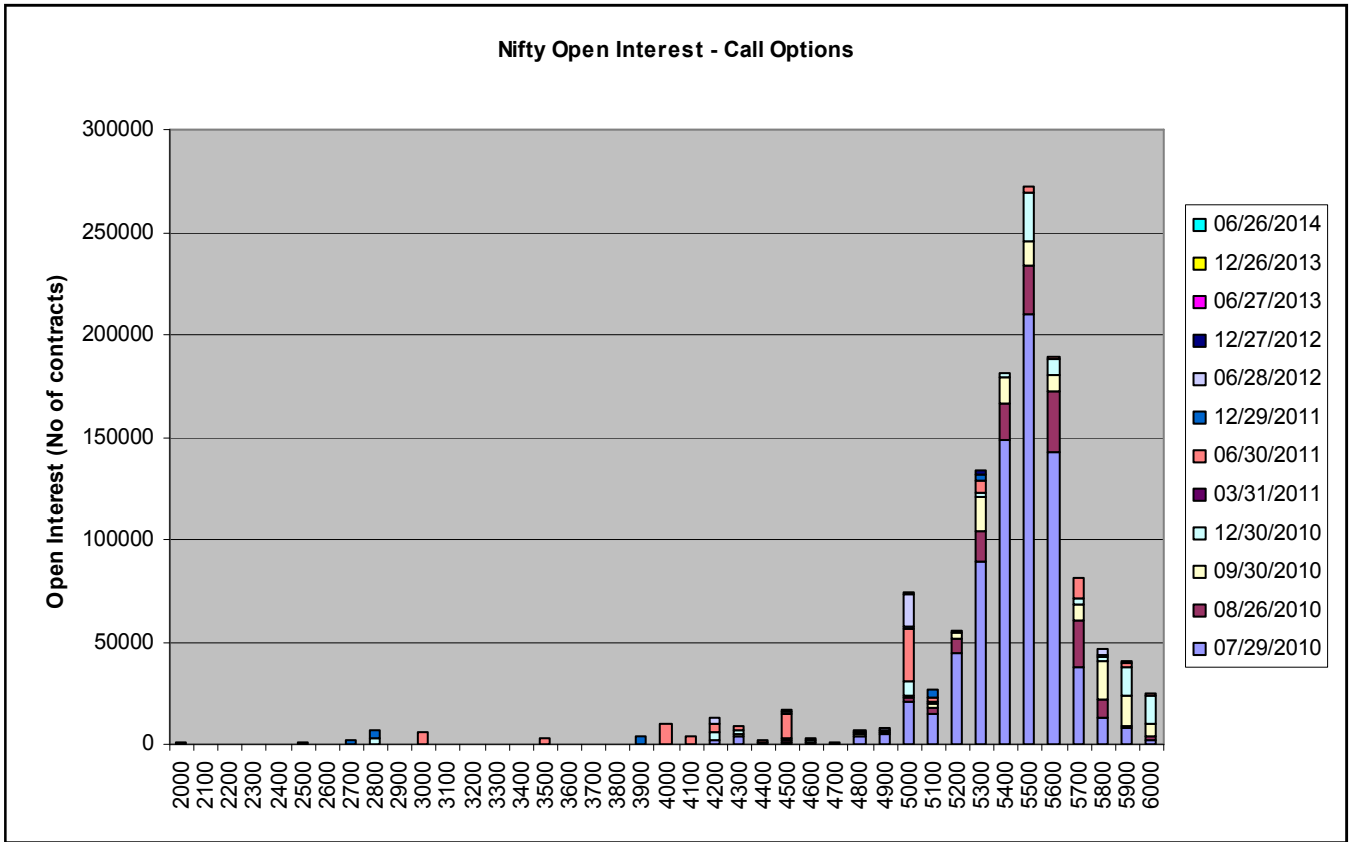
SIGNIFICANT OPEN INTEREST ADDITIONS (STOCKS)

| Contract | Price | % Change | Volume Spot | % Change | Open Interest | Absolute Change | % Change |
|----------------------|---------|----------|-------------|----------|---------------|-----------------|----------|
| Deccan Chronicle | 135.65 | 0.52 | 2077592 | 54.48 | 7070000 | 1042000 | 17.29 |
| GE Shipping | 293.00 | (2.02) | 532982 | 84.54 | 1200000 | 162000 | 15.61 |
| RNRL | 45.60 | 2.82 | 22815482 | 216.87 | 39952000 | 5336000 | 15.41 |
| Jain Irrigation | 1183.25 | 1.11 | 362074 | 921.08 | 126750 | 16000 | 14.45 |
| Oriental Bank of Com | 359.35 | 1.89 | 685417 | (2.54) | 1536000 | 164000 | 11.95 |
| Allahabad Bank | 168.70 | 0.96 | 1380600 | (13.53) | 2894000 | 298000 | 11.48 |

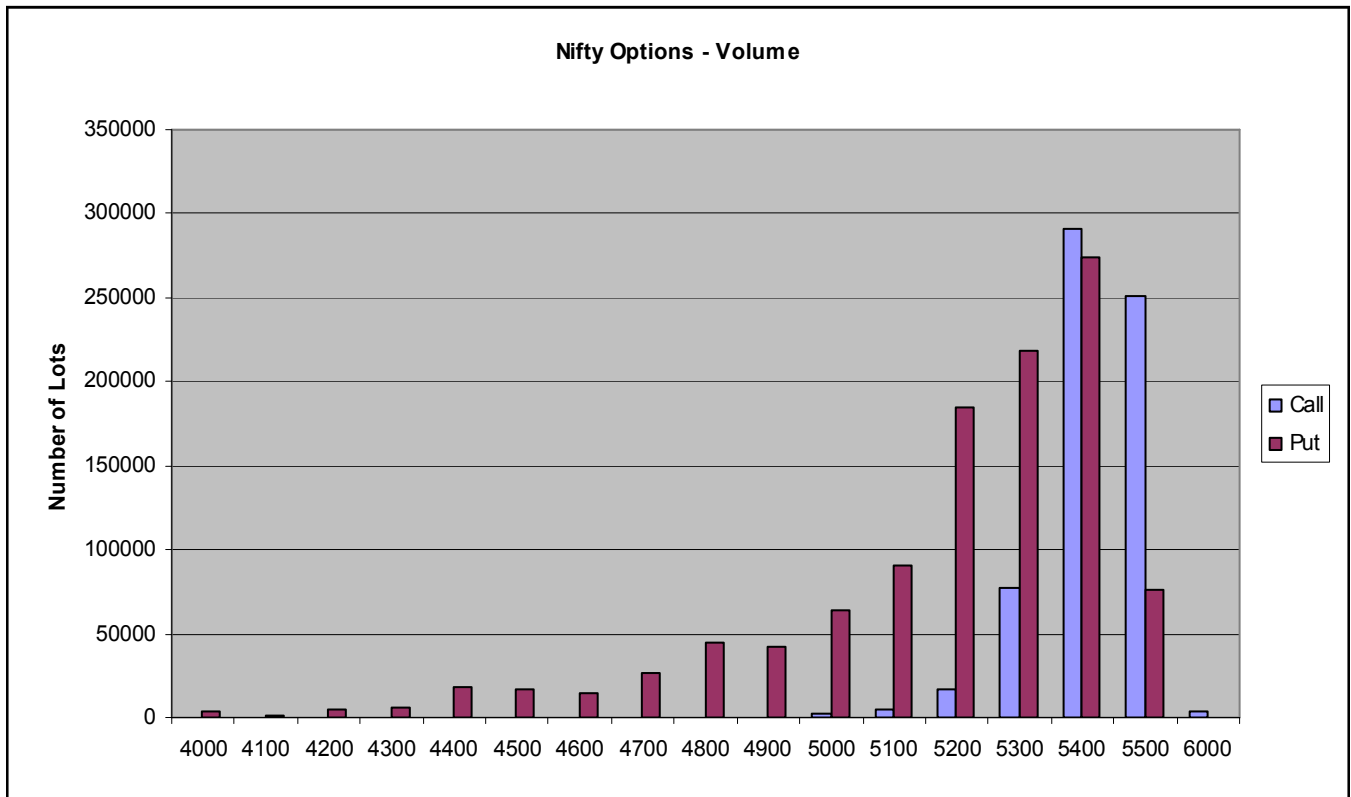
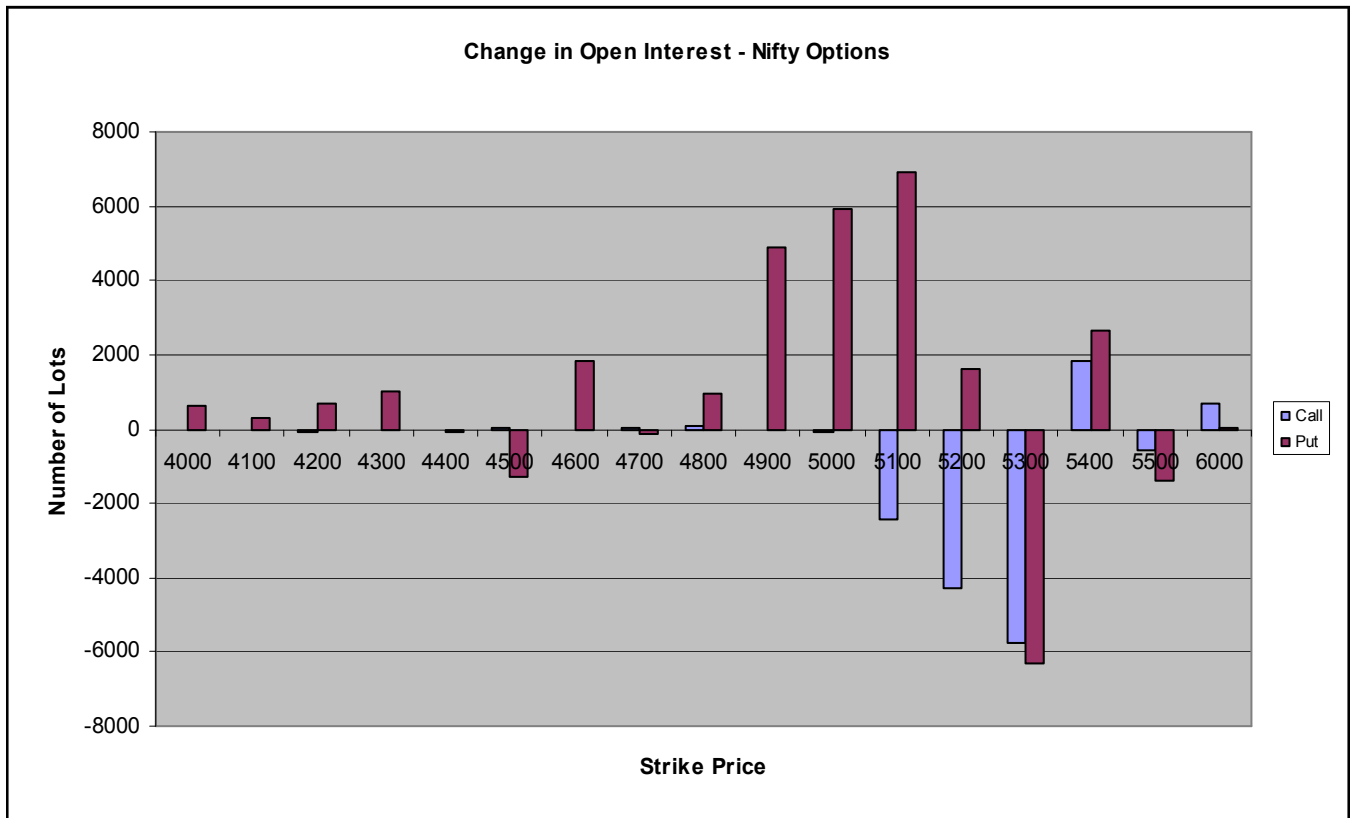
SIGNIFICANT OPEN INTEREST REDUCTIONS (STOCKS)

| Contract | Price | % Change | Volume Spot | % Change | Open Interest | Absolute Change | % Change |
|------------------------|---------|----------|-------------|----------|---------------|-----------------|----------|
| Asian Paints | 2415.00 | 1.91 | 79564 | (59.13) | 34750 | (10500) | (23.20) |
| Sun TV Network | 441.55 | 1.26 | 146466 | (59.42) | 250000 | (49000) | (16.39) |
| Opto Circuits | 261.80 | (0.02) | 323418 | (61.30) | 422000 | (79000) | (15.77) |
| Unitech Ltd | 83.35 | 0.12 | 49012892 | (0.46) | 47532000 | (7924000) | (14.29) |
| Indiabulls Real Estate | 168.25 | (2.27) | 8990020 | 8.60 | 21420000 | (3120000) | (12.71) |

OPTIONS OPEN INTEREST CONCENTRATION



OPTIONS ANALYSIS



MOST ACTIVE FUTURE CONTRACTS

| Name | Expiry Date | Number of Contracts | Price | Open Interest | Value of Underlying |
|--------------------|-------------|---------------------|---------|---------------|---------------------|
| NIFTY FUTURE | 29 JUL 10 | 333803 | 5382.05 | 33863900 | 5378.00 |
| TATA STEEL FUTURE | 29 JUL 10 | 30123 | 504.10 | 26516500 | 504.40 |
| DLF FUTURE | 29 JUL 10 | 21822 | 317.50 | 13450000 | 318.50 |
| UNITECH FUTURE | 29 JUL 10 | 20248 | 83.05 | 56392000 | 83.25 |
| SBIN FUTURE | 29 JUL 10 | 20227 | 2453.05 | 4994875 | 2465.50 |
| TATA MOTORS FUTURE | 29 JUL 10 | 14673 | 799.00 | 8683500 | 795.80 |

MOST ACTIVE NIFTY OPTION CONTRACTS

| Contract | Price (Premium) | Volume (No. of Lots) | Open Interest | Delta | Gamma | Theta | Vega |
|-------------|-----------------|----------------------|---------------|----------|--------|--------|--------|
| JUL CE 5400 | 61.00 | 281300 | 7744500 | 0.4605 | 0.0022 | 2.3617 | 4.3911 |
| JUL PE 5400 | 80.80 | 258935 | 3954750 | (0.5381) | 0.0022 | 2.2252 | 4.3905 |
| JUL CE 5500 | 23.00 | 238218 | 10697950 | 0.2409 | 0.0019 | 1.7011 | 3.5030 |
| JUL PE 5300 | 45.20 | 205899 | 8189450 | (0.3358) | 0.0018 | 2.3302 | 4.0514 |
| JUL PE 5200 | 24.75 | 167720 | 8711850 | (0.1976) | 0.0013 | 1.9650 | 3.1271 |
| JUL CE 5600 | 6.30 | 92956 | 7156850 | 0.0890 | 0.0010 | 0.8201 | 1.8944 |

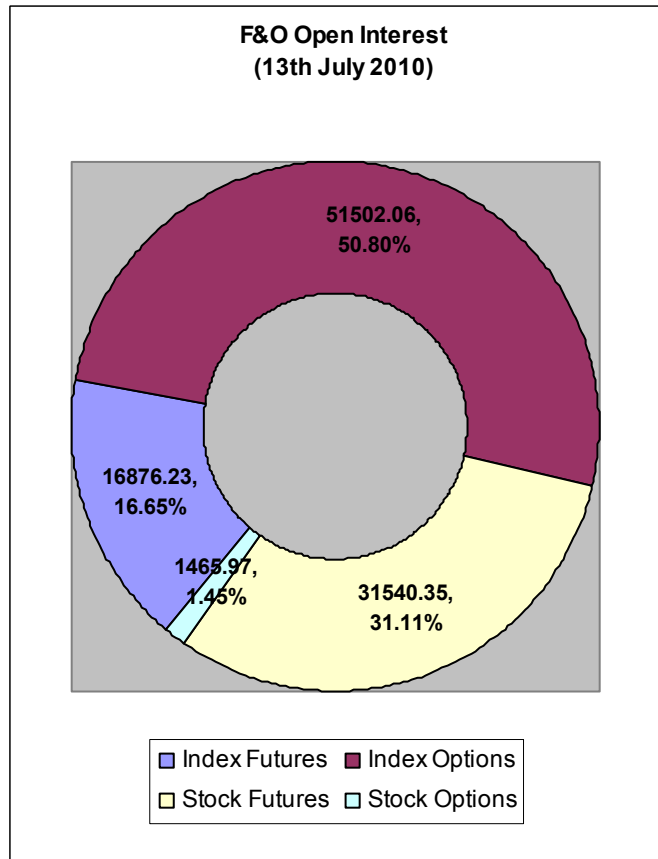
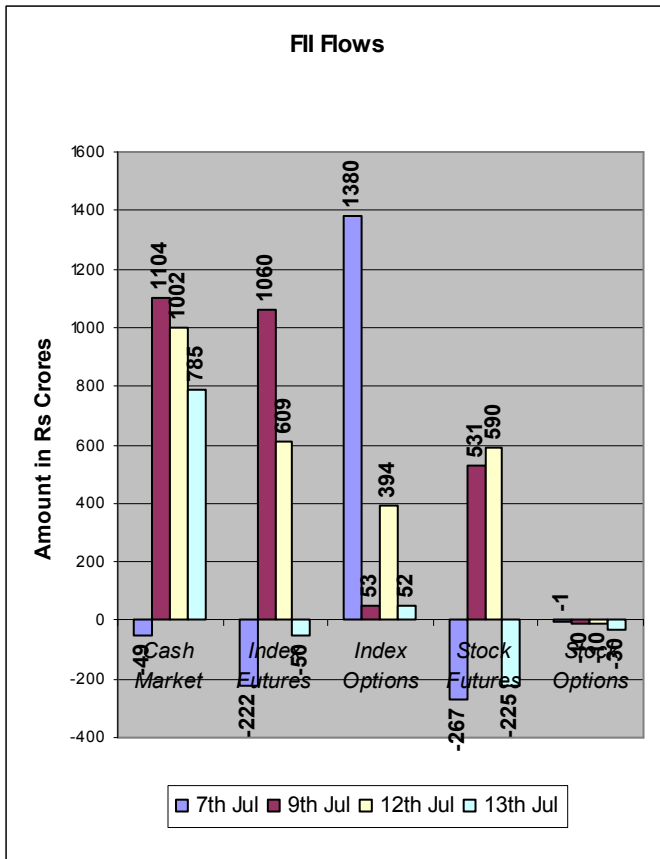
MOST ACTIVE STOCK CALLS (VALUE)

| Name & Month | Strike | No. of contracts | Price |
|----------------|--------|------------------|-------|
| IFCI Jul | 60 | 5017 | 1.50 |
| Unitech Jul | 85 | 3470 | 1.85 |
| Tata Steel Jul | 520 | 4262 | 7.70 |
| Unitech Jul | 90 | 2979 | 0.75 |
| Reliance Jul | 1080 | 3938 | 15.55 |

MOST ACTIVE STOCK CALLS (VALUE)

| Name & Month | Strike | No. of contracts | Price |
|----------------|--------|------------------|-------|
| Infosys Jul | 2800 | 1984 | 73.15 |
| Unitech Jul | 80 | 1589 | 1.45 |
| Infosys Jul | 2750 | 1441 | 41.80 |
| Tata Steel Jul | 500 | 1354 | 11.50 |
| SBIN Jul | 2400 | 1073 | 28.00 |

FII ACTIVITY



* Source: www.nseindia.com (FII trades done on Exchanges)

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