



# daring derivatives



## Derivatives Summary

- The premium in the Nifty (January) futures decreased to 4.25 points from 6.25 points and the futures shed around 4.22 lakh shares in the open interest (OI).
- The Nifty stocks added 63.3 lakh shares in the open interest.
- The total open interest in the market is Rs58,756 crore and there was an addition of Rs1,326 crore.
- The stocks close to their market wide position limits are Essar Oil (92%), Parsvnath (87%), Century (87%), SRF (92%), Sobha (93%), IFCI (92%), JPHYDRO (86%) and NDTV (88%).
- The stocks with significant addition in the OI were Amtek Auto (33%), SAIL (30%), IDBI (26%), Maruti (26%) and IFCI (25%).
- The stocks with a positive bias are Tata Steel, Siemens and CESC.
- The stock with a negative bias is Amtek Auto.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Jan)	4083	4058.7	0.60%
Nifty CoC	4.65%	4.33%	7.49%
OI	35003200	35425100	-1.19%
Vol	14510200	26450000	-45.14%
PCR(OI)	1.69	1.64	3.05%
PCR ( VOL)	1.19	1.35	-11.85%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	18.35%	18.17%	2663600	15.05%
4000 C	21.04%	20.28%	2606000	-0.92%
4050 C	20.06%	18.34%	826500	-4.04%
4000 Feb C	22.59%	20.82%	740200	11.17%
4100 Feb C	22.16%	19.98%	563000	30.11%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4000 P	22.51%	20.67%	2065900	10.80%
4100 P	19.61%	17.92%	700400	60.64%
4050 P	21.10%	19.13%	508300	25.60%
3900 P	27.39%	25.19%	3067600	0.27%
3950 P	25.30%	23.05%	1843000	7.58%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	11.36%	7.55%	14565000	-0.89%
SAIL	27.48%	-13.94%	25647300	36.62%
TATASTEEL	19.47%	16.19%	18977625	0.63%
TCS	-15.07%	5.09%	4143500	10.54%
SIEMENS	12.33%	13.20%	5068500	-0.60%

## Market View

The market opened with a positive gap for the second consecutive day and touched an intra-day high of 4099.65 in early trades and traded in a narrow range of 4075-4095 for the rest of the session. The breadth of the market was positive and the volumes in the Nifty futures were significantly lower than the volumes in the previous trading session. The Nifty futures witnessed closure of long positions, as indicated by the decrease in the premium from 6.25 points to 4.25 points and the decrease in the open interest by 4.22 lakh shares. On the options front the implied volatility of call options was around 20% whereas the implied volatility of put options was around 21-22% indicating bullish sentiments in the market. The market is likely to open on a positive note and should trade in the 4060-4120 range. The traders are advised not to go long at higher levels as some profit booking is expected above 4100. The important support levels for the Nifty are 4060 and 4030 whereas there are resistances around 4100 and 4120.

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 C	30.52%	23.99%	393300	16.43%
SAIL 95 C	66.88%	42.79%	1115100	15.36%
TATASTEEL 480 C	39.89%	37.88%	794475	5.56%
IDBI 90 C	66.83%	66.18%	1588800	25.86%
TCS 1350 C	36.33%	36.86%	65000	217.07%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 P	27.87%	25.10%	110100	143.05%
SAIL 90 P	57.70%	40.19%	621000	158.43%
TATASTEEL 480 P	32.59%	46.26%	278100	29.56%
SBIN 1230 P	36.17%	34.80%	135500	68.32%
IDBI 90 P	66.61%	50.96%	403200	52.73%

## Today's Recommendation

Scripts	Buy/Sell	Initiation Range	Stop loss	Target	Time Frame
CESC	Buy	329-332	326.5	340-350	1-2 Days
Amtek Auto	Sell	345-347	355.5	338-330	3-4 Days

## Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
15-Jan-07	Tatasteel 490 Call Buy	6.0-7.0	-	20-25	3-4 Days	Open
12-Jan-07	Reliance 1320 Call Buy	18	13.5	30-35	2-3 Days	Target Achieved
12-Jan-07	Bharti 660 Call Buy	5.0-6.0	-	15	3-4 days	Target Achieved
12-Jan-07	ABB Buy	3540-3550	3518	3600-3650	3-4 Days	Not Initiated
12-Jan-07	Bata Buy	228-230	225.8	235-240	1-2 Days	SL triggered
12-Jan-07	Bharti Buy	645	641	655-660	3-4 Days	Target Achieved
12-Jan-07	HCC Buy	162	157	172	3-4 Days	Open
12-Jan-07	Wipro Buy	625	619.5	635	1-2 Days	Closed @ 626.95

## Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
8-Jan-07	Reliance	Buy	1320 Call	17	22.5	-7.5	Expiry
	Reliance	Sell	1350 Call	9			

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