



daring derivatives



July 16, 2007

Derivatives Summary

- Nifty (Jul) futures' discount increased to 15.25 from two points and added around 6.8 lakh shares in open interest.
- Total open interest in the market is 82,245 crore and around 2,054 crore was added in open interest.
- Nifty calls added 3.1 lakh shares and puts added around 18.57 lakh shares in open interest.
- CESC (43%), India Cement (20%), IOB (15%), LITL (12%) and GDL (11%) were the top interest gainers in the market.
- Corporation Bank (-15%), SCI (-13%), PFC (-12%) and JP Associate (-11%) were the top open interest losers in the market.
- Nagarjuna Fertilizers (97%), JP Hydro (94%), Essar Oil (92%) and TTML (91%) are very close to their market wide position limits.

Market View

The market continued to rally on the back of strong momentum and positive global cues. It opened with a gap of around 40 points and remained in a very narrow range of 4490-4510 thereafter. Volumes in Nifty futures were lacklustre and added around 6.8 lakh shares in open interest towards the short side. On the option front, implied volatility of options has increased by 1-2 % across the strike price with an increase in open interest, indicating buying in both call and put options. The market is likely to open on a flat to positive note and may continue to rally as long as it is trades above 4470. Key support levels for the Nifty are 4470 and 4440 while the resistance will be around 4510-4535 levels.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (July)	4488.5	4444.15	1.00%
Nifty CoC	-9.51%	-1.17%	710.65%
OI	38767950	38087100	1.79%
Vol	15625750	14533700	7.51%
PCR(OI)	1.63	1.54	5.84%
PCR (VOL)	1.95	1.81	7.73%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4500 C	16.72%	15.97%	1387450	98.29%
4300 C	23.13%	21.22%	3210000	-0.62%
4400 C	18.87%	17.99%	1787250	-1.33%
4200 C	26.31%	25.13%	1347100	-17.80%
4450 C	17.77%	16.40%	880500	1.24%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4400 P	20.32%	18.24%	2872450	36.29%
4300 P	24.79%	22.58%	4683400	10.66%
4500 P	16.87%	15.50%	1170400	235.31%
4200 P	28.54%	26.46%	3966600	-6.31%
4450 P	17.92%	16.51%	642850	42.59%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	0.00%	9.55%	10333200	-3.82%
GMRINFRA	24.32%	16.59%	7829000	14.78%
DLF	10.06%	10.89%	13230800	-1.66%
INDIAINFO	7.79%	17.37%	5715000	-2.27%
SAIL	-79.82%	-32.36%	33658200	12.56%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 12 JULY			
	Buy	Sell	Difference
INDEX FUTURES	1388.38	620.28	768.10
INDEX OPTIONS	457.14	131.35	325.79
STOCK FUTURES	671.25	908.99	-237.75
STOCK OPTIONS	1.95	16.26	-14.30
TOTAL	2518.72	1676.88	841.84

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1740 C	21.08%	26.90%	349200	-34.79%
DLF 620 C	44.51%	37.44%	456800	25.22%
SAIL 150 C	-	33.35%	604800	55.56%
INFOSYS 1950 C	22.49%	27.27%	347500	7.25%
IDBI 125 C	49.05%	47.36%	2515200	8.38%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 P	23.19%	22.62%	157200	-11.93%
GMRINFRA 900 P	64.78%	64.98%	173000	40.65%
HINDALCO 170 P	30.05%	27.22%	374825	840.00%
INFOSYS 1920 P	22.32%	21.18%	112700	-10.06%
TATASTEEL 680 P	32.85%	-	100575	302.70%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
13-Jul-07	NTPC	Buy	157.7	157	167-170	1-2 Days	Open
10-Jul-07	PFC	Buy	161.5	153	172-175	1-2 Days	Profit Booked @ 167
3-Jul-07	Nifty	Sell	4337-4338	4350	4320-4300	1-2 Days	SL Triggered
29-Jun-07	Nifty	Sell	4273-4274	4283	4255-4240	Intraday	SL Triggered
28-Jun-07	Educomp	Sell	2297-2300	2340	2200-2150	3-4 Days	Target Achieved

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