



# daring derivatives



March 21, 2007

## Derivatives Summary

- The discount in the Nifty (March) futures increased to 22.15 points from 11.5 points and the futures shed around 5.76 lakh shares in the open interest.
- The total open interest in the market is Rs57,172 crore and there was an addition of Rs732 crore in the open interest during the day.
- The Nifty 50 stocks shed 2.5 lakh shares in the open interest.
- Orchid Chemical (19%), Canara Bank (18%), Crompton Greaves (15%), Kotak Bank (14%) & Triveni (12%) were the top open interest gainers in the market.
- PFC (-11%) & Reliance Capital (-10%) were the top open interest losers in the market.
- IFCI (92%), Essar Oil (91%) & SRF (85%) are close to their market wide position limits.

## Market View

The market opened on a positive note and remained in positive territory all through the day. It traded in the 3685-3725 range and finally settled with gains of 0.51%. The volumes in the Nifty future were lower and the futures shed around 5.76 lakh shares in the open interest due to a decrease in the cost of carry indicating closure of long positions. On the options front, the implied volatility of both the call and put options came down significantly indicating that the market may stabilise around these levels and move in the 3650-3750 range. A breakout in either direction may show some big moves. The market is likely to open on a flat to positive note and global cues will play an important role in deciding the direction of the market. The key support level for the Nifty is 3650 and there will be resistances around 3750 and 3780.

| NIFTY SNAPSHOT |          |          |          |
|----------------|----------|----------|----------|
|                | Current  | Previous | % Change |
| Nifty (Mar)    | 3672     | 3667.4   | 0.13%    |
| Nifty CoC      | -24.32%  | -11.41%  | 113.13%  |
| OI             | 39038500 | 39615200 | -1.46%   |
| Vol            | 59673400 | 56274700 | 6.04%    |
| PCR(OI)        | 0.91     | 0.91     | 0.00%    |
| PCR ( VOL)     | 0.97     | 1.14     | -14.91%  |

| MOST ACTIVE INDEX CALL OPTION |          |         |          |         |
|-------------------------------|----------|---------|----------|---------|
| Strike                        | Curr. IV | Pre. IV | Curr. OI | OI Chg% |
| 3700 C                        | 25.97%   | 30.01%  | 2903300  | 7.86%   |
| 3600 C                        | 26.47%   | 31.10%  | 1667800  | 7.84%   |
| 3800 C                        | 26.81%   | 29.37%  | 3310250  | 10.27%  |
| 3900 C                        | 27.66%   | 29.84%  | 2029800  | 3.03%   |
| 4000 Apr C                    | 14.93%   | 16.76%  | 2625950  | 3.29%   |

| MOST ACTIVE INDEX PUT OPTION |          |         |          |         |
|------------------------------|----------|---------|----------|---------|
| Strike                       | Curr. IV | Pre. IV | Curr. OI | OI Chg% |
| 3700 P                       | 25.53%   | 29.78%  | 2884250  | 1.99%   |
| 3600 P                       | 27.94%   | 31.63%  | 2214750  | 15.94%  |
| 3500 P                       | 33.08%   | 34.23%  | 2412950  | 1.17%   |
| 3700 Apr P                   | 30.46%   | 29.85%  | 679550   | 74.94%  |
| 3800 P                       | 26.52%   | 29.66%  | 2891150  | -0.85%  |

| MOST ACTIVE STOCK FUTURES |           |          |          |         |
|---------------------------|-----------|----------|----------|---------|
| Strike                    | Curr. CoC | Pre. CoC | Curr. OI | OI Chg% |
| RELIANCE                  | -46.34%   | -17.23%  | 11021100 | -0.67%  |
| RCOM                      | -5.06%    | 12.41%   | 15953000 | 1.99%   |
| SBI                       | 6.16%     | 13.99%   | 6357500  | 3.43%   |
| IVRCL                     | -9.74%    | 13.09%   | 7037500  | -0.75%  |
| CENTURY                   | 7.75%     | -9.17%   | 7083475  | 1.84%   |

| FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 15 MARCH |         |         |            |
|---|---------|---------|------------|
|   | Buy     | Sell    | Difference |
| INDEX FUTURES                                     | 1443.76 | 1091.49 | 352.27     |
| INDEX OPTIONS                                     | 178.1   | 185.54  | -7.44      |
| STOCK FUTURES                                     | 617.78  | 485.43  | 132.35     |
| STOCK OPTIONS                                     | 0       | 3.15    | -3.15      |
| TOTAL   | 2239.64 | 1765.61 | 474.03     |

| MOST ACTIVE STOCK CALL OPTIONS |              |             |              |          |
|--------------------------------|--------------|-------------|--------------|----------|
| Strike                         | Curr. IV (%) | Pre. IV (%) | Curr. OI (%) | OI Chg % |
| RELIANCE 1290                  | -            | 21.99%      | 333600       | -3.68%   |
| IDBI 80 C                      | 64.27%       | 66.24%      | 1329600      | 7.16%    |
| INDIACEM 160 C                 | 39.52%       | 61.61%      | 549550       | -7.79%   |
| IFCI 27.5 C                    | 82.46%       | 80.63%      | 5331375      | 0.00%    |
| RCOM 400 C                     | 43.99%       | 51.61%      | 257600       | -3.92%   |

| MOST ACTIVE STOCK PUT OPTIONS |              |             |              |          |
|-------------------------------|--------------|-------------|--------------|----------|
| Strike                        | Curr. IV (%) | Pre. IV (%) | Curr. OI (%) | OI Chg % |
| RELIANCE 1290 P               | 33.35%       | 30.61%      | 248250       | 7.47%    |
| SAIL 100 P                    | 54.16%       | 61.81%      | 1244700      | 12.71%   |
| RCOM 400 P                    | 46.39%       | 47.21%      | 168000       | 26.98%   |
| INDIACEM 160 P                | 58.13%       | 58.78%      | 285650       | 51.54%   |
| SBIN 900 P                    | 109.49%      | 108.08%     | 62500        | 150.00%  |

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