



daring derivatives



February 08, 2007

Derivatives Summary

- The discount in the Nifty (February) futures increased to 5.15 points from 1.3 points and the futures added around 9.49 lakh shares in the open interest.
- The total open interest in the market is Rs59,791 crore and there was an addition of around Rs1,918 crore in the open interest during the day.
- The Nifty stocks added 55.4 lakh shares in the open interest.
- Chennai Petro (67%), Amtek Auto (33%), IFCI (29%), Lupin (25%) & Crompton Greaves (22%) were the top open interest gainers.
- UltraTech Cement (-11%) & Bajaj Auto (-10%) shed open interest.
- IFCI (98%), SRF (97%), Nagarjuna Fertilisers (95%), Arvind Mills (94%) JPHydro (92%), Century Textile (91%) & IDBI (90%) are very close to their market wide position limits.
- The stock with a positive bias is UltraTech Cement.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4220.7	4190.35	0.72%
Nifty CoC	-1.73%	-3.02%	-42.72%
OI	33939100	32989700	2.88%
Vol	15625900	16579000	-5.75%
PCR(OI)	1.8	1.83	-1.64%
PCR (VOL)	1.41	1.47	-4.08%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	14.73%	15.68%	1832500	17.71%
4100 C	17.83%	17.76%	2986200	-3.94%
4300 C	13.73%	14.07%	347600	86.18%
4250 C	14.17%	14.72%	426500	16.47%
4150 C	15.96%	16.83%	730700	-0.49%

Market View

The market opened on a positive note and remained in positive territory throughout the trading session. Good buying interest was witnessed in select heavyweight counters such as Infosys, Bajaj Auto, ICICI Bank and Hindalco, which helped the Nifty to close at an all-time high. The breadth of the market was positive whereas the volumes in the Nifty futures were marginally lower than the volumes witnessed the previous day. The futures added 9.5 lakh shares in the open interest towards the short side. On the options front in the money call options witnessed profit booking while at the money and out of the money call options witnessed writing. The implied volatility of the puts remained almost flat indicating long accumulation of put options. The market is likely to open on a positive note and will be very volatile throughout the day. The day traders are advised to trade long as long as the 4200 level in the Nifty is sustained. The key support levels for the Nifty are 4200 and 4170 and the resistance will be around 4250.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 P	19.89%	20.77%	1615800	11.60%
4100 P	24.07%	23.99%	4017000	1.95%
4150 P	21.72%	22.13%	809600	22.61%
4200 Mar P	26.56%	26.66%	764600	35.04%
4000 P	27.58%	27.60%	3393200	0.35%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
BAJAJAUTO	5.06%	4.36%	1166000	1.61%
RELIANCE	5.41%	8.46%	11649300	-1.21%
RELCAPITAL	1.86%	4.28%	5409800	3.85%
SAIL	3.14%	7.20%	19242900	3.45%
RCOM	14.72%	14.92%	16139200	5.59%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1410 C	23.26%	23.40%	688800	6.69%
HINDALCO 180 C	31.74%	35.02%	1311090	-3.29%
SAIL 120 C	48.45%	54.37%	1355400	6.36%
TATASTEEL 470 C	42.16%	39.84%	577800	10.31%
RCOM 500 C	44.53%	42.67%	510300	20.30%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1380 P	22.76%	22.67%	130500	28.70%
SAIL 110 P	51.47%	50.62%	599400	70.77%
TATASTEEL 460 P	32.99%	33.44%	198450	0.34%
HINDALCO 180 P	29.79%	28.87%	208945	39.36%
INFOSYS 2280 P	22.90%	19.59%	9200	4500.00%

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Recommendation Tracker

Date	Scrips	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
7-Feb-07	Cummins Buy	282.5	278.8	290-295	1-2 Days	Open
7-Feb-07	Siemens Buy	1200	1188	1235-1270	2-3 Days	Open
6-Feb-07	Century Textile Sell	705	710	695-680	3-4 days	Closed
6-Feb-07	Hindalco Buy	177.7	176	180-183	Intraday	Stopped Out
6-Feb-07	Nifty 4100 put Buy	41-42	-	75-90	3-4 days	Closed
6-Feb-07	Bharat Forge Buy	356-358	353 (closing basis)	372-378	1-2 days	Closed
6-Feb-07	Allahabad Bank Sell	89.5	91.5	87.5-85	Intraday	Closed
6-Feb-07	Bombay Dyeing Sell	708-710	717	696-690	Intraday	Closed

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