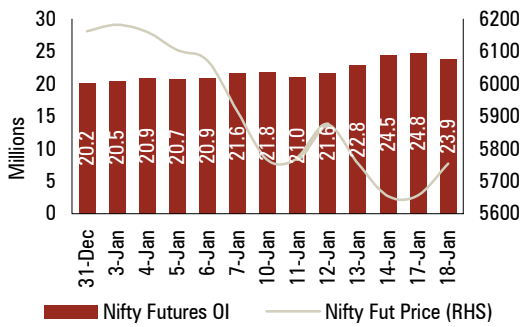
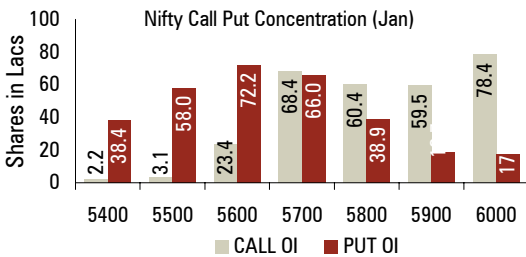


Nifty Futures – OI vs. Price



Nifty Options OI Distribution



Active Nifty Strike

Strike	Call (%)		Put (%)	
	OI chg	IV	OI chg	IV
5500	-23.4	19.1	-0.6	21.8
5600	-24.7	18.9	-13.8	20.5
5700	-0.2	18.1	-5.4	19.0
5800	0.3	17.7	-7.4	17.4
5900	-0.9	17.8	-12.1	17.4

FII Statistics (in crore)

Segment	Buy	Sell	Net	OI (lots)	%Chg
Index fut.	1688	1599	89	436669	-2.7
Index opt.	8047	6426	1621	1824588	0.3
Stock fut.	2852	2447	405	1313310	0.3
Stock opt.	352	359	-7	22111	3.8
Total	12939	10830	2108	3596678	-0.1

F&O Turnover

Instrument	No. of Contracts	Turnover	%Chg
Index Futures	554466	14826.06	-6.1
Stock Futures	587329	15940.97	9.8
Index Options	3057528	88322.4	-4.4
Stock Options	128849	3761.62	3.1
F&O Total	4328172	122851.05	-2.8

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Nifty Snapshot & Pivot Points

	Spot	Fut	COC (%)	Tot Fut OI	PCR OI	PCR Vol	ATM IV (%)
Current	5724	5732	5.92	23875550	0.89	0.99	19.80
Previous	5655	5657	1.55	24778900	0.91	1.04	23.44
Change (%)	1.21	1.31	-	-3.78	-	-	-
Pivot levels (JAN)	S3	S2	S1	Piv	R1	R2	R3
Nifty future	5577	5646	5689	5715	5759	5785	5854

Source: NSE, Seediiff, ICICIdirect.com Research

F&O Highlights

- The Nifty experienced pressure at every rise almost in the entire session before sharp covering prompted the close at the day's high. Fresh longs coupled with short covering were observed in banking and metal stocks during the day
- FII's were net buyers in the cash segment to the tune of ₹ 72 crore while they were net buyers in index futures (₹ 89 crore) and stock futures (₹ 405 crore)
- India VIX declined sharply to 21.46 levels, (down 8.95%) from 23.57 levels
- Long closure was seen at Put strikes across the board in Put option 5600 (23127 lots) and 5700-strikes (7575 lots). At the same time, Call option saw marginal changes in open interest levels at ATM 5700 strike (286 lots) and 5800-strike (345 lots). We expect 5600 levels to be strong support for the index in near term

Index Outlook

- Nifty:** The Nifty is likely to trade in the range of 5690-5750. The trading strategy would be to create short positions if the Nifty resists at around 5742 levels for targets of 5732 and 5700. On the other hand, one can also create long positions if the Nifty takes support at around 5690 levels
- Bank Nifty:** The Bank Nifty is likely to trade in the range of 10490-10750. Trade short till it resists 10750 else long positions can be initiated from 10490

Sector/Stock Analysis

- OI addition:** We saw addition of fresh long positions in stocks like Tata Motors and TCS. At the same time, fresh short additions were seen in the stocks like Exide Industries and OnMobile.
- OI shedding:** We saw closure of short positions in SAIL, Cipla and IDFC while long closure was seen in Bank of Baroda

Open interest Gainers

Symbol	OI (lots)	%Chg	Price	%Chg	Symbol	OI (lots)	%Chg	Price
EXIDEIND	2,090,000	62.77	137.8	-10.95	SAIL	10,492,000	-6.58	162.0
HCLTECH	2,058,000	12.98	488.8	2.59	SUNTV	150,500	-5.64	518.2
JINDALSA	4,379,000	10.22	223.5	3.16	CHAMBLFERT	14,404,000	-5.51	75.2
ASHOKLEY	15744000	9.49	58.1	-1.61	CIPLA	3,646,000	-5.18	354.6
INDIANB	1,872,000	8.33	204.4	-0.73	IDFC	18,582,000	-4.91	159.2

Source: Company, ICICIdirect.com Research

Intraday Strategy*

i) Hindalco (HINDAL)

Sell HINDAL Jan Fut in the range of 228.50-229

View: Bearish

Strategy: Sell Future

Target: 223

Stop Loss: 232

Market Lot: 2000

ii) IDBI (IDBI)

Buy IDBI Jan Fut in the range of 144.50-145

View: Bullish

Strategy: Buy Future

Target : 149.5

Stop Loss: 142.5

Market Lot: 2000

Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	Profit/Loss	Comment
18-Jan-11	IDFC	Bullish	Long Fut	156	160.0	153.5	--	Not Initiated
18-Jan-11	HINDAL	Bearish	Short Fut	224.0	219.0	227.0	--	Not Initiated

* Note: A recommendation will be considered initiated only if it opens in the given range or move from lower levels into the range in case of BUY and move from higher levels into the range in case of SELL

Derivatives research – product basket

Directional	Non-directional	Quant products
Long build up/Short covering Futures	Theta & Vega strategies	Pair trading
Short build up Futures	Delta differential strategy	Enhanced Basket
High OI stocks – delivery product	Option indicators analysis	VIX Analyser
Plain vanilla options	Gamma neutral delta neutral strategy	Quant Picks
Deep Value Strategy	Reverse, Synthetic options & Situational arbitrage	Volatility Insights
Hybrid Strategies – Index/Stocks	Opportunity Matrix	
Rollover week product (Long/Short rollover stocks)	Calendar Spreads	
VWAP(expiry day product)	Ratio Spreads	

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