



# daring derivatives



June 22, 2007

## Derivatives Summary

- Nifty (June) futures' discount increased to 16.1 from 8.65 and shed around 1.26 lakh shares in open interest while Nifty (July) futures added 11.1 lakh shares in open interest.
- Total open interest in the market is 74,812 crore and around 2,015 crore was added in open interest.
- Nifty calls shed 2.15 lakh shares and puts added around 5 lakh shares in open interest.
- Chennai Petro (195%), LIC Housing (79%), Rolta (49%), J&K Bank (25%), Kotak Bank (25%) and Hero Honda (23%) were the top interest gainers in the market.
- Educomp (-23%), HCC (-23%) and Shobha (-11%) were the top open interest losers in the market.
- JP Hydro (93%), Parsvnath (92%), IDBI (91%), SRF (90%) and IFCI (89%) are very close to their market wide position limits.

## Market View

The market opened on a flat note and remained in the tight range of 4235-4270 with high volatility for major part of the day. It broke out of the range towards the close before finally settling at 4267. Volumes in Nifty futures continue to be on the higher side and around 12.3 lakh shares in open interest were added on the short side. On the option front, implied volatility of options continues to decline and has come down to 19-20%, indicating strength of the market. Buying is expected to emerge at lower level with some high volatility. The market is likely to open on a flat to positive note and if it sustains above 4250 levels, then we might see some short covering which can push the market to higher levels. Key support levels for the Nifty are 4200 and 4180 while the resistance will be around 4300.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4256	4240	0.38%
Nifty CoC	-19.65%	-9.29%	111.55%
OI	42333350	41021950	3.20%
Vol	22165250	23560950	-5.92%
PCR(OI)	1.43	1.38	3.62%
PCR ( VOL)	1.3	1.07	21.50%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4300 C	17.63%	19.30%	3648250	5.29%
4200 C	20.62%	20.35%	2762450	-6.20%
4250 C	19.12%	19.56%	1331950	1.10%
4100 C	20.32%	22.74%	1133300	-12.96%
4350 Jul C	20.43%	20.53%	811600	33.42%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 P	21.92%	20.77%	3918700	-1.20%
4100 P	23.00%	24.29%	3559900	-3.03%
4200 Jul P	25.36%	24.89%	2005200	59.52%
4300 P	17.95%	18.38%	1193200	-0.45%
4250 P	19.12%	19.18%	1110900	2.03%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
SBI	24.99%	18.27%	10266250	7.96%
RELIANCE	9.65%	-1.97%	8074500	0.62%
DIVISLAB	33.11%	21.92%	417570	7.31%
IDBI	20.09%	32.37%	46128000	-6.53%
RCOM	4.52%	13.52%	20045200	-0.01%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 20 JUNE			
	Buy	Sell	Difference
INDEX FUTURES	1932.20	1280.35	651.85
INDEX OPTIONS	406.44	51.27	355.16
STOCK FUTURES	1560.48	1388.24	172.23
STOCK OPTIONS	21.67	47.17	-25.50
<b>TOTAL</b>	<b>3920.78</b>	<b>2767.04</b>	<b>1153.74</b>

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 C	25.52%	21.96%	442950	-10.30%
SBI 1440 C	35.38%	35.94%	178500	0.56%
IDBI 110 C	65.78%	59.76%	3141600	23.37%
HINDALCO 165 C	39.32%	32.32%	789525	-11.61%
TATASTEEL 600 C	29.66%	25.63%	675675	2.46%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
SBI 1410 P	34.69%	32.40%	104750	30.12%
RELIANCE 1740 P	18.64%	23.45%	130350	17.59%
IDBI 105 P	48.50%	44.60%	422400	32.33%
TATASTEEL 600 P	32.50%	36.00%	323325	12.44%
HINDALCO 160 P	32.92%	28.64%	344520	6.93%

## Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
11-Jun-07	Nifty	Buy	4200 C	71	0.00	0.00	Expiry
		Buy	4100 P	69			

## Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
19-Jun-07	Sterlite Ind	Buy	556-557	550 (Closing)	575-585	2-3 Days	Target Achieved
19-Jun-07	Adlabs	Buy	541.5	536.5	555-560	1-2 Days	Target Achieved
13-Jun-07	Satyam	Buy	482-483	475	496-503	1-2 days	Exit @ 488.3
12-Jun-07	Nifty	Buy	4122-4123	4099	4155-4170	2-3 Days	Sl Triggered

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