



daring derivatives



May 09, 2007

Derivatives Summary

- The Nifty (May) futures discount narrowed to 5.3 from 12.25 and added around 3.37 lakhs shares in open interest.
- The total open interest in the market was 49,007 crore and added around 118 crore in open interest.
- Nifty calls added 3.48 lakh shares and puts added 2.66 lakh shares in open interest.
- J&K Bank (15%), Infosys (13%), Bata India (11%) and IVRCL (11%) were the top interest gainers in the market.
- Crompton Greaves (-26%), ACC (-22%), Indian Bank (-24%) and UTI Bank (-23%) were the top open interest losers in the market.
- Nagarjuna Fertilizer (93%) and Arvind Mills (92%) were very close to their market wide position limits.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4056.9	4105.8	-1.19%
Nifty CoC	-4.78%	-1.98%	141.39%
OI	33497450	33159950	1.02%
Vol	24986850	18043950	38.48%
PCR(OI)	1.18	1.19	-0.84%
PCR (VOL)	0.79	1.13	-30.09%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	25.20%	24.63%	3255600	3.10%
4200 C	24.67%	23.43%	2633450	8.01%
4150 C	24.60%	24.18%	585400	-17.05%
4250 C	23.32%	22.01%	1128550	11.29%
4000 C	26.06%	26.19%	1285550	-0.02%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	25.23%	24.98%	2816700	1.83%
4000 P	26.67%	26.67%	3283500	3.09%
3900 P	27.65%	28.15%	1406750	4.83%
4050 P	25.76%	25.66%	715400	0.07%
4150 P	24.50%	24.27%	967300	-1.25%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	0.00%	0.52%	6603150	5.55%
REL. CAPITAL	3.81%	-7.50%	5788200	6.64%
SBI	12.95%	9.51%	6021250	9.26%
RCOM	8.62%	5.54%	12639900	2.98%
CENTURY TXT	8.43%	13.46%	6466800	8.27%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 07 MAY			
	Buy	Sell	Difference
INDEX FUTURES	634.79	677.44	-42.65
INDEX OPTIONS	209.72	188.41	21.31
STOCK FUTURES	332.46	429.99	-97.53
STOCK OPTIONS	10.2	4.86	5.34
TOTAL	1187.17	1300.7	-113.53

Market View

The market opened on a strong note but was not able to hold on to its gains and soon selling pressure pulled the Nifty in the negative territory for the third consecutive day, indicating weakness or strong selling pressure at higher level. The Nifty remained in the negative territory all through the day except for the initial minutes of the trades. Volumes in Nifty future increased and added around 4 lakh shares in open interest towards the short side. On the option front, we continued to witness long accumulation in call options whereas puts witnessed both long and short on different strike prices, indicating bear spread formation. The market is likely to open on a negative note, should witness selling pressure on every rise and may give closing in the negative territory. Traders should keep strict stop losses on their longs as the market is showing some weakness in the short term. The key support level for the Nifty is 4000 and the index will resistance at around 4115 and 4150.

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1620 C	27.43%	26.54%	509400	5.99%
SAIL 140 C	41.04%	44.01%	1522800	40.30%
TATASTEEL 560 C	39.29%	41.01%	568350	-7.37%
TTML 30 C	74.43%	83.53%	7450850	21.88%
INFOSYS 2100 C	29.39%	27.75%	129300	33.71%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1500 P	27.95%	29.36%	273750	24.66%
SAIL 135 P	38.45%	30.66%	963900	54.55%
TATASTEEL 560 P	33.51%	35.62%	137025	10.33%
IDBI 90 P	43.06%	54.25%	568800	13.40%
INFOSYS 2010 P	23.57%	24.06%	34100	4.60%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stoploss	Target	Timeframe	Remark
8-May-07	RCOM`	Buy	476.5	471.5	488-495	1-2 days	Stopped out
7-May-07	Bhel	Buy	2525	2495	2580-2610	2-3 days	Stopped out
7-May-07	Tata Steel 580 CA	Buy	11.5	6	25-30	8-10 days	Open

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