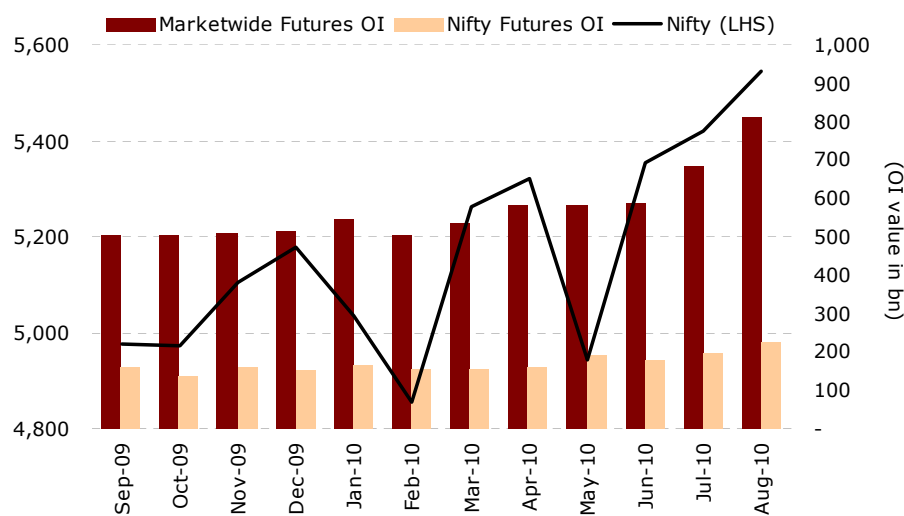


# ROLLOVER ANALYSIS

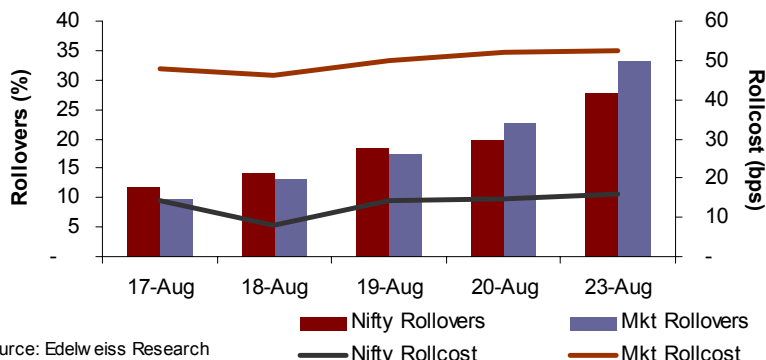
**Chart 1: Market-wide OI (D-3 Days): Market-wide roll 31%; Nifty roll 28%**



Market wide futures OI is currently at INR 810bn, which is ~19% higher than the (OI of INR 684bn) the D-3 of the July expiry. Out of the total open positions, around 31% have been rolled into the mid month as against the 33% positions rolled by D-3 of July expiry. Market wide futures OI is now ~33% away from the all time high OI of ~INR 1,082bn seen just before the market crash of Jan, 2008. In line with the previous expiry, long rollers continued to display aggression. Stock future roll cost for long rolls was ~50-52 bps. If the sentiments remain upbeat, we expect the roll cost to expand further during the course of the expiry week.

Nifty OI currently stands at ~INR 227bn, which is ~16% more than (INR 196bn) D-3 of the last expiry. Since D-3 of the July expiry, the index has moved up ~2%. The index OI this expiry has increased by ~48% in contract terms. Around 28% of the total positions have been moved into the September series till date, which is in line with last expiry.

Nifty roll cost was hovering ~8-9 points cost to the long roller with a dividend impact of additional ~5 point. Around 53,000 Nifty contracts got rolled, while 13,150 contracts were added in the near month.



Source: Edelweiss Research

Note - \* Stock futures roll cost is rolled OI weighted roll cost

August 23, 2010

**Yogesh Radke**

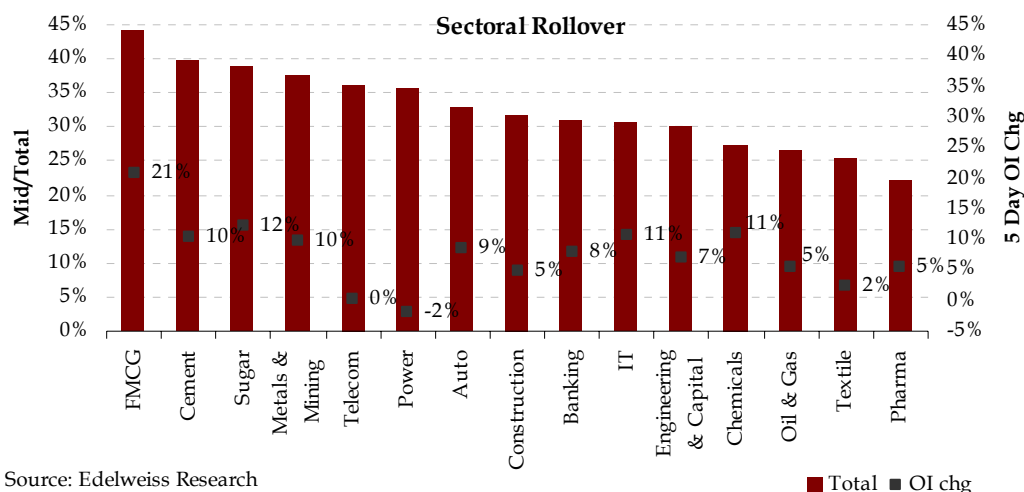
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**Chart 3: Sectoral Rollovers: FMCG, Sugar and Metals stocks show strong rollovers**

Source: Edelweiss Research

FMCG witnessed stronger rollovers with 44% of the positions shifting into the September series in comparison to the 40% witnessed by D-3 of the July expiry. Along with FMCG, sugar and metals have also witnessed relatively good amount of rollovers into the next series with ~38% positions each getting rolled into the September series. Counters with prominent rollovers are Bharat Forge (58%), Patni (55%) and IOC (53%). Pharmaceuticals and oil & gas have been laggards on the D-3, with around 22% and 27% of its total positions rolled into the next series respectively.

### Focus Stock

- Bharat Forge:** The stock witnessed 58% of its positions getting rolled into the next series as compared to the 46% positions rolled by D-3 of the previous expiry. Open interest has risen by ~17% this expiry while price has increased by ~8.30%. The OI in the counter is ~5.5mn shares. The counter was rolling at a profit of ~60bps in today's session
- Patni:** Around 55% of the total positions have been rolled into the September series, which is significantly greater than 14%, rolled on D-3 of the previous expiry. OI in shares has risen by ~76% during the month, with current OI outstanding at ~3.8mn shares. The company has announced a special dividend of INR 63 per share.
- IOC:** Nearly 54% of the positions have got rolled into the September series, which is greater than the 25% rolls witnessed on D-3 of the previous expiry. The stock holds an open interest of 6.68mn shares which is ~8% higher than the OI seen at the start of the expiry. The stock has been rolling at a profit of ~55-60bps during today's session.







5 Day Rollover (Change in OI on a 5 day horizon)

Instrument	Mid/Total	Chg in Near	Chg in Mid	Near Month	Mid Month	*Roll Cost	Roll Cost	Instrument	Mid/Total	Chg in Near	Chg in Mid	Near Month	Mid Month	Roll Cost	Roll Cost
		Mth OI	Mth OI	Mth OI	OI	17-Aug-10	23-Aug-10			Mth OI	Mth OI	OI	OI	17-Aug-10	23-Aug-10
BANK Nifty	23%	(334,300)	527,575	2,723,275	807,850	0.01%	0.05%	Cummins India Ltd.	12%	(6,500)	34,000	340,000	45,500	0.03%	0.62%
CNX IT	14%	(1,350)	2,700	19,400	3,250	0.75%	0.15%	Dabur India Ltd.	14%	(416,000)	336,000	2,396,000	394,000	0.29%	0.48%
Mini Nifty	37%	221,620	450,580	1,238,620	721,240	0.14%	0.16%	Deccan Chronicle Hold Ltd	10%	(526,000)	504,000	4,688,000	546,000	0.78%	0.61%
CNX NIFTY MID CAP 50	0%	75	-	75	-	0.75%	-0.53%	Den a Bank	26%	(2,768,000)	2,192,000	8,180,000	2,808,000	0.56%	0.59%
S&P CNX Nifty	26%	(3,775,100)	6,667,850	29,581,550	10,579,100	0.14%	0.16%	Dish Tv India Ltd.	27%	(1,648,000)	3,608,000	11,080,000	4,024,000	0.29%	0.68%
Aban Offshore Ltd.	48%	(1,301,750)	916,000	1,594,000	1,444,500	-0.23%	0.20%	Divi's Laboratories Ltd.	6%	(91,500)	30,500	703,500	44,500	0.68%	0.64%
ABB Ltd.	19%	(118,750)	182,750	1,287,000	299,000	0.10%	0.14%	DLF Limited	41%	(3,278,000)	5,249,000	9,602,000	6,564,000	0.09%	-0.20%
ABG Shipping	33%	(146,000)	203,000	555,000	278,000	0.82%	0.69%	Dr. Reddy's Laboratories Ltd.	20%	(57,750)	322,500	1,323,000	336,000	0.33%	0.43%
Aditya Birla Nuvo Limited	29%	(286,250)	391,000	1,012,750	407,250	0.72%	0.46%	Educomp Solutions Ltd	33%	(719,000)	1,286,500	4,076,500	2,005,500	-1.16%	-1.30%
Associated Cement Co. Ltd.	39%	(720,250)	498,250	1,685,000	1,057,750	-0.23%	-0.42%	Everest Kanto Cylinder Ltd	20%	(1,038,000)	1,530,000	6,604,000	1,670,000	0.92%	0.63%
Adani Enterprises Limited	52%	(380,000)	898,500	2,222,500	2,364,500	-0.42%	-0.15%	Essar Oil Ltd.	21%	(3,484,000)	3,802,000	16,796,000	4,426,000	0.65%	0.60%
ADANIPOWER	29%	170,000	1,164,000	3,024,000	1,218,000	0.72%	0.71%	Exide Industries Ltd	20%	(282,000)	274,000	1,350,000	328,000	0.61%	0.49%
Allahabad Bank	16%	(540,000)	382,000	3,030,000	570,000	0.02%	0.07%	Federal Bank Ltd.	26%	(536,000)	435,000	1,590,000	564,000	0.66%	0.60%
Ambuja Cements Ltd.	36%	(202,000)	6,160,000	21,118,000	12,102,000	-0.70%	-1.36%	Financial Technologies (I) Ltd	16%	(79,500)	140,750	823,750	152,500	0.08%	0.63%
Andhra Bank	19%	(1,238,000)	720,000	3,962,000	930,000	0.53%	0.56%	Fortis Healthcare Ltd	19%	(1,512,000)	930,000	4,914,000	1,148,000	0.55%	0.67%
Alstom Projects India Ltd	14%	(15,500)	68,000	462,000	74,500	0.02%	0.64%	Firstsource Solu. Ltd.	29%	(3,504,000)	9,264,000	28,384,000	11,384,000	0.78%	0.74%
Apollo Tyres Ltd	28%	(1,540,000)	2,708,000	8,232,000	3,256,000	0.46%	0.39%	GAIL (India) Ltd.	21%	(344,500)	597,500	3,661,500	599,000	0.53%	0.66%
Areva T&D India Limited	22%	(100,000)	400,000	1,704,000	483,000	0.46%	0.58%	The Great Eastern Shipping Co. Ltd.	13%	480,000	186,000	1,354,000	207,000	0.46%	0.68%
Ashok Leyland Ltd	20%	312,000	2,640,000	13,356,000	3,376,000	0.50%	0.51%	Glaxosmithkline Pharma Ltd.	43%	(6,500)	29,500	137,625	105,875	0.63%	0.67%
Asian Paints	14%	7,500	8,625	56,125	9,500	-0.11%	0.53%	Gujarat Mineral Development Corporation Limited	34%	(84,000)	810,000	2,402,000	1,234,000	-1.03%	-0.79%
Aurobindo Pharma Ltd.	23%	17,500	2,213,000	1,213,000	354,500	0.07%	0.34%	GMR Infrastructure Ltd.	31%	(5,896,000)	6,092,000	31,516,000	14,216,000	0.58%	0.64%
AXIS Bank Ltd.	23%	(1,015,500)	914,000	4,159,000	1,262,750	0.23%	0.38%	Godrej Industries Ltd	25%	(170,000)	526,000	5,212,000	1,696,000	0.73%	0.62%
Bajaj Auto Ltd.	23%	(108,250)	145,750	564,875	168,875	0.32%	0.31%	Grasim Industries Ltd.	9%	(118,625)	41,500	475,000	45,125	0.77%	0.26%
Bajaj Hindustan Ltd.	32%	(1,716,000)	2,460,000	8,248,000	3,904,000	0.45%	0.67%	Gujarat State Petro Ltd	41%	(2,528,000)	2,688,000	4,312,000	3,028,000	0.72%	0.68%
Balrampur Chini Mills Ltd.	39%	(4,200,000)	5,892,000	12,388,000	8,056,000	0.64%	0.62%	GTL Ltd.	51%	(3,114,500)	3,316,500	3,227,500	3,325,500	-0.06%	0.58%
Bank of Baroda	33%	(784,500)	694,000	1,920,500	954,000	-0.44%	-0.11%	Gil Infra Ltd	39%	(12,480,000)	17,264,000	29,016,000	18,232,000	0.43%	0.65%
Bank of India	22%	(366,000)	642,000	3,134,000	859,000	-0.41%	-0.16%	Great Offshore	52%	(578,000)	718,500	719,500	791,500	0.66%	0.73%
Bharat Electronics Ltd.	24%	19,125	62,875	277,375	89,125	0.03%	0.37%	Gvk Pow. & Infra Ltd.	27%	(8,344,000)	4,024,000	14,744,000	5,392,000	0.59%	0.74%
Bharat Earth Movers Ltd.	12%	(19,500)	27,500	233,750	33,000	0.78%	0.65%	Hindustan Construction Co	27%	(2,000,000)	5,732,000	17,496,000	6,324,000	0.52%	0.53%
Bgr Energy Systems Ltd	18%	(37,000)	40,000	307,500	65,500	-0.15%	0.08%	HCL Technologies Ltd.	20%	(314,000)	393,000	2,137,000	533,000	0.28%	0.35%
Bharat Forge Co Ltd	58%	(2,536,000)	2,868,000	2,456,000	3,349,000	0.58%	0.63%	Housing Development Finance Corporation Ltd.	32%	6,048,250	3,446,375	7,885,000	3,626,250	0.45%	0.37%
Bharti Airtel Ltd	48%	(7,105,000)	7,220,000	12,246,000	11,331,000	0.47%	0.33%	HDFC Bank Ltd.	26%	(426,375)	1,136,375	4,167,625	1,437,750	0.40%	0.37%
Bharat Heavy Electricals Ltd.	45%	(507,750)	736,750	1,525,000	1,253,500	0.44%	0.20%	Housing Development and Infrastructure Ltd.	11%	(900,000)	1,223,000	14,553,000	1,790,000	0.85%	0.50%
BHUSHAN STEEL & STRIPS LT	15%	(10,375)	37,750	295,500	53,375	0.32%	0.32%	Hero Honda Motors Ltd.	41%	(668,375)	650,000	1,941,250	1,345,000	-0.58%	-0.76%
BIOCON LIMITED.	21%	(961,000)	418,000	2,333,000	608,000	0.63%	0.63%	Hexaware Technologies Limited	12%	(196,000)	308,000	2,576,000	360,000	0.75%	0.72%
MICO Ltd	13%	4,250	4,875	35,125	5,375	0.79%	0.64%	Hindalco Industries Ltd.	22%	(7,220,000)	3,802,000	19,000,000	5,206,000	0.42%	0.40%
Bharat Petroleum Corporation Ltd.	18%	(660,500)	465,000	3,289,500	743,500	0.53%	0.55%	Hindustan Petroleum Corporation Ltd.	30%	(2,550,000)	1,646,000	7,214,000	3,126,000	0.30%	0.57%
Bombay Rayon Fashions Ltd	14%	(119,000)	546,000	3,894,000	646,000	0.42%	0.53%	Hindustan Unilever Ltd	41%	(3,035,000)	5,516,000	9,603,000	6,596,000	0.21%	0.28%
Cairn India Limited	41%	(6,079,000)	4,399,000	10,663,000	7,467,000	0.40%	0.63%	Hindustan Zinc	8%	(51,000)	19,500	295,250	24,750	0.52%	0.80%
Canara Bank	18%	(637,500)	302,000	1,783,000	385,500	0.42%	0.59%	Hotel Leela Ventures Ltd	22%	(368,000)	1,352,000	5,656,000	1,608,000	0.60%	0.59%
Century Textiles Ltd	33%	(1,951,500)	1,689,000	4,167,500	2,043,000	0.60%	0.68%	Indiabulls Real Est. Ltd	13%	926,000	1,618,000	14,126,000	2,064,000	0.25%	0.52%
CESC Ltd.	24%	29,000	243,000	810,000	256,000	0.53%	0.63%	ICICI Bank Ltd.	28%	(3,355,750)	4,462,500	16,771,500	6,456,000	-0.06%	-0.27%
Chambal Fertilizers Ltd.	21%	1,380,000	2,172,000	10,180,000	2,788,000	0.59%	0.62%	ICSA (India) Limited	39%	(2,518,000)	2,516,000	4,258,000	2,676,000	0.71%	0.59%
Chennai Petroleum Corporation Ltd.	38%	(286,000)	251,000	732,000	452,000	0.49%	0.71%	Industrial development bank of India Ltd.	30%	(5,828,000)	5,472,000	14,630,000	6,318,000	0.50%	0.60%
Cipla Ltd.	33%	(197,000)	2,111,000	5,756,000	2,885,000	0.56%	-0.75%	Idea Cellular Ltd.	38%	(13,908,000)	4,908,000	25,432,000	15,260,000	-1.20%	-1.36%
Colgate Palmolive (I) Ltd.	9%	51,000	34,000	412,000	39,000	0.75%	0.67%	Infrastructure Development Finance Company Ltd.	39%	(6,070,000)	5,730,000	11,370,000	7,272,000	0.58%	0.64%
Container Corp Of Ind Ltd	34%	(4,750)	10,000	27,750	14,500	0.59%	0.74%	IFCI Ltd.	39%	(18,444,000)	26,676,000	59,568,000	37,608,000	0.64%	0.64%
Core Proj. & Tech. Ltd.	76%	(4,027,000)	4,337,000	2,305,000	7,270,000	0.71%	0.86%	Indian Hotels Co. Ltd.	22%	(1,760,000)	3,012,000	12,624,000	3,632,000	0.67%	0.69%
Crompton Greaves Ltd.	18%	127,000	174,000	991,000	217,000	0.50%	0.59%	India Cements Ltd.	52%	(6,560,000)	5,218,000	5,740,000	6,222,000	0.53%	0.68%

\*Rollover Cost: Cost of rolling over the near month future to the next month

Sorted on Ascending order the alphabet

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Daily Market Outlook (DMO)  
Earnings Style Analysis (ESA)  
Edelweiss Corporate Action Tracker (e CAT)  
Edelweiss Technical Reflection (ETR)  
Enhanced Nifty (e Nifty)  
hEDGE  
Insider Trades  
Pair Strategy  
Rollovers Analysis  
Factor Analyser (FA)

### Special Situation Products

ADS Conversion  
Alpha Trades  
Buy Back  
Delisting  
De-Merger  
Directional (Long / Short)  
Merger  
Open Offer  
Option Trading  
Restructuring (Value Unlocking)  
Rights Arbitrage  
Secondary Offerings  
Spread Trade

Date	Special Report
15-Jul-09	Master Moves (Opportunities from Open offer, Buy back, delisting)
27-Jul-10	Edelweiss Vital Insights (Is this the inception of a new bull run?)
29-Jul-10	Edelweiss Style Analysis: What's hot
01-Mar-10	Enhanced Nifty: Nifty with an edge

Date	Monthly Report
23-Aug-10	Rollover Analysis
04-Aug-10	hEDGE: The alternative insights monthly
11-Aug-10	FA: Factor Analyser
16-Aug-10	Edelweiss Fund Insight – EFI

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