



# daring derivatives



May 07, 2007

## Derivatives Summary

- The Nifty (May) future premium decreased to 4.05 from 10.5 and added around 461,400 shares in open interest.
- The total open interest in the market stood at 47,643 crore and added around 830 crore shares in open interest.
- The Nifty call added 6.16 lakh shares and put added 3.38 lakh shares in open interest.
- Colgate (69%), Nicholas Piramal (25%), Bank of India (22%) and SCI (19%) were the top interest gainers in the market.
- Cipla (-12%), Hind Petro (-12%) and GE Ship (-11%) were the top open interest losers in the market.
- Arvind Mills (99%), IFCI (96%) and Nagarjuna Fertilizer (93%) were very close to their market wide position limits.

## Market View

The market opened on a strong note on account of strong global cues but was not able to hold on to its gains and soon selling pressure pulled the Nifty into negative territory. The index remained in the red for major part of the day. A few mid-cap counters continued to rally and profit booking was mainly witnessed in index heavyweights. The Nifty finally settled with a loss of a little less than a percent and added around 461,000 shares in open interest towards the short side, as indicated by a decrease in the cost of carry. Volumes in Nifty futures were higher than the average. On the option front, we have seen that implied volatility of both calls and puts have remained flat, indicating the market may remain within a range. The market is likely to open on a flat to negative note on Monday. It should take a strong support around 4080 level. On closing below this level it could drift down to 4000 levels once again. The key support level for the Nifty is 4080. It may face resistance at around 4177 and 4200.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (May)	4120	4161.35	-0.99%
Nifty CoC	1.33%	3.30%	-59.66%
OI	31820300	31358900	1.47%
Vol	24210950	20194800	19.89%
PCR(OI)	1.16	1.2	-3.33%
PCR ( VOL)	0.86	1.24	-30.65%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	23.19%	23.02%	2372550	18.46%
4100 C	24.04%	23.76%	3173000	5.51%
4250 C	22.24%	21.79%	888400	26.36%
4150 C	23.92%	23.80%	674600	19.36%
4000 C	26.03%	25.44%	1280250	-1.63%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	24.38%	24.11%	2571750	16.48%
4000 P	26.18%	26.02%	3229400	-1.28%
4150 P	24.53%	23.28%	939750	21.37%
3900 P	27.67%	27.63%	1397900	-0.32%
4200 P	23.98%	22.65%	418050	-1.70%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	10.24%	4.69%	6987150	2.29%
IFCI	18.17%	9.77%	94972500	14.87%
SBIN	10.82%	11.26%	5679500	2.29%
TATASTEEL	12.47%	12.52%	10442250	-0.19%
RCOM	11.51%	12.85%	12874400	6.63%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 3 MAY			
	Buy	Sell	Difference
INDEX FUTURES	1331.88	794.22	537.66
INDEX OPTIONS	145.7	62.72	82.98
STOCK FUTURES	478.64	448.17	30.47
STOCK OPTIONS	2.76	0	2.76
TOTAL	1958.98	1305.11	653.87

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1620 C	30.03%	25.72%	463500	62.29%
IFCI 50 C	69.47%	73.70%	3890250	41.95%
TATASTEEL 560 C	39.39%	42.98%	542700	14.69%
IDBI 90 C	58.18%	54.19%	1279200	-4.31%
RCOM 480 C	41.54%	44.68%	368900	31.42%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1590 P	22.57%	23.87%	73950	-13.96%
IFCI 45 P	59.76%	69.64%	1953000	18.10%
TATASTEEL 560 P	32.40%	34.10%	100575	12.88%
IDBI 90 P	47.90%	43.08%	468000	43.38%
SAIL 130 P	35.59%	38.80%	683100	42.94%

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