



daring derivatives



February 21, 2007

Derivatives Summary

- The premium in the Nifty (February) futures decreased to 11.65 points from 11.9 points and the futures shed around 38 lakh shares whereas the Nifty (March) futures added 44.1 lakh shares in the open interest.
- The total open interest in the market is Rs62,589 crore and there was an addition of around Rs434 crore in the open interest during the day.
- The Nifty stocks added 56.30 lakh shares in the open interest.
- Suzlon (17%), Grasim (14%), Praj Industries (12%), Orchid Chemical (11%), RPL (11%) & IOB (11%) were the top open interest gainers.
- Aban (-14%), BEML (-11%), Bata India (-11%), NDTV (-9%) & UTI Bank (-9%) shed open interest.
- Century Textile (90%), Essar Oil (88%), Parsvnath (88%), Arvind Mills (86%) & Nagarjuna Fertilisers (86%) are very close to their market wide position limits.

Market View

The market opened on a positive note and made an intra-day high of 4175 in the initial minutes of the trading session. However it plunged into the red in the first half of the trading session and remained in negative territory and closed at the day's bottom with losses of around 60 points. The volumes in the Nifty futures were relatively higher on account of the roll-over in the Nifty. The breadth of the market was negative. The Nifty futures added around 6.4 lakh shares in the open interest on the short side. On the options side the implied volatility of the call options continued to be on the higher side indicating that the market is likely to be very volatile and should witness profit booking at higher level while the implied volatility in the put options decreased indicating further downside from the current levels. The market is likely to open on a negative note and the sentiments in the market would remain cautious until the Nifty surpasses and sustains above 4130. Fresh long positions are advisable only if the Nifty sustains above 4150. The key support levels for the Nifty are 4090 and 4025 and the resistances will be around 4150 and 4190.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4115.55	4176.45	-1.46%
Nifty CoC	50.47%	34.77%	45.17%
OI	35350700	34710700	1.84%
Vol	29690500	19390900	53.12%
PCR(OI)	1.33	1.38	-3.62%
PCR (VOL)	1.01	1.09	-7.34%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4150 C	28.56%	25.37%	1697900	40.76%
4200 C	27.95%	22.32%	3526800	9.60%
4100 C	31.92%	30.71%	3113600	5.25%
4200 Mar C	24.22%	22.68%	1312800	1.85%
4300 Mar C	22.83%	21.43%	818500	4.75%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	22.86%	22.63%	2963300	-3.61%
4150 P	16.84%	18.71%	1111300	10.48%
4200 P	-	14.11%	2068500	0.19%
4100 Mar P	29.73%	28.85%	1707000	17.97%
4000 Mar P	31.44%	30.26%	1756100	7.74%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	64.65%	29.12%	7331400	-16.06%
HINDLEVER	27.45%	65.22%	11314000	-13.34%
TATASTEEL	59.56%	80.91%	18605700	-12.06%
SBIN	45.38%	17.20%	5136500	-10.37%
RCOM	103.29%	-10.52%	13045900	-9.06%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS)			
	Buy	Sell	Difference
INDEX FUTURES	2101.63	1664.62	437.01
INDEX OPTIONS	187.19	79.27	107.92
STOCK FUTURES	2409.43	2292.79	116.64
STOCK OPTIONS	0	0.34	-0.34
TOTAL	4698.25	4037.02	661.23

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1410 C	32.99%	26.22%	681900	-1.77%
RPL 70 C	54.05%	45.30%	2951350	-17.28%
SAIL 120 C	70.16%	60.12%	2133000	11.42%
HINDLEVER 210 C	68.35%	64.94%	844000	0.84%
TATASTEEL 450 C	45.87%	50.66%	508950	14.76%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1410 P	18.72%	20.90%	114300	40.59%
HINDLEVER 200 P	54.95%	53.86%	203000	-1.93%
TATASTEEL 450 P	43.68%	29.83%	336150	12.93%
SAIL 115 P	58.27%	56.34%	261900	-16.38%
SBIN 1140 P	35.06%	40.09%	86500	16.11%

Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
20-Feb-07	Prajind Buy	394-395	385	410-420	BTST	Open
19-Feb-07	GMR Infra Buy	421-422	415	430-440	2-3 Days	Stoploss triggered
19-Feb-07	Divis Lab Buy	3490-3495	3465	3570-3650	2-3 Days	Stoploss triggered
15-Feb-07	Bajaj Auto Buy	3010-3014	2970	3065-3100	2-3 Days	First Tgt Achieved
15-Feb-07	Sail 115 Call Buy	2	-	6	Expiry	Tgt Achieved
9-Feb-07	IVRCL Buy	420.75	417.5	430-437	Intraday	Stoploss triggered

Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
8-Feb-07	Nifty	Buy	4200 P	54.5	77	23	Closed
	Nifty	Sell	4100 P	31.5			

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