



daring derivatives



March 05, 2007

Derivatives Summary

- The discount in the Nifty (March) futures increased to -48.45 points from -19.65 points and the futures added around 17.59 lakh shares in the open interest.
- The total open interest in the market is Rs51,846 crore and there was an addition of Rs577 crore in the open interest.
- The Nifty stocks added 58.36 lakh shares in the open interest.
- L&T (13%), CESC (11%), SBI (8%) & Cipla (8%) were the top open interest gainers in the market.
- Kotak Bank (-19%), Renuka (-14%), Nagarjuna Construction (-11%) & IFCI (-12%) were the top open interest losers in the market.
- IFCI (88%) & Essar Oil (86%) are very close to their market wide position limits.

Market View

The market opened on a weak note and bounced from the morning lows but was unable to hold on to the initial gains. It plunged into negative territory in the afternoon and continued its downward movement till the closing of the session. The Nifty closed with losses of around 85 points at 3726 after touching a low of 3711. The volumes in the Nifty futures witnessed a marginal decline from the previous trading day and there was an addition of around 17.59 lakh shares in the open interest. FIIs continue to remain short on the Nifty futures, which might be a cause of concern for the traders in the next few days. On the options front the implied volatility of both the calls and puts increased marginally indicating volatile days ahead. The market is likely to open on a cautious note and global market sentiments will play an important role in deciding the direction of the market. The market will continue to face selling pressure till the Nifty crosses and holds above 3830 in the futures. The key support level for the Nifty is 3650 and there will be resistances around 3750 and 3830.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	3670.5	3791.55	-3.19%
Nifty CoC	-17.61%	-6.72%	162.04%
OI	39625750	37866350	4.65%
Vol	71672700	72926500	-1.72%
PCR(OI)	0.99	1.03	-3.88%
PCR (VOL)	0.9	0.9	0.00%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3800 C	26.97%	26.14%	2506350	6.64%
3700 C	27.55%	27.46%	1015100	112.21%
3900 C	26.35%	25.52%	1599950	13.38%
4000 C	27.40%	26.00%	2468250	4.05%
4100 C	28.26%	25.53%	2690300	-3.63%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3700 P	28.11%	25.33%	1578400	-
3800 P	26.57%	30.57%	3684300	-2.74%
3900 P	26.56%	30.74%	2617900	-9.30%
4000 P	26.49%	30.64%	2341750	0.23%
3760 P	28.23%	31.83%	1919350	3.98%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	1.43%	7.68%	11732250	-1.17%
IFCI	8.56%	0.00%	97098750	15.16%
IVRCL	6.38%	5.16%	9268000	-0.84%
SESAGOA	7.19%	3.39%	1592850	10.35%
RCOM	-2.75%	5.56%	16308600	-1.87%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 27 FEB 07			
	Buy	Sell	Difference
INDEX FUTURES	1408.88	1468.46	-59.58
INDEX OPTIONS	463.81	91.61	372.20
STOCK FUTURES	843.11	288.78	554.33
STOCK OPTIONS	0	0.08	-0.08
TOTAL	2715.8	1848.93	866.87

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
IFCI 30 C	85.96%	90.25%	6583500	24.04%
RELIANCE 1410 C	25.87%	31.18%	422700	-14.74%
IDFC 100 C	66.65%	71.83%	1056100	12.23%
TATASTEEL 460 C	34.72%	40.53%	273375	24.23%
SBIN 1050 C	36.90%	38.91%	61750	51.53%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 P	28.70%	24.79%	166650	28.74%
TATASTEEL 440 P	30.65%	30.48%	155250	14.43%
SBIN 1020 P	38.00%	37.79%	43500	5.45%
IFCI 30 P	80.99%	73.85%	968625	6.03%
SAIL 110 P	55.97%	46.67%	170100	18.87%

Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
27-Feb-07	Sterlite Industries Buy	509	503	525-540	2-3 Days	Stop loss triggered
26-Feb-07	Nifty Buy	3937.5	3915	3985-4020	1-2 Days	Stop loss triggered

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