

DERIVATIVE STRATEGY | DAILY



OUR REPORTS

Fundamental

Company Report
Sector Report
Theme Based Report

Daily & Weekly

Fundamental Market Update
Technical Market Update
Derivative Market Update

Fortnightly

Banking Sector Report
Currency Report

Monthly

India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly

India and Global Strategy Report
India Economy Report

Others

Event Based Report
RBI Monetary Review Report
Annual Budget Review Report

06th October, 2010

Vinit Pagaria, ACA, FRM

E-mail: vpagaria@microsec.in

ANALYSIS OF FUTURES & OPTIONS MARKET

Nifty (6145.80)

OCTOBER FUTURE

Price: 6182.85 (-0.04%)

Premium: 37.05

Open Int: 28080400 (+1%)

NOVEMBER FUTURE

Price: 6202.55 (-0.01%)

Premium: 56.75

Open Int: 1602500 (+7%)

NIFTY DAILY CHART



Trading Calls

◆ Long Areva T&D Future

Buy Oct Future @ Rs 303/- Target: Rs 342/- SL: Rs 284/- Lot Size: 1000

◆ Long Hindustan Unilever Put option

Buy Oct 300 Put option @ Rs 6/- Target: Rs 12/- Lot Size: 1000

HIGHLIGHTS

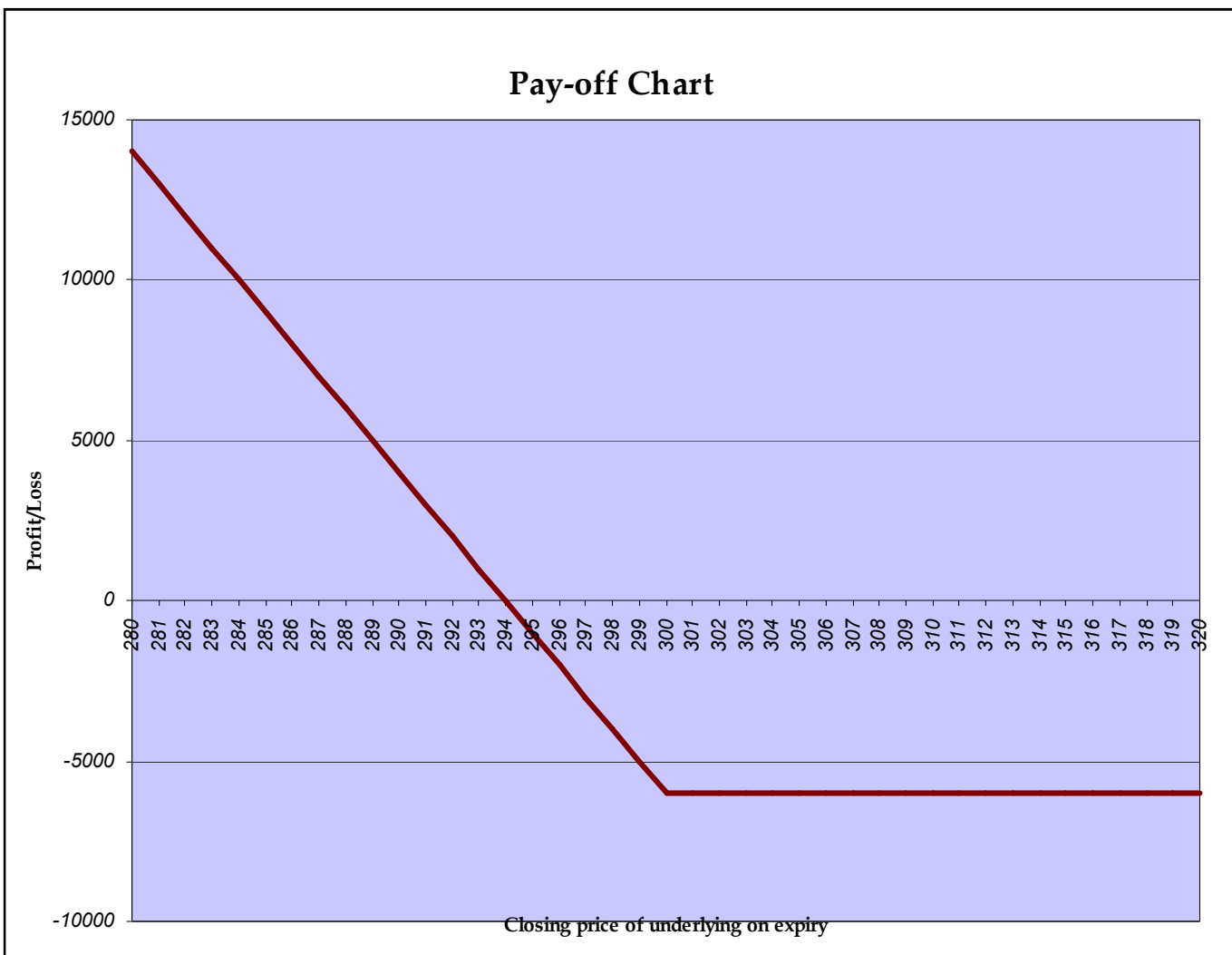
- ⇒ Nifty moved in the range of 6140 and 6190 during the day. On the upside, 6250-6300 is likely to act as a very stiff resistance area while on the downside, support exists at 6100, 6065 and 6000
- ⇒ Nifty Call options of strike 6500 had a build up of 13675 lots while Put options of strike 6200 had a build up of 7163 lots
- ⇒ Nifty Put Call ratio stands at 1.32 with the total open interest in Call options at 1,182,986 lots and that in Put options at 1,563,486 lots
- ⇒ Areva T&D, Adani Power, BEML, Vijaya Bank, Aban Offshore, Reliance Power, Nagarjuna Construction, Educomp Solutions and Indiabulls Real Estate appear strong while Hindustan Unilever, Bharti Airtel and Suzlon Energy appear relatively weak
- ⇒ Volatility Index fell by 2.76% from 22.80 to 22.17

NIFTY PIVOT POINTS

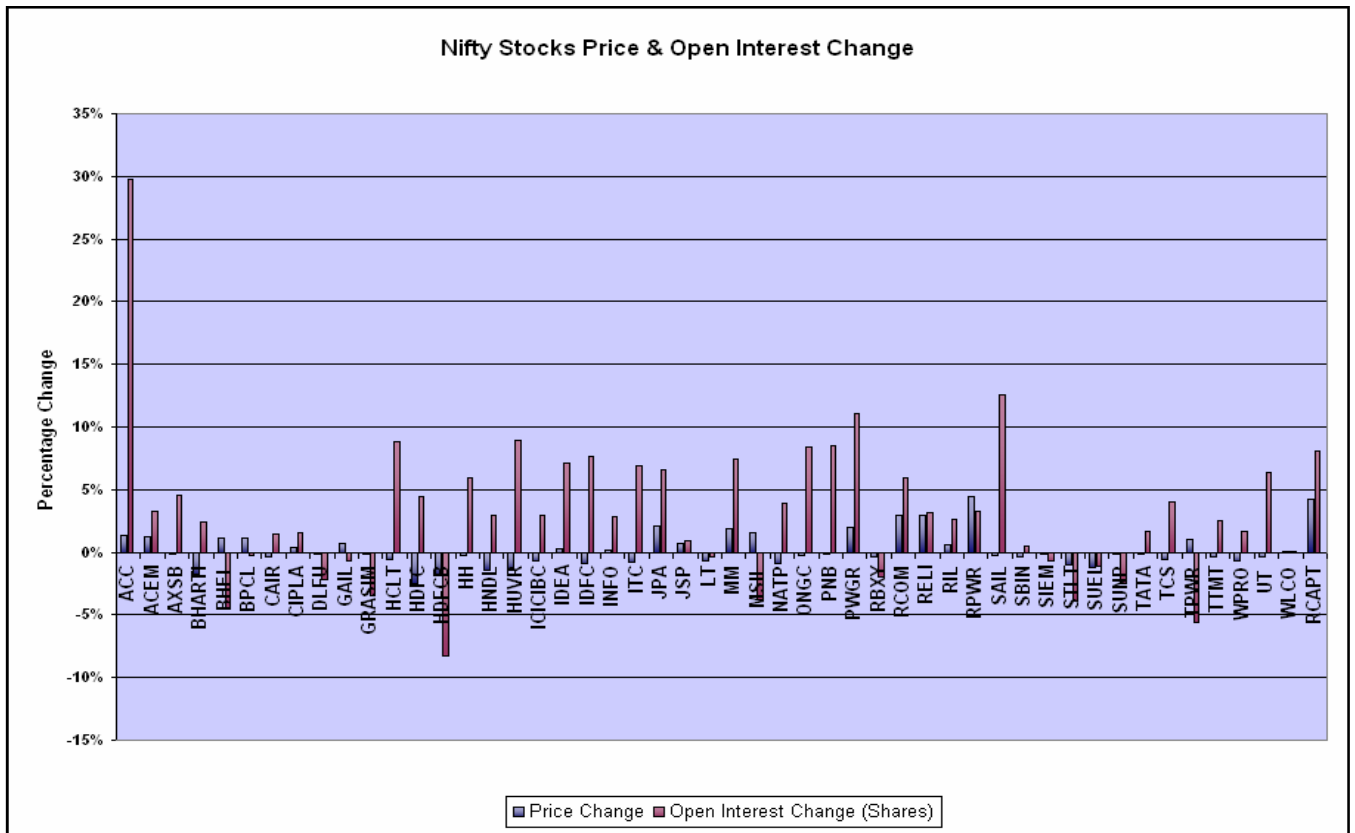
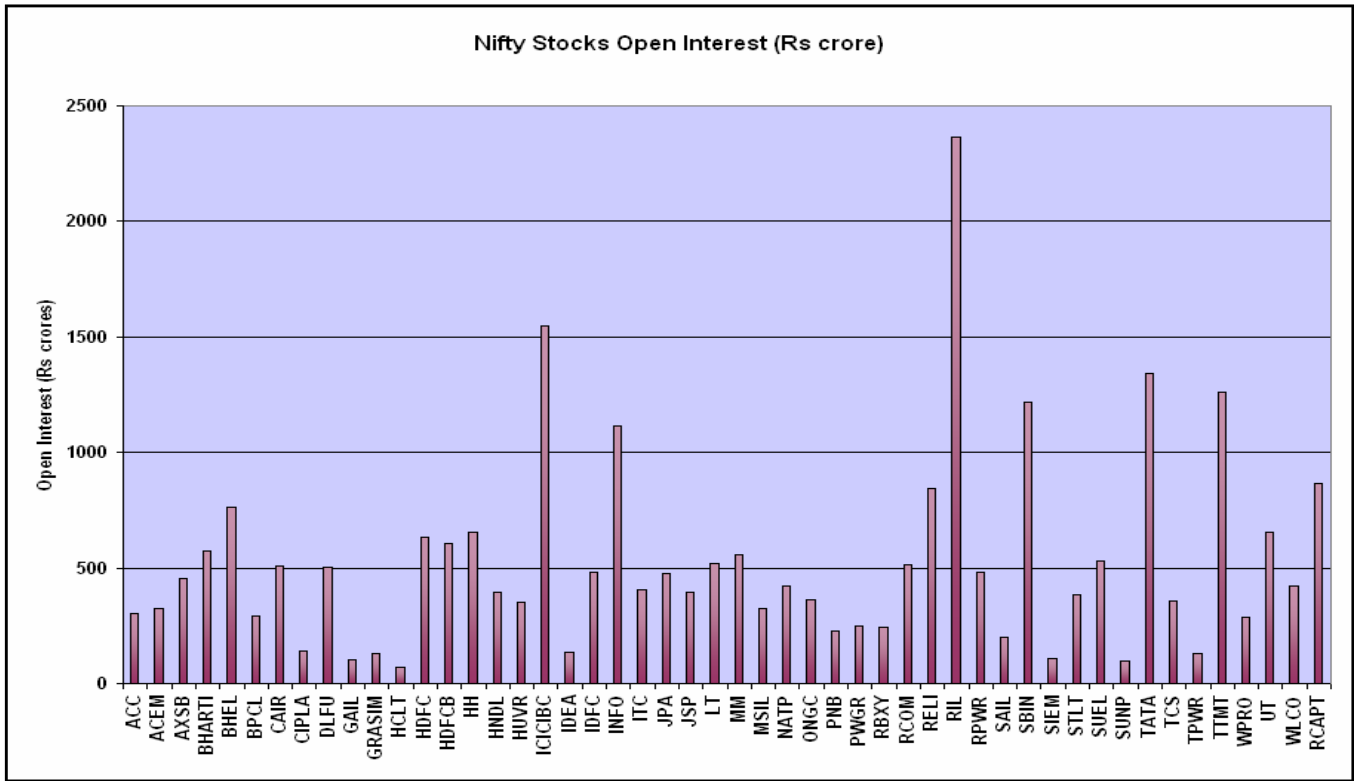
S2	S1	PIVOT	R1	R2
6080	6113	6151	6183	6221

OPTION STRATEGY

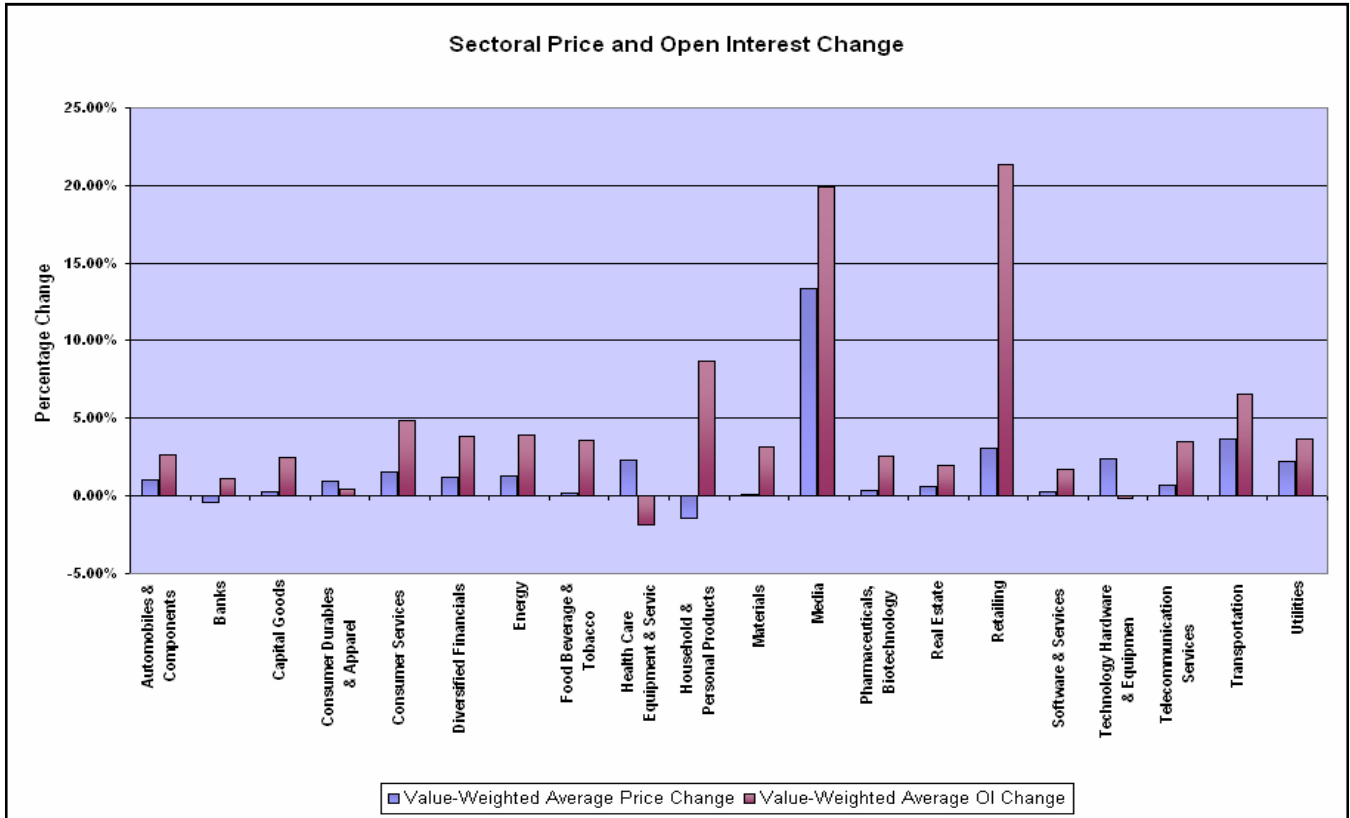
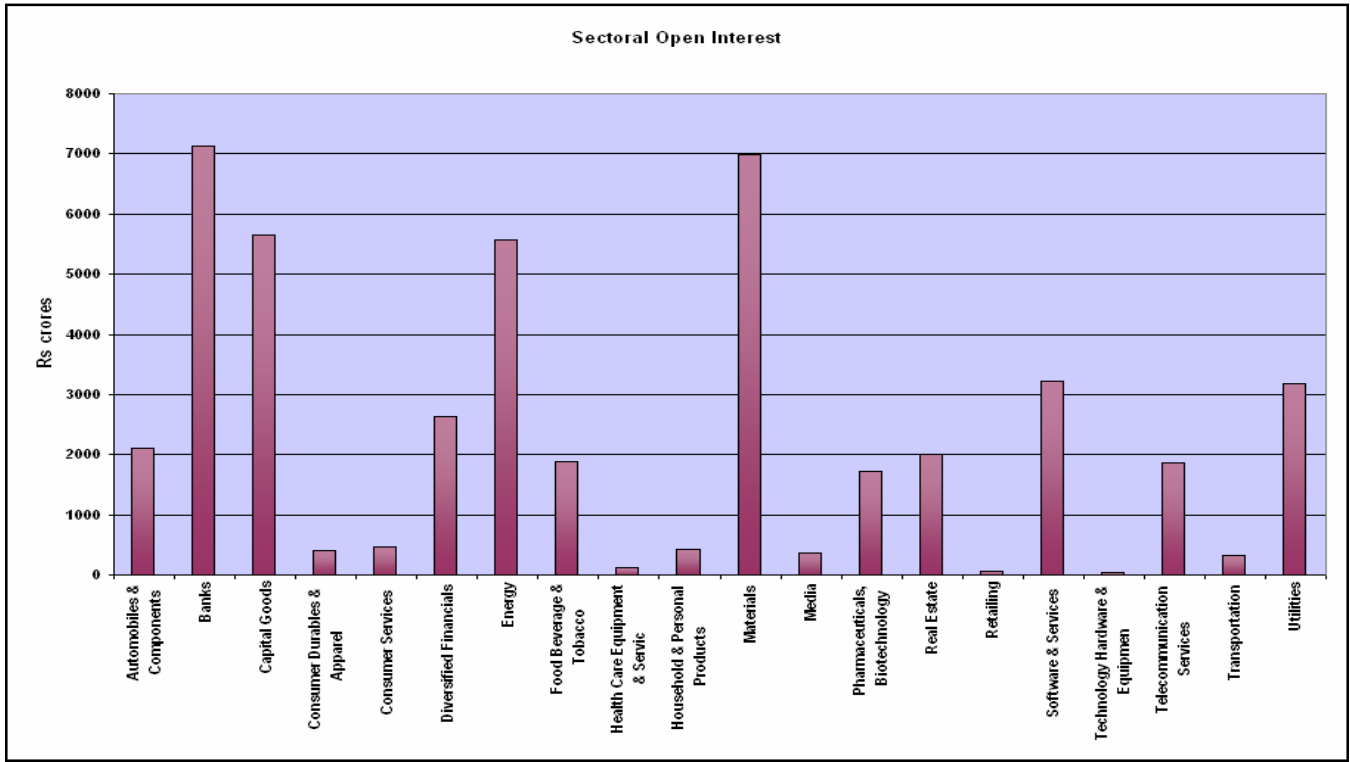
Scrip/Index: HINDUSTAN UNILEVER
Strategy: Long Call option
Current Price of Underlying: Rs 304/- Lot Size: 1000
Buy Oct 300 Put option @ Rs 6/-
Profitable when closing price is below Rs 294/- on expiry
Maximum Potential Profit: Unlimited Maximum Possible Loss: Rs 6,000/-
Time to Expiry: 23 days



STOCK FUTURES - NIFTY STOCKS



STOCK FUTURES - SECTORAL ANALYSIS



TOP PRICE GAINERS (STOCKS)

Scrip	Lot Size	Spot price	% Change
Orchid Chemicals	2000	267.30	14.08
SAIL	1000	223.55	9.00
IFCI Ltd	4000	66.45	8.85
Godrej Industries	2000	229.80	7.51
FSL	8000	28.80	7.06

TOP PRICE LOSERS (STOCKS)

Scrip	Lot Size	Spot Price	% Change
GTL Infrastructure	8000	45.65	(2.87)
Jain Irrigation	250	1170.30	(1.59)
Lanco Infratech	4000	71.35	(0.90)
Hero Honda	125	1848.20	(0.53)
Reliance Com	2000	167.90	(0.36)

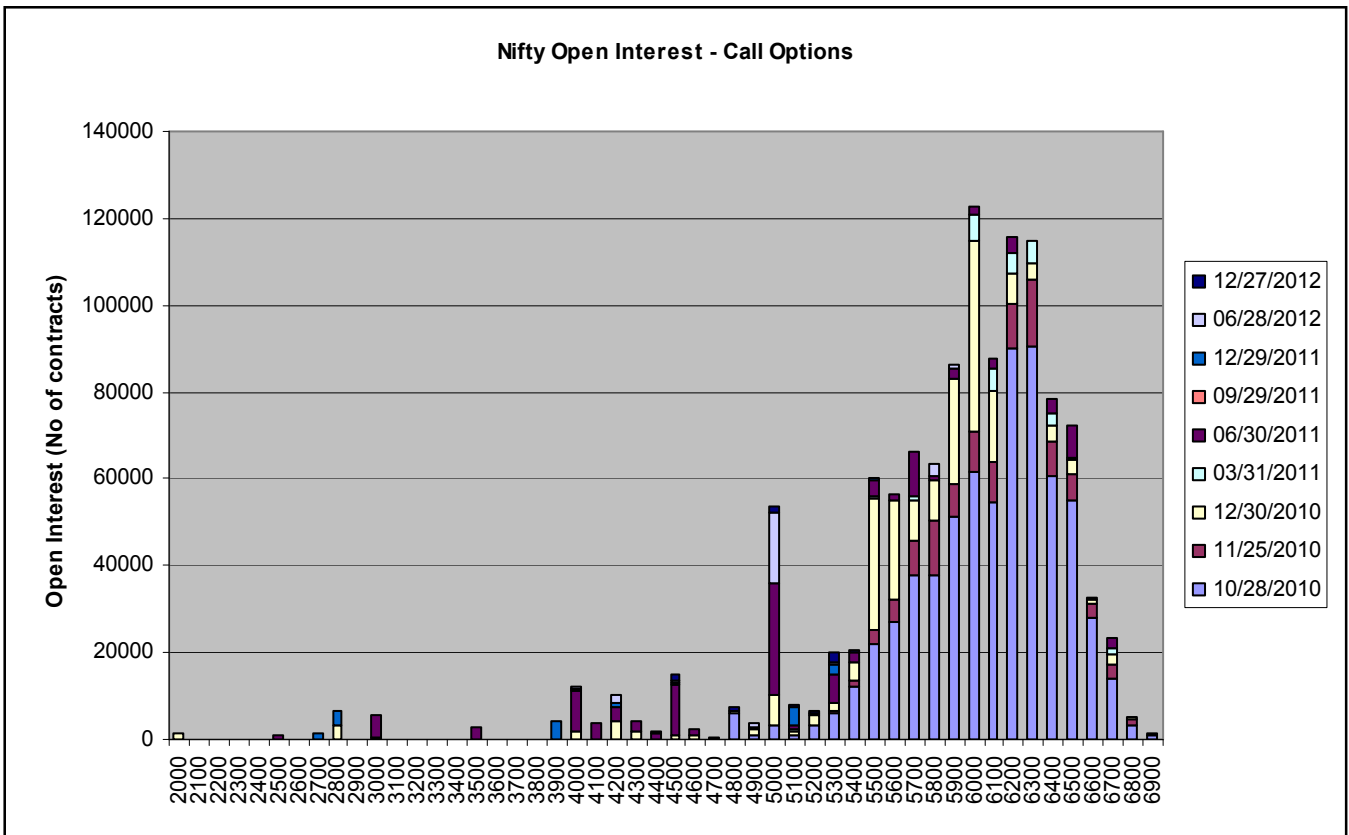
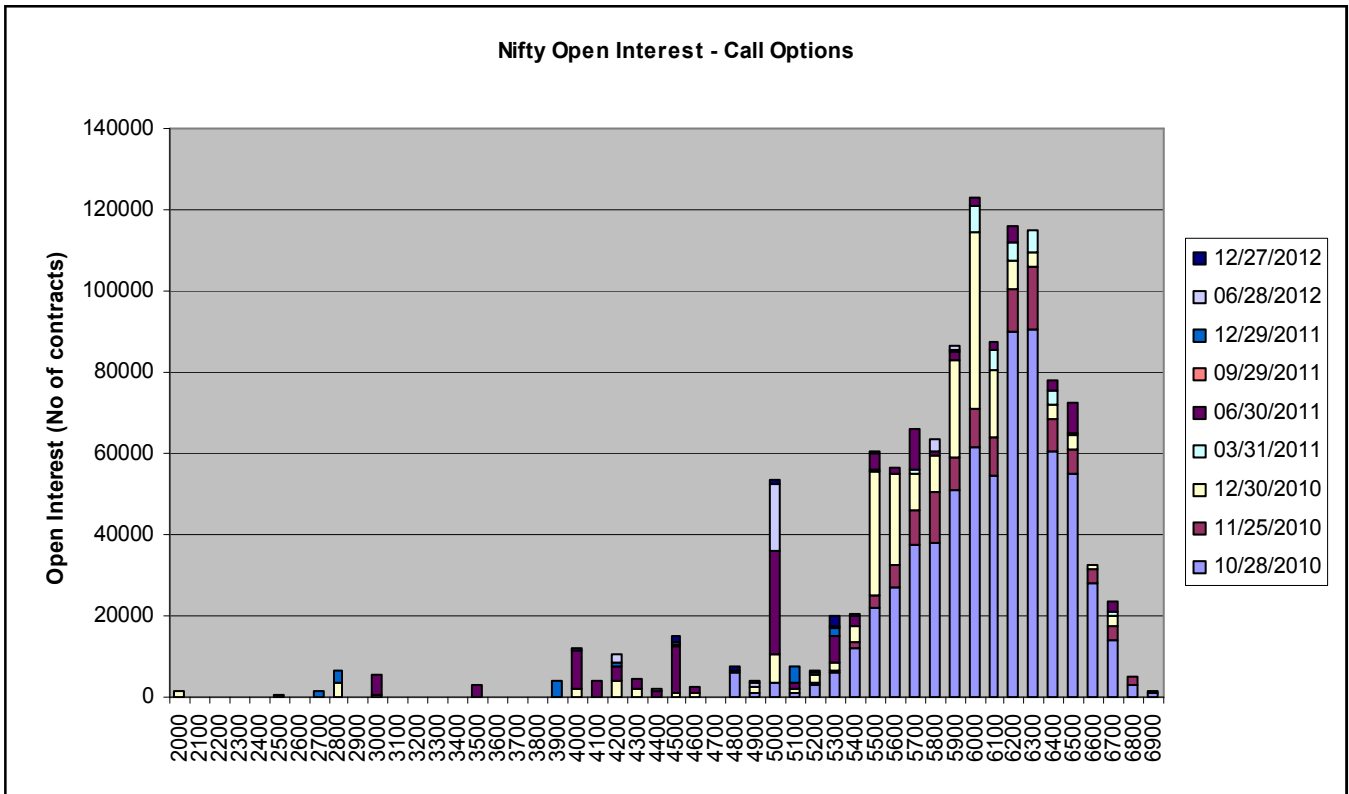
SIGNIFICANT OPEN INTEREST ADDITIONS (STOCKS)

Contract	Price	% Change	Volume Spot	% Change	Open Interest	Absolute Change	% Change
SAIL	223.55	9.00	14489381	702.63	8959000	3124000	53.54
Jain Irrigation	1170.30	(1.59)	294627	67.01	179500	56000	45.34
Colgate Palmolive	886.40	1.74	207168	140.64	366000	83500	29.56
Sun TV	529.60	2.04	846732	188.60	772500	165500	27.27
Oracle Financial	2297.65	2.78	153589	23.66	432125	82875	23.73
Bosch Ltd	6222.20	0.67	20552	29.68	45875	8500	22.74

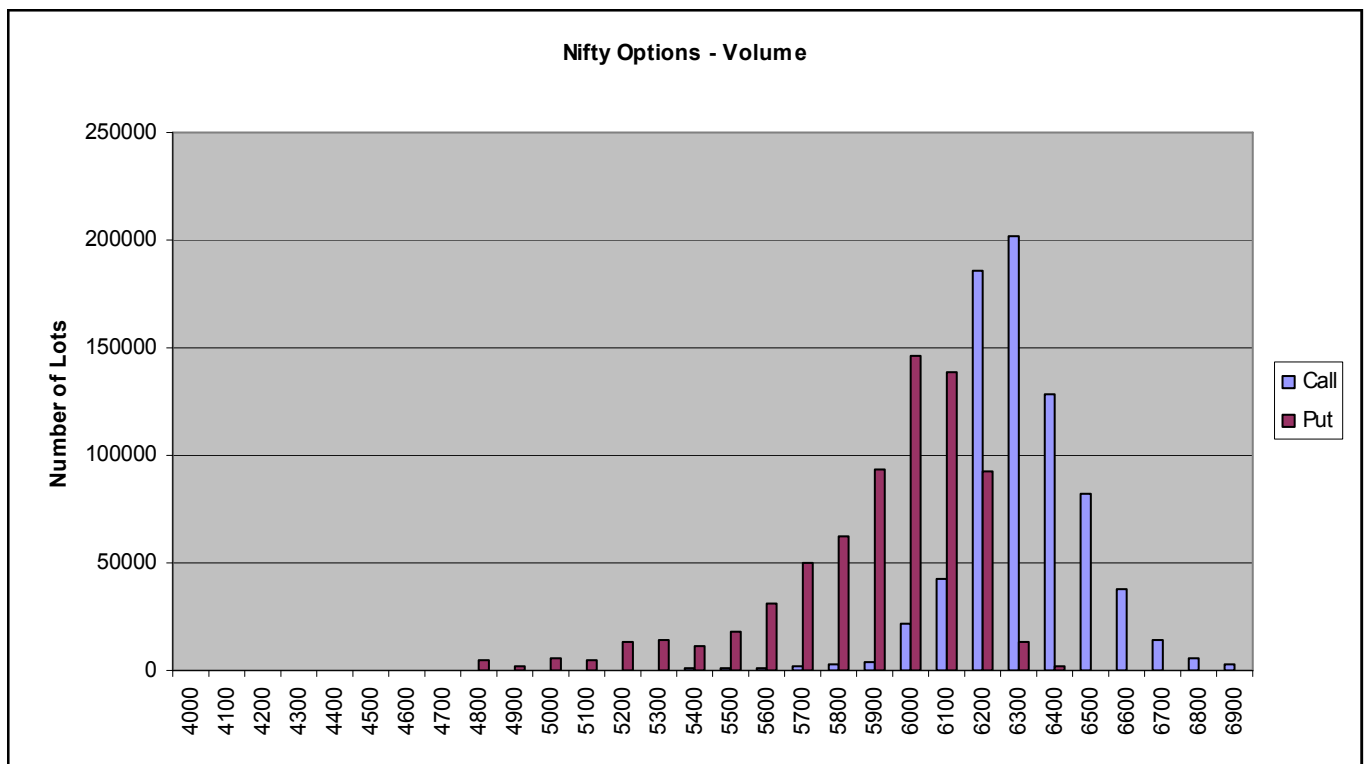
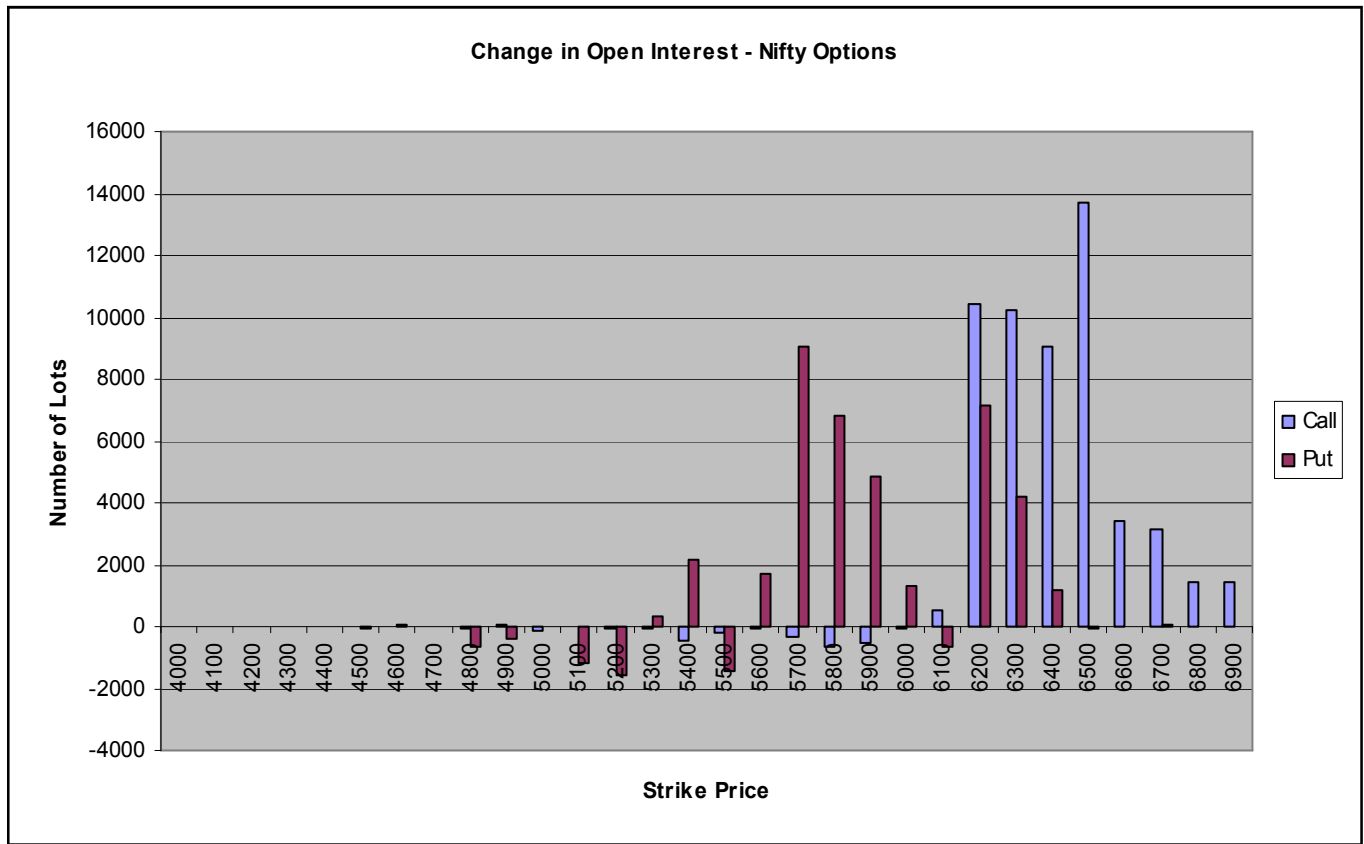
SIGNIFICANT OPEN INTEREST REDUCTIONS (STOCKS)

Contract	Price	% Change	Volume Spot	% Change	Open Interest	Absolute Change	% Change
Orchid Chemicals	267.30	14.08	28263875	31.05	8076000	(2318000)	(22.30)
Kingfisher Airlines	74.40	0.34	8890100	(44.79)	13048000	(1276000)	(8.91)
Bajaj Auto	1547.45	5.28	1227714	(18.67)	1719500	(141250)	(7.59)
Videocon Industries	282.45	4.01	753474	(0.50)	5239000	(362000)	(6.46)
Triveni Engineering	123.55	0.24	1563118	3.11	3812000	(112000)	(2.85)

OPTIONS OPEN INTEREST CONCENTRATION



OPTIONS ANALYSIS



MOST ACTIVE FUTURE CONTRACTS

Name	Expiry Date	Number of Contracts	Price	Open Interest	Value of Underlying
NIFTY FUTURE	28 OCT 10	334952	6176.15	29515950	6145.80
RELCAPITAL FUTURE	28 OCT 10	29216	864.45	9710500	857.00
RELMEDIA FUTURE	28 OCT 10	34040	295.00	4222000	292.75
RELIANCE FUTURE	28 OCT 10	35381	1031.50	22841500	1021.10
ORCHIDCHEM FUTURE	28 OCT 10	14151	291.10	8570000	291.35
TATA STEEL FUTURE	28 OCT 10	2193	672.50	20319000	667.80

MOST ACTIVE NIFTY OPTION CONTRACTS

Contract	Price (Premium)	Volume (No. of Lots)	Open Interest	Delta	Gamma	Theta	Vega
OCT CE 6300	66.80	194300	4513500	0.3476	0.0013	2.5441	5.792
OCT CE 6200	112.25	177899	4597750	0.4791	0.0013	2.9349	6.2163
OCT PE 6000	62.00	140434	7357750	(0.2873)	0.0010	2.2613	5.3545
OCT PE 6100	92.00	135407	3164350	(0.3944)	0.0012	2.3788	6.0149
OCT CE 6400	37.65	118384	2997500	0.2307	0.0011	2.0144	4.8199
OCT PE 5900	40.80	88969	4374350	(0.2023)	0.0008	1.9828	4.4630

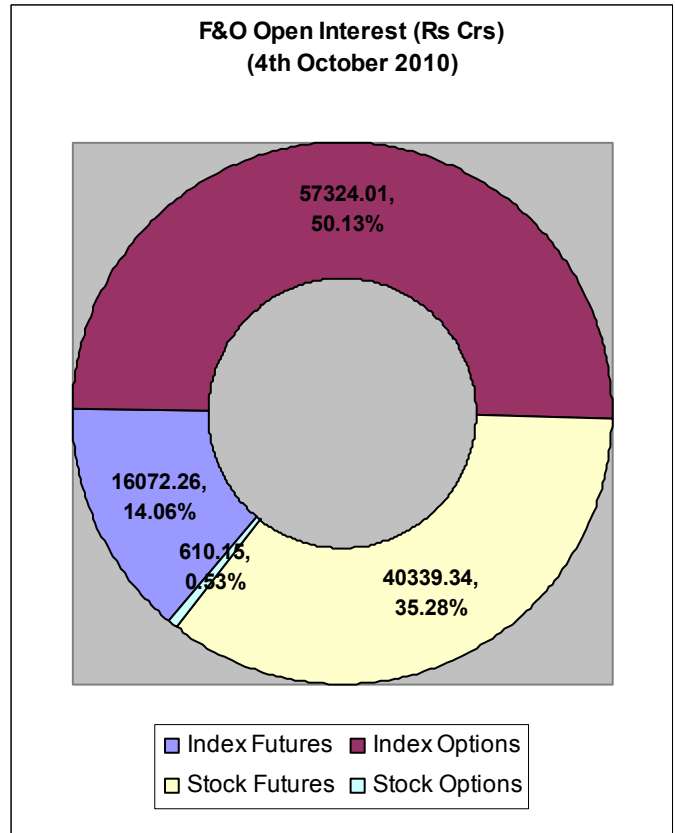
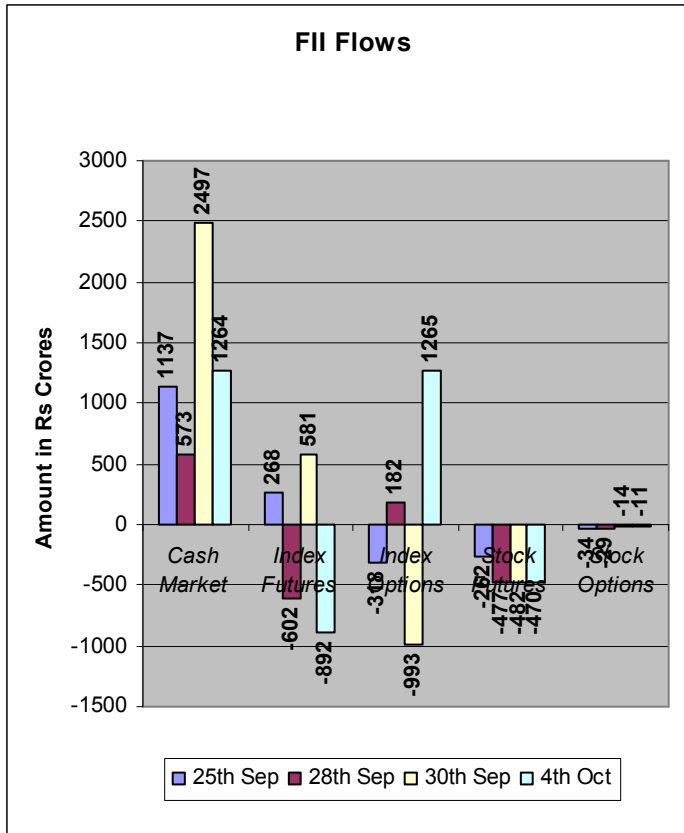
MOST ACTIVE STOCK CALLS (VALUE)

Name & Month	Strike	No. of contracts	Price
Reliance Oct	1040	4951	26.40
Unitech Oct	105	2659	1.70
Unitech Oct	100	2242	2.95
Reliance Oct	1020	3365	36.00
Reliance Oct	1050	3058	22.20

MOST ACTIVE STOCK PUTS (VALUE)

Name & Month	Strike	No. of contracts	Price
Reliance Oct	1020	1122	23.80
Reliance Oct	1000	1126	15.90
Hindalco Oct	200	497	6.20
Tata Steel Oct	660	530	20.05
SBIN Oct	3200	420	83.50

FII ACTIVITY



* Source: www.nseindia.com (FII trades done on Exchanges)

FOR PRIVATE CIRCULATION ONLY

Disclaimer

The trading ideas discussed or recommended in this report may not be suitable for all investors. Investors should use this research as one input into formulating an investment opinion. Additional inputs should include, but are not limited to, the review of other. This is not an offer (or solicitation of an offer) to buy/sell the securities/instruments mentioned or an official confirmation. Microsec Capital Limited is not responsible for any error or inaccuracy or for any losses suffered on account of information contained in this report. This report does not purport to be offer for purchase and sale of share/ units. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation discussed herein or act as advisor or lender or borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The same persons may have acted upon the information contained here. No part of this material may be duplicated in any form and/or redistributed without Microsec Capital Limited' prior written consent.