

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

24th August, 2010

Vinit Pagaria, ACA, FRM

E-mail: vpagaria@microsec.in

ANALYSIS OF FUTURES & OPTIONS MARKET

Nifty (5543.50)

AUGUST FUTURE

Price: 5536.90 (+0.26%)

Discount: 6.60

Open Int: 29581550

SEPTEMBER FUTURE

Price: 5545.80 (+0.27%)

Premium: 2.30

Open Int: 10579100

NIFTY DAILY CHART



Trading Calls

◆ Long Bharti Airtel Future

Buy Sep Future @ Rs 318/- Target: Rs 360/-
SL: Rs 298/- Lot Size: 1000

◆ Long Areva T&D Call option

Buy Aug 300 Call option @ Rs 3.50 Target: Rs 8/-
Lot Size: 1000

HIGHLIGHTS

- ⇒ Nifty managed to float above 5500 again and moved between 5520 and 5550 during the day. It is likely to move between 5500 and 5600 in the next couple of trading sessions
- ⇒ Nifty Call options of strike 5400 shed open interest by 14162 lots on profit booking while Put options of strike 5500 had a huge build up of 24374 lots
- ⇒ Nifty Put Call ratio rose further to 1.72 with the total open interest in Call options at 1,392,323 lots and that in Put options at 2,398,897 lots
- ⇒ Titan Industries, Polaris Software, Areva T&D, REC Ltd, JSW Steel, Cipla Ltd, GMDC, LIC Housing Finance, Hotel Leela, Siemens India and Bharti Airtel appear strong while Jaiprakash Associates, Noida Toll Bridge and ITC Ltd might continue to correct further
- ⇒ Volatility Index rose by 2.63% from 16.70 to 17.14

**NIFTY
PIVOT POINTS**

**S2
5506**

**S1
5524**

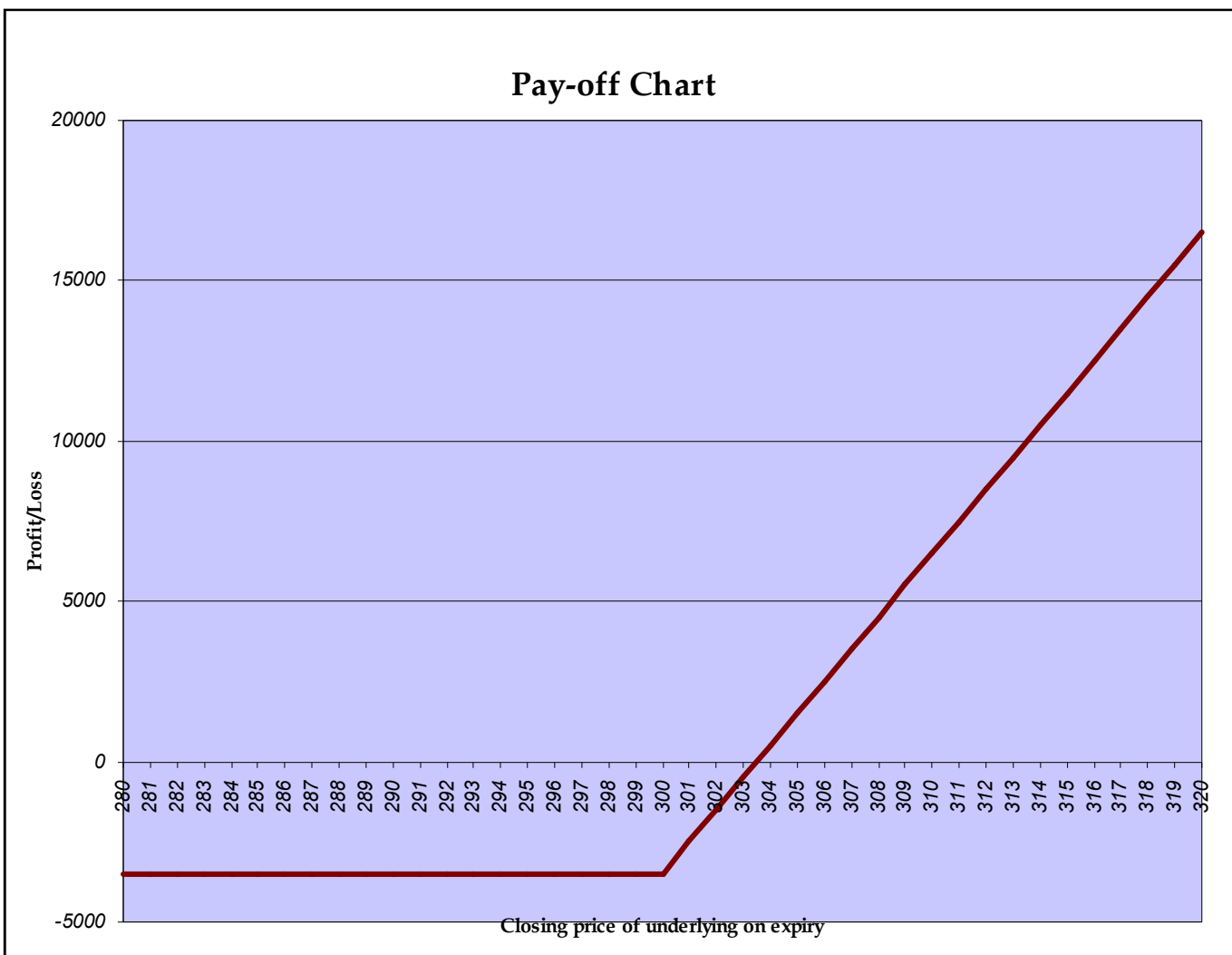
**PIVOT
5537**

**R1
5554**

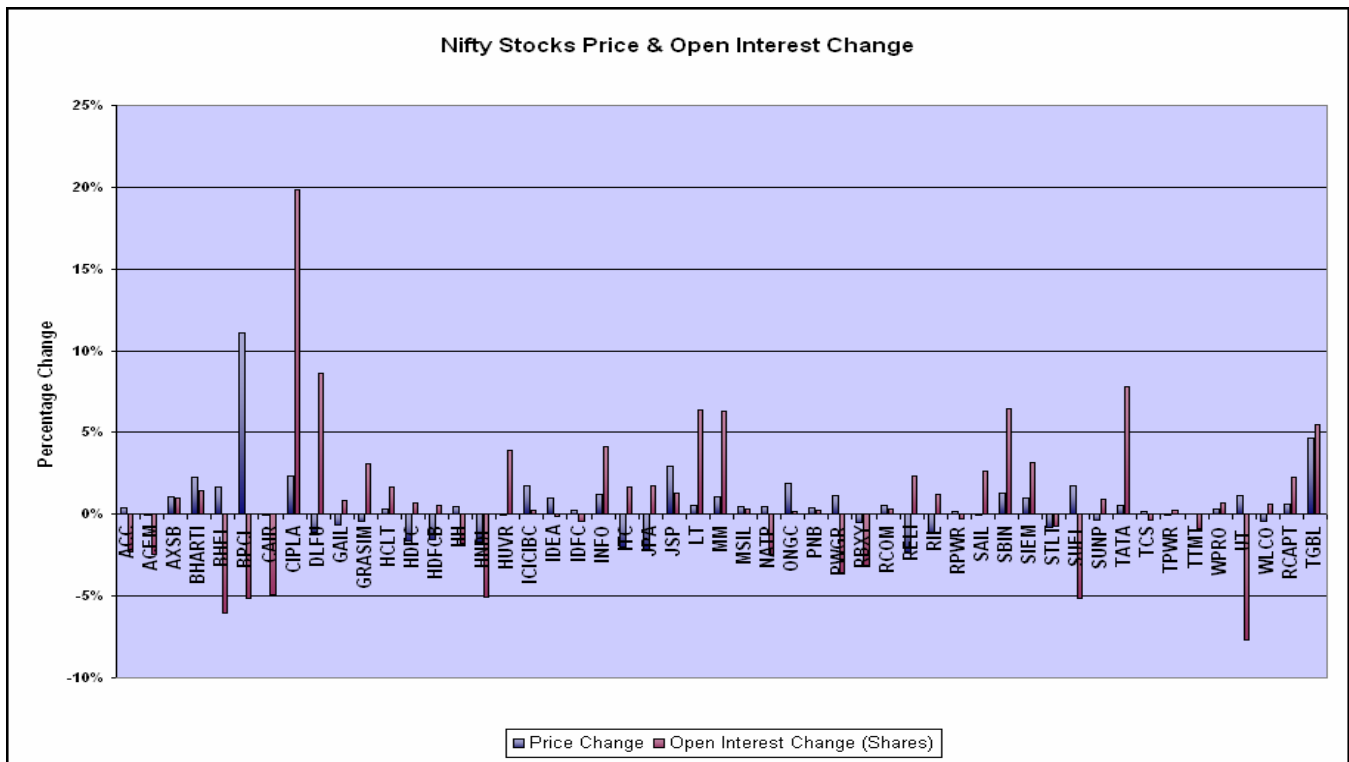
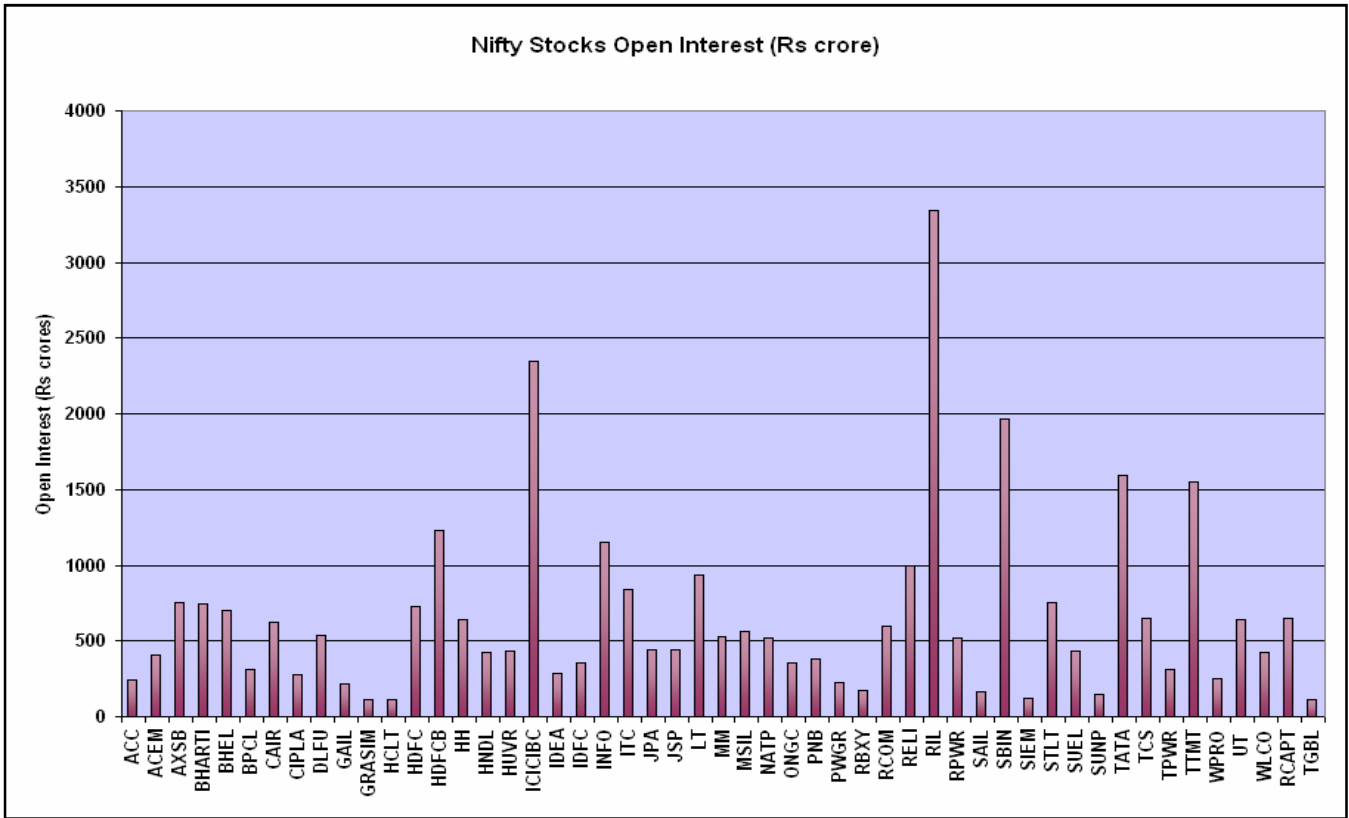
**R2
5567**

OPTION STRATEGY

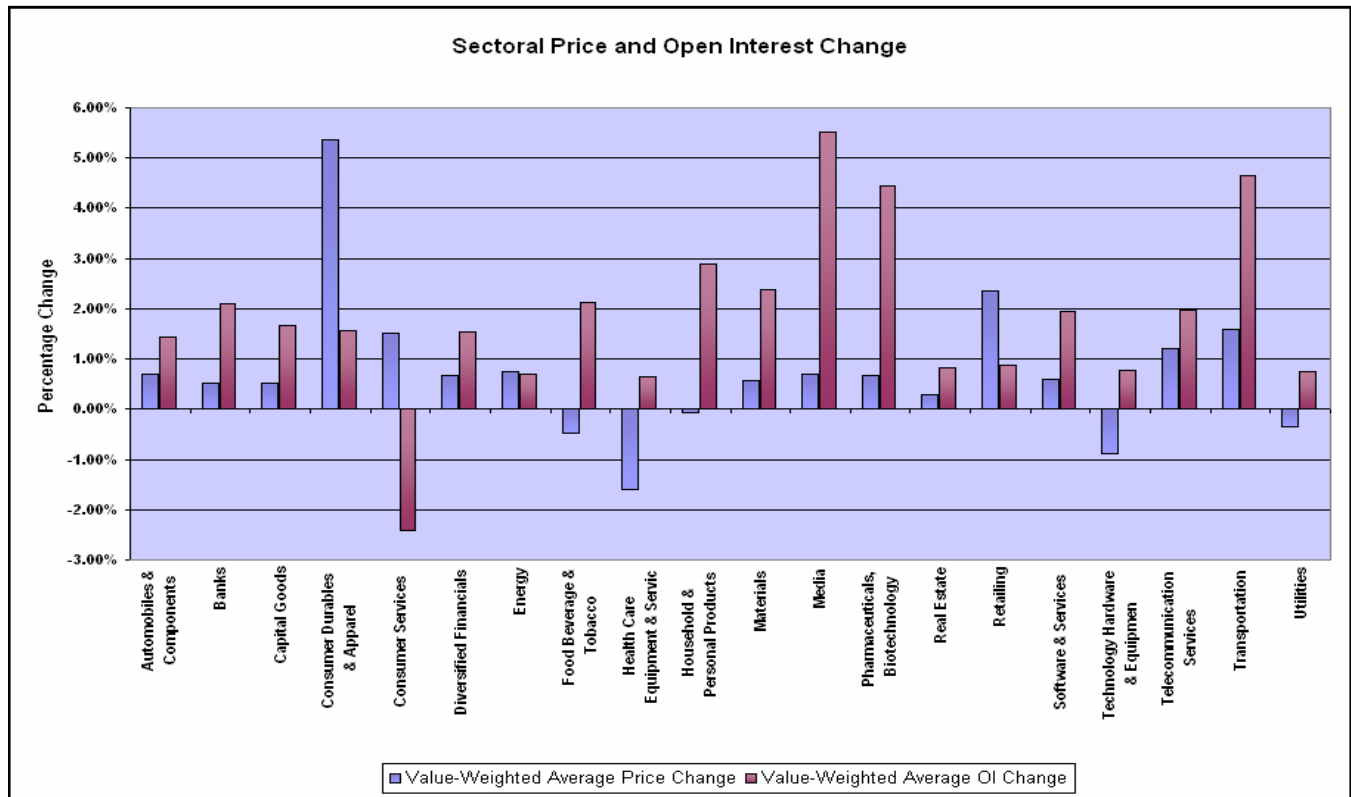
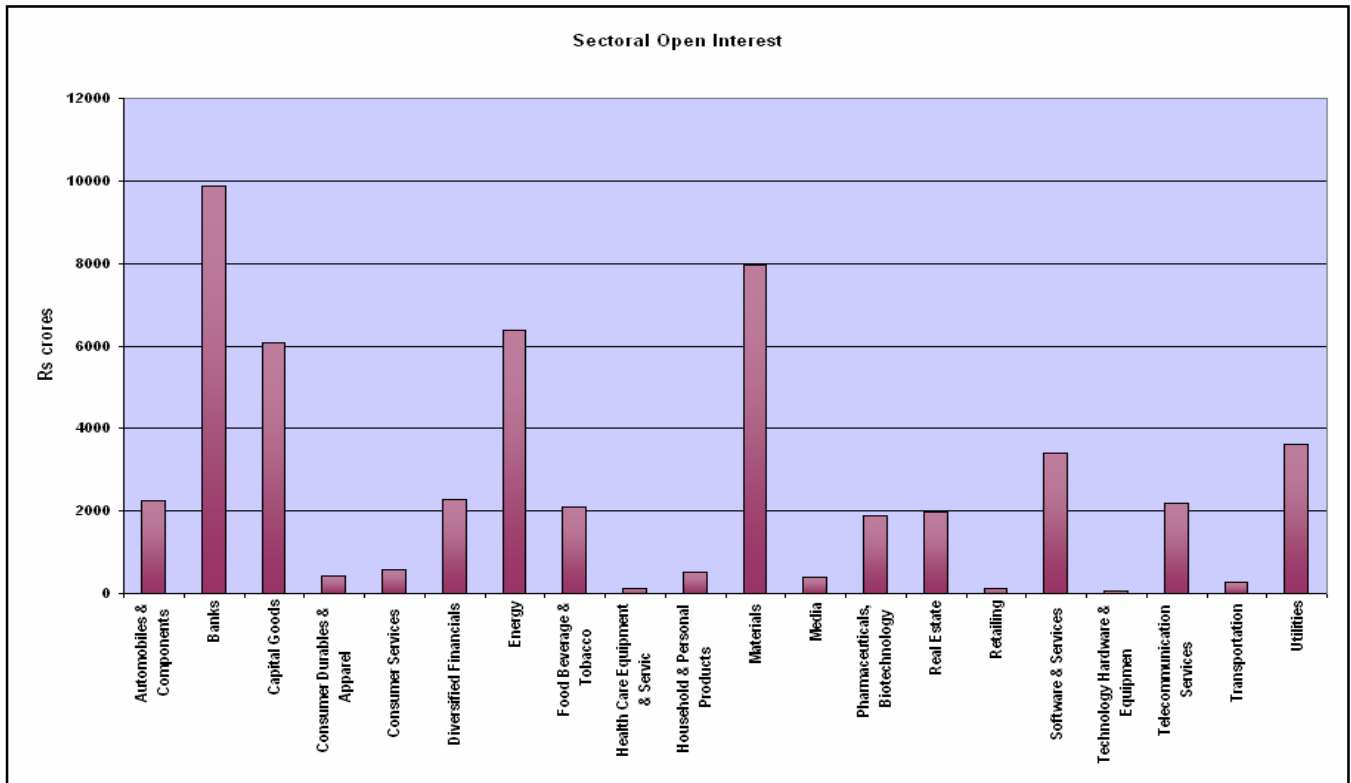
Scrip/Index: AREVA T&D
Strategy: Long Call option
Current Price of Underlying: Rs 302.35 Lot Size: 1000
Buy Aug 300 Call option @ Rs 3.50
Profitable when closing price is above Rs 303.50 on expiry
Maximum Potential Profit: Unlimited Maximum Possible Loss: Rs 3,500/-
Time to Expiry: 3 days



STOCK FUTURES - NIFTY STOCKS



STOCK FUTURES - SECTORAL ANALYSIS



TOP PRICE GAINERS (STOCKS)

Scrip	Lot Size	Spot price	% Change
BPCL	500	776.05	11.07
Videocon Industries	1000	263.90	8.22
Ispat Industries	11000	19.30	7.82
Lanco Infratech	4000	73.80	6.42
Apollo Tyres	4000	76.35	6.26

TOP PRICE LOSERS (STOCKS)

Scrip	Lot Size	Spot Price	% Change
Reliance Infra	250	1045.15	(2.35)
Glaxo Pharma	125	1971.80	(2.24)
Bharat Electronics	125	1731.40	(2.23)
JP Associates	2000	120.95	(2.18)
ITC Ltd	2000	159.50	(1.97)

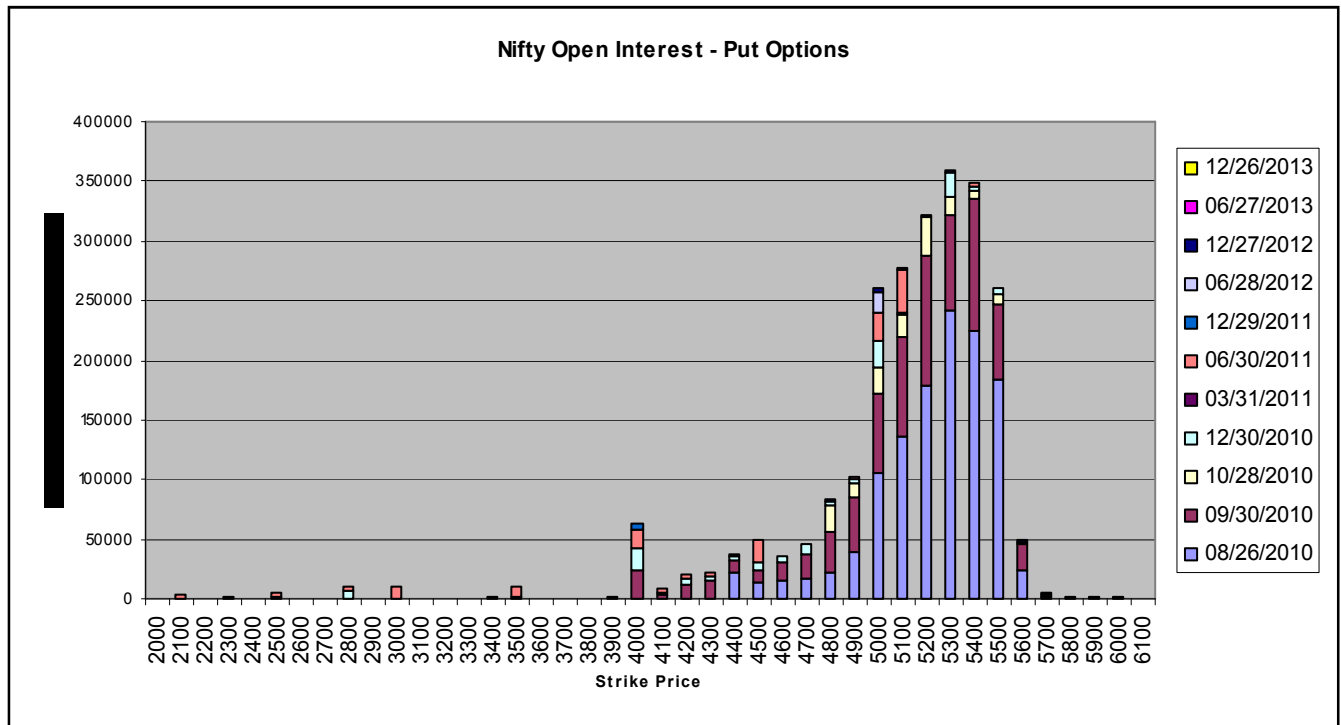
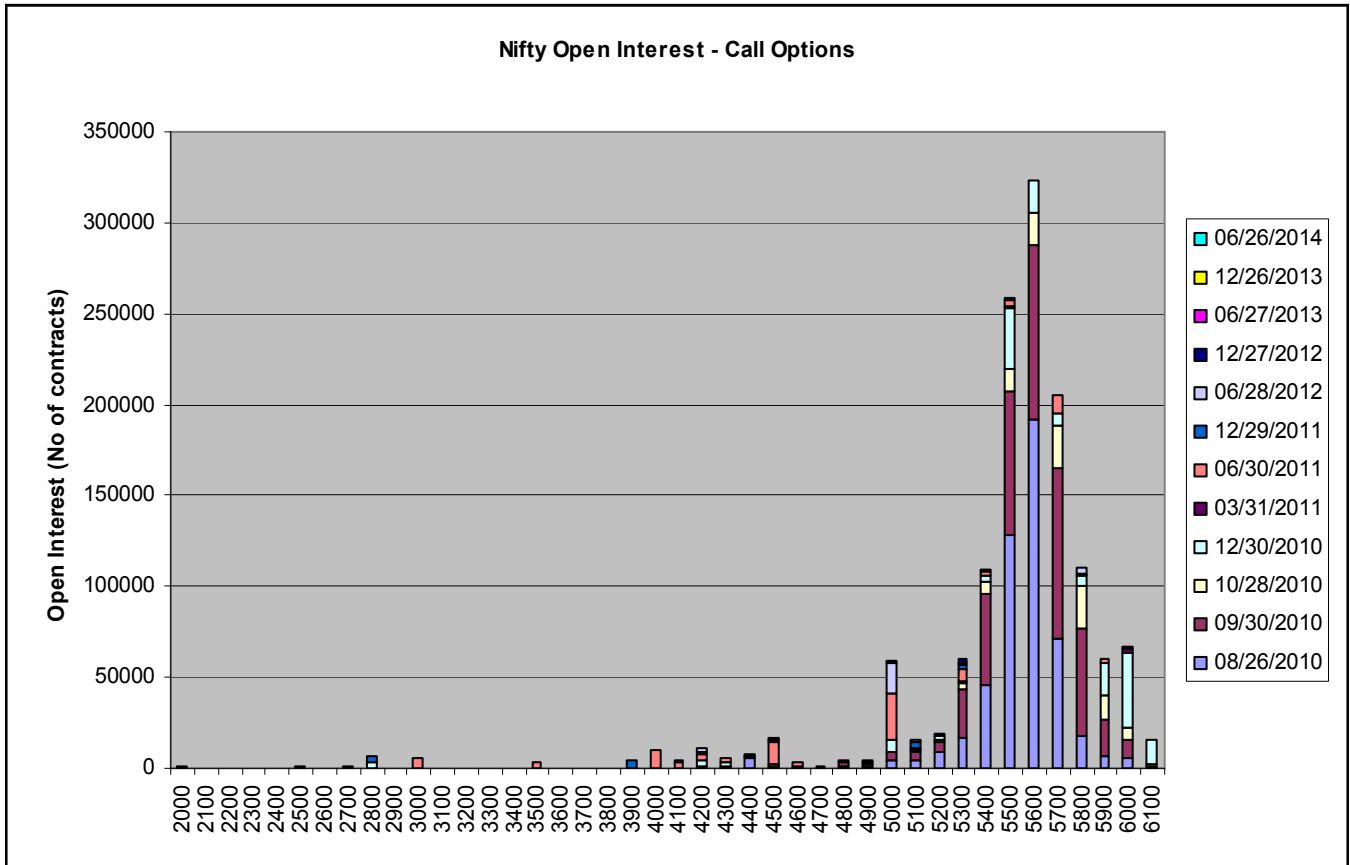
SIGNIFICANT OPEN INTEREST ADDITIONS (STOCKS)

Contract	Price	% Change	Volume Spot	% Change	Open Interest	Absolute Change	% Change
Sun TV	479.55	(0.97)	934324	1235.97	566500	223000	64.92
Cipla Ltd	317.40	2.32	292w5575	24.20	8664000	1433000	19.82
Syndicate Bank	119.50	1.01	2190413	182.18	6252000	932000	17.52
TTML	24.90	3.75	7735781	158.90	36360000	5130000	16.43
Aban Offshore	821.20	(1.46)	971505	(54.88)	3050500	417250	15.85
Aditya Birla Nuvo	832.25	4.31	432728	276.34	1420000	181000	14.61

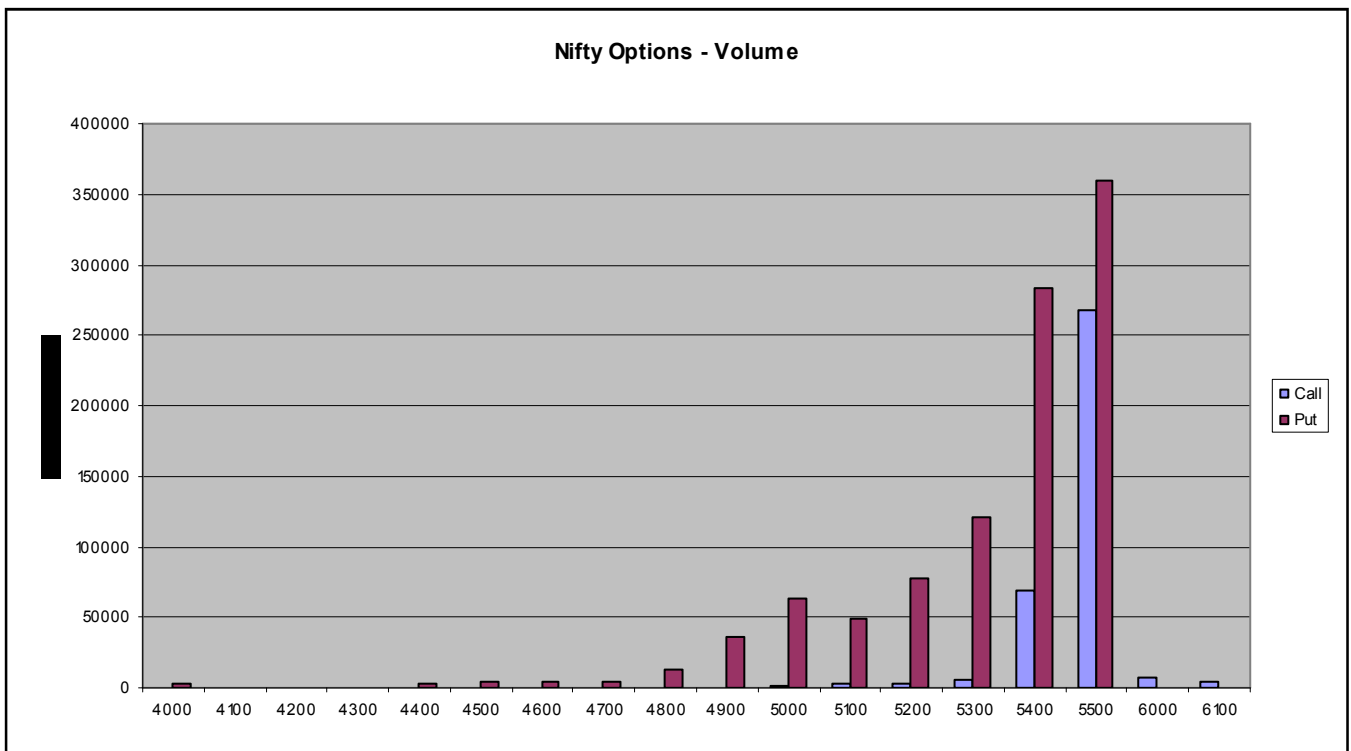
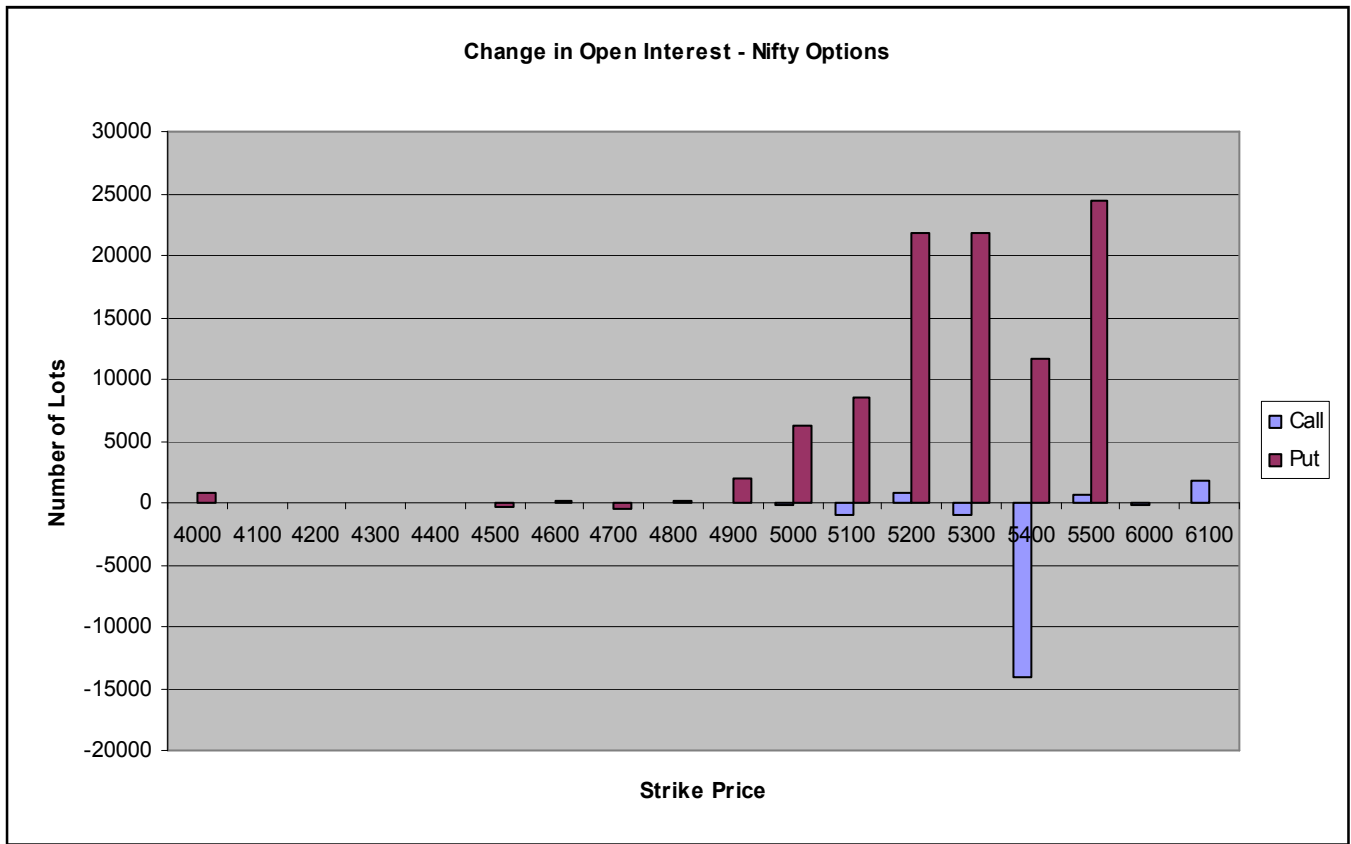
SIGNIFICANT OPEN INTEREST REDUCTIONS (STOCKS)

Contract	Price	% Change	Volume Spot	% Change	Open Interest	Absolute Change	% Change
Unitech Ltd	86.10	1.18	15747313	(41.64)	74324000	(6208000)	(7.71)
GVK Power & Infra	47.60	4.50	11476956	0.59	20136000	(1560000)	(7.19)
Dabur India	207.15	0.39	461056	(27.40)	2794000	(190000)	(6.37)
BHEL	2509.80	1.63	344366	18.75	2778500	(177875)	(6.02)
Lanco Infratech	73.80	6.42	8063362	455.78	18656000	(1084000)	(5.49)

OPTIONS OPEN INTEREST CONCENTRATION



OPTIONS ANALYSIS



MOST ACTIVE FUTURE CONTRACTS

Name	Expiry Date	Number of Contracts	Price	Open Interest	Value of Underlying
NIFTY FUTURE	26 AUG 10	271579	5535.00	34427400	5540.90
BPCL FUTURE	26 AUG 10	29847	779.10	4544000	778.50
HINDPETRO FUTURE	26 AUG 10	19090	539.25	8672000	538.00
SBIN FUTURE	26 AUG 10	28420	2820.80	5260375	2817.10
TATA MOTORS FUTURE	26 AUG 10	16327	1017.40	11914500	1014.50
ICICI BANK FUTURE	26 AUG 10	31162	1011.00	19449750	1011.55

MOST ACTIVE NIFTY OPTION CONTRACTS

Contract	Price (Premium)	Volume (No. of Lots)	Open Interest	Delta	Gamma	Theta	Vega
AUG PE 5500	15.95	322373	9602800	(0.3193)	0.0048	4.1337	1.9387
AUG PE 5400	3.25	247516	11595000	(0.0741)	0.0015	1.7359	0.7991
AUG CE 5500	48.30	235698	6538050	0.6895	0.0050	3.6246	1.9163
AUG CE 5600	7.30	158146	9637050	0.1864	0.0037	2.8158	1.4858
AUG PE 5300	1.45	88153	12201000	(0.0285)	0.0005	0.9512	0.3786
AUG CE 5400	136.00	60152	2514500	0.9565	0.0011	0.6410	0.5391

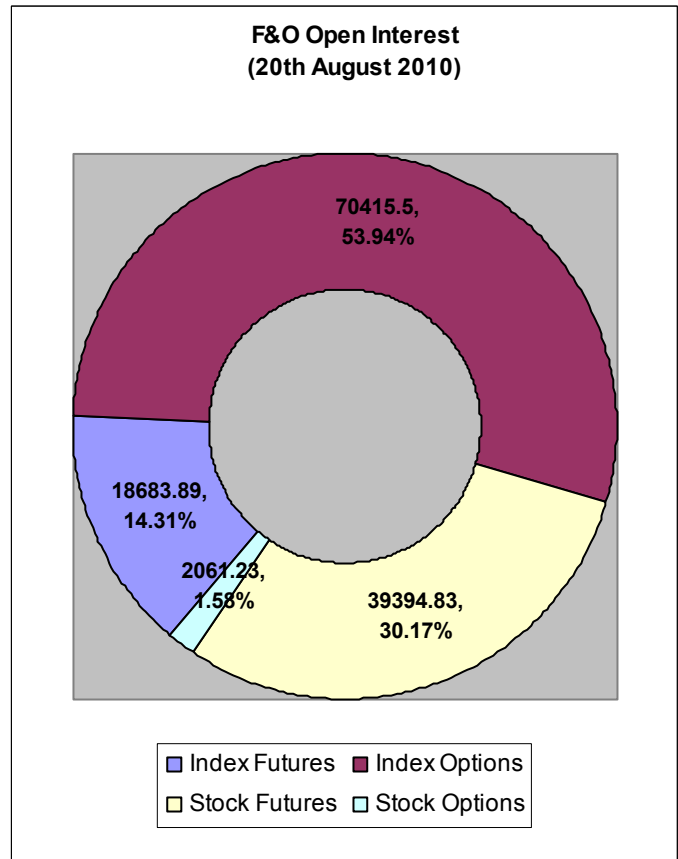
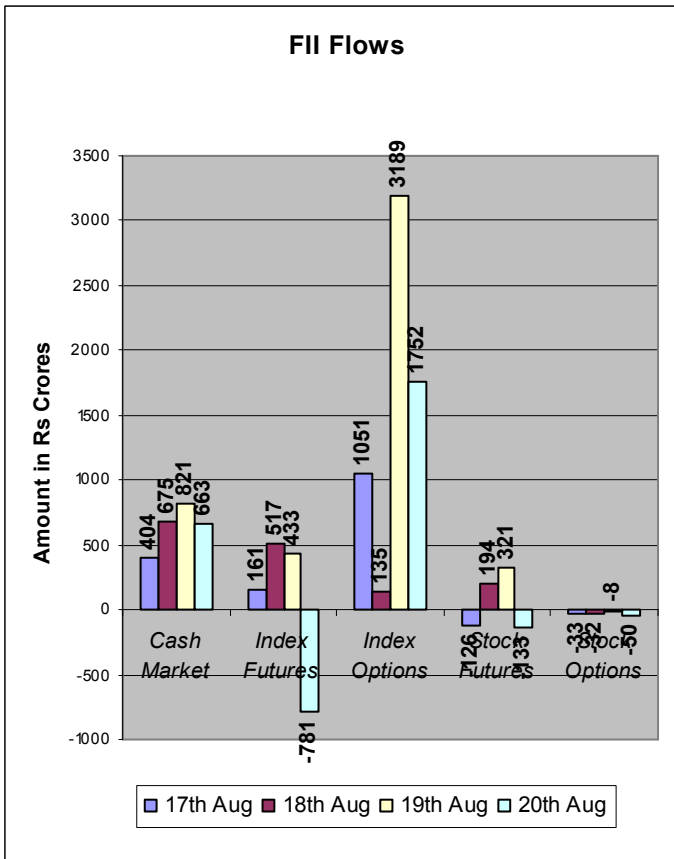
MOST ACTIVE STOCK CALLS (VALUE)

Name & Month	Strike	No. of contracts	Price
SBIN Aug	2850	3910	16.30
Reliance Aug	1000	5471	3.65
SBIN Aug	2800	3855	38.00
Unitech Aug	85	3586	1.85
Hindpetro Aug	540	2005	7.50

MOST ACTIVE STOCK CALLS (VALUE)

Name & Month	Strike	No. of contracts	Price
SBIN Aug	2800	1785	16.35
Tata Motors Aug	1000	1185	5.10
SBIN Aug	2750	1089	5.40
Tata Steel Aug	520	1431	4.60
Tata Motors Aug	1020	624	13.45

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.