



daring derivatives



February 12, 2007

Derivatives Summary

- The discount in the Nifty (February) futures increased to 10.2 points from 7.6 points and the futures shed around 2.27 lakh shares in the open interest.
- The total open interest in the market is Rs60,372 crore, which shed around Rs927 crore during the day.
- The Nifty stocks shed 66.80 lakh shares in the open interest.
- Bharat Forge (14%), Bombay Dyeing (12%), IDFC (12%) & Stride Arcolab (11%) were the top open interest gainers.
- UTI Bank (-18%), IDBI (-15%), Kotak Bank (-15%) & GE Shipping (-14%) shed open interest.
- India Cement (97%), Arvind Mills (92%), MTNL (88%), SRF (88%) & Nagarjuna Fertilisers (87%) are very close to their market wide position limits.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4173	4215.8	-1.02%
Nifty CoC	-9.66%	-4.69%	105.80%
OI	34251100	34478700	-0.66%
Vol	23474900	16374000	43.37%
PCR(OI)	1.69	1.78	-5.06%
PCR (VOL)	1.3	1.67	-22.16%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	13.57%	13.84%	2348300	13.16%
4100 C	14.62%	15.94%	3004100	0.96%
4250 C	13.40%	13.46%	686100	27.13%
4150 C	14.05%	15.71%	786900	5.53%
4300 C	13.87%	13.53%	525800	12.74%

Market View

The market opened on a negative note and witnessed sustained selling pressure across sectors and remained in negative territory all through the day. In the post lunch session the Nifty exhibited some strength and bounced back smartly to cross the 4200 level but failed to sustain above that level and closed near the low of the day. The breadth of the market was extremely poor while the volumes in the Nifty futures were much higher than the volumes on the previous day indicating weakness in the market. The Nifty futures shed 2.27 lakh shares in the open interest on profit booking. On the options front the call options witnessed writing across the strike prices while the put options witnessed marginal addition on the long side. The market is likely to open on a weak note and could witness some selling pressure in the first hour of the trading session. It would bounce back only if it is able to sustain above the 4170 level. Traders are advised to be cautious as the market is likely to be very volatile and should remain in the wide range of 4110-4235. The key support levels for the Nifty are 4170 and 4110 and the resistances will be around 4200 and 4235.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 P	20.73%	19.60%	1795500	1.41%
4100 P	24.61%	24.26%	4185900	-0.02%
4150 P	22.70%	22.36%	862900	-0.53%
4000 P	27.79%	27.68%	3428400	0.71%
4000 MarP	30.85%	29.30%	914500	17.14%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	2.42%	5.23%	11289600	-0.84%
RCOM	13.56%	13.06%	17195500	2.38%
PUNJLLYOD	-2.77%	17.38%	3445500	-1.34%
IVRCL	16.27%	4.06%	11222000	1.56%
INDIACEM	18.37%	14.18%	25509850	4.05%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1410 C	23.14%	23.43%	679200	0.71%
RCOM 500 C	46.53%	45.18%	688100	20.61%
MTNL 160 C	38.50%	26.31%	812800	120.87%
TATASTEEL 480 C	38.37%	38.72%	1061775	1.29%
SBIN 1200 C	32.59%	34.61%	295500	7.65%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1380 P	22.46%	23.28%	154500	-5.68%
TATASTEEL 450 P	31.19%	33.20%	299025	3.26%
HINDALCO 175 P	36.22%	29.93%	303050	19.50%
SBIN 1200 P	33.23%	27.56%	83500	6.37%
SAIL 110 P	48.18%	50.20%	772200	3.25%

Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
9-Feb-07	IVRCL Buy	420.75	417.5	430-437	Intraday	Stop loss triggered
8-Feb-07	ICICI Bank Buy	989	979.5	1005-1020	1-2 Days	Target achieved
8-Feb-07	Nifty Buy	4200	4185	4220-4250	Intraday	First target achieved
7-Feb-07	Cummins Buy	282.5	278.8	290-295	1-2 Days	Target achieved
7-Feb-07	Siemens Buy	1200	1188	1235-1270	2-3 Days	Stop loss 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	Expiry / Open
	Nifty	Sell	4100 P	31.5			

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