



daring derivatives



July 09, 2007

Derivatives Summary

- Nifty (June) futures turned into discount of 9.3 from a premium of 0.5 and added around 9.2 lakh shares in open interest.
- Total open interest in the market is 72,123 crore and added around 2,428 crore in open interest.
- Nifty calls added 6.6 lakh shares and puts added around 11.4 lakh shares in open interest.
- IFCI (19%), Cipla (16%), Polaris (15%) and IDFC (11%) were the top interest gainers in the market.
- CESC (-18%), SCI (-15%) and UTI Bank (-12%) were the top open interest losers in the market.
- IFCI (97%), BRFL (94%), JP Hydro (91%), Praj Ind. (91%) and Parsvnath (90%) are very close to their market wide position limits.

Market View

The market opened with a negative gap but soon came into positive zone and then traded in the green throughout the day. During second half of trading session it made a new high and also closed at all-time high of 4384. Major movement was due to IT stocks but there was lack of participation by heavyweights like Reliance, SBI and also mid-cap stocks. Volumes in Nifty futures were less as compared to the previous days and added around 9 lakh shares in open interest towards short side. On the option front, implied volatility of options remain same with the increases in open interest. Again at the money options are trading at very low IV, indicating extreme optimism in the market and can be sign of concern whereas out of money puts are pretty expensive. The market is on the highest level but we still see open interest increasing which is on short side. So it is advisable to book profit at every rise. The market can open positive but profit booking should come in latter part of the day, so trade cautiously. Key support level for the Nifty is 4330-4350 while the resistance will be around 4396.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (July)	4374	4354.5	0.45%
Nifty CoC	-3.87%	0.22%	-1863.57%
OI	35133050	34211700	2.69%
Vol	16788900	23444050	-28.39%
PCR(OI)	1.52	1.51	0.66%
PCR (VOL)	1.46	1.38	5.80%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4400 C	18.62%	19.55%	1551000	20.14%
4300 C	21.26%	22.14%	3482050	2.79%
4350 C	19.99%	20.72%	2038600	0.95%
4450 C	17.64%	17.76%	522450	67.53%
4450 Sep C	20.42%	18.23%	189250	632.11%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4300 P	21.95%	22.73%	3783500	11.07%
4350 P	20.62%	21.06%	1403650	22.62%
4100 P	27.06%	26.48%	3021300	5.57%
4200 P	25.56%	25.10%	5246750	1.16%
4400 P	19.84%	20.31%	789200	31.05%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
DLF	20.48%	16.17%	12433200	17.88%
RELIANCE	13.57%	10.72%	11165400	2.45%
INFOSYS	-0.60%	10.20%	5860700	5.45%
ICICIBANK	16.03%	5.71%	14564900	8.33%
RCOM	6.62%	13.43%	20443500	-2.00%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 05 JULY			
	Buy	Sell	Difference
INDEX FUTURES	665.65	1015.25	-349.60
INDEX OPTIONS	349.31	146.02	203.29
STOCK FUTURES	481.82	1022.11	-540.29
STOCK OPTIONS	2.04	7.51	-5.47
TOTAL	1498.82	2190.90	-692.08

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
INFOSYS 1950 C	38.27%	37.87%	410100	41.95%
DLF 580 C	43.26%	47.21%	321200	52.08%
RELIANCE 1710 C	27.41%	27.62%	465750	-5.16%
IFCI 65 C	69.15%	60.48%	5386500	42.20%
ICICIBANK 1000 C	34.02%	28.80%	352800	39.03%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
IFCI 60 P	58.29%	52.20%	2016000	220.00%
INFOSYS 1950 P	37.64%	30.66%	68900	42.65%
DLF 560 P	33.55%	40.45%	125600	60.20%
RELIANCE 1710 P	17.90%	21.11%	147450	2.29%
TATASTEEL 620 P	28.37%	30.04%	116775	42.98%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
3-Jul-07	Nifty	Sell	4337-4338	4350	4320-4300	1-2 Days	Stop loss triggered
29-Jun-07	Nifty	Sell	4273-4274	4283	4255-4240	Intra-day	Stop loss triggered
28-Jun-07	Educomp	Sell	2297-2300	2340	2200-2150	3-4 Days	Target achieved
27-Jun-07	GMR Infra	Sell	733-734	742	720-710	1-2 Days	Target achieved
26-Jun-07	Suzlon	Buy	1380-1381	1365	1405-1430	1-2 Days	Target achieved
19-Jun-07	Sterlite Ind	Buy	556-557	550 (Closing)	575-585	2-3 Days	Target achieved

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