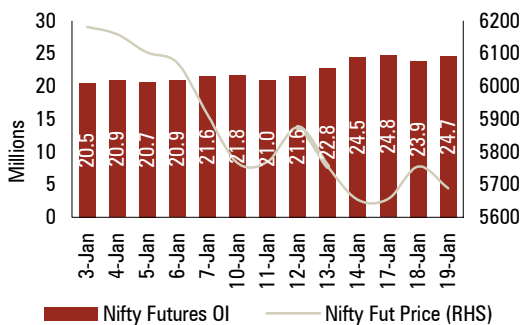
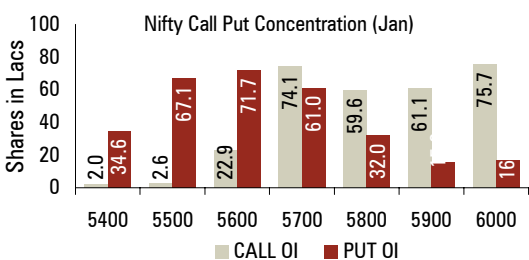


Nifty Futures – OI vs. Price



Nifty Options OI Distribution



Active Nifty Strike

| Strike | Call (%) | | Put (%) | |
|--------|----------|------|---------|------|
| | OI chg | IV | OI chg | IV |
| 5500 | -16.5 | 18.2 | 15.6 | 21.2 |
| 5600 | -2.4 | 17.1 | -0.6 | 19.6 |
| 5700 | 8.3 | 17.3 | -7.6 | 18.8 |
| 5800 | -1.2 | 17.4 | -17.8 | 18.1 |
| 5900 | 2.6 | 17.8 | -16.5 | 17.4 |

FII Statistics (in crore)

| Segment | Buy | Sell | Net | OI (lots) | %Chg |
|--------------|--------------|--------------|------------|----------------|------------|
| Index fut. | 2307 | 2112 | 196 | 442020 | 1.2 |
| Index opt. | 7465 | 7159 | 306 | 1828827 | 0.2 |
| Stock fut. | 3043 | 2634 | 409 | 1314272 | 0.1 |
| Stock opt. | 309 | 294 | 15 | 22269 | 0.7 |
| Total | 13124 | 12199 | 925 | 3607388 | 0.3 |

F&O Turnover

| Instrument | No. of Contracts | Turnover | %Chg |
|----------------------|------------------|------------------|------------|
| Index Futures | 553195 | 14868.49 | 0.3 |
| Stock Futures | 623246 | 17015.55 | 6.7 |
| Index Options | 3112020 | 89857.32 | 1.7 |
| Stock Options | 119094 | 3453.12 | -8.2 |
| F&O Total | 4407555 | 125194.49 | 1.9 |

Analyst

Amit Gupta
amit.gup@icicisecurities.com

Azeem Ahmad
azeem.ahmad@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Ankit Tikmany
ankit.tikmany@icicisecurities.com

Nifty Snapshot & Pivot Points

| | Spot | Fut | COC (%) | Tot Fut OI | PCR OI | PCR Vol | ATM IV (%) |
|---------------------------|-----------|-----------|-----------|------------|-----------|-----------|------------|
| Current | 5691 | 5689 | -1.52 | 24668850 | 0.88 | 1.01 | 19.35 |
| Previous | 5724 | 5732 | 5.92 | 23875550 | 0.89 | 0.99 | 19.80 |
| Change (%) | -0.58 | -0.76 | - | 3.22 | - | - | - |
| Pivot levels (JAN) | S3 | S2 | S1 | Piv | R1 | R2 | R3 |
| Nifty future | 5516 | 5609 | 5649 | 5701 | 5742 | 5794 | 5887 |

Source: NSE, Seediiff, ICICIdirect.com Research

F&O Highlights

- The Nifty traded with a positive bias in the first half and saw a sharp decline in the second half indicating volatility will stay in the near term. Significant fresh OI was added in the FMCG and Capital goods space during the session
- FII's were net sellers in the cash segment to the tune of ₹ 270 crore while they were net buyers in index futures (₹ 196 crore) and stock futures (₹ 409 crore)
- India VIX declined further to 21.09 levels, despite higher intraday volatility
- Closure was seen in Call strikes across the board apart from ATM 5700 strike where 11312 lots were added. Among Put strikes ATM and ITM strikes shed OI while OTM 5500-strike accumulated 18062 lots. The 5600 level still holds the highest OI in Put options suggesting immediate support for the Nifty

Index Outlook

- Nifty:** The Nifty is likely to trade in the range of 5610-5710. The trading strategy would be to create short positions if the Nifty resists at around 5706 levels for targets of 5675 and 5630. On the other hand, one can also create long positions if the Nifty takes support at around 5610 levels
- Bank Nifty:** The Bank Nifty is likely to trade in the range of 10490-10750. Trade short till it resists 10750 else long positions can be initiated from 10490

Sector/Stock Analysis

- OI addition:** We saw significant addition of fresh positions in banking heavyweights like SBI and Axis Bank. ITC, Bhel and HDFC also observed noteworthy additions of positions ahead of the settlement
- OI shedding:** Short closure of positions was seen in stocks like LIC Housing Finance, JSW Steel and REC Ltd

Open interest Gainers

| Symbol | OI (lots) | %Chg | Price | %Chg | Symbol | OI (lots) | %Chg | Price |
|----------|------------|-------|---------|-------|------------|------------|--------|---------|
| EXIDEIND | 2,630,000 | 25.84 | 138.9 | 0.76 | CANBK | 1,572,000 | -19.73 | 580.5 |
| ITC | 16,578,000 | 22.46 | 175.5 | -0.40 | ORCHIDCHEM | 6,802,000 | -19.64 | 301.7 |
| AXISBANK | 2,885,750 | 20.59 | 1,280.1 | 0.14 | RECLTD | 5,584,000 | -14.93 | 275.2 |
| SINTEX | 4,200,000 | 11.88 | 153.5 | -3.94 | JSWSTEEL | 2537750 | -13.09 | 1,053.0 |
| JETAIR | 1,407,000 | 11.49 | 606.1 | -3.35 | LICHSGFIN | 20,762,500 | -12.46 | 170.4 |

Source: Company, ICICIdirect.com Research

Intraday Strategy*

i) HDFC (HDFC)

Sell HDFC Jan Fut in the range of 650-652

View: Bearish
Strategy: Sell Future
Target: 638
Stop Loss: 659
Market Lot: 2000

ii) RECL (RURELE)

Buy RURELE Jan Fut in the range of 276.50-277

View: Bullish
Strategy: Buy Future
Target: 285
Stop Loss: 273
Market Lot: 1000

Strategy Follow-up

| Date | Stock | View | Strategy | Reco | Target | SL | Profit/Loss | Comment |
|-----------|--------|---------|-----------|-------|--------|-------|-------------|-------------------|
| 19-Jan-11 | IDBI | Bullish | Long Fut | 144.5 | 149.5 | 143.0 | 700 | Closed in Profits |
| 19-Jan-11 | HINDAL | Bearish | Short Fut | 224.0 | 219.0 | 227.0 | -- | Not Initiated |

* Note: A recommendation will be considered initiated only if it opens in the given range or move from lower levels into the range in case of BUY and move from higher levels into the range in case of SELL

Derivatives research – product basket

| Directional | Non-directional | Quant products |
|---|--|---------------------|
| Long build up/Short covering Futures | Theta & Vega strategies | Pair trading |
| Short build up Futures | Delta differential strategy | Enhanced Basket |
| High OI stocks – delivery product | Option indicators analysis | VIX Analyser |
| Plain vanilla options | Gamma neutral delta neutral strategy | Quant Picks |
| Deep Value Strategy | Reverse, Synthetic options & Situational arbitrage | Volatility Insights |
| Hybrid Strategies – Index/Stocks | Opportunity Matrix | |
| Rollover week product (Long/Short rollover stocks) | Calendar Spreads | |
| VWAP(expiry day product) | Ratio Spreads | |

Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Derivatives Desk

ICICI Securities Limited,
7th Floor, Akruti Centre Point,
MIDC Main Road, Marol Naka
Andheri (East), Mumbai – 400 093
research@icicidirect.com

research@icicidirect.com

DISCLAIMER: The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited. "The author of the report does not hold any investment/open position in any of the companies mentioned in this report. ICICI Securities Services Ltd (I-Sec) may be holding a small number of shares/ an open position in the above referred companies as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgement by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. ICICI Securities Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.