



# daring derivatives



July 17, 2007

## Derivatives Summary

- Nifty (Jul) futures' discount decreased to 15.2 from 21.35 points and around 9.25 lakh shares were added in open interest.
- The total open interest in the market is 85,347 crore and around 3,102 crore were added in open interest.
- Nifty calls added 4.8 lakh shares and puts added around 5.8 lakh shares in open interest.
- PFC (48%), Allahabad Bank (42%), Andhra Bank (30%), CESC (25%), Tata Motors (19%), NTPC (17%) and Siemens (15%) were the top interest gainers in the market.
- Chambal Fertilizers (-11%) was the top open interest loser in the market.
- JP Hydro (98%), GMR Infra (93%), Essar Oil (92%) and IDBI (91%) are very close to their market wide position limits.

## Market View

The market opened on a flat note and moved in a very narrow range of 4495-4520 for the rest of the day and finally closed with a marginal gain of 7.6 points. Volumes in Nifty futures continued to be weak and around 9 lakh shares in open interest were added towards the long side. On the option front, implied volatility of options has increased by 1% across the strike price with an increase in the open interest, indicating buying in both call and put options. The market is likely to open on a flat to positive note and may continue to rally as long as it is trading above 4470. Global cues will also play a crucial role in the first half of the trading session. Key support levels for the Nifty are 4470 and 4440 while the resistance will be around 4510-4535.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (July)	4500	4483.2	0.37%
Nifty CoC	-12.29%	-13.31%	-7.67%
OI	39693450	38767950	2.39%
Vol	12754250	15625750	-18.38%
PCR(OI)	1.61	1.63	-1.23%
PCR ( VOL)	1.64	1.95	-15.90%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4500 C	17.67%	16.81%	1419650	15.04%
4450 C	19.49%	17.90%	899800	2.57%
4550 C	16.03%	19.31%	197850	-
4400 C	20.91%	18.60%	1695700	-0.37%
4540 Sep C	19.79%	19.18%	450050	66.65%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4500 P	18.17%	16.81%	1302000	11.25%
4400 P	22.34%	19.97%	2935650	3.34%
4450 P	20.02%	18.08%	787000	21.80%
4300 P	26.51%	24.36%	4373650	0.62%
4200 P	30.14%	28.31%	3748400	-0.98%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
SBI	14.89%	9.63%	10765750	5.41%
GMRINFRA	32.60%	18.98%	8176000	9.39%
RCOM	5.41%	14.16%	21653800	7.03%
RELIANCE	6.27%	0.95%	10459050	4.05%
PFC	32.00%	-0.80%	10924800	52.80%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 13 JULY			
	Buy	Sell	Difference
INDEX FUTURES	1136.54	1121.89	14.65
INDEX OPTIONS	1068.00	661.87	406.13
STOCK FUTURES	813.27	918.65	-105.39
STOCK OPTIONS	11.91	24.31	-12.41
TOTAL	3029.71	2726.72	302.99

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1800 C	29.75%	23.68%	508950	25.71%
RCOM 580 C	36.86%	43.24%	518000	150.85%
IDEA 125 C	50.12%	46.91%	2332800	-2.26%
SBI 1590 C	39.79%	36.27%	140750	-3.10%
TATASTEEL 700 C	44.82%	38.19%	282825	54.04%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1770 P	24.02%	21.18%	107400	71.29%
SBI 1590 P	35.32%	27.04%	82500	24.53%
GMRINFRA 900 P	68.64%	66.10%	150000	-13.79%
TATASTEEL 700 P	36.30%	30.92%	120825	152.11%
TCS 1080 P	36.62%	30.28%	37250	231.11%

## Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
13-Jul-07	NTPC	Buy	157.7	157 (Closing Basis)	167-170	1-2 Days	SL Triggered
10-Jul-07	PFC	Buy	161.5	153	172-175	1-2 Days	Profit Booked @ 167
3-Jul-07	Nifty	Sell	4337-4338	4350	4320-4300	1-2 Days	SL Triggered
29-Jun-07	Nifty	Sell	4273-4274	4283	4255-4240	Intraday	SL Triggered
28-Jun-07	Educomp	Sell	2297-2300	2340	2200-2150	3-4 Days	Target Achieved

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