



daring derivatives



May 14, 2007

Derivatives Summary

- Nifty (May) futures' discount decreased to 1.4 from 14.5 and added around 8.62 lakh shares in open interest.
- Total open interest in the market was 53,170 crore and added around 1,515 crore in open interest.
- Nifty calls added 3.5 lakh shares and puts added 4.61 lakh shares in open interest.
- Renuka (50%), M&M (25%), McDowell (23%), JP Associate (21%) and Federal Bank (16%) were the top interest gainers in the market.
- PFC (-17%), GDL (-12%) and Balrampur Chini (-10%) were the top open interest losers in the market.
- TTML (101%), IFCI (88%), Arvind Mills (87%) and JP Hydro (85%) were very close to their market wide position limits.

Market View

The market opened on a negative note and huge volatility was witnessed in the range of 4026-4094. We saw a strong bounce in the initial half of the session and the market plunged dramatically in the afternoon session. It again bounced back very strongly towards the close, indicating high uncertainty in the market. The kind of momentum that was seen towards the close shows that the market should break the crucial resistance of 4130 on Monday itself. Its failure to do so will indicate that we are in for highly volatile trading session with Nifty moving randomly with a negative bias. Volumes in Nifty future were significantly higher and added around 9 lakh shares in open interest towards the long side. On the option front, we continue to witness fresh writing indicating market would remain range-bound with a positive bias, probably in the range of 4030-4130. A breakout on either direction will take Nifty in respective direction. The market is likely to open on a positive note and if it crosses 4130 mark then we might see this rally continuing till the all-time high. Key support levels for the Nifty is 4030 and the resistance will be around 4130 and 4170.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4084.5	4052.3	0.79%
Nifty CoC	-0.63%	-6.20%	-89.91%
OI	36002250	35139950	2.45%
Vol	37848800	26236650	44.26%
PCR(OI)	1.14	1.14	0.00%
PCR (VOL)	0.93	0.97	-4.12%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	23.96%	23.90%	3617800	-3.15%
4200 C	22.22%	23.28%	2972450	7.37%
4000 C	25.41%	25.44%	1443800	6.26%
4150 C	23.51%	23.44%	875750	30.86%
4250 C	20.90%	22.68%	1247300	0.39%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4000 P	24.70%	25.68%	3774150	10.28%
4100 P	22.78%	23.86%	2712050	-2.01%
3900 P	26.94%	27.79%	1578250	9.58%
3800 P	27.67%	29.02%	1655900	10.13%
4050 P	24.26%	25.18%	899900	0.37%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	5.67%	1.04%	6733650	0.61%
RCOM	12.75%	4.12%	14506100	9.85%
SBI	9.58%	6.81%	6507000	1.49%
INFOSYS	8.40%	7.70%	4378300	2.25%
RPL	7.39%	7.59%	64273100	18.11%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 10 MAY			
	Buy	Sell	Difference
INDEX FUTURES	770.6	687.7	82.90
INDEX OPTIONS	224.88	121.41	103.47
STOCK FUTURES	514.02	378.76	135.26
STOCK OPTIONS	0	0.9	-0.90
TOTAL	1509.5	1188.77	320.73

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RPL 85 C	35.08%	35.83%	3246150	7.79%
RELIANCE 1620 C	25.99%	26.10%	593250	5.58%
IDBI 95 C	52.44%	51.50%	2275200	32.40%
SBIN 1140 C	40.00%	37.29%	189250	12.31%
TATASTEEL 580 C	37.11%	35.43%	801900	3.04%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1590 P	21.22%	25.18%	111000	-6.33%
TATASTEEL 560 P	35.57%	35.67%	257850	16.46%
RPL 80 P	33.29%	27.11%	1276350	92.42%
SBIN 1140 P	36.26%	32.50%	42750	76.29%
SAIL 130 P	42.80%	38.26%	1058400	26.45%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stoploss	Target	Timeframe	Remark
11-May-07	IDBI 95 Call	Buy	3.5-4	-	8--10	8-10 Days	Open
11-May-07	Syndicate Bk 80 Call	Buy	3	-	7-Jun	5-6 Days	Open
10-May-07	ITC	Buy	163	160.5	167-170	2-3 days	1st Target achieved
9-May-07	IVRCL	Buy	292	286.5	300-310	1-2 days	1st Target Achieved
9-May-07	Sterlite	Buy	543.5	534	560-575	3-4 days	Profit Booked

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