



# daring derivatives



April 26, 2007

## Derivatives Summary

- The premium in the Nifty (April) futures increased to 7.2 points from 0.75 point and the futures shed around 64 lakh shares in the open interest while the Nifty (May) futures added 62 lakh shares in the open interest.
- The Nifty 50 stocks shed 35.40 lakh shares in the open interest.
- The total open interest in the market is Rs63,172 crore and there was an addition of around Rs1,220 crore in the open interest during the day.
- SCI (42%), Chambal Fertilisers (26%), Alok Textile (20%), Patni (19%), Kotak Bank (17%) and IFCI (16%) were the top open interest gainers in the market.
- Indian Bank (-36%), GDL (-15%) and Sesa Goa (-14%) were the top open interest losers in the market.
- Divis Lab (107%), Arvind Mill (101%) and IFCI (101%) are close to their market wide position limits.

## Market View

The market opened on a weak note and remained in negative territory for the first half of the trading session. The Nifty bounced back smartly and entered positive territory on short covering and fresh buying and finally settled at 4167 with gains of more than half a percent. The volumes in the Nifty futures declined a bit but were higher than the average volumes on account of roll-over and the futures shed around 73,000 shares in the open interest. On the options front, the implied volatility of the calls decreased whereas the implied volatility of the puts increased indicating we might have a volatile session tomorrow. The market is likely to open on a flat note and will take a cue from the world markets. The movement in the Nifty is likely to be random in the second half of the session on account of the April month expiry tomorrow. The key support level for the Nifty is 4100 and there will be resistance around 4200.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4176	4142.55	0.81%
Nifty CoC	63.04%	3.30%	1807.56%
OI	40149850	40223200	-0.18%
Vol	64537000	76996700	-16.18%
PCR(OI)	1.41	1.32	6.82%
PCR ( VOL)	0.79	1.63	-51.53%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	25.09%	26.08%	1256900	-13.85%
4150 C	27.09%	27.44%	833250	18.76%
4100 May C	23.59%	25.28%	2670950	35.29%
4000 May C	25.95%	26.57%	2289000	5.49%
4200 C	25.09%	26.76%	987550	19.10%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	30.16%	29.07%	1204400	12.76%
4150 P	28.61%	26.62%	610350	67.06%
4000 May P	27.13%	28.81%	2966100	11.38%
4100 May P	25.38%	27.21%	1416000	35.49%
4000 P	46.31%	37.07%	1849350	-5.54%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	68.48%	-22.48%	4556550	-13.21%
SBIN	117.48%	-48.31%	3371250	-4.29%
IVRCL	168.20%	-29.58%	2156000	-24.36%
INFOSYS	72.21%	-4.43%	2062000	-12.55%
GTL	107.90%	61.09%	4834500	-17.34%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 24 APRIL			
	Buy	Sell	Difference
INDEX FUTURES	4436.16	4011.46	424.70
INDEX OPTIONS	948.32	645.49	302.83
STOCK FUTURES	3544.32	3681.3	-136.98
STOCK OPTIONS	1.51	2.19	-0.68
<b>TOTAL</b>	<b>8930.31</b>	<b>8340.44</b>	<b>589.87</b>

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1590 C	57.34%	40.18%	136200	77.69%
RPL 80 C	57.92%	49.39%	2519200	-28.99%
SAIL 135 C	73.95%	67.02%	1995300	23.58%
IFCI 40 C	101.74%	84.53%	6189750	-6.65%
TATASTEEL 580 C	57.27%	52.01%	344250	51.34%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
TATASTEEL 560 P	41.60%	61.06%	253125	47.64%
INFOSYS 2010 P	29.95%	32.01%	150200	-2.47%
RELIANCE 1560 P	46.53%	39.91%	68250	54.24%
SATYAM 460 P	56.46%	46.50%	192600	22.99%
SAIL 130 P	58.23%	55.19%	612900	7.58%

## Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stoploss	Target	Timeframe	Remark
19-Apr-07	Nifty	Buy	3974	3960	4025-4050	1-2 Days	Tgt Achieved
24-Apr-07	RPL 80 Call	Buy	0.4-0.5	-	2	Expiry	Closed @ 0.85

## Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
9-Apr-07	Gujarat Ambuja	Buy	110 Call	3	3.5	1.5	Expiry
		Sell	115 Call	1.5	Booked		
16-Apr-07	ACC	Buy	Future	778	TGT-820-840	13.5	Expiry
		Buy	780 P	15.5	Booked	Future @ 810	Call @ 8
18-Apr-07	Reliance	Buy	1470 Put	12	24	6	Expiry
		Sell	1440 Put	6	Open		
23-Apr-07	SRF	Buy	150 Call	3.5	8.25	1.75	Expiry
		Sell	160 Call	1.75	Booked		

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