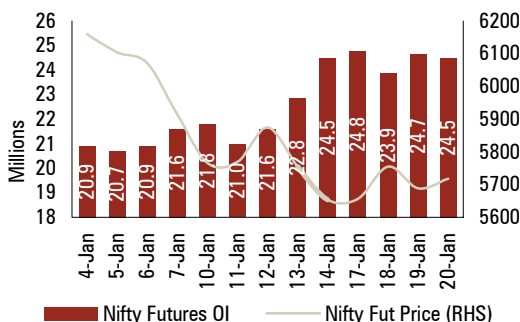
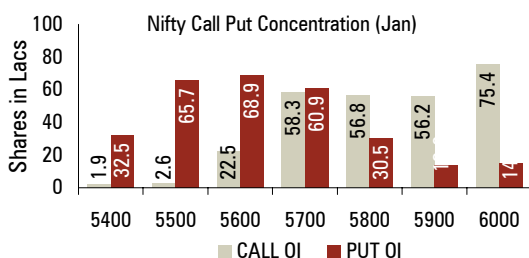


January 21, 2011

### Nifty Futures – OI vs. Price



### Nifty Options OI Distribution



### Active Nifty Strike

Strike	Call (%)		Put (%)	
	OI chg	IV	OI chg	IV
5500	-1.4	15.7	-2.1	21.8
5600	-1.7	17.9	-4.0	20.0
5700	-21.3	18.2	-0.2	18.5
5800	-4.8	17.8	-4.4	16.7
5900	-8.1	18.1	-13.4	13.6

### FII Statistics (in crore)

Segment	Buy	Sell	Net	OI (lots)	%Chg
Index fut.	2313	3127	-814	431966	-2.3
Index opt.	8359	8415	-56	1805623	-1.3
Stock fut.	4192	3858	334	1318764	0.3
Stock opt.	392	451	-59	24461	9.8
Total	15256	15851	-595	3580814	-0.7

### 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

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### Nifty Snapshot & Pivot Points

	Spot	Fut	COC (%)	Tot Fut OI	PCR OI	PCR Vol	ATM IV (%)
Current	5712	5718	6.07	24488750	0.91	0.82	19.42
Previous	5691	5689	-1.52	24668850	0.88	1.01	19.35
Change (%)	0.36	0.51	-	-0.74	-	-	-
Pivot levels (JAN)	S3	S2	S1	Piv	R1	R2	R3
Nifty future	5474	5586	5652	5698	5764	5809	5921

Source: NSE, Seediiff, ICICIdirect.com Research

### F&O Highlights

- The Nifty traded with a negative bias in the first half and saw a sharp recovery due to short covering in heavyweights especially in the banking segment
- FII were net sellers in the cash segment to the tune of ₹ 944 crore and in index futures (₹ 814 crore) while remaining net buyers in stock futures (₹ 334 crore)
- India VIX continue to decline and settled at 21.01 levels (down 0.38%)
- We saw closure across the board for Call and Put options. Maximum closure was observed in 5700 Call strike (31630 lots) and 5600 Put strike (5708 lots). Open interest is evenly distributed at ATM strikes of both Call and Put options with maximum open interest at Put 5600 strike (7.2 million) and Call 5700 strike (5.8 million) among ATM strikes

### Index Outlook

- Nifty:** The Nifty is likely to trade in the range of 5660-5750. The trading strategy would be to create short positions if the Nifty resists at around 5750 levels for targets of 5725 and 5685. On the other hand, one can also create long positions if the Nifty takes support at around 5660 levels
- Bank Nifty:** The Bank Nifty is likely to trade positive in the range of 10700-11050. Trade long till it hold 10700 else short positions can be initiated below 10650

### 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 Orchid Chemical, REC Ltd and Power Finance

### Open interest Gainers

Symbol	OI (lots)	%Chg	Price	%Chg	Symbol	OI (lots)	%Chg	Price
SESAGOA	14,469,000	23.84	329.0	1.64	ORCHIDCHEM	5,722,000	-15.88	318.2
JETAIR	1,732,000	23.10	597.5	-1.41	PFC	753,000	-13.05	292.2
BIOCON	3,645,000	20.26	369.9	-2.03	AXISBANK	2,595,500	-10.06	1,285.1
GAIL	2,298,500	14.15	453.3	-2.95	RECLTD	5042000	-9.71	281.9
SUZLON	102,580,000	13.29	51.9	0.10	CANBK	1,468,500	-6.58	596.6

Source: Company, ICICIdirect.com Research

### Intraday Strategy\*

#### i) Bharti Airtel (BHATE)

**Sell BHATE Jan Fut in the range of 340-341**

View: Bullish

Strategy: Sell Future

Target: 331

Stop Loss: 346

Market Lot: 1000

#### ii) Sesa Goa (SESGOA)

**Buy SESGOA Jan Fut in the range of 328-330**

View: Bullish

Strategy: Buy Future

Target : 339

Stop Loss: 325

Market Lot: 1000

### Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	Profit/Loss	Comment
20-Jan-11	RECLTD	Bullish	Long Fut	277	285.0	273.0	6000	Profit Booked
20-Jan-11	HDFC	Bearish	Short Fut	651.0	638.0	659.0	-4000	Stop Loss trigger

\* 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	

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