

## Market Statistic

### OPEN INTEREST – Gainers With Rise in Price

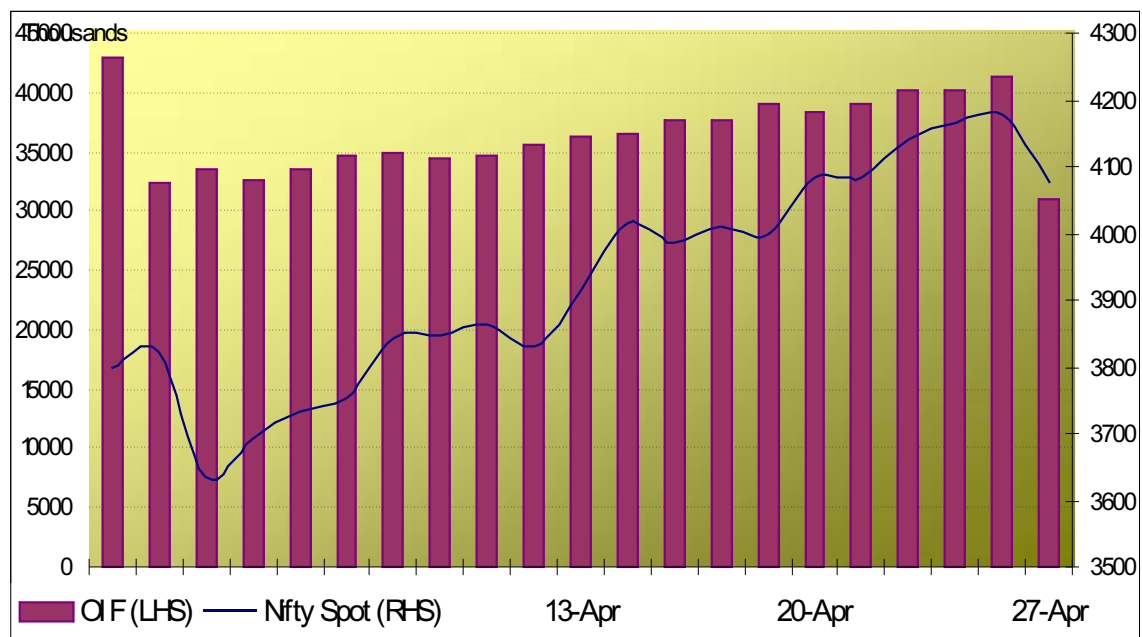
Scrip ID	OI Futures	% Chg	Price	% Chg
VOLTAS	4784400	85.23	94.65	9.23
KOTAKBA	2605350	59.82	521.55	3.38
CAIRN	4990000	56.49	134.35	2.51
TATATEA	1122000	42.21	770.35	13.92
LUPIN	2194850	32.75	696.9	2.65

### OPEN INTEREST – Gainers With Fall in Price

Scrip ID	OI Futures	% Chg	Price	% Chg
CIPLA	6965000	120.76	217.1	-7.8
UTIBANK	3492450	19.95	455	-2.42
ULTRACEMC	688600	18.07	800.35	-4.95
MCDOWELL	360500	14.63	837	-1.93
DRREDDY	2412000	14.53	710.55	-0.66

## Weekly Market Wrap-up:

In the last week, the Nifty Futures open interest (OI) decreased by 19.56 percent (from 769099 contracts to 618640 contracts) with an decrease in price of 0.08 percent (from 4077.1 to 4073.8). The Nifty Call OI decreased by 42.8 percent from 341039 contracts to 195085 and the Nifty Put OI decreased by 47.87 percent from 433823 contracts to 226152 contracts. The Total open interest of Nifty was down by 32.65 percent from 1543961 contracts to 1039877 contracts. The net OI of Nifty (Future + Call - Put) was down by 13.12 percent i.e. from 676315 contracts to 587573 contracts. The Nifty PCR (OI) has shown a significant change from 1.27 to 1.15. The Nifty basis over the week changed from (0) to (-10) points. In the Current week, we maintain a sideways view on the market.



## Nifty Perspective

Nifty futures on weekly basis decreased by 0.08 percent to close around 4073.80. Open interests in Nifty future has decreased from 769099 contracts to 618640 with index closing almost flat, week on week basis around 4083.50. The drop in OI with prices coming down indicates liquidation of long positions by bulls and built up of fresh short positions as market reacted at higher levels. Lot of short positions were built up in the market on the last working day after REILANCE result which also resulted in liquidation of long positions. The discount in nifty futures widened on the last working day indicating panic liquidation of positions. Now the market has support around 4050 levels and any weakness in the market may be seen only if nifty futures breach 4050 levels. FII's figures were negative in the market during the last day to the tune of 516 crs. The other indicators in derivatives market i.e. PCR\_OI is in a range of 1.15 to 1.40 levels indicating buying support may emerge at lower levels. The implied volatility is coming down from 26 levels to 24 levels which may result in some kind of consolidation in the market. One should hedge their positions till the trend doesn't become clear and should trade with strict stop losses.

## RELIANCE

RELIANCE lost OI to the tune of 21.52% with a drop in price of 0.15% indicating liquidation of long positions in the counter and built up of fresh short positions in the counter after its result. On the last working day we saw built up of fresh positions on the short side indicating further weakness in the counter .If the counter remains below 1550 levels we may see fresh selling emerging in the counter and longs liquidating their positions aggressively. Meanwhile the counter has support around 1480 and resistance around 1640.

## TATASTEEL

Open interest in TATASTEEL has gone down by 34.30% with 0.83% rise in price. The fall in OI indicates that longs liquidated their positions at higher levels and fresh short positions built up at higher levels. On the last day of the week OI lost with prices coming down sharply indicating liquidation of long positions. The counter may come under bear grip if it goes below 530 levels where we may see fresh short built up and heavy liquidation of long positions.. Meanwhile the counter has support around 520 and resistance around 570 levels.

## SATYAMCOMP

SATYAMCOMP lost OI to the tune of 6.78% with a drop in price of 1.78% indicating liquidation of long positions in the counter and built up of fresh short positions in the counter. On the last working day we saw drop in OI with rise in price indicating some short covering in the counter as the counter was near its short term average of 460 levels which may result in some positive built up in the counter .If the counter goes below 455 levels we may see fresh selling emerging in the counter and longs liquidating their positions aggressively. Meanwhile the counter has support around 450 and resistance around 480

## HINDLEVER

Open interest in HINDLEVER has gone down by 22.26% with 2.68% rise in price. The fall in OI indicates that short covered their positions as counter took support of its important support level of 200. On the last day of the week OI gained with prices falling indicating short positions being built up in the counter as market fall significantly .The counter may show real strength if it sustains above 217 levels where we may see fresh buying emerging in the counter . The counter may come under bear grip if it goes below 200 levels where we may see fresh short built up and heavy liquidation of long positions. Meanwhile the counter has support around 202 and resistance around 222 levels

## TATAMOTORS

Open interest in TATAMOTORS has gone down by 16.47% with 3.66% rise in price. The fall in OI indicates that short covered their positions but at higher levels fresh short positions were built up in the counter .On the last trading day we saw OI rise with prices coming down indicating selling pressure emerging in the counter indicating weakness in the counter.The counter may show real strength if it sustains above 790 levels where we may see fresh buying emerging in the counter. The counter may come under bear grip if it goes below 730 levels where we may see fresh short built up and heavy liquidation of long positions. Meanwhile the counter has support around 720 and resistance around 790 levels

## Market Statistic:

### TRADE STATISTICS FOR 27-April-2007

Product	No. of Contracts	Turnover (Rs. cr.) *
Index Futures	496,541	10,224.07
Stock Futures	470,987	13,540.90
Index Options	174,465	3,634.09
Stock Options	27,099	773.38
<b>Total</b>	<b>1,169,092</b>	<b>28,172.44</b>

### OPEN INTEREST – Gainers.

Scrip ID	OI Futures	% Chg	Price	% Chg
CIPLA	6965000	90.11	217.1	-14.33
CROMPGREA	606000	9.58	217	3.33
JSTAINLESS	7988000	-0.82	148.25	-1.27
KOTAKBANK	2605350	-1.19	521.55	3.34
VOLTAS	4784400	-1.30	94.65	1.17

### OPEN INTEREST - Losers.

Scrip ID	OI Futures	% Chg	Price	% Chg
CUMMINSIND	633650	(42.25)	285.05	(0.89)
J&KBANK	124500	(41.13)	703.95	(0.96)
ITC	10066500	(36.54)	160.65	(0.56)
CORPBANK	222000	(35.76)	317.4	(1.37)
RENUKA	541000	(35.05)	441.85	0.82

### FII Derivatives Statistic For the date : 270407

	Buy	Sell	OI at end of the Day		Inflow / Outflow
			Contract	Amount	
INDEX FUTURES	656.09	1173.07	657897	13408.43	-516.97
INDEX OPTIONS	163.15	39.77	235677	4811.94	123.38
STOCK FUTURES	341.92	650.37	531135	14161.63	-308.45
STOCK OPTIONS	0.00	0.71	1034	26.20	-0.71
					-702.75

### FII Derivatives Statistic For the date :260407

INDEX FUTURES	4242.33	4167.16	623300	12980.93	75.17
INDEX OPTIONS	1589.58	953.16	226360	4728.49	636.43
STOCK FUTURES	3352.82	3493.43	523394	14233.36	-140.61
STOCK OPTIONS	0.69	11.53	1011	26.34	-10.84
					560.15

### FII Derivatives Statistic For the date :250407

INDEX FUTURES	4555.35	4206.76	866839	18088.19	348.59
INDEX OPTIONS	407.62	612.57	418534	8720.78	-204.95
STOCK FUTURES	3295.45	3689.97	662379	18142.07	-394.51
STOCK OPTIONS	5.98	8.19	4456	105.70	-2.21
					-253.09

### Reckoning Put/Call Ratio

Scrip ID	PCR OI	PCR Vol.
NIFTY	1.15	0.97
RELIANCE	0.19	0.29
TATASTEEL	0.33	0.39
INFOSYSTCH	0.21	0.22
RPL	0.19	0.29

## Market Wrap-up:

Nifty decreased on Friday to close at 4083.50 down 2.26%. The F&O segment of the market saw decrease in turnover as compared to previous trading session.

The market turnover decreased by 48.61 percent in terms of number of contracts traded vis-à-vis previous trading day and decreased 48.97 percent in terms of rupees.

The PCR OI of market was at 0.17 and in NIFTY; has decreased from 1.31 to 1.15 at the same time; PCR VOL in NIFTY has changed to 0.97.

On a scrip specific note scrips like CIPLA, CROMPGREAV, JSTAINLESS, KOTAKBANK & VOLTAS were the major gainers in futures open interest, while CUMMINSIND, J&KBANK, ITC, CORPBANK & RENUKA were the amongst some to shed the Futures Open Interest.

On the option open interest front, NIFTY led the pack 195085 contracts of position open in CALL and 226152 contracts in the PUT side. On the scrip side, RELIANCE led the pack with 12647 contracts in CALL and 2494 Contracts in PUT as open interest followed by TATASTEEL with 1915 contracts of open position in CALL and 640 contracts of open position in PUT.

In terms of Volumes 1169092 contracts were traded on NSE. Nifty accounted for 57.03 percent of the total traded contracts RELIANCE 4.32 percent while BHARTIARTL contributed 2.23 percent to the total turnover.

A look at the volatility indicates there is a considerable amount of increase in volatility of stocks such as HINDUJATMT, CIPLA, BANKINDIA, I-FLEX and VIJAYABANK. Implied volatility in Nifty is at 24.5 and Historical volatility is at 34.95.

## Expectations:

The NIFTY futures saw a rise in OI to the tune 2.12% with prices came down sharply and closed near day's low indicating selling pressure emerging in the market at higher levels and profit booking happening in the market .The discount in nifty futures widened and came to 10 points indicating shorts built up positions aggressively. The FII sold index futures to the tune of 516crs and buyers in index options to the tune of 123crs. The PCR has come down from 1.31 to 1.15 indicates weakness may be seen in the market .The IV is around 24 levels indicating some volatile trading sessions ahead.

Among the Big guns, ONGC saw 1.92% rise in OI with prices coming down 1.92% indicating shorts built up their positions and long positions liquidated in the counter indicating weakness in the counter. Whereas RELIANCE saw 3.67% rise in OI with prices down indicating fresh selling emerging in the counter suggesting weakness in the counter .

In the TECH front, INOFSYSTCH& TCS, WIPRO saw built up of significant OI with prices almost flat indicating buying emerged in these counters at lower levels .SATYAMCOMP saw drop in OI with prices up indicating short covering seen in the counter suggesting strength in the counter .

In the BANKING counters, SBIN saw flat OI to the tune of 0.14% with drop in prices to the tune of 4.24% indicating longs liquidated their positions and fresh shorts positions built up in the counter indicating weakness in the counter. ICICIBANK saw rise in OI to the tune of 11.45 % with drop in price to the tune of 3.70% indicating short positions built up in the counter aggressively indicating weakness in the counter .HDFCBANK saw rise in OI with prices negative indicating selling pressure emerging in the counter.

In the metal pack TATASTEEL saw drop in OI to the tune of 4.66% with price down to the tune of 3.98% indicating liquidation of positions by bulls which may result in further profit booking in the counter. SAIL saw rise in OI of 2.93% with prices negative indicating selling pressure emerging higher at higher levels indicating weakness in the counter .HINDALCO saw liquidation of long positions indicating profit booking may be seen in the counter .STER saw rise in OI with prices negative indicating fresh short positions being built up in the counter indicating weakness in the counter.

We feel that the volume and built up in OI suggests that market may show some profit booking may emerge in the market .Market may show weakness if it closes below 3900 levels where we may see fresh short positions built up in the counter and long liquidation in the market . .One should trade with strict stop losses to be adhered too.

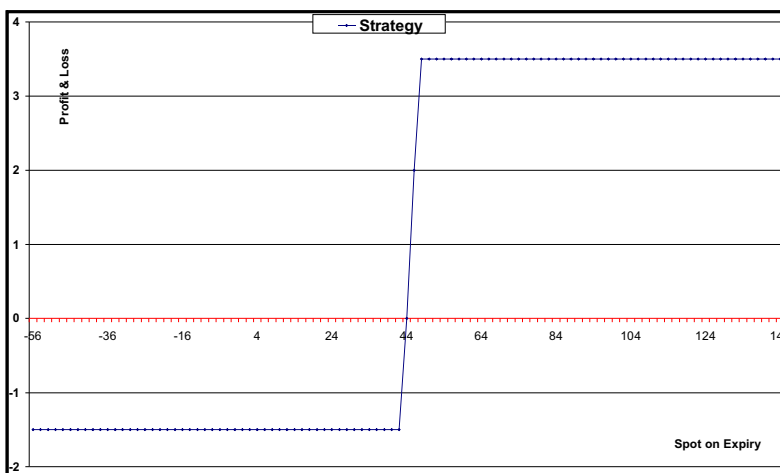
Please Note that the Range of Strategies Given below suits to different risk profile. One can choose suitable strategy for trading on basis of his/her trading Attitude. Please read the comments mentioned below each strategy before using the strategy.

## IFCI: BULL CALL SPREAD

BUY 42.50 CA @ 2.30  
SELL 47.50 CA @ 0.80  
BEP: 44.00  
Risk: 11812.50

Profit Potential: 27562.50

*(For strategy details refer adjacent table).*



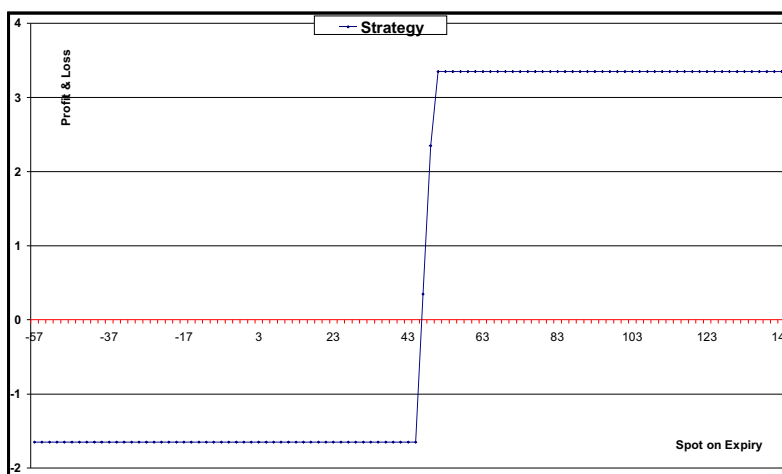
In the above strategy as action suggest you have buy at the money or in the money option and sell out of money option it is very safe as Risk and Profit is Pre Defined. Also, please note in forming this strategy rate given is not important but Co-relation in difference in strike price and rates is important.

## ARVINDMILLS: BULL CALL SPREAD

BUY 45 CA @ 3.15  
SELL 50 CA @ 1.50  
BEP: 46.65  
Risk: 7095.00

Profit Potential: 14405

*(For strategy details refer adjacent table).*



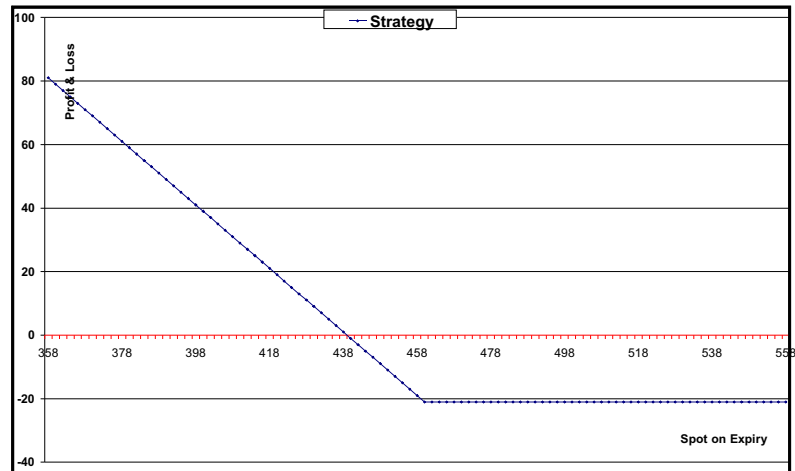
In the above strategy as action suggest you have buy at the money or in the money option and sell out of money option it is very safe as Risk and Profit is Pre Defined. Also, please note in forming this strategy rate given is not important but Co-relation in difference in strike price and rates is important.

## RCOM: CALL HEDGE

SELL FU @ 461  
BUY 460 CA @ 22  
BEP: 439.00  
Risk: 14700

Profit Potential: UNLIMITED

(For strategy details refer adjacent table).



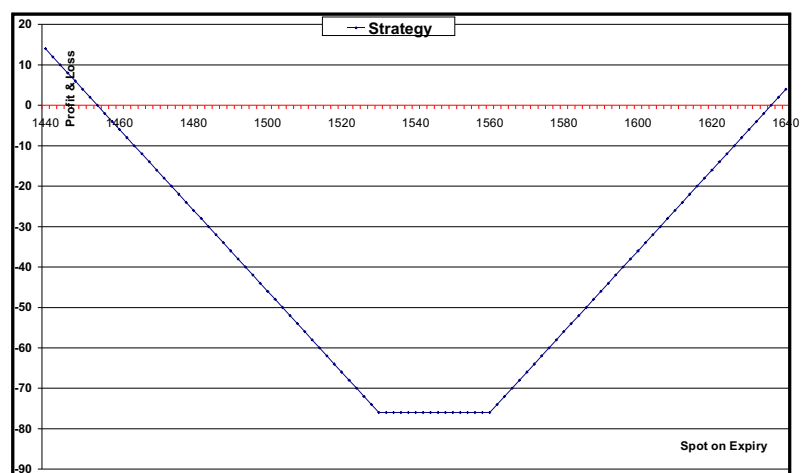
In the above strategy the risk is pre defined as maximum risk given; this strategy is quiet safe and has attractive risk reward ratio. If there is a change in price of future option price has to be adjusted accordingly.

## RELIANCE: SYNTH. LONG STRADDLE

SELL FU @ 1545  
BUY 1530 CA @ 52  
BUY 1560 CA @ 39  
LBEP: 1454  
Risk: 11400

UBEP: 1636  
Profit Potential: UNLIMITED

(For strategy details refer adjacent table).



In the above strategy risk is high but it offers gain on both side movements (thus best for playing in volatile market). The maximum risk as shown is more of theoretical in nature (because if we square off this strategy in time say in 3-5 days) the loss can be reduced to as low as 10% of indicated risk.

## Research Team

**D. D. Sharma - Head**

[ddsharma@rathi.com](mailto:ddsharma@rathi.com)

**Pramit Sabharwal**

Sr. Technical Analyst /

Sr. Derivative Analyst

[pramitsabharwal@rathi.com](mailto:pramitsabharwal@rathi.com)

**Ashish Chaturmohta**

Derivative Analyst

[derivatives\\_desk@rathi.com](mailto:derivatives_desk@rathi.com)

P.S. In case of clarification, please feel free to email at.  
[response@rathi.com](mailto:response@rathi.com)

### TRADING LAWS

- A Trader not observing STOP LOSS, cannot survive for long .
- Never re-schedule your stop loss ,square up first and then take a fresh view.
- Book small losses by buying / selling near support / resistance, and look for big Gains,this will maximize the gains.
- Don't try to anticipate the change in main trend ,so don't go against trend .

**DISCLAIMER:** This report has been issued by Anand Rathi Securities Limited (ARSL), which is regulated by SEBI. The information herein was obtained from various sources; we do not guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities, options, future or other derivatives related to such securities ("related investment"). ARS and its affiliated may trade for their own accounts as market maker/ jobber and /or arbitrageur in any securities of this issuer(s) or in related investments, and may be on the opposite side of public orders. ARS, its affiliates, directors, officers, and employees may have a long or short position in any securities of this issuer(s) or in related investment banking or other business from, any entity mentioned in this report. This research report is prepared for private circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial situation and the particular needs of any specific investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report.

P.S. In case of clarification or feedback, please email at. [arresponse@rathi.com](mailto:arresponse@rathi.com)