



daring derivatives



May 17, 2007

Derivatives Summary

- Nifty (May) futures' premium increased to 30.05 from 10.2 and shed around 13.8 lakh shares in open interest.
- The total open interest in the market stood at 56,404 crore and added around 732 crore in open interest.
- Nifty calls shed 3,950 shares and puts added 3.3 lakh shares in open interest.
- Nagarjuna Construction (29%), Andhra Bank (27%), Crompton Greaves (21%), M&M (21%) and Dr Reddy's (15%) were the top interest gainers in the market.
- Reliance Capital (-14%), Bank of India (-14%), Canara Bank (-14%), Nagarjuna Fertilizer (-14%) and UTI Bank (-13%) were the top open interest losers in the market.
- IFCI (93%), JP Hydro (90%), TTML (88%) and Essar Oil (86%) are very close to their market wide position limits.

Market View

The market opened on a positive note and some weakness was seen in the first half of the trading session. The market took a dip into the red in the afternoon session but witnessed a strong recovery from 4113 levels during the latter part of the day. It made an intra-day high of 4181 before finally settling at 4170.95 with a handsome gain of 50.65 points. Buying was seen across the board and Nifty futures shed around 13 lakh shares toward short covering with good volumes, indicating that the move should be sustainable and continue. On the option front, not much activity was seen and volatility reduced to an extent of around 2% in different strike prices, indicating positive sentiments in the market. The market is likely to open on a positive note and should continue its rally to touch the all-time high. The key support levels for the Nifty are 4140 and 4120 whereas resistance will be around 4240.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4195.35	4130.5	1.57%
Nifty CoC	17.55%	5.65%	210.85%
OI	33106600	34490200	-4.01%
Vol	24690100	19040000	29.67%
PCR(OI)	1.22	1.19	2.52%
PCR (VOL)	0.86	0.93	-7.53%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	21.89%	23.00%	2954100	3.76%
4100 C	23.67%	24.33%	3561900	-0.99%
4150 C	22.88%	23.96%	920050	-5.90%
4250 C	20.79%	21.60%	1397550	2.26%
4000 C	26.07%	26.27%	1414650	0.27%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	23.13%	24.40%	3097950	1.81%
4000 P	24.84%	26.41%	3772800	-0.83%
4200 P	21.40%	23.38%	622800	21.84%
4150 P	22.67%	24.30%	1240300	5.64%
3900 P	28.84%	28.01%	1586150	0.40%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	34.15%	-17.67%	7059150	0.15%
SBI	27.07%	59.15%	7218750	0.75%
RCOM	19.58%	-15.35%	14420700	-1.11%
INFOSYS	32.39%	-17.72%	5440500	13.91%
CENTURY	26.66%	40.03%	6132750	-6.82%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 15 MAY			
	Buy	Sell	Difference
INDEX FUTURES	820.02	706.72	113.30
INDEX OPTIONS	113.28	41.49	71.79
STOCK FUTURES	494.75	787.73	-292.98
STOCK OPTIONS	0.73	6.1	-5.37
TOTAL	1428.78	1542.04	-113.26

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1620 C	31.75%	20.95%	482700	-14.96%
SBIN 1260 C	44.40%	46.57%	152500	174.77%
TATASTEEL 600 C	39.43%	38.97%	872100	41.98%
IDBI 100 C	48.11%	48.17%	2932800	13.57%
INFOSYS 2010 C	35.06%	24.38%	178600	30.75%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1620 P	15.79%	30.65%	114400	23.68%
SBIN 1200 P	37.13%	21.49%	145250	29.98%
TATASTEEL 580 P	32.36%	39.50%	241650	11.88%
IDBI 100 P	46.25%	52.40%	451200	54.10%
SAIL 135 P	35.37%	33.71%	1582200	-1.01%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stoploss	Target	Timeframe	Remark
16-May-07	Nifty	Buy	4145	4120	4180-4210	1-2 days	1 Tgt achieved
16-May-07	Reliance	Buy	1614-1615	1600	1640-1660	3-4 Days	1 Tgt achieved
16-May-07	Century Text.	Buy	597-598	591	610-615	5-6 Days	Tgts achieved
15-May-07	NDTV	Buy	382-383	377.5	390-395	1-2 days	Tgts achieved
11-May-07	IDBI 95 Call	Buy	3.5-4	-	8--10	8-10 Days	Profit Booked
11-May-07	Syndicate Bk 80 Call	Buy	3	-	6--7	5-6 Days	Open

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