



daring derivatives



February 14, 2007

Derivatives Summary

- The discount in the Nifty (February) futures decreased to 4.25 points from 4.7 points and the futures shed around 4.6 lakh shares in the open interest.
- The total open interest in the market is Rs57,846 crore and there was a drop of around Rs39 crore in the open interest.
- The Nifty stocks added 50 lakh shares in the open interest.
- Gujarat Ambuja (67%), UTI Bank (28%), Orchid Chemical (20%) & IFCI (17%) were the top open interest gainers.
- Crompton Greaves (-15%), Federal Bank (-13%) & Bajaj Auto (-10%) shed open interest.
- IFCI (89%) is very close to its market wide position limit.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Feb)	4068	4053.6	0.36%
Nifty CoC	2.29%	-4.23%	-154.27%
OI	35268900	35732700	-1.30%
Vol	50196500	37791300	32.83%
PCR(OI)	1.31	1.44	-9.03%
PCR (VOL)	1.16	1.08	7.41%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	28.47%	25.27%	3714800	0.45%
4200 C	24.46%	23.65%	2751400	18.39%
4150 C	26.04%	24.39%	1228000	30.14%
4000 C	30.06%	25.66%	2084800	11.42%
4050 C	30.17%	24.88%	362600	29.04%

Market View

The market opened on a very weak note and made an intra-day low of 3998 in the initial minutes of the trading session. It witnessed a strong bounce back and remained in positive territory for a major portion of the day. In the second half of the day the market witnessed some aggressive selling pressure, which pulled down the Nifty to 4008. The Nifty finally closed at 4044.55, down around 14 points. The volatility and the volumes in the Nifty futures were significantly higher than the volatility and the volumes witnessed in the previous trading session. The breadth of the market turned negative in the second half of the day indicating across-the-board selling. The Nifty futures shed 4.6 lakh shares in the open interest as a closure of long positions. On the options front there was a significant addition of open interest in the call options on the buying side indicated by the increase in the implied volatility, while the put options witnessed profit booking. The market is likely to open on a cautious note and should witness selling pressure at higher levels. Traders should try to reduce their leveraged positions till the market gives a direction. The key support levels for the Nifty are 4000 and 3975 and there is a resistance around 4100.

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	29.76%	28.67%	3334000	-2.37%
4000 P	32.03%	31.95%	3527100	2.95%
3900 P	34.54%	32.69%	1634200	-19.00%
4050 P	32.64%	30.62%	810800	24.41%
4150 P	29.01%	29.57%	565600	-6.48%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	-5.88%	8.33%	10574700	-4.12%
RCOM	5.01%	4.81%	16188900	1.72%
IVRCL	14.37%	-2.87%	11397000	9.14%
BHARTI	-36.34%	2.51%	9223000	4.97%
HINDALCO	-12.67%	14.68%	36700950	-4.96%

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1380 C	22.06%	28.56%	565200	4.49%
HINDALCO 150 C	58.50%	71.17%	661925	232.00%
SAIL 110 C	55.09%	57.95%	1463400	15.32%
TATASTEEL 450 C	46.01%	40.70%	289575	72.98%
NTPC 150 C	44.46%	41.80%	2177500	7.89%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE1350 P	24.23%	22.56%	191100	1.92%
SBIN 1170 P	32.04%	35.84%	100500	24.07%
TATASTEEL 440 P	35.03%	35.04%	137025	-6.88%
SAIL 110 P	71.25%	52.56%	712800	-1.49%
HINDALCO 150 P	62.59%	66.37%	277530	85.11%

Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
9-Feb-07	IVRCL Buy	420.75	417.5	430-437	Intraday	Stop loss triggered
8-Feb-07	ICICI Bank Buy	989	979.5	1005-1020	1-2 Days	Target achieved
8-Feb-07	Nifty Buy	4200	4185	4220-4250	Intraday	First target achieved
7-Feb-07	Cummins Buy	282.5	278.8	290-295	1-2 Days	Target achieved
7-Feb-07	Siemens Buy	1200	1188	1235-1270	2-3 Days	Stop loss triggered

Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
8-Feb-07	Nifty	Buy	4200 P	54.5	77	23	Closed
	Nifty	Sell	4100 P	31.5			

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