



daring derivatives



May 11, 2007

Derivatives Summary

- The Nifty (May) futures turned into discount of 15.85 from a premium of 14.05 and added around 10 lakh shares in open interest.
- The total open interest in the market was 51,654 crore and added around 949 crore in open interest.
- The Nifty call added 3 lakh shares and put added 4.8 lakh shares in open interest.
- Corporation Bank (54%), Crompton Greaves (29%), Zee (18%), Grasim (14%) and Patni (13%) were the top interest gainers in the market.
- Federal Bank (-24%), NDTV (-17%), IVRCL (-16%), IOB (-16%) and UTI Bank (-14%) were the top open interest losers in the market.
- TTML (99%), Arvind Mills (89%), IFCI (87%) and Parsvnath (86%) are very close to their market-wide position limits.

Market View

The market opened on a positive note but once again failed to sustain above the 4130 mark and made a double top on the intra-day chart, indicating sustained selling pressure around that level. Volumes in Nifty futures were higher than the last ten days' average volume and the Nifty finally closed with a loss of 12 points at 4066.8 after making an intra-day high of 4134 in the initial half of the trading session. On the option front, the implied volatility of both call and put options have witnessed fresh writing, indicating that the market would remain range-bound probably in the 4030-4130 band. A break-out on either direction will take the Nifty in respective direction. The market is likely to open on a negative note and if it crosses the 4030 mark, then it is advisable to square off all your long leveraged positions and sit on cash or go short in the market. The key support levels for the Nifty are 4030 and the resistance will be around 4100 and 4150.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4044.1	4093.35	-1.20%
Nifty CoC	-6.79%	5.71%	-218.75%
OI	35139950	34141100	2.93%
Vol	26236650	29994550	-12.53%
PCR(OI)	1.14	1.13	0.88%
PCR (VOL)	0.97	0.82	18.29%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 C	23.71%	24.31%	3774950	6.08%
4200 C	23.23%	23.80%	2863400	1.46%
4250 C	22.64%	22.67%	1239150	0.55%
4150 C	23.40%	24.08%	678400	6.54%
4000 C	25.30%	26.20%	1356300	0.51%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	23.84%	24.67%	2764750	2.67%
4000 P	25.46%	26.58%	3569650	3.38%
3900 P	27.85%	27.99%	1442450	1.97%
4050 P	25.06%	25.39%	892450	7.19%
4150 P	23.91%	24.22%	1008250	9.01%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	0.77%	10.07%	6923100	3.90%
TATASTEEL	1.96%	13.87%	9364275	-7.00%
SBI	8.34%	13.67%	6502750	5.05%
REL. CAPITAL	-4.66%	3.13%	5267350	-9.83%
IVRCL	-0.85%	13.83%	5881000	-15.98%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 09 MAY			
	Buy	Sell	Difference
INDEX FUTURES	882.83	1484.75	-601.92
INDEX OPTIONS	103.09	151.55	-48.46
STOCK FUTURES	232.19	688.13	-455.94
STOCK OPTIONS	0.02	8.57	-8.55
TOTAL	1218.13	2333	-1114.87

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
TATASTEEL 580 C	35.85%	40.56%	778275	15.42%
RELIANCE 1620 C	28.23%	27.72%	560550	6.44%
SAIL 140 C	47.80%	44.20%	2373300	30.42%
IDBI 95 C	51.11%	53.94%	1692000	-4.21%
SBIN 1140 C	39.36%	41.18%	168000	5.33%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
TATASTEEL 560 P	34.82%	33.55%	222750	41.03%
RELIANCE 1590 P	24.17%	22.80%	117750	2.35%
IDBI 90 P	44.25%	45.70%	576000	-4.76%
SAIL 135 P	40.94%	36.44%	1520100	28.54%
SBIN 1140 P	32.40%	34.92%	27000	116.00%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stoploss	Target	Timeframe	Remark
10-May-07	ITC	Buy	163	160.5	167-170	2-3 days	1st Target Achieved
9-May-07	IVRCL	Buy	292	286.5	300-310	1-2 days	Target Achieved
9-May-07	Sterlite	Buy	543.5	534	560-575	3-4 days	Profit Booked
8-May-07	RCOM`	Buy	476.5	471.5	488-495	1-2 days	Stopped Out

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