

Market Statistic:

TRADE STATISTICS FOR 07-May-2007

Product	No. of Contracts	Turnover (Rs. cr.)*
Index Futures	507,213	10,423.06
Stock Futures	433,756	12,719.10
Index Options	155,767	3,250.69
Stock Options	24,643	733.97
Total	1,121,379	27,126.82

OPEN INTEREST – Gainers.

Scrip ID	OI Futures	% Chg	Price	% Chg
J&KBANK	225900	15.14	677.1	-2.90
INFOSYSTCH	3679000	13.04	2002.25	-1.94
BATAINDIA	1556100	11.34	160.5	-4.70
IVRCLINFRA	6522500	10.70	292.45	-6.20
BONGAIREF	3285000	9.12	49.25	-0.61

OPEN INTEREST - Losers.

Scrip ID	OI Futures	% Chg	Price	% Chg
CROMPGREA	433000	(25.73)	224.35	0.80
UTIBANK	2223450	(22.80)	506.7	0.01
ACC	1928250	(21.72)	886.05	2.76
NAGARFERT	37254000	(13.07)	19.25	(5.87)
KTKBANK	2637500	(11.12)	170.9	0.26

FII Derivatives Statistic For the date :080507

	Buy	Sell	OI at end of the Day		Inflow / Outflow
			Contract	Amount	
INDEX FUTURES	683.40	761.12	707426	14390.84	-77.71
INDEX OPTIONS	48.83	63.97	270345	5510.98	-15.14
STOCK FUTURES	277.66	340.84	556054	14816.93	-63.18
STOCK OPTIONS	0.00	2.68	2430	58.63	-2.68
					-158.71

FII Derivatives Statistic For the date :070507

INDEX FUTURES	634.79	677.44	696069	14297.57	-42.65
INDEX OPTIONS	209.72	188.41	265354	5454.55	21.31
STOCK FUTURES	332.46	429.99	551412	14926.08	-97.53
STOCK OPTIONS	10.20	4.86	2324	56.52	5.34
					-113.53

FII Derivatives Statistic For the date :0470507

INDEX FUTURES	1331.88	794.22	677916	14116.55	537.66
INDEX OPTIONS	145.70	62.72	250930	5207.86	82.98
STOCK FUTURES	478.64	448.17	541681	14822.27	30.48
STOCK OPTIONS	2.76	0.00	1562	39.78	2.76
					653.88

Reckoning Put/Call Ratio

Scrip ID	PCR OI	PCR Vol.
NIFTY	1.17	0.79
RELIANCE	0.27	0.45
INFOSYSTCH	0.44	0.26
TATASTEEL	0.27	0.26
IFCI	0.53	0.21

Market Wrap-up:

Nifty loses on Tuesday to close at 4077.00 down by 0.83%. The F&O segment of the market saw increase in turnover as compared to previous trading session.

The market turnover increased by 22.11 percent in terms of number of contracts traded vis-à-vis previous trading day and increased by 20.42 percent in terms of rupees.

The PCR OI of market was at 0.17 and in NIFTY has changed from 1.19 to 1.17. At the same time, PCR VOL in NIFTY has changed to 0.79.

On a scrip specific note scrips like J&KBANK, INFOSYSTCH, BATAINDIA, IVRCLINFRA & BONGAIREF were the major gainers in futures open interest while CROMPGREAV, UTIBANK, ACC, NAGAFERT & KTKBANK were the amongst some to shed the Futures Open Interest.

On the option open interest front, NIFTY led the pack 236970 contracts of position open in CALL and 279229 contracts in the PUT side. On the scrip side, RELIANCE led the pack with 16387 contracts in CALL and 4539 Contracts in PUT as open interest followed by INFOSYSTCH with 3574 contracts of open position in CALL and 1577 contracts of open position in PUT.

In terms of Volumes 1121379 contracts were traded on NSE. Nifty accounted for 58.89 percent of the total traded contracts RELIANCE 3.18 percent while RELCAP contributed 2.41 percent to the total turnover.

A look at the volatility indicates there is a considerable amount of increase in volatility of stocks such as TATATEA, HEROHONDA, HCLTECH, BPCL and RENUKA. Implied volatility in Nifty is at 25.4 and Historical volatility is at 31.58.

Expectations:

The NIFTY futures saw a rise in OI to the tune 1.02% with prices coming down and closing below 4100 levels near day's low indicating short positions were built up in the market as market not sustaining at higher levels. The discount in nifty futures widened and nifty futures closed at 21 points discount to spot nifty indicating aggressive short positions built up and profit booking emerging in the market at the current levels. The FII sold index futures to the tune of 77crs and sellers in index options to the tune of 15crs. The PCR has come up from 1.19 to 1.17 indicates some weakness may be seen in the market. The IV is around 25.40 levels indicating some volatile trading sessions ahead.

Among the Big guns, ONGC saw 1.50% rise in OI with prices coming down 1.23% indicating shorts built up their positions and long positions liquidated in the counter indicating weakness in the counter. Whereas RELIANCE saw 2.23% rise in OI with prices coming down from high indicating selling pressure emerging at higher levels and drop in prices was mainly driven by short selling coming in the counter and which may be expected to remain continue for few days.

In the TECH front, INFOSYSTCH & TCS, WIPRO & SATYAMCOMP saw rise in OI with prices coming down sharply indicating fresh short positions being built up in overall IT pack indicating some weakness may be seen in IT pack. TCS saw some buying emerging at lower levels indicating that the counter may outperform the overall IT pack in the short term.

In the BANKING counters, SBIN saw rise OI to the tune of 5.37% with prices coming down sharply and closing near day's low indicating fresh short positions being built up in the counter indicating weakness in the counter. ICICIBANK saw rise in OI with fall in prices indicating short positions being built up in this counter indicating weakness in the counter. HDFCBANK saw rise in OI with drop in prices indicating liquidation of long positions and built up of fresh short positions in the counter.

In the metal pack TATASTEEL saw drop in OI to the tune of 8.89% with price down to the tune of 0.30% indicating liquidation of long positions in the counter suggesting weakness may be seen in this counter. SAIL saw drop in OI with prices almost flat indicating liquidation of positions. HINDALCO saw rise in OI with fall in prices indicating weakness in the counter. STER saw liquidation of positions with prices positive indicating buying emerging at lower levels indicating some strength in the counter.

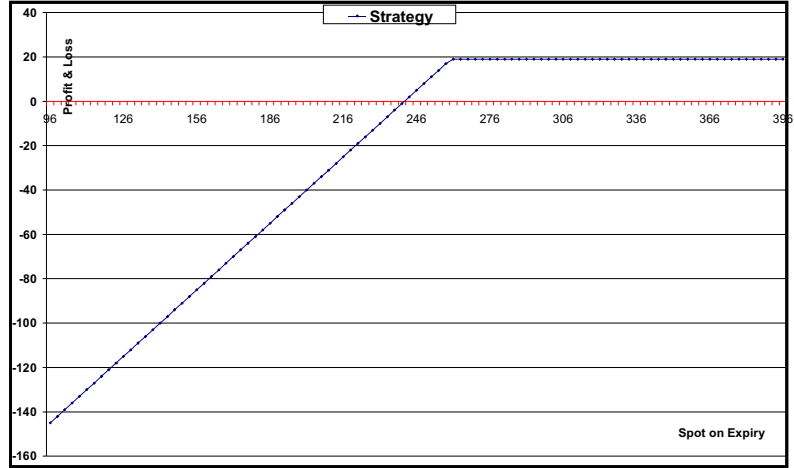
We feel that the volume and built up in OI suggests that market may show some short positions being built up and long positions liquidation as uncertainty prevail in the market. Market may show weakness if it closes below 4050 levels where we may see fresh short positions built up in the market and long liquidation in the market. One should trade with strict stop losses to be adhered to.

NATIONALUM: COVERED CALL

BUY FU @ 247
 SELL 260 CA @ 6.00
 BEP: 241.00
 SL: 238
 Risk: 3450-4450

Profit Potential: 21850.00

(For strategy details refer adjacent table).

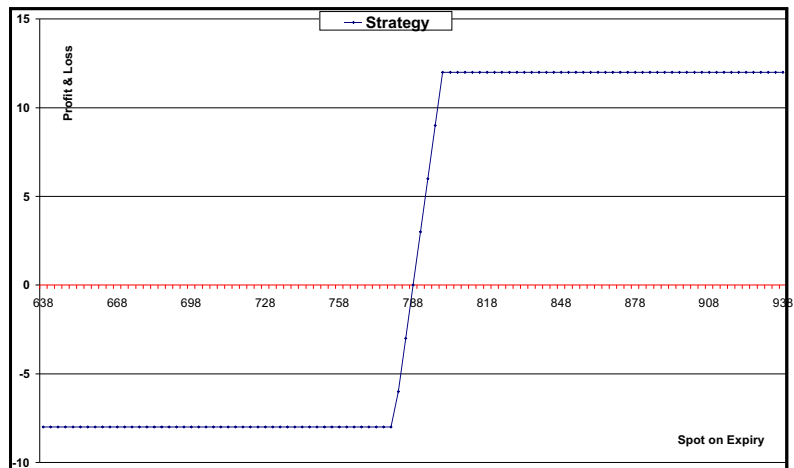


RELCAP: BULL CALL SPREAD

BUY 780 CA @ 26.00
 SELL 800 CA @ 18.00
 BEP: 788.00
 Risk: 4400.00

Profit Potential: 6600.00

(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.

MTNL: CALL HEDGE

SELL FU @ 148.50

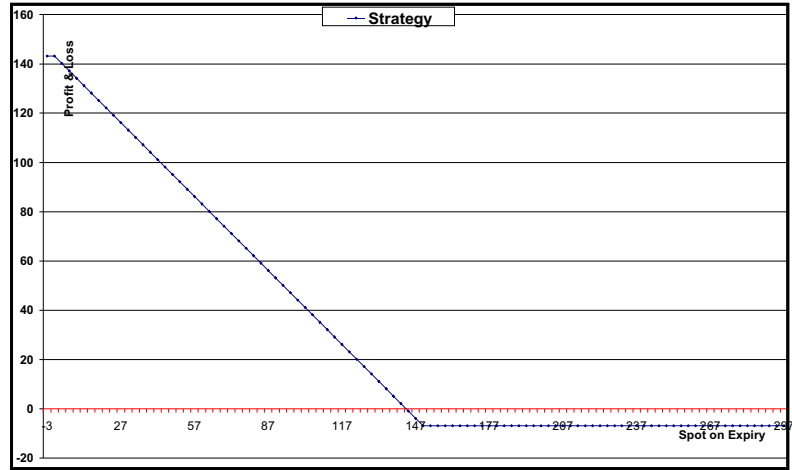
BUY 150 @ 5.35

BEP: 143.15

Risk: 10960.00

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.

SATYAMCOMP: SYN. LONG STRADDLE

SELL FU @ 459.00

BUY 2 CA 460 @ 17.00

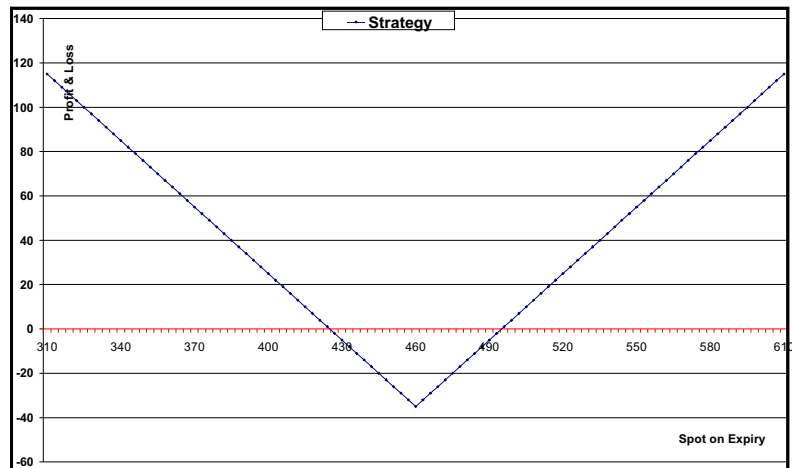
LBEP: 425

Risk: 21000.00

UBEP: 495

Profit Potential: UNLIMITED

(For strategy details refer adjacent table).

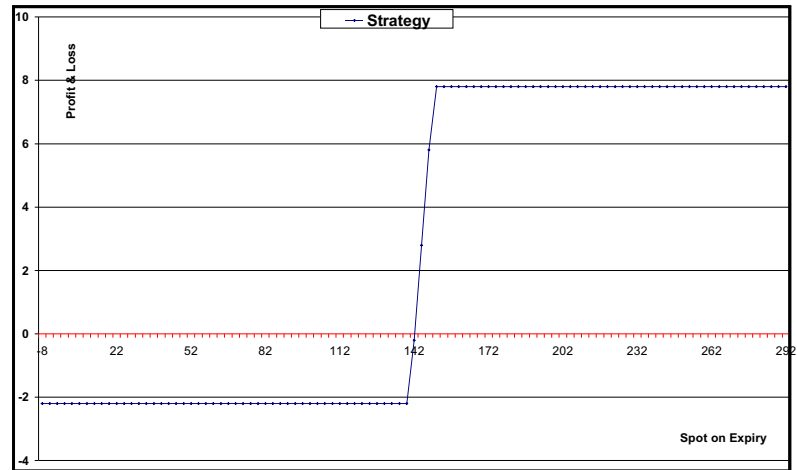


The above strategy risk is high but it offers gain on the both side movements (thus best for playing in volatile market). The maximum risk as shown is more of theoretical in nature (because if we square off this strategy in time say in 3-5 days) the loss can be reduced to as low as 10 % of indicated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

SAIL: BULL CALL SPREAD

BUY 140 CA @ 3.55
 SELL 150 CA @ 1.40
 BEP: 142.15
 Risk: 5805.00 Profit Potential: 21195.00

(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.

Research Team

D. D. Sharma - Head
ddsharma@rathi.com

Pramit Sabharwal
 Sr. Technical Analyst /
 Sr. Derivative Analyst
pramitsabharwal@rathi.com

Ashish Chaturmohta
 Derivative Analyst
derivatives_desk@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 affiliates 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.