



daring derivatives



October 16, 2007

Derivatives Summary

- Nifty (Oct) futures' premium increased to 18.6 points from 12.65 points and 1.8 lakh shares were added in open interest.
- The total open interest in the market is Rs102,281 crore and Rs5,743 crore in open interest was added.
- Nifty calls added 15,900 shares and puts added 12.94 lakh shares in open interest.
- Cummins (44%), Federal Bank (36%), LITL (30%), Arvind Mills (28%), Nagarjuna Fertilizers (25%) and VSNL (18%) were the top interest gainers in the market.
- Axis Bank (-14%), Bata India (-12%), Corp. Bank (-11%) and BEML (-11%) were the top interest losers in the market.
- Nagarjuna Fertilizers (98%), OMAXE (98%), Arvind Mills (97%), Adlabs Film (96%), Triveni (93%), GMR Infra (92%), IDBI (92%), RNRL (91%) and SRF (91%) are very close to their market wide position limit.

Market View

The market continues to enjoy an unstoppable rally and after the strong opening, it build on its initial opening gain all through the day before finally closing the day with a huge gain of around 242 points. Volumes in the market were higher than that in the previous working days and around 1.8 lakh shares in open interest were added with an increase in the cost of carry, indicating high volatility in the coming days. On the option front, the implied volatility continues to remain at a very high level, indicating hedging positions are being taken in the market, which might support the market in the event of any reasonable fall from the current levels.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Oct)	5689	5440.9	4.56%
Nifty CoC	11.97%	6.54%	82.98%
OI	36187950	35999900	0.52%
Vol	35543050	41145650	-13.62%
PCR(OI)	1.43	1.36	5.15%
PCR (VOL)	1.52	1.5	1.33%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
5600 C	38.96%	31.95%	1091700	-0.22%
5700 C	36.55%	31.43%	682600	54.19%
5500 C	42.43%	33.50%	834150	-5.28%
5750 C	37.09%	31.64%	299950	209.23%
5400 C	42.21%	36.49%	1111950	-10.81%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
5500 P	38.43%	33.42%	1066550	41.86%
5400 P	39.60%	36.10%	1358100	11.56%
5600 P	34.95%	31.50%	590500	170.44%
5300 P	42.91%	38.03%	1529700	12.92%
5200 P	44.76%	39.26%	2040050	2.01%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
REL	28.50%	10.12%	13985400	4.97%
RELIANCE	28.06%	18.66%	12378750	1.71%
RCOM	33.23%	15.84%	24974900	5.15%
SAIL	-23.95%	11.92%	22558500	6.73%
RELCAPITAL	28.38%	0.93%	5645200	8.29%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 12 OCT			
	Buy	Sell	Difference
INDEX FUTURES	1886.78	2531.15	-644.37
INDEX OPTIONS	206.89	196.21	10.68
STOCK FUTURES	991.64	1707.67	-716.02
STOCK OPTIONS	1.29	23.24	-21.95
TOTAL	3086.61	4458.26	-1371.65

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RPL 180 C	84.62%	80.96%	5088650	4.40%
RNRL 100 C	126.46%	117.89%	6406400	16.06%
RELIANCE 2750 C	61.58%	54.44%	468150	0.19%
TATASTEEL 900 C	56.01%	61.65%	306450	10.19%
NTPC 230 C	43.29%	45.63%	2156375	8.86%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RPL 180 P	68.15%	71.49%	686750	54.14%
RELIANCE 2600 P	47.78%	45.86%	36900	18.27%
TATASTEEL 800 P	65.10%	54.32%	178200	-3.30%
RNRL 90 P	99.36%	111.38%	1136850	22.31%
NTPC 220 P	39.71%	38.70%	294125	120.73%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
15-Oct-07	Mtnl	Buy	166	163.7	171-175	1-2 Days	First Tgt achieved
12-Oct-07	Rajesh Export	Buy	908-909	897	925-940	1-2 Days	Stopped Out
12-Oct-07	Bilt	Buy	136-136.5	133.25	140-142	1-2 Days	Stopped Out
12-Oct-07	IVRCL	Buy	504-505	495	516-520	Intraday	Target Achieved
12-Oct-07	Praj Ind.	Buy	214-215	213.5	220-224	Intraday	Stopped Out
12-Oct-07	SBI	Buy	1942-1943	1927	1960-1975	Intraday	Stopped Out
12-Oct-07	Reliance Energy	Buy	1607-1608	1595	1625-1640	Intraday	Target Achieved
12-Oct-07	Sterlite	Buy	825-826	819	840-850	Intraday	Exit @ 837.5

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