

DERIVATIVE STRATEGY | DAILY



OUR REPORTS

Fundamental

Company Report
Sector Report
Theme Based Report

Daily & Weekly

Fundamental Market Update
Technical Market Update
Derivative Market Update

Fortnightly

Banking Sector Report
Currency Report

Monthly

India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly

India and Global Strategy Report
India Economy Report

Others

Event Based Report
RBI Monetary Review Report
Annual Budget Review Report

07th October, 2010

Vinit Pagaria, ACA, FRM

E-mail: vpagaria@microsec.in

ANALYSIS OF FUTURES & OPTIONS MARKET

Nifty (6186.45)

OCTOBER FUTURE

Price: 6214.10 (+0.51%)

Premium: 27.65

Open Int: 27059200 (-4%)

NOVEMBER FUTURE

Price: 6230.75 (+0.45%)

Premium: 44.30

Open Int: 1665600 (+4%)

NIFTY DAILY CHART



Trading Calls

◆ Long Asian Paints Future

Buy Oct Future @ Rs 2725/- Target: Rs 2900/- SL: Rs 2624/- Lot Size: 125

◆ Long Tata Chemicals Call option

Buy Oct 420 Call option @ Rs 13/- Target: Rs 25/- Lot Size: 1000

HIGHLIGHTS

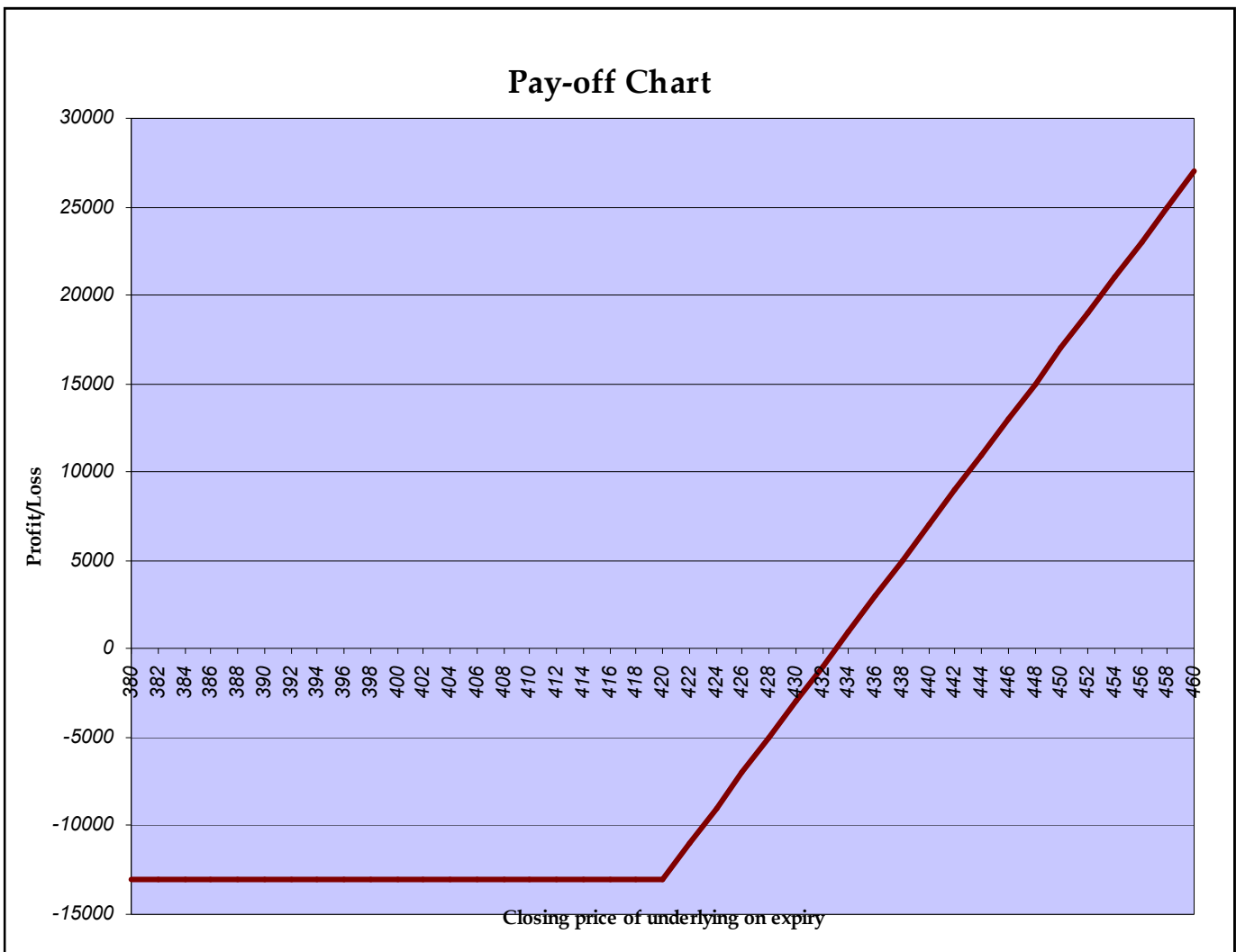
- ⇒ Nifty opened higher and tested a high of 6223 immediately. It failed to sustain at that level and fell lower during the day up to 6160 before closing higher by 0.66%
- ⇒ Nifty Call options of strike 6500 had a build up of 22725 lots while Put options of strike 6200 had a build up of 11219 lots
- ⇒ Nifty Put Call ratio stands at 1.27 with the total open interest in Call options at 1,241,183 lots and that in Put options at 1,576,704 lots
- ⇒ Areva T&D, Mundra Port, Mercator Lines, Tata Chemicals, DLF, Asian Paints, Sesa Goa and Jindal Steel & Power appear strong while BPCL, Sun Pharmaceuticals, IDBI and Hindustan Unilever appear relatively weak
- ⇒ Volatility Index fell by 1.98% from 22.17 to 21.73

NIFTY PIVOT POINTS

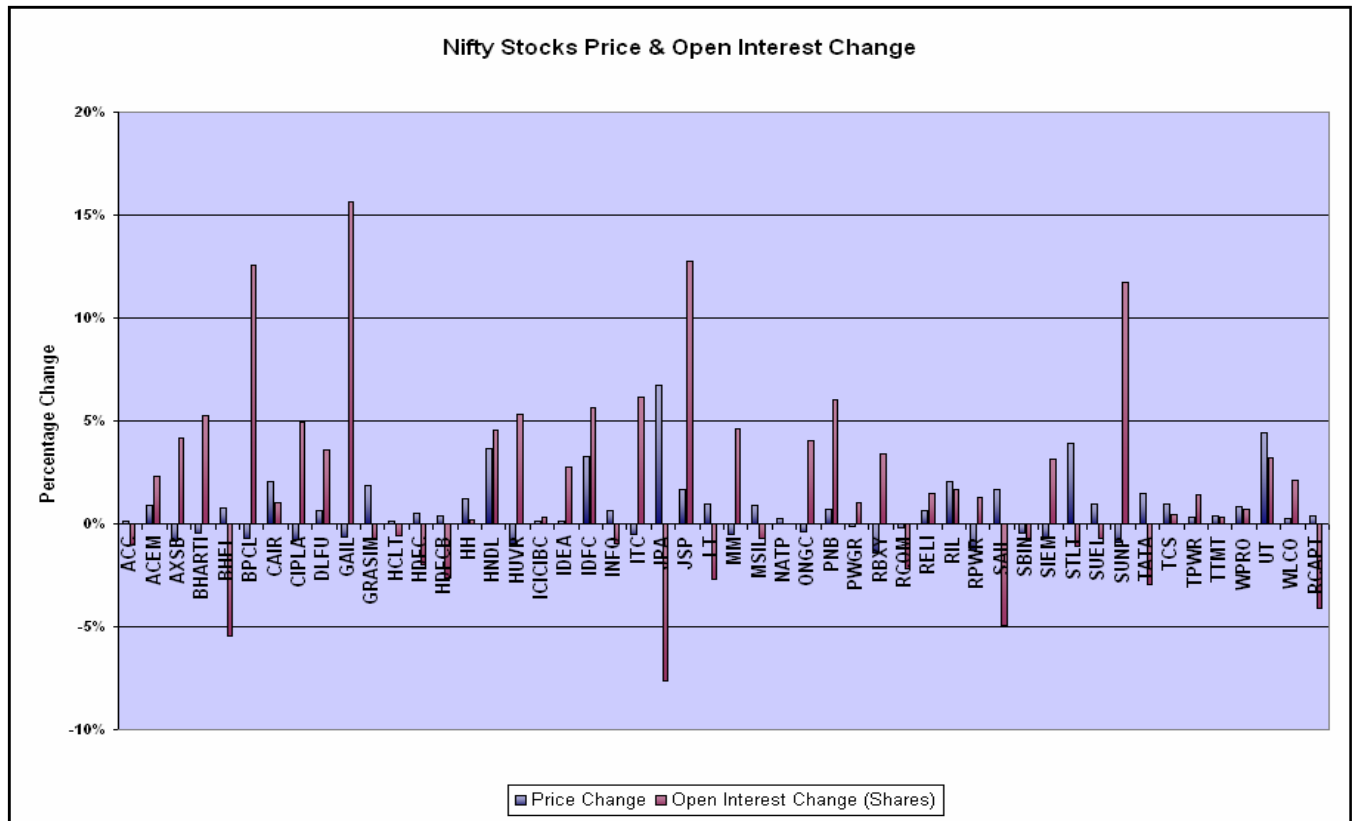
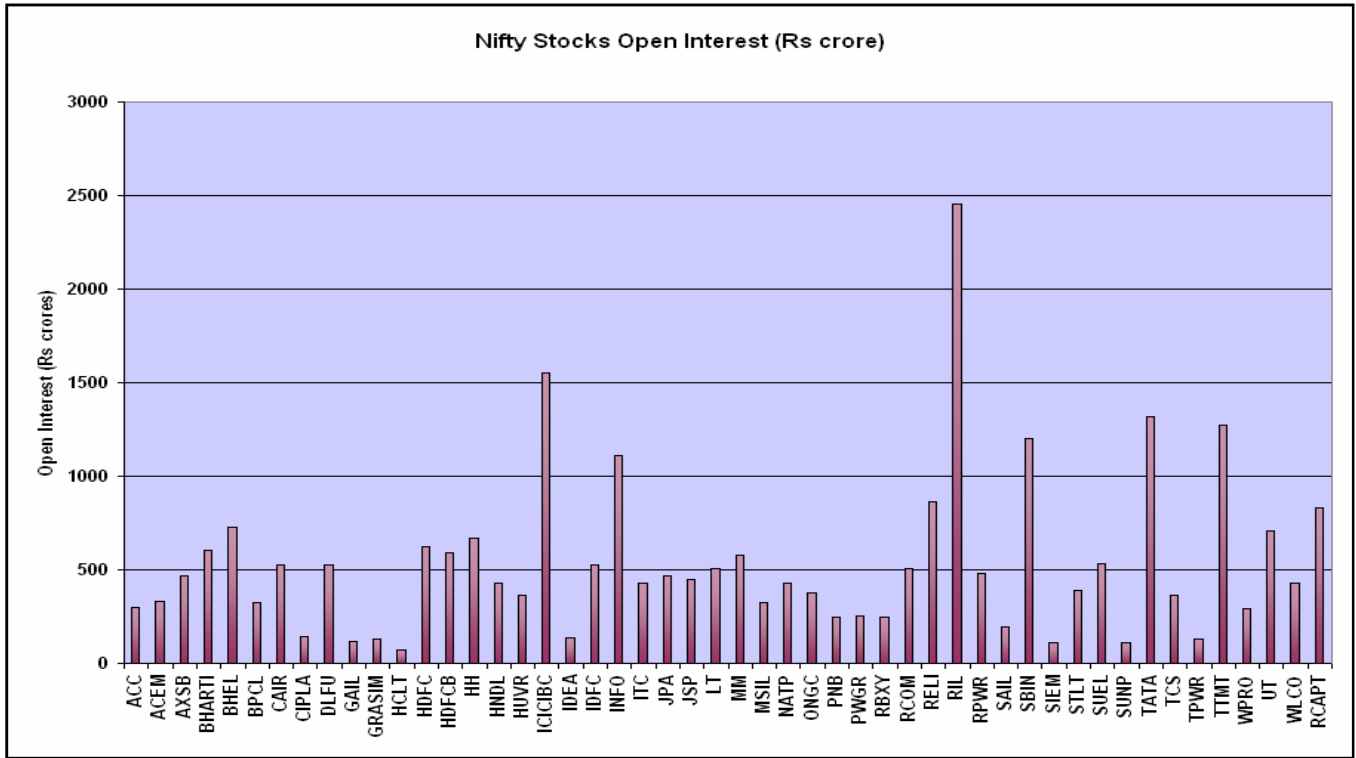
S2	S1	PIVOT	R1	R2
6111	6149	6186	6224	6261

OPTION STRATEGY

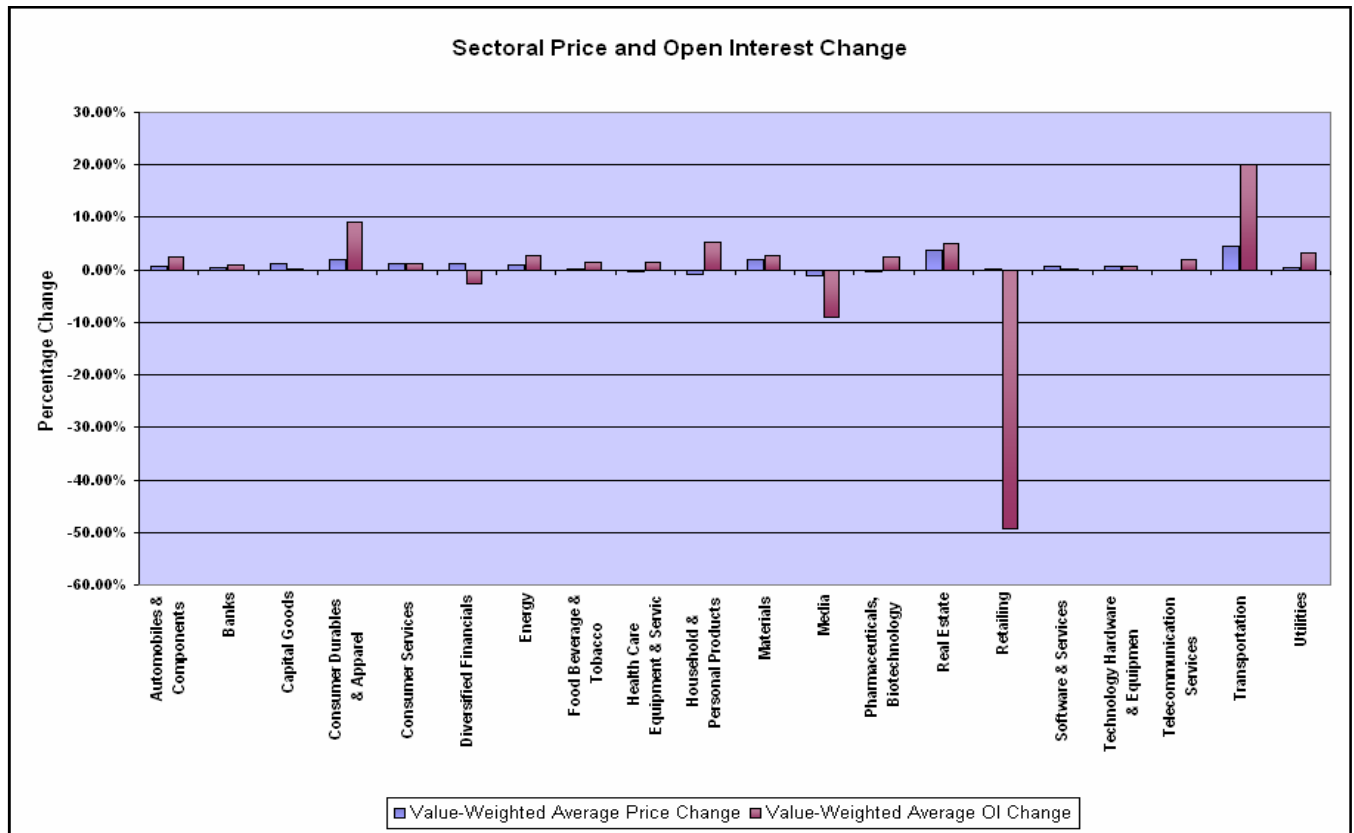
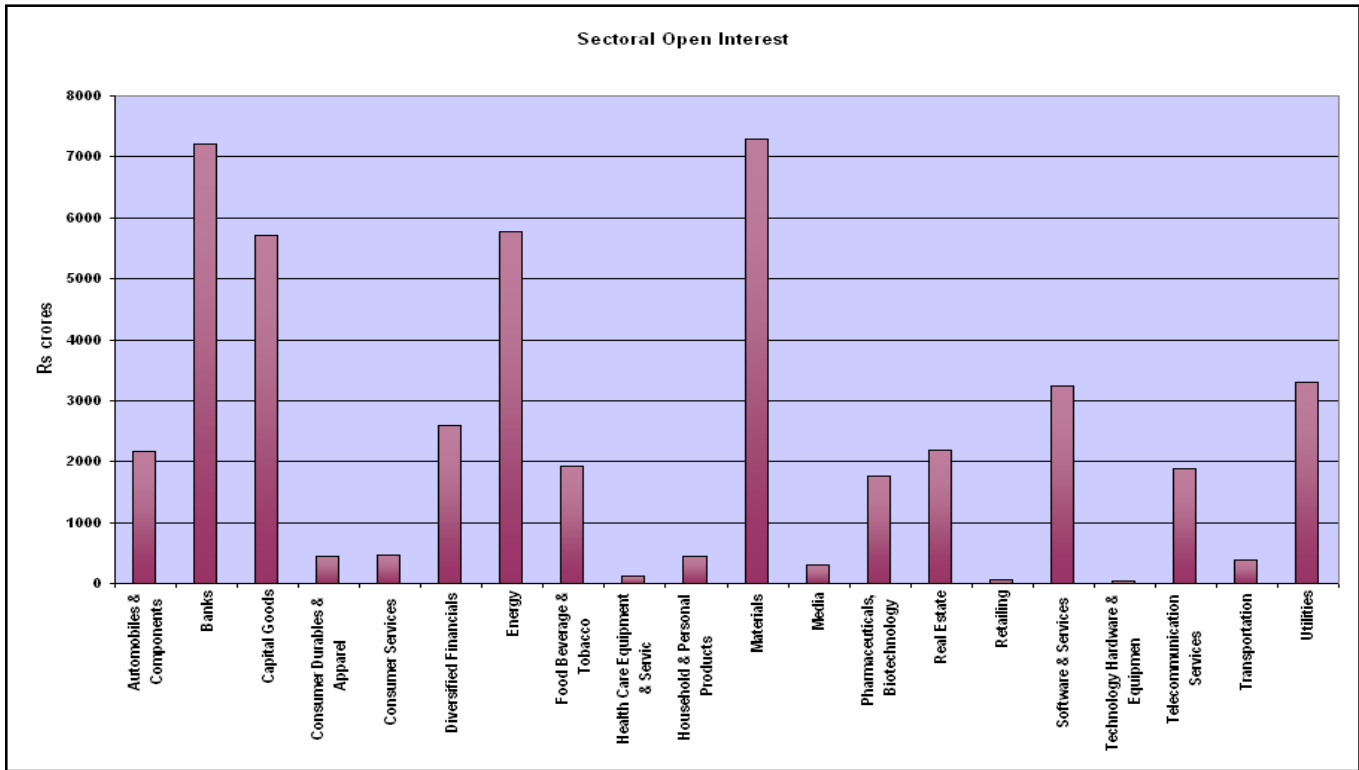
Scrip/Index: TATA CHEMICALS
Strategy: Long Call option
Current Price of Underlying: Rs 414.45/- Lot Size: 1000
Buy Oct 420 Call option @ Rs 13/-
Profitable when closing price is above Rs 433/- on expiry
Maximum Potential Profit: Unlimited Maximum Possible Loss: Rs 13,000/-
Time to Expiry: 22 days



STOCK FUTURES - NIFTY STOCKS



STOCK FUTURES - SECTORAL ANALYSIS



TOP PRICE GAINERS (STOCKS)

Scrip	Lot Size	Spot price	% Change
Shipping Corp	2000	192.05	14.32
Nagarjuna Fertilizer	8000	33.55	8.93
Indiabulls Real Est	2000	199.00	8.12
Jaiprakash Associate	2000	137.85	6.70
Indian Bank	2000	307.35	6.35

TOP PRICE LOSERS (STOCKS)

Scrip	Lot Size	Spot Price	% Change
Reliance MediaWork	1000	278.95	(4.76)
Zee Entertainment	1000	296.55	(2.64)
Triveni Engineering	2000	124.05	(2.44)
Nagarjuna Const	2000	158.60	(2.34)
Jaiprakash Power	4000	67.85	(1.81)

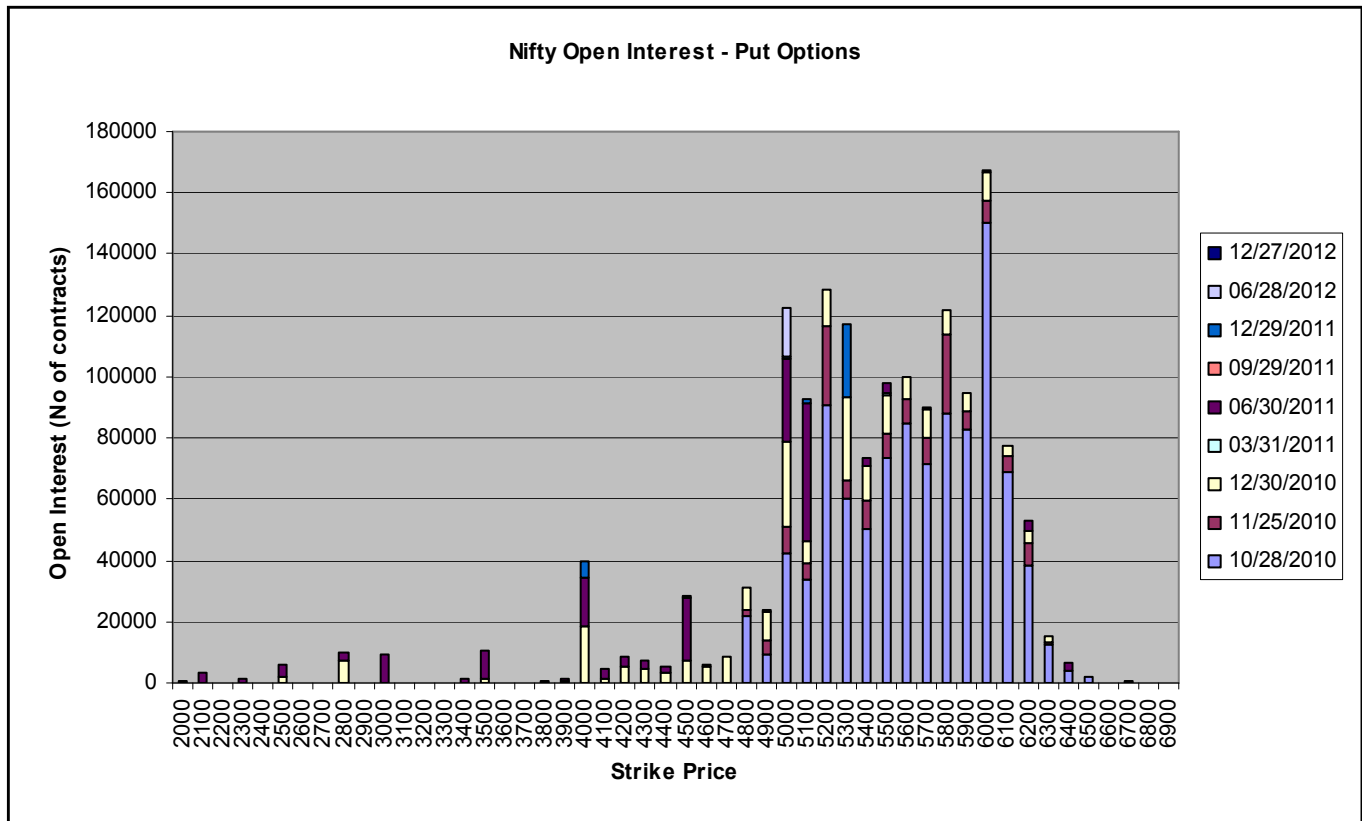
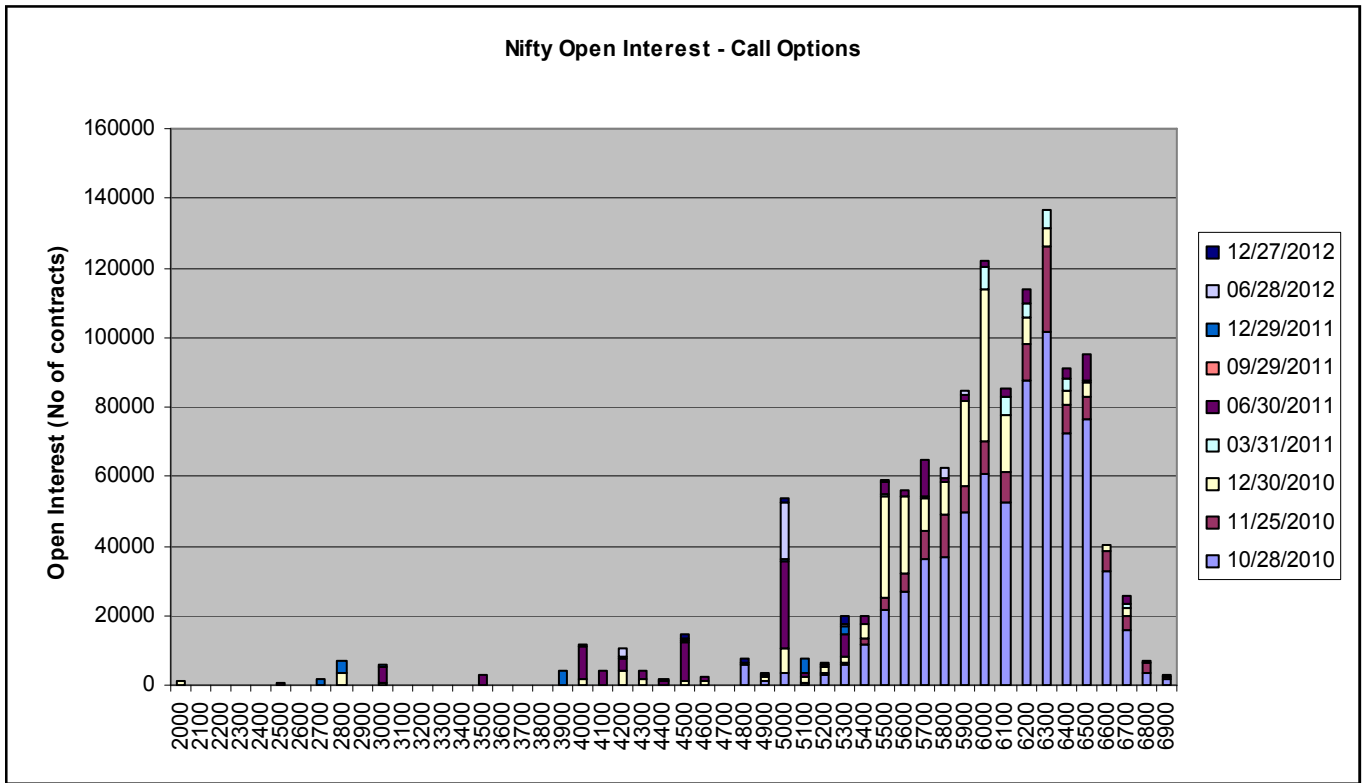
SIGNIFICANT OPEN INTEREST ADDITIONS (STOCKS)

Contract	Price	% Change	Volume Spot	% Change	Open Interest	Absolute Change	% Change
Shipping Corp of India	192.05	14.32	15265570	2260.79	3408000	1790000	110.63
Zee Entertainment	296.55	(2.64)	10618666	488.09	3924000	1001000	34.25
Neyveli Lignite	174.55	5.18	3005034	269.25	4012000	938000	30.51
United Phosphorus	187.80	1.73	1723533	94.14	7212000	1266000	21.29
Adani Enterprises	661.05	(0.19)	859944	(37.44)	1862000	317500	20.56
Bharat Electronics	1864.35	3.39	222224	44.61	288875	48125	19.99

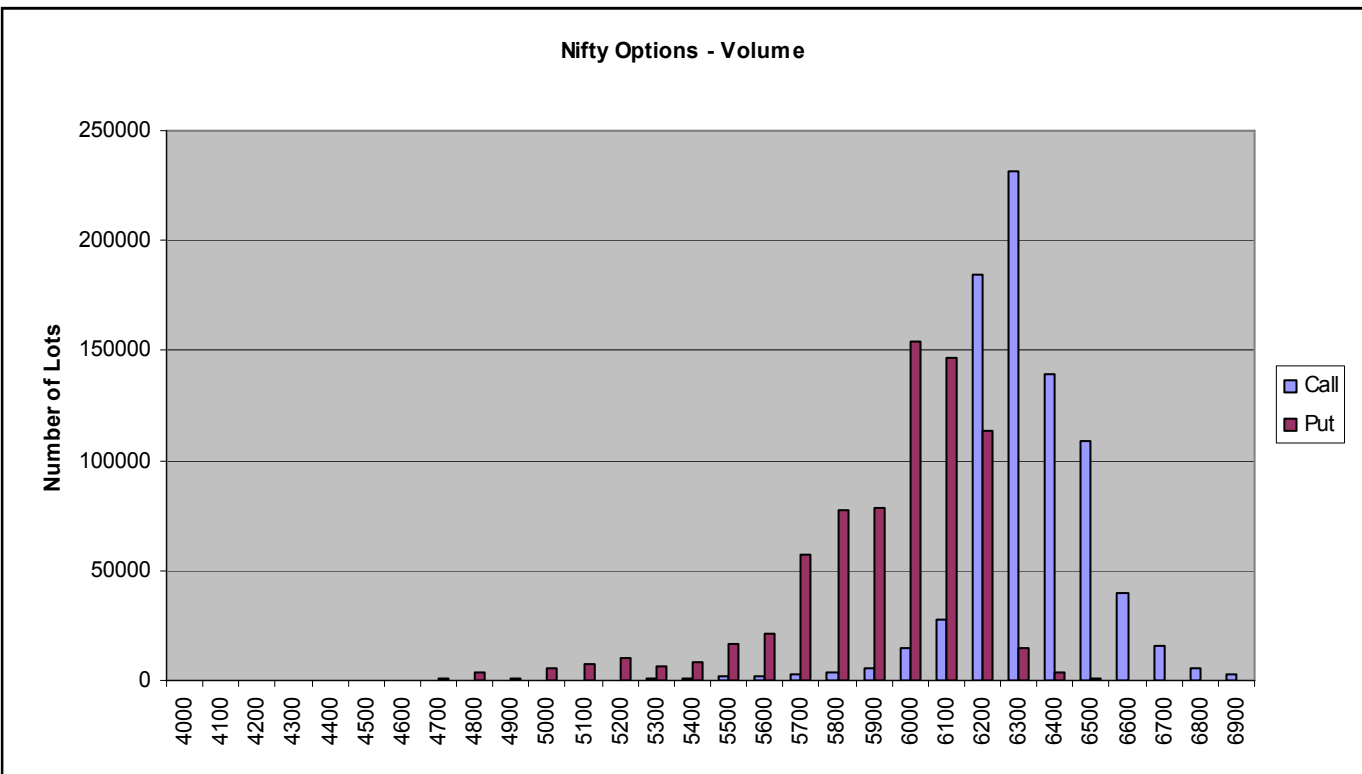
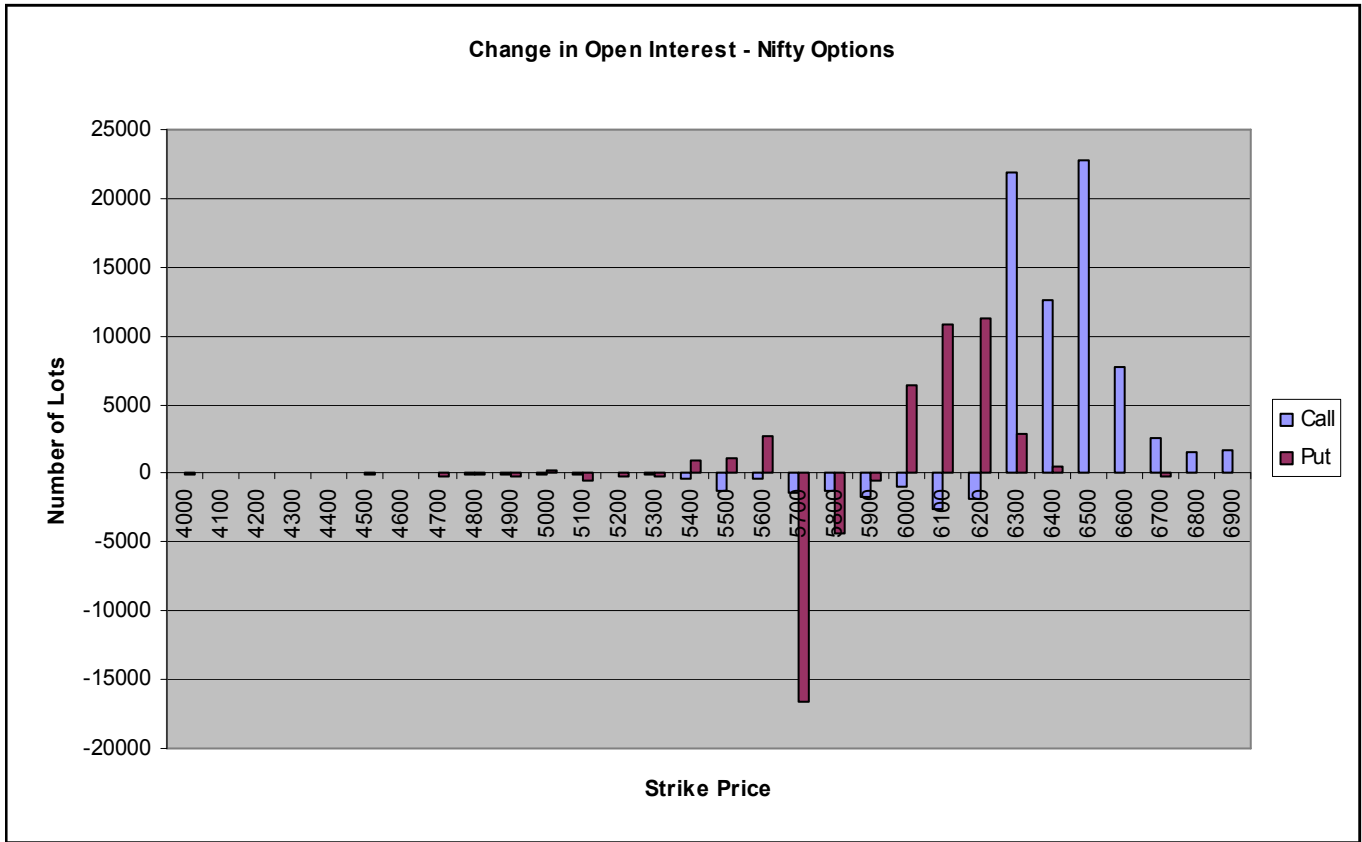
SIGNIFICANT OPEN INTEREST REDUCTIONS (STOCKS)

Contract	Price	% Change	Volume Spot	% Change	Open Interest	Absolute Change	% Change
Pantaloon Retail	517.55	0.10	429054	(53.82)	1001500	(978000)	(49.41)
Reliance Mediaworks	278.95	(4.76)	14682789	(35.71)	2435000	(1719000)	(41.38)
Hindustan Zinc	1223.75	5.73	498183	168.38	353000	(46250)	(11.58)
Federal Bank	425.50	1.43	1036972	(45.85)	1888000	(245000)	(11.49)
Areva T&D	316.10	4.96	2633760	120.35	3257000	(352000)	(9.75)

OPTIONS OPEN INTEREST CONCENTRATION



OPTIONS ANALYSIS



MOST ACTIVE FUTURE CONTRACTS

Name	Expiry Date	Number of Contracts	Price	Open Interest	Value of Underlying
NIFTY FUTURE	28 OCT 10	333174	6211.00	28819050	6186.45
RELIANCE FUTURE	28 OCT 10	53124	1050.25	24054250	1043.50
TATASTEEL FUTURE	28 OCT 10	28462	679.85	19328000	676.80
UNITECH FUTURE	28 OCT 10	24507	98.05	73692000	97.45
TATAMOTORS FUTURE	28 OCT 10	13670	1137.15	11324000	1138.00
RELCAPITAL FUTURE	28 OCT 10	17698	864.60	9752500	860.00

MOST ACTIVE NIFTY OPTION CONTRACTS

Contract	Price (Premium)	Volume (No. of Lots)	Open Interest	Delta	Gamma	Theta	Vega
OCT CE 6300	71.40	212715	5140500	0.3835	0.0014	2.6965	5.8788
OCT CE 6200	120.90	180241	4414300	0.5252	0.0014	2.9652	6.1129
OCT PE 6000	48.10	149431	7643050	(0.2451)	0.0010	2.0463	4.8773
OCT PE 6100	72.00	141025	3418150	(0.3457)	0.0012	2.2180	5.6819
OCT CE 6400	39.05	134266	3591500	0.2507	0.0012	2.1192	4.9522
OCT PE 6200	108.80	109188	1938650	(0.4742)	0.0014	2.1182	6.1129

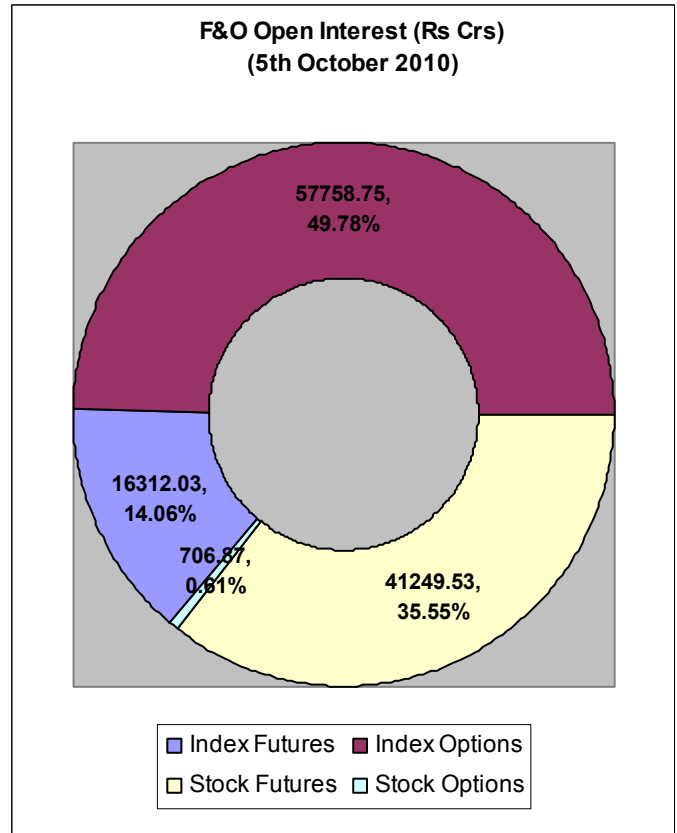
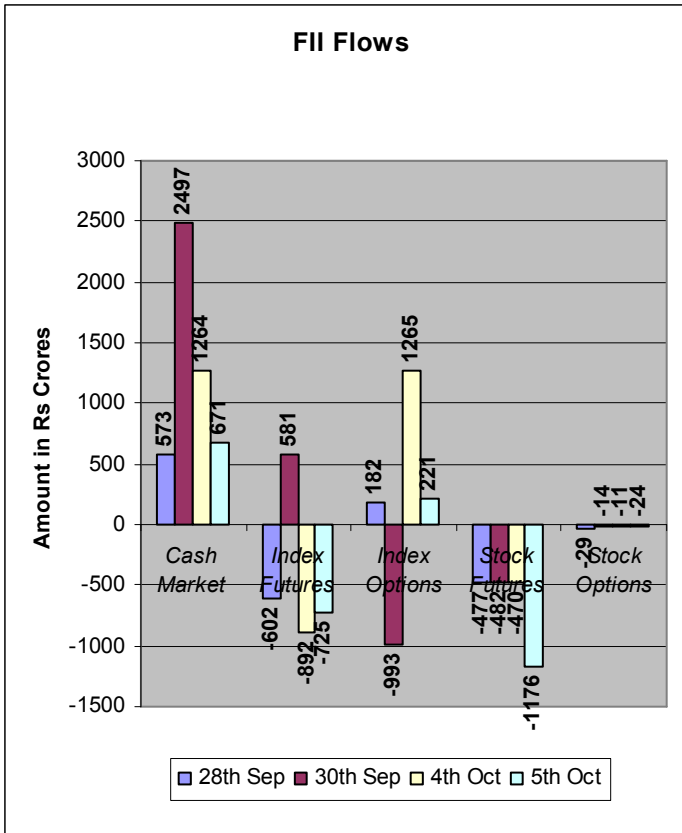
MOST ACTIVE STOCK CALLS (VALUE)

Name & Month	Strike	No. of contracts	Price
Unitech Oct	100	5042	4.30
Unitech Oct	105	3926	2.50
Reliance Oct	1040	5638	35.50
Reliance Oct	1100	4967	13.60
Reliance Oct	1050	4907	30.65

MOST ACTIVE STOCK PUTS (VALUE)

Name & Month	Strike	No. of contracts	Price
SBIN Oct	3200	2253	97.00
SBIN Oct	3100	986	58.40
Unitech Oct	90	1049	1.90
Reliance Oct	1000	1413	9.80
Reliance Oct	1020	1277	15.90

FII ACTIVITY



* Source: www.nseindia.com (FII trades done on Exchanges)

FOR PRIVATE CIRCULATION ONLY

Disclaimer

The trading ideas discussed or recommended in this report may not be suitable for all investors. Investors should use this research as one input into formulating an investment opinion. Additional inputs should include, but are not limited to, the review of other. This is not an offer (or solicitation of an offer) to buy/sell the securities/instruments mentioned or an official confirmation. Microsec Capital Limited is not responsible for any error or inaccuracy or for any losses suffered on account of information contained in this report. This report does not purport to be offer for purchase and sale of share/ units. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation discussed herein or act as advisor or lender or borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The same persons may have acted upon the information contained here. No part of this material may be duplicated in any form and/or redistributed without Microsec Capital Limited' prior written consent.