



daring derivatives



May 29, 2008

Derivatives Summary

- Nifty (May) future turned into a premium of 12.65 points from a discount of 17.45 points and added around 21.44 lakh shares in open interest.
- Total open interest in the market was Rs89,526 crore and Rs4,024 crore were added in open interest.
- Nifty call option added 1.99 lakh shares, whereas put option added 11.51 lakh shares in open interest.
- Bajaj Auto (30%), Chambal fertiliser (29%), Mahindra & Mahindra (21%), BHEL (19%) and Aban Offshore (19%) were the top open interest gainers in the market.
- Axis Bank (-18%), Matrix Labs (-11%), McDowell's (-11%), STAR (-12%) and GNFC (-10%) were the top open interest losers in the market.

Market View

Market opened on a weak note due to weak momentum carried from yesterday. After an initial sell off, the market recovered smartly from the lows of 4,835 in the afternoon session to finally close at 4,918 with gains of 58 points. Volumes in Nifty futures continued to be on the higher side on account of rollover into the next series. It added 21.44 lakh shares to open interest with an increase in the cost of carry, indicating built up of fresh longs. On the option front, implied volatility for the next month options remained within the range of +/- 1% across different strike prices indicating 5,000 to be a strong resistance area.

| NIFTY SNAPSHOT | | | |
|-------------------|----------|----------|----------|
| | Current | Previous | % Change |
| Nifty (Curr. MTH) | 4931 | 4842.35 | 1.83% |
| Nifty CoC | 93.88% | -65.53% | 243.26% |
| OI | 46188250 | 44044000 | 4.87% |
| Vol | 42353000 | 30569800 | 38.55% |
| PCR(OI) | 1.29 | 1.25 | 3.20% |
| PCR (VOL) | 1.35 | 1.33 | 1.50% |

| MOST ACTIVE INDEX CALL OPTION | | | | |
|-------------------------------|----------|---------|----------|---------|
| Strike | Curr. IV | Pre. IV | Curr. OI | OI Chg% |
| 4900 C | 24.85% | 27.35% | 1325000 | -11.84% |
| 4800 C | 39.14% | 26.83% | 808800 | -20.11% |
| 5000 C | 25.41% | 30.11% | 3488650 | -0.38% |
| 5000 Jun C | 28.00% | 28.60% | 1382800 | 26.04% |
| 4900 Jun C | 30.12% | 30.30% | 654350 | 28.00% |

| MOST ACTIVE INDEX PUT OPTION | | | | |
|------------------------------|----------|---------|----------|---------|
| Strike | Curr. IV | Pre. IV | Curr. OI | OI Chg% |
| 4900 P | 27.45% | 25.34% | 2184850 | -6.04% |
| 4800 P | 40.39% | 28.98% | 3099250 | -2.45% |
| 4800 jun P | 32.90% | 32.28% | 4487150 | 12.34% |
| 5000 P | 20.61% | 28.25% | 4464100 | -4.77% |
| 4600 jun P | 35.55% | 34.52% | 680450 | 138.84% |

| MOST ACTIVE STOCK FUTURES | | | | |
|---------------------------|-----------|----------|----------|---------|
| Strike | Curr. CoC | Pre. CoC | Curr. OI | OI Chg% |
| RELIANCE | 123.72% | -17.19% | 4164375 | -11.72% |
| ICICIBANK | 211.32% | 58.55% | 3121300 | -13.36% |
| RPL | 90.87% | 0.00% | 20488600 | -33.55% |
| SBIN | -297.12% | -377.53% | 1353396 | -39.03% |
| CHAMBLFERT | -103.11% | 71.90% | 4519500 | 2.50% |

| FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 27 MAY | | | |
|---|-----------------|-----------------|---------------|
| | Buy | Sell | Difference |
| INDEX FUTURES | 3744.24 | 3977.84 | -233.60 |
| INDEX OPTIONS | 1322.33 | 1003.21 | 319.12 |
| STOCK FUTURES | 5149.58 | 5186.33 | -36.75 |
| STOCK OPTIONS | 169.06 | 68.82 | 100.24 |
| TOTAL | 10385.21 | 10236.20 | 149.01 |

| MOST ACTIVE STOCK CALL OPTIONS | | | | |
|--------------------------------|--------------|-------------|--------------|----------|
| Strike | Curr. IV (%) | Pre. IV (%) | Curr. OI (%) | OI Chg % |
| RELIANCE 2600 C | 38.73% | 43.22% | 424275 | -3.03% |
| CHAMBLFERT 80 C | 164.63% | 99.73% | 665850 | -38.14% |
| RPL 180 C | 51.51% | 52.52% | 1380200 | -8.44% |
| NAGARFERT 50 C | 121.19% | 122.16% | 1291500 | -8.21% |
| TATASTEEL 900 C | 48.92% | 49.69% | 182214 | -11.17% |

| MOST ACTIVE STOCK PUT OPTIONS | | | | |
|-------------------------------|--------------|-------------|--------------|----------|
| Strike | Curr. IV (%) | Pre. IV (%) | Curr. OI (%) | OI Chg % |
| RELIANCE 2500 P | 42.24% | 37.45% | 165975 | 1.42% |
| RPOWER 380 P | 126.32% | 119.72% | 106650 | 25.40% |
| CHAMBLFERT 80 P | 151.81% | 91.42% | 759000 | 780.00% |
| RPL 180 P | 46.18% | 54.76% | 819075 | -5.05% |
| TATASTEEL 880 P | 57.03% | 41.19% | 107724 | 46.88% |

Recommendation Tracker

| Date | Scripts | Buy/sell | Initiation Range | Stop loss | Target | Time frame | Remark |
|-----------|-------------|----------|------------------|-----------|---------|------------|-------------------|
| 28-May-08 | Hindoilexp | Buy | 139 | 133.5 | 145-150 | BTST | Open @ 140.5 |
| 28-May-08 | Adlabs Film | Buy | 633-634 | 615 | 648-665 | 2-3 Days | Open @ 643 |
| 27-May-08 | Ambuja Cem | Buy | 96 | 92 | 105-110 | 8-10 Days | First Tgt Achievd |
| 22-May-08 | Renuka | Buy | 135 | 134 | 140-142 | Intraday | Sl triggered |

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