



daring derivatives



May 24, 2007

Derivatives Summary

- Nifty (May) futures' discount increased to 7.3 from 0.65 and shed around 7.16 lakh shares in open interest while Nifty (Jun) futures added around 5.9 lakh shares in open interest.
- The total open interest in the market is 62,900 crore and shed around 158 crore in open interest.
- Nifty calls added 2.5 lakh shares and puts added 2.4 lakh shares in open interest.
- IOC (22%), Tata Motors (15%), BILT (12%), OBC (11%) and PFC (11%) were the top interest gainers in the market.
- UTI Bank (-22%), VSNL (-16%), Indian Bank (-13%) and Nagarjuna Fertilizers (-13%) were the top open interest losers in the market.
- Parsvnath (102%), Arvind Mill (93%), Essar Oil (88%), TTML (87%) and Nagarjuna Fertilizer (85%) are very close to their market wide position limits.

Market View

The market opened on a flat note and remained in the red for most part of the trading session. It witnessed some sharp selling towards the latter part of the day and made a bottom of 4230 before finally settling at 4246. Volumes in Nifty futures were slightly higher and volatility in the market was quiet high. Around five lakh shares were added in the open interest towards the short side. On the option front, implied volatility of both call and put options has increased a bit, indicating fresh buying in both. The market is likely to open on a flat to negative note and global cues will play a crucial role in tomorrow's opening. Key support level for the Nifty is 4180 and resistance will be around 4285 and 4320.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4238	4277.45	-0.92%
Nifty CoC	-7.85%	-0.62%	1173.22%
OI	32886350	33004350	-0.36%
Vol	17078800	14205400	20.23%
PCR(OI)	1.48	1.49	-0.67%
PCR (VOL)	1.09	1.08	0.93%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	21.21%	18.82%	1833500	-7.54%
4300 C	19.38%	17.80%	1127350	22.23%
4250 C	20.26%	19.06%	1429050	11.39%
4100 C	21.82%	22.01%	2752200	-7.38%
4200Jun C	22.33%	22.36%	990450	13.45%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 P	21.12%	20.08%	2112200	1.49%
4250 P	19.07%	18.21%	811800	12.89%
4100 P	21.61%	22.37%	3262300	-2.40%
4300 P	18.48%	16.63%	620900	2.78%
4200Jun P	23.48%	23.69%	1466650	8.25%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
TATASTEEL	-3.82%	-10.32%	9174600	7.94%
RELIANCE	-16.45%	-14.47%	6362250	-1.35%
RCOM	22.88%	27.90%	13902700	1.66%
IDEA	21.07%	24.53%	32038200	6.35%
REL CAPITAL	14.22%	-19.88%	4609550	13.21%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 22 MAY			
	Buy	Sell	Difference
INDEX FUTURES	780.52	609.34	171.18
INDEX OPTIONS	388.12	423.29	-35.17
STOCK FUTURES	835.36	1287.56	-452.20
STOCK OPTIONS	0.08	4.49	-4.41
TOTAL	2004.08	2324.68	-320.60

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
TATASTEEL 640 C	35.11%	37.62%	423225	-6.00%
IDEA 120 C	54.10%	55.72%	4160700	-5.63%
RELIANCE 1770 C	26.98%	21.61%	267600	41.59%
SBIN 1320 C	37.22%	38.58%	330000	5.43%
RCOM 520 C	56.45%	51.57%	264600	20.77%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
TATASTEEL 640 P	37.96%	41.59%	306450	111.16%
RELIANCE 1770 P	30.89%	27.72%	76050	18.46%
SBIN 1290 P	29.50%	33.02%	92500	26.28%
RCOM 500 P	46.49%	39.05%	78400	27.27%
RELCAP1000 P	58.44%	62.42%	27500	-12.28%

Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
22-May-07	Satyam	Buy	453-454	448.5	465-475	2-3 Days	EXIT
21-May-07	Petronet	Buy	51.5	50	54-55	2-3 Days	EXIT
18-May-07	Polaris	Buy	175	170.5	185-190	4-5 Days	Stop loss triggered
17-May-07	Hindlever	Buy	198-199	195.5	205-210	3-4 Days	Stop loss triggered
17-May-07	Gujamb 125 Call	Buy	2.7	-	6--8	Expiry	Open
17-May-07	Cairns	Buy	140.5	137.4	146-150	1-2 Days	Target achieved
16-May-07	Nifty	Buy	4145	4120	4180-4210	1-2 days	Target achieved

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