

Market Statistic

OPEN INTEREST – Gainers With Rise in Price

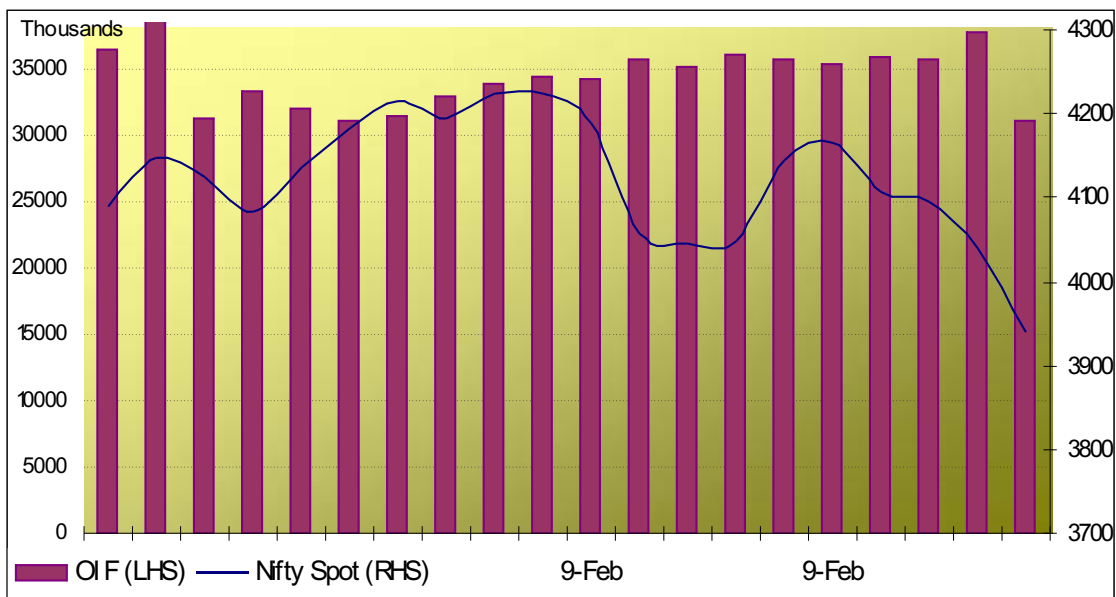
Scrip ID	OI Futures	% Chg	Price	% Chg
ILUPIN	1246700	285.5	622.85	3.95
RELIANCE	11587650	5.96	1413.25	0.44
ORCHIDCHE	3522750	5.47	259.65	0.32

OPEN INTEREST – Gainers With Fall in Price

Scrip ID	OI Futures	% Chg	Price	% Chg
GRASIM	971775	90.24	2270.25	-14.46
GUJAMBCEM	31781606	25.73	123.2	-9.91
AMTEKAUTO	1244400	20.72	387.4	-3.11
ORIENTBANK	2539200	20.09	199.45	-10.4
RANBAXY	6556000	14.3	356.55	-9.36

Weekly Market Wrap-up:

In the last week, the Nifty Futures open interest (OI) decreased by 13.09 percent (from 358039 contracts to 311157 contracts) with decrease in price of 5.44 percent (from 4160 to 3933.75). The Nifty Call OI decreased by 50.21 percent from 168145 contracts to 196558 contracts and the Nifty Put OI decreased by 45.98 percent from 222244 contracts to 232060 contracts. The Total open interest of Nifty was down by 31.20 percent from 748428 contracts to 806143 contracts. The net OI of Nifty (Future + Call - Put) was down by 9.58 percent i.e. from 303940 contracts to 342023 contracts. The Nifty PCR (OI) was at 1.43 over the week. The Nifty basis over the week changed from (10) to 24 points. In the Current week, we maintain a bullish view.



Nifty Perspective

Nifty futures on weekly basis decreased by 5.44 percent to close around 3933.75. Open interests in Nifty future has decreased from 358039 contracts to 311157 with index closing lower, week on week basis around 3938.95. The market reacted during the last week and substantially on the last day as lot of long positions liquidated in panic and cautious bears covered their short positions. The Nifty long positions liquidated as market could not sustain at higher levels and it breached important support levels. The gross open positions in the market came down substantially. Now if the market is not able to sustain above 3900 levels we may see heavy pressure in the market as lot of short positions may be formed in the market and strong long positions may start unwinding their positions. FII's figures were negative in the market during the fall, on the last day they were sellers to the tune of 1547 crs and buyers in index options indicating heavy built up of hedged positions by them. The other indicators in derivatives market i.e. PCR_OI indicating continuous weakness as coming down from 1.37 to 1.18 but yesterday it came up indicating buying in put options. The volatility has increased from 20 levels to 28 levels which indicate that market may see higher volatile trading sessions ahead.

RELIANCE

RELIANCE gained open interest by 5.96% with marginal rise in prices by 0.45% indicating thalt both bulls and bears were aggressive but their was buying support in the counter as it did not reacted in line with market .The counter may show weakness only if it goes below 1400 levels. If market sustains then we may see fresh buying in the counter and shorts covering their positions aggressively. . The counter has strong support around 1380 levels and resistance around 1460 levels.

TATASTEEL

Open interest in TATASTEEL has gone down by 19.83% with 4.07% gain in price. The fall in OI indicates that aggressive short covering happening in the counter and bulls liquidating their positions cautiously. There was buying support in the counter on last day of week despite of weak market sentiments. The counter may show real strength once it crosses 490 levels where we may see fresh buying coming in the counter.Meanwhile the counter has support around 455 and resistance around 475 levels.

SATYAMCOMP

SATYAMCOMP has lost OI significantly to the tune of 31.24% with prices moving down by 7.35%. The counter lost Open interest with drop in prices indicating longs liquidating in the counter aggressively and shorts covering their positions cautiously.. There was heavy volume in the counter indicating participation of players in the fall .If counter remains below 450 levels we may see further pressure in the counter and built up of short positions .Meanwhile counter has support 424 around and resistance around 480.

HINDLEVER

Scrip has lost significant OI to the tune of 13.65% with price fall of 8.64% indicating long liquidations in the counter as it fall below its support level of 205. The counter may show further weakness if it breaches 180 levels where we may see fresh selling coming in the counter and longs liquidating their positions .Meanwhile the counter has support around 180 and resistance around 200.

TATAMOTORS

TATAMOTORS lost OI to the tune of 4.70% with a fall in price of 6.02% indicating long liquidations in the counter and shorts covering their positions .If the counter breaches 790-780 levels we may see fresh selling in the counter and longs liquidating their positions aggressively. The counter may show real strength once it crosses 900 levels where we may see further built up of long positions and fresh money coming in the counter. Meanwhile the counter has support around 770 and resistance around 870.

Market Statistic:

TRADE STATISTICS FOR 23-Feb-2007

Product	No. of Contracts	Turnover (Rs. cr.)*
Index Futures	806,629	16,112.22
Stock Futures	526,140	14,407.81
Index Options	254,085	5,265.08
Stock Options	24,603	636.92
Total	1,611,457	36,422.03

OPEN INTEREST – Gainers.

Scrip ID	OI Futures	% Chg	Price	% Chg
UTIBANK	1073250	15.66	490.95	-5.52
GRASIM	971775	4.38	2270.25	-6.23

OPEN INTEREST - Losers.

Scrip ID	OI Futures	% Chg	Price	% Chg
J&KBANK	95100	(56.34)	633.2	(2.21)
IOB	702100	(51.23)	104.75	0.96
ESCORTS	4392000	(42.81)	136.85	(4.14)
BEL	492250	(40.05)	1559.15	(1.93)
NTPC	9048000	(39.37)	142.15	(0.29)

FII Derivatives Statistic For the date : 230207

	Buy	Sell	OI at end of the Day		Inflow / Outflow
			Contract	Amount	
INDEX FUTURES	881.44	2428.78	588133	11574.46	-1547.34
INDEX OPTIONS	384.41	218.91	246730	4859.29	165.51
STOCK FUTURES	512.68	495.52	592652	15194.03	17.16
STOCK OPTIONS	18.96	1.73	1364	30.15	17.23
					-1347.44

FII Derivatives Statistic For the date : 220207

INDEX FUTURES	3752.43	4100.20	268287	10918.66	-347.77
INDEX OPTIONS	619.58	89.41	116542	4708.30	530.17
STOCK FUTURES	4395.82	4499.58	454965	15426.35	-103.76
STOCK OPTIONS	0.00	1.61	252	9.92	-1.61
					77.03

FII Derivatives Statistic For the date : 210207

INDEX FUTURES	3131.05	3516.03	320399	13152.83	-384.98
INDEX OPTIONS	213.68	229.86	196387	8044.40	-16.17
STOCK FUTURES	3982.24	4157.69	539309	18564.97	-175.46
STOCK OPTIONS	0.12	4.09	1577	53.65	-3.97
					-580.58

Reckoning Put/Call Ratio

Scrip ID	PCR OI	PCR Vol.
NIFTY	1.43	0.85
RELIANCE	0.15	0.28
TATASTEEL	0.27	0.26
RPL	0.22	0.15
HINDLEVER	0.13	0.16

Market Wrap-up:

Nifty dipped sharply on Friday to close at 3938.95. F&O segment of the market saw increase in turnover as compared to previous trading session.

The market turnover increased by 11.93 percent in terms of number of contracts traded vis-à-vis previous trading day and decreased 34.19 percent in terms of rupees.

The PCR OI of market was at 0.17 and in NIFTY; has changed from 1.18 to 1.43. At the same time, PCR VOL in NIFTY has changed to 0.85.

On a scrip specific note scrips like UTIBANK & GRASIM were the gainers in futures open interest, while J&KBANK, IOB, ESCORTS, BEL & NTPC were the amongst some to shed the Futures Open Interest.

On the option open interest front, NIFTY led the pack 83719 contracts of position open in CALL and 120066 contracts in the PUT side. On the scrip side, RELIANCE led the pack with 5490 contracts in CALL and 826 Contracts in PUT as open interest followed by TATASTEEL with 1365 contracts of open position in CALL and 373 contracts of open position in PUT.

In terms of Volumes 1611457 contracts were traded on NSE. Nifty accounted for 65.65 percent of the total traded contracts RELIANCE 5.28percent while TATASTEEL contributed 1.44 percent to the total turnover.

A look at the volatility indicates there is a considerable amount of increase in volatility of stocks such as MPHASIS, BANKINDIA, TATACHEM, ZEETELE, & MTNL. Implied volatility in Nifty is at 28.45 and Historical volatility is at 27.15

EXpectations:

Nifty futures gained heavy built up in OI to the tune of 11.06% on the first day of March contract with prices coming down significantly 3.27% indicating that heavy short positions are formed in nifty futures as market could not sustain at a support level of 4040 levels indicating weakness in the counter. If nifty futures could not sustain at these levels we may see further pressure in the index and market as a whole. There was heavy participation for liquidation of long positions and short selling in the market as turnover increased around 11.93% in terms of number of contracts. Again FIIs were sellers to the tune of 1547 crs in index futures indicating that selling was mainly due to long positions liquidating. The PCR has come up from 1.18 to 1.43 indicating heavy trading and position building in put options. The volatility has increased from 27.19 to 28.45 levels indicating volatile trading sessions ahead.

Among the Big guns ONGC saw OI coming up to the tune of 2.14 % with prices coming down 3.64% performing in line with the markets as lot of short positions are formed indicating weakness in the counter. RELIANCE saw heavy built up in OI increasing to the tune of 10.56 % with prices almost flat to negative in such kind of selling pressure in the market indicating that both bulls and bears were aggressive but the counter saw continuous buying indicating strength in the counter. If the counter goes below 1400 levels the we may see pressure in the counter as lot of speculative long positions are pending in the counter which may result in panic liquidation of positions.

On the TECH front, SATYAMCOMP, WIPRO saw OI rising with prices coming down significantly indicating short positions in these counters and longs liquidating their positions indicating weakness in these counters. Whereas INFOSYSTCH, TCS saw fall in prices with OI flat indicating longs liquidating their positions and fresh short positions building in these counters. CNXIT saw heavy built up in OI to the tune of 27.94 % with prices coming down 2.82 % indicating short positions being formed in the sector as a whole.

On the overall basis we saw heavy liquidation of positions in the market. It is advisable to take hedged positions in the market to avoid huge losses if market moves in unexpected direction. One must hedge long positions by buying put options and writing calls. Traders are advised to trade with strict stop losses.

Please Note that the Range of Strategies Given below suits to different risk profile. One can choose suitable strategy for trading on basis of his/her trading Attitude. Please read the comments mentioned below each strategy before using the strategy.

LOW RISK STRATEGY

POSITIONAL STRATEGY

Strategy – SYN LONG STRADDLE

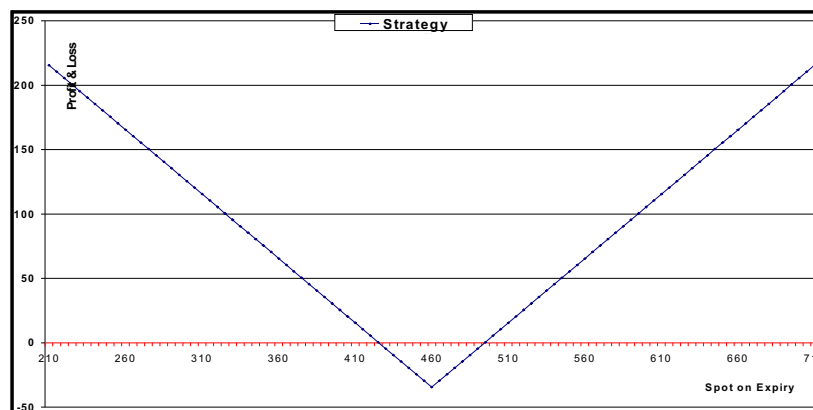
STRATEGY NAME	
TATASTEEL	BUY FU @461.50
TATASTEEL	BUY 460 PA @16.50
TATASTEEL	BUY 460 PA @16.50
OI (In contracts)	
TATASTEEL	34339
TATASTEEL 460 PA	71
TATASTEEL 460 PA	71
VOL (In contracts)	
TATASTEEL	21536
TATASTEEL 460 PA	96
TATASTEEL 460 PA	96

TATASTEEL: SYN LONG STRADDLE

BUY FUT @ 461.50
BUY 460 PA @16.50
BUY 460 PA @16.50
LBEP: 425.50
Risk: 23287.50

UBEP:494.50
Profit Potential: UNLIMITED

(For strategy details refer adjacent table).



In the above strategy risk is high but it offers gain on 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.

LOW RISK STRATEGY

POSITIONAL STRATEGY

Strategy – CALL HEDGE

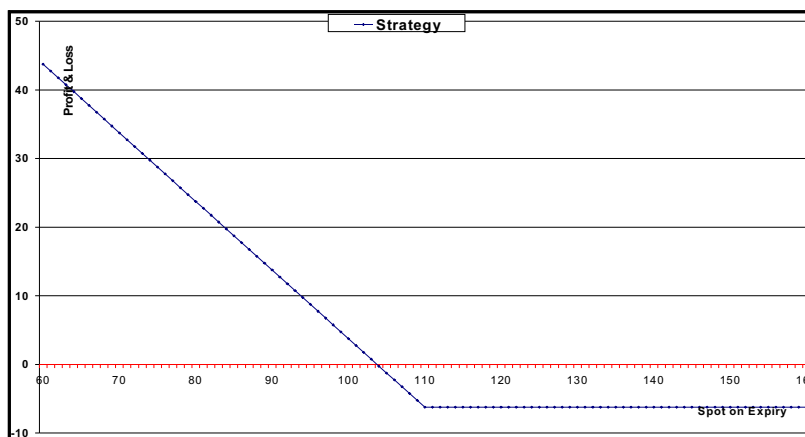
STRATEGY NAME	
SAIL	SELL FU @112
SAIL	BUY 110 CA @ 8.25
OI (In contracts)	
SAIL	5895
SAIL 110 CA	38
VOL (In contracts)	
SAIL	7467
SAIL 110 CA	45
	0

SAIL: CALL HEDGE

SELL FUT @ 112
BUY 110 CA @8.25
BEP : 103.75
Risk: 16875

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.

LOW RISK STRATEGY

POSITIONAL STRATEGY

Strategy – CALL HEDGE

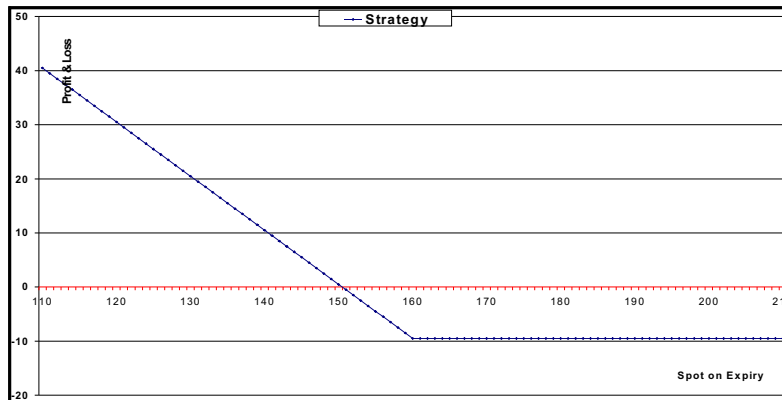
STRATEGY NAME	
BAJAJHIND	SELL FUT 160
BAJAJHIND	BUY 170 CA @ 9.50
OI (In contracts)	
BAJAJHIND	6736
BAJAJHIND 170 CA	72
VOL (In contracts)	
BAJAJHIND	2946
BAJAJHIND 170 CA	15
0	

BAJAJHIND: CALL HEDGE

SELL FUT @ 160
BUY 160 CA @9.50
BEP : 150.50
Risk: 9025

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.

LOW RISK STRATEGY

POSITIONAL STRATEGY

Strategy – SYN LONG STRADDEL

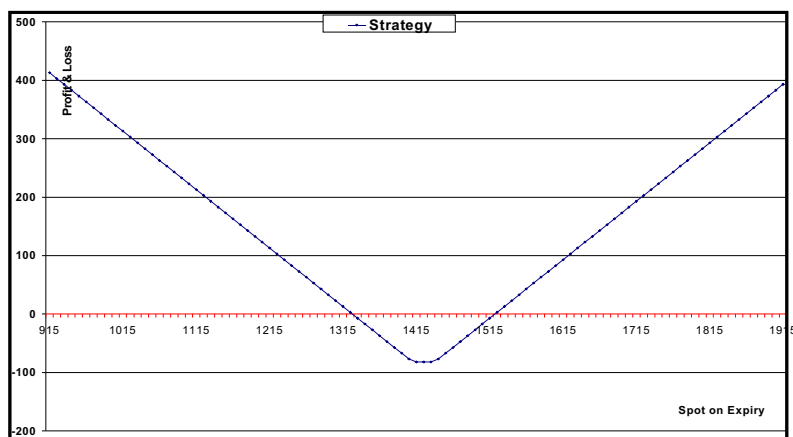
STRATEGY NAME	
RELIANCE	SELL FU @1096
RELIANCE	BUY 1080 CA @55.00
RELIANCE	BUY 1110 CA @35.00
OI (In contracts)	
RELIANCE	77195
RELIANCE 1410 CA	2027
RELIANCE1440 CA	3983
VOL (In contracts)	
RELIANCE	78048
RELIANCE 1410 CA	1433
RELIANCE1440 CA	2282

RELIANCE: SYN LONG STRADDLE

SELL FUT @ 1424
BUY 1410 CA @56
BUY 1440 CA @40
LBEP: 1328
Risk: 24600

UBEP: 1522
Profit Potential: UNLIMITED

(For strategy details refer adjacent table).



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LOW RISK STRATEGY

POSITIONAL STRATEGY

Strategy – BUY FUTURE

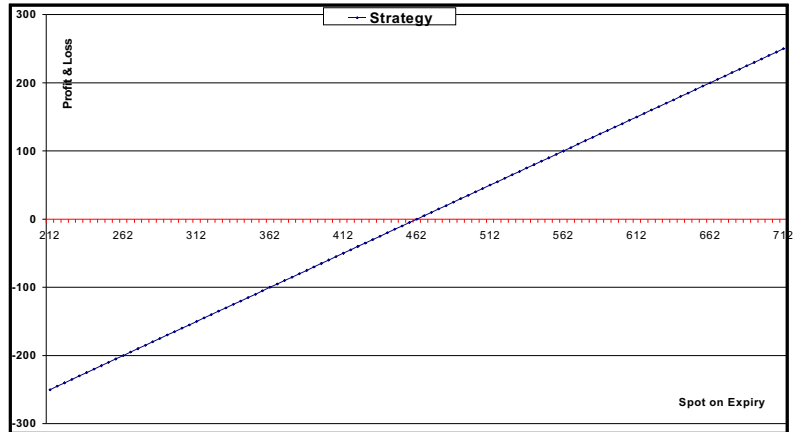
STRATEGY NAME	
JSWSTEEL	BUY FU @ 461+463
OI (In contracts)	
JSWSTEEL	6585
VOL (In contracts)	
JSWSTEEL	2195
0	

JSWSTEEL: BUY FUTURE

BUY FUT @ 461-463
SL-450
Risk: 6600

TGT-486
Profit Potential: 13200

(For strategy details refer adjacent table).



The above strategy is considered to be a high risk strategy as it involves one action of selling a future. In this strategy client must adhere to strict stop loss and target as mentioned above.

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