



# daring derivatives



February 26, 2007

## Derivatives Summary

- The premium in the Nifty (March) futures decreased to -5.2 points from 26.65 points and the futures added around 31 lakh shares in the open interest.
- The total open interest in the market is very close to Rs44,000 crore.
- UTI Bank (43%), J&K Bank (39%), Grasim (24%) & UltraTech Cement (22%) were the top open interest gainers in the market.
- Patni (14%), NTPC (12%), SCI (12%), IOB (10%) & India Cements (10%) were the top open interest losers in the market.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	3931	4066.65	-3.34%
Nifty CoC	-2.15%	6.88%	-131.30%
OI	31115700	28020100	11.05%
Vol	80389400	87395400	-8.02%
PCR(OI)	1.43	1.65	-13.33%
PCR ( VOL)	0.85	1.18	-27.97%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	23.72%	23.19%	1775500	27.23%
4100 C	26.89%	25.31%	1423700	31.36%
4300 C	22.62%	21.59%	1101400	20.50%
4150 C	24.95%	24.05%	227200	37.70%
4000 C	26.57%	26.12%	775300	9.44%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4000 P	30.73%	31.52%	2080900	20.95%
4100 P	29.59%	30.17%	2041400	9.78%
3900 P	31.10%	32.01%	1837500	17.60%
3800 P	31.66%	31.79%	2129200	9.30%
4200 P	29.58%	28.39%	985500	5.40%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELAINCE	8.83%	9.12%	104662500	2.96%
TATASTEEL	9.86%	12.70%	23617575	39.60%
RCOM	15.17%	10.89%	14472500	42.53%
GUJRATAMBCEM	21.95%	11.60%	28270020	56.56%
SBIN	5.76%	8.98%	6209000	49.25%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 22 FEB 07			
	Buy	Sell	Difference
INDEX FUTURES	3131.05	3516.03	-384.98
INDEX OPTIONS	213.68	229.86	-16.18
STOCK FUTURES	3982.24	4157.69	-175.45
STOCK OPTIONS	0.12	4.09	-3.97
TOTAL	7327.09	7907.67	-580.58

## Market View

The market opened on a positive note but plunged into negative territory in the initial minutes of the trading session. The Nifty was unable to recover and slipped deep into the red and made a low of 3918 before finally closing at 3938.95. The volumes in the Nifty futures were relatively higher and the futures added around 14 lakh shares in the open interest towards the long side. On the options front the implied volatility of the call options increased indicating fresh long positions while the puts also added open interest with an increase in the implied volatility indicating that the market is likely to be very volatile. There is likely to be very sharp movement in the next couple of days. The market is likely to open on a flat to negative note and the undertone of the market will be on the negative side unless the Nifty witnesses a strong bounce back from the current levels. The global markets will play an important role in deciding the direction of the market. The key support level for the Nifty is 3900 and there are resistances at 4000 and 4040.

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1440 C	26.86%	24.15%	410400	74.49%
TATASTEEL 500 C	34.75%	36.41%	227475	52.49%
RPL 70 C	38.70%	38.20%	1440500	18.13%
INDIACEM 200 C	55.58%	57.00%	218950	73.56%
IDBI 100 C	62.04%	59.47%	676800	34.29%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1410 P	25.54%	20.11%	75300	25.50%
GUJRATAMB120 P	33.62%	43.55%	154650	-
MTNL 140 P	32.91%	36.52%	115200	157.14%
TATASTEEL 460 P	32.08%	35.92%	20250	1400.00%
SBIN 1080 P	30.49%	33.50%	6500	225.00%

## Recommendation Tracker

Date	Scripts	Initiation Range	Stop loss	Target	Profit/ Loss	Remark
23-Feb-07	Sterlite Ind. Buy	507.5	502	520-530	1-2 days	Stoploss triggered
20-Feb-07	Prajind Buy	394-395	385	410-420	BTST	First Tgt Achieved
19-Feb-07	GMR Infra Buy	421-422	415	430-440	2-3 Days	Stoploss triggered
19-Feb-07	Divis Lab Buy	3490-3495	3465	3570-3650	2-3 Days	Stoploss triggered
15-Feb-07	Bajaj Auto Buy	3010-3014	2970	3065-3100	2-3 Days	First Tgt Achieved
15-Feb-07	Sail 115 Call Buy	2	-	6	Expiry	Tgt Achieved

## Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
8-Feb-07	Nifty	Buy	4200 P	54.5	77	23	Closed
	Nifty	Sell	4100 P	31.5			
21-Feb-07	IDFC	Buy	100 C	3	3.5	1.5	Closed
	IDFC	Sell	105 C	1.5			

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