



# daring derivatives



June 15, 2007

## Derivatives Summary

- Nifty (June) futures' discount decreased to 13.7 from 24.45 and shed around 13.3 lakh shares in open interest.
- Total open interest in the market was 67,034 crore and added around 1,381 crore in open interest.
- Nifty calls added 6,550 shares and puts added around 6.6 lakh shares in open interest.
- GE Ship (27%), Matrix Lab (20%), I-flex (19%), McDowell (17%) and Federal Bank (15%) were the top interest gainers in the market.
- Bank of India (-14%) and Dena Bank (-11%) were the top open interest losers in the market.
- Nagarjuna Fertilizers (97%), BRFL (92%), IDBI (89%), JP Hydro (89%), SRF (87%), Jindal Stainless (86%) and Essar Oil (85%) are very close to their market wide position limits.

## Market View

The market opened on a very strong note with a gap of around 1% in the Nifty on account of strong global cues. It remained in the positive territory within the range of 4150-4170 for the rest of the day. Volumes in Nifty futures declined substantially from the previous day and shed around 13.3 lakh shares in open interest towards short covering. On the option front, implied volatility of options decreased by about 2%, indicating that the market may stabilise around these levels with a positive bias. On the other hand, the huge open interest in the market is indicating a sense of cautiousness. The market is likely to open on a flat note and may continue to trade in this range of 4100-4200. The key support levels for the Nifty are 4140 and 4100; resistance will be around 4200.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	4158	4088.6	1.70%
Nifty CoC	-8.56%	-14.46%	-40.81%
OI	39181550	40514400	-3.29%
Vol	19708200	31122650	-36.68%
PCR(OI)	1.26	1.22	3.28%
PCR ( VOL)	1.02	1.01	0.99%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4200 C	23.71%	25.63%	3092450	-3.07%
4100 C	24.70%	25.95%	2044050	-2.07%
4300 C	22.33%	24.40%	3556050	-2.86%
4150 C	23.64%	25.78%	590350	3.27%
4250 C	23.25%	25.28%	1195150	1.45%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
4100 P	25.34%	26.94%	3688400	9.20%
4200 P	23.64%	25.41%	4571050	2.81%
4000 P	27.35%	28.11%	2715450	3.70%
4150 P	24.63%	26.02%	742800	23.30%
3900 P	28.49%	29.11%	1077050	-0.76%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	8.71%	4.07%	8245800	3.75%
RELCAP	15.76%	4.39%	5882250	6.60%
SBI	17.27%	12.82%	9612500	4.36%
INFOSYS	-10.57%	-9.60%	5341600	1.63%
UNITECH	8.79%	11.35%	5263650	-2.26%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 13 JUNE			
	Buy	Sell	Difference
INDEX FUTURES	1298.19	2146.77	-848.58
INDEX OPTIONS	297.40	160.31	137.09
STOCK FUTURES	422.00	871.07	-449.07
STOCK OPTIONS	0.02	0.10	-0.08
TOTAL	2017.61	3178.25	-1160.64

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1710 C	31.68%	31.56%	412950	8.94%
INFOSYS 2010 C	22.22%	25.48%	181600	-14.70%
TATASTEEL 620 C	36.84%	37.73%	562950	-0.83%
HINDALCO 160 C	31.88%	36.90%	897985	-8.75%
SAIL 130 C	25.07%	46.74%	1401300	22.12%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1650 P	28.45%	30.70%	147900	12.30%
INFOSYS 1920 P	27.50%	31.62%	41400	-23.05%
TATASTEEL 600 P	32.94%	39.82%	213300	13.67%
SAIL 130 P	41.91%	46.74%	396900	59.78%
SBI 1320 P	27.49%	33.83%	92750	13.80%

## Strategy Tracker

Date	Scripts	Buy/Sell	Strike/Option	Initiation Range	Max Profit	Max. Loss	Time
11-Jun-07	Nifty	Buy	4200 C	71	0.00	0.00	Expiry
		Buy	4100 P	69			

## Recommendation Tracker

Date	Scripts	Buy/sell	Initiation Range	Stop loss	Target	Time frame	Remark
13-Jun-07	Satyam	Buy	482-483	475	496-503	1-2 days	Exit @ 488.3
12-Jun-07	Nifty	Buy	4122-4123	4099	4155-4170	2-3 Days	SI Triggered
7-Jun-07	Air Deccan	Buy	144-145	142	152-160	2-3 Days	SI Triggered
6-Jun-07	Nifty	Sell	4267-4270	4288	4230-4200	1-2 days	Target Achieved

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