



daring derivatives

May 17, 2012

Selling presumes

Derivatives Summary

- Nifty (May) futures' discount to spot Nifty has increased to 1.35 points from 0.55 points.
- Total open interest in the market was Rs117,598 crore and Rs1,596 crore was added in open interest.
- Nifty call options added 45.38 lakh shares in open interest whereas put options added 6.13 lakh shares in open interest.
- NMDC (18%), BPCL (17%), Kotak Mahindra Bank (14%), Yes Bank (12%) and Suzlon (11%) were the top open interest gainers in the market.
- Tata Motors DVR (-12), Apollo Tyres (-10%), Educomp Solutions (-10%) and Divi's Laboratories (-8%) were the top open interest losers in the market.
- Overall volumes in futures & options stood at 50.72 lakh contracts with a turnover of Rs123,772 crore whereas volumes in Nifty futures were higher compared with previous trading volumes.

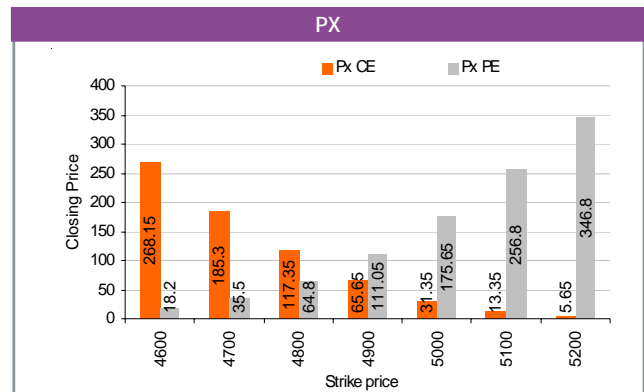
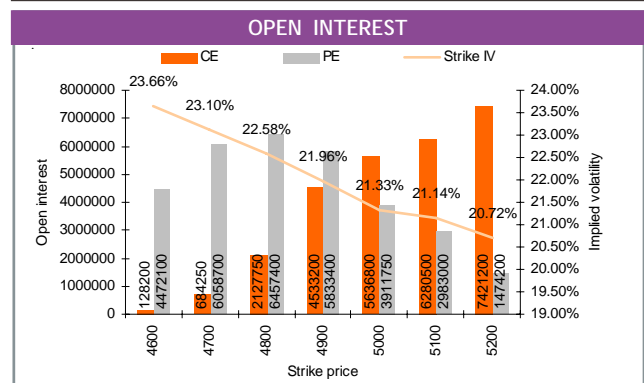
Market commentary

Tracing weak international cues, the Nifty opened gap down by more than 70 points. Re-election in Greece brewed up fresh concerns of economic worries which triggered a broad based sell off across sectors in the Indian equity market as well as other Asian markets. The Greek worry led the rupee to touch an all time low level of 54.46 against the US dollar. This contributed in the Nifty's close below the 4800 mark. Among index components Tata Motors was the top losers followed by SAIL, Tata Steel, HDFC, Reliance Infrastructure, Jaiprakash Associates, Hindalco Industries, Jindal Steel, BHEL. Decline in prices in other peer stocks as well kept the market under pressure and the breadth was negative all through out the day. Every attempt of the bulls to pull up the market failed and the Nifty finally concluded the day by losing 1.71% or 85 points to settle at 4858.

Daily view

- Around 4.56 lakh shares were added in open interest with a decrease in the cost of carry indicating today's sell off was due to building up of fresh short positions.
- On the options front the implied volatility has increased by 50-150 basis points indicating that the market will remain uncertain and any close on the Nifty below 4750 will lead us towards lower targets. However, the Nifty may find a good support between 4750-4800 levels.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Curr. MTH)	4856.9	4942.25	-1.73%
Nifty CoC	-0.68%	-0.25%	-166.37%
OI	23412700	22956500	1.99%
Vol	18469100	15015800	23.00%
PCR(OI)	0.89	0.94	-5.32%
PCR (VOL)	0.95	0.96	-1.04%



MOST ACTIVE INDEX CALL OPTION					
Strike	Curr. IV	Pre. IV	Curr. OI	Chg OI %	Chg IV %
4900 C	21.67%	21.37%	4533200	51.81%	1.41%
5000 C	21.15%	20.60%	5636800	13.96%	2.63%
5100 C	21.06%	19.98%	6280500	9.08%	5.38%
5200 C	21.62%	19.92%	7421200	-3.70%	8.53%
4800 C	22.00%	21.55%	2127750	90.44%	2.10%
Average IV	21.50%	20.68%	-	-	3.94%

MOST ACTIVE INDEX PUT OPTION					
Strike	Curr. IV	Pre. IV	Curr. OI	% Chg. OI	% Chg. IV
4800 P	23.16%	23.14%	6457400	-10.09%	0.09%
4900 P	22.26%	22.15%	5833400	-15.93%	0.52%
4700 P	24.28%	24.01%	6058700	22.14%	1.10%
4600 P	25.39%	25.16%	4472100	-1.38%	0.91%
4500 P	26.65%	26.22%	4550050	25.12%	1.62%
Average IV	24.35%	24.14%	-	-	0.87%

Derivative Activity

MOST ACTIVE STOCK CALL OPTIONS					
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI	OI Chg %	IV Chg %
SBIN 1900 C	48.38%	47.32%	519250	21.78%	2.24%
TATAMOTORS 300 C	46.20%	40.86%	2645000	57.07%	13.07%
ICICIBANK 800 C	36.71%	35.17%	289500	32.34%	4.37%
RELIANCE 700 C	29.31%	27.91%	775250	11.11%	5.02%
LT 1250 C	38.76%	38.94%	312500	34.99%	-0.46%

MOST ACTIVE STOCK PUT OPTIONS					
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI	OI Chg %	IV Chg %
TATAMOTORS 260 P	45.16%	44.59%	996000	50.45%	1.28%
SBIN 1800 P	48.37%	47.66%	262250	-16.11%	1.49%
LT 1150 P	41.09%	42.29%	242000	-23.54%	-2.85%
TATASTEEL 400 P	44.45%	44.66%	333000	-20.24%	-0.46%
RELIANCE 660 P	28.43%	28.16%	292750	46.56%	0.94%

MOST ACTIVE STOCK FUTURES				
Strike CoC	Curr. CoC	Pre OI	Curr. OI	Chg. OI %
SBIN	-24.83%	-21.52%	5543625	0.25%
TATAMOTORS	14.02%	11.00%	26041000	-0.41%
ICICIBANK	-41.20%	-38.40%	10362750	5.30%
TATASTEEL	4.25%	1.91%	15194000	5.29%
HDFC	4.70%	14.32%	9008000	9.93%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 15 MAY 2012			
	Buy	Sell	Difference
INDEX FUTURES	1382.90	1449.43	-66.53
INDEX OPTIONS	15158.66	15456.70	-298.04
STOCK FUTURES	1324.45	1234.48	89.97
STOCK OPTIONS	752.79	783.22	-30.43
TOTAL	18618.80	18923.83	-305.04

View

VWAP

VWAP	Trend	Lower Range	Higher Range
5064*	↓	4800-4750	5064

*If Nifty is above VWAP (Volume Weighted Average Price) on closing basis then bias is positive and if closes below then bias is negative

Monthly

Lower Range	Higher Range
4800-4750*	5100

*On closing basis

Futures: Advance Decline (AD) Ratio

Advance	40
Decline	175
Unchanged	3
Total	218
AD Ratio	0.23

Derivative Calls

Date	Scripts	Buy/Sell	Initiation Range	Stoploss	Target	Remark
16-May-12	JP Associate CE 65	Buy	1.50	1 (Closing Basis)	3-5	Close @ 1.20
16-May-12	DLF CE 190	Buy	4.20	3 (Closing Basis)	6-10	Close @ 4.15
15-May-12	LIC PE 240	Buy	5.45	4	8-10	Stopped Out
14-May-12	JP Associate CE 65	Buy	1.70	0.8	3-4	Book Profits @ 2.15
11-May-12	IDEA CE 85	Buy	2.10	1	4-6	Open @ 1.60
11-May-12	DLF CE 190	Buy	5.15	5.50 ®	7-10	1st Tgt Achvd. Book Profits @ 7.75

Derivative Ideas

Date	Scripts	Buy/Sell	Initiation Range	Stoploss	Target	Time Frame	Remark
15-May-12	Nifty CE 5000	Buy	47	25 (Closing Basis)	80-12	Expiry	Book Profits @ 60

Strategy Tracker - 1

Date	Scripts	Buy/Sell	Initiation Range	Stoploss	Target	Timeframe	Remark	Mark to Market
24-Apr-12	Nifty May CE 5300 (3 Lots)	Buy	105	0	0	Expiry	Open @ 2.65	-1105.00
24-Apr-12	Nifty May PE 5200 (1 Lot)	Buy	101.5	0	0	Expiry	Open @ 349.40	
9-May-12	Nifty May PE 4900 (1 Lot)	Sell	78	0	0	Expiry	Open @ 113.95	
24-Apr-12	Nifty May PE 5200 (1 Lot)	Buy	101.5	0	0	Expiry	Booked Profits @ 167.00	
24-Apr-12	Nifty May PE 5200 (1 Lot)	Buy	101.5	0	0	Expiry	Booked Profits @ 109.00	



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