

Derivatives Daily

Nifty Highlights

	Nifty (Spot)	Nifty (Jan)	Prem./Disc.	COC (Jan)	Nifty Fut OI	PCR OI	PCR Vol	Nifty ATM IV	Nifty HV
CURRENT	2,857.25	2,867.55	10.30	3.87	31,298,450	1.12	0.95	43.25	61.21
PREVIOUS	2,916.85	2,939.55	22.70	0.78	46,961,000	1.29	0.91	43.93	62.59
% CHANGE	(2.04)	(2.45)	-	-	(33.35)	-	-	-	-

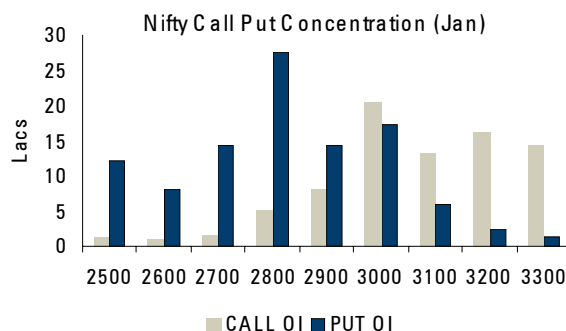
Derivative Comments

- The Nifty futures OI showed a drop of 33.35% on account of expiry of the December series. The January OI dropped by 0.15%. The basis has narrowed from 22.70 points to 10.30 points. Moreover, no significant change in OI was seen in FII Index futures also.
- The PCR-OI has dropped considerably from 1.29 to 1.12 levels on account of good OI addition in all Call options. The maximum addition of contracts was seen in 3000 and 3200 Call with the 3000 level currently holding the largest Call base. On the other hand, similar addition was seen in the 3000 Put, which added 10639 contracts. However, the 2800 Put, which added 8900 contracts, continues to hold maximum OI among all options. The addition in Puts was accompanied by a rise in IV indicating more of Put buying in OTM Puts. However, we feel the level of 2800 should act as a support on a closing basis in today's session.
- FIIs were net sellers to the tune of Rs 345 crore.
- The market turnover has dropped significantly by 46% in the last session. Since the fall in the Nifty was accompanied by low turnover, we feel no major short positions were formed in the Index and Stocks.

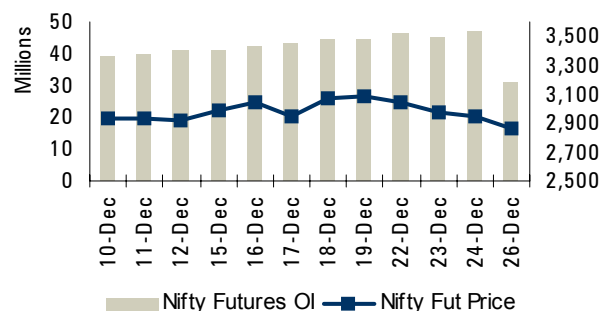
Technical Outlook

- Benchmark indices continued their losses for the fourth consecutive day and closed with a sharp cut. The Nifty closed below 2900 levels. Major losers were oil, banking, capital goods, metal, technology, power, and realty stocks.
- The Nifty formed a bear candle with a long upper shadow indicating further weakness in the coming days. The Nifty in Friday's trade closed below the 50 days and 20 days simple moving average, which are placed at 2910 and 2862 levels, respectively. On the daily chart, the trend line joining the October 2008 low and early December 2008 low emerged as a crucial support for the Nifty, which is placed at 2800 levels.
- The Nifty spot has supports at 2850, 2810, 2755 and resistances at 2910, 2960.

Nifty Options OI Distribution



Nifty OI vs. Futures Price



Open Interest Gainers

Scrip	Open Interest	OI Change (%)	Price	Price Change (%)
MCDOWELL-N	699,500	110.22	894.10	-1.78
KFA	2,163,250	4.09	34.80	1.16
DENABANK	2,470,125	3.18	32.85	2.50
MLL	1,484,700	1.17	30.50	3.92
SYNDIBANK	6,205,400	-0.70	62.05	-0.48

Open Interest Losers

Scrip	Open Interest	OI Change (%)	Price	Price Change (%)
TATACHEM	446,175	-49.23	157.70	0.54
GVKPIL	4,650,250	-44.41	19.85	-5.92
NDTV	330,000	-41.69	113.20	-0.13
JETAIRWAYS	713,200	-41.04	185.95	3.91
HDIL	3,148,632	-40.98	126.95	-2.38

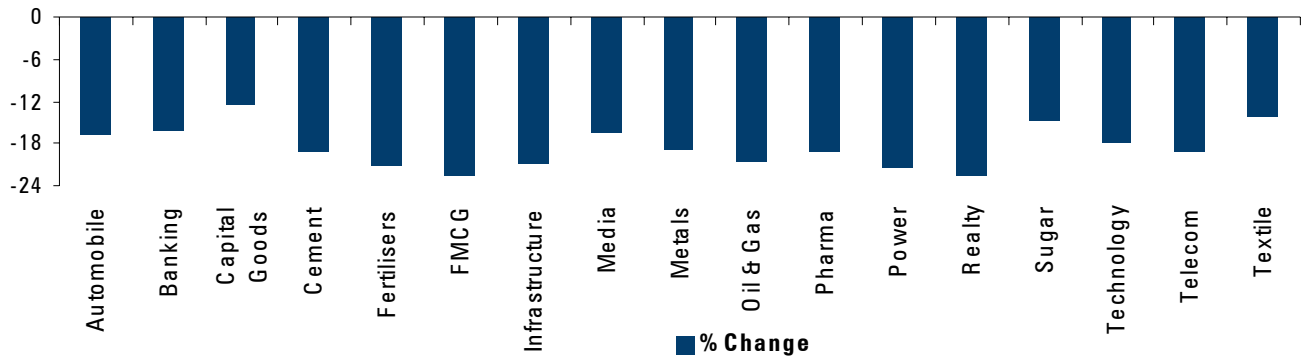
FII Statistics (Provisional)

Instrument	Buy (Rs. In Cr.)	Sell (Rs. In Cr.)	Net (Rs. In Cr.)	Open Interest	
				No. of Contract	Change (%)
Index fut.	247.72	307.42	-59.70	472550	-0.81
Index opt.	457.22	132.65	324.58	409965	8.65
Stock fut.	185.56	170.12	15.43	911322	0.73
Stock opt.	118.56	1.79	116.76	17240	156.59
Total	1009.06	611.98	397.07	1811077	2.60

Market Turnover

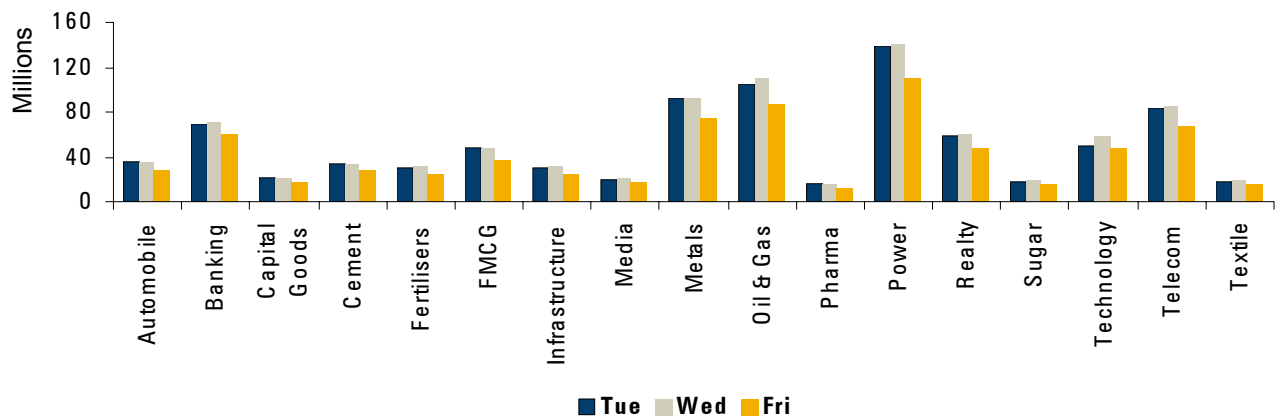
Instrument	No. of Contracts	Turnover (Rs. In Cr.)	Change (%)
Index futures	548479	7330.93	-44.14
Stock futures	658805	7023.38	-55.83
Index options	595715	9061.71	-41.50
Stock options	60347	737.87	-12.25
Total	1863346	24153.9	-46.75

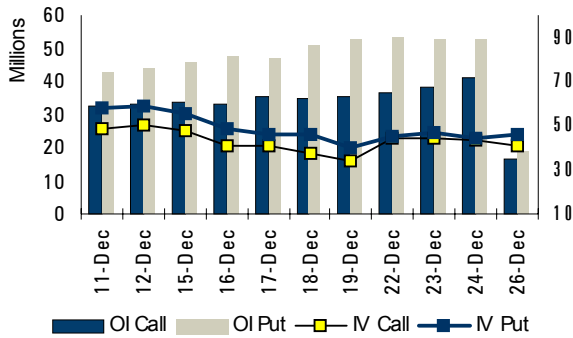
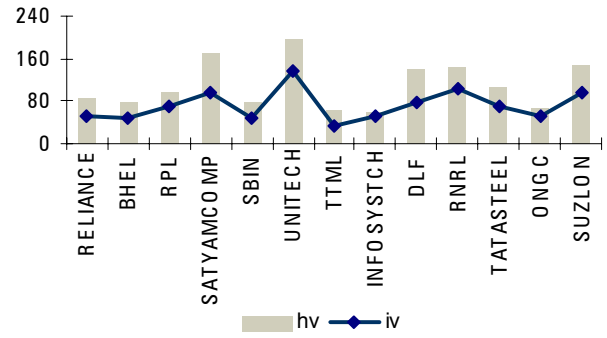
Sectoral OI Change (Day on Day):



- All sectors have seen long unwinding on account of expiry of the December series contract. However, stocks which have added decent open interest with rise in price are GTL, HINDCONST, MOSERBAER, MLL, TATACHEM and ALABAN. We feel these stocks could be bought near support zones.

Sector wise OI Trend (Last three days)



Put Call - OI vs. IV

Top Traded Stocks – IV vs. HV


- Call IV has moved from 43.84 to 40.54 whereas Put IV has decreased from 44.02 to 45.96. The IVs of 3000 and 3200 Call has decreased whereas that of 2800 and 3000 Put has risen indicating Call writing at 3000 and 3200 while there was Put buying at 2800 and 3000.

- A sudden spike in 1170 Call OI of INFOSYS along with a fall in OI indicates some Call writing has taken place at this level. Also, the fall in SATYAM IV was due to good Call writing witnessed at the 150 strike price.

Top 10 Traded Stock Options

Stock	Expiry	Strike	Option	LTP	%chg	OI	%chg	IV
RELIANCE	29-Jan-09	1,320	CA	35.70	-28.24	446,475	178	51.2
SBIN	29-Jan-09	1,320	CA	43.35	-43.04	353,760	2010	48.6
BHEL	29-Jan-09	1,290	CA	76.85	-52.43	210,000	46567	45.3
BHEL	29-Jan-09	1,290	PA	74.00	0.00	209,925	0	50.3
BHEL	29-Jan-09	1,410	CA	38.70	-47.38	194,100	8248	49.8
RPL	29-Jan-09	90	CA	4.95	50.00	1,606,325	101	68.6
INFOSYSTCH	29-Jan-09	1,170	CA	44.65	-47.62	224,400	56000	51.2
RPL	29-Jan-09	100	CA	2.40	50.00	1,733,625	165	69.2
RPL	29-Jan-09	80	CA	9.50	39.71	901,150	59	68.6
ONGC	29-Jan-09	640	PA	31.80	0.00	199,800	0	42.6

Open Interest Break-up (Provisional)

	Current OI (in Rs Crs)	Previous OI (in Rs Crs)	% Change
Market wide	32952	59768	-44.87
All Futures	21849	29743	-26.54
All Options	11103	30025	-63.02
Stock Futures	12514	15688	-20.23
Stock Options	886	2809	-68.47
FII	22758	22711	0.21

The current marketwide OI stands at Rs 32952 crore, whereas stock futures OI stands at Rs 12514 crore.

- The BHEL 1410 Call added decent OI along with fall in price indicating some Call writing at this level. Also, the INFOSYS 1170 Call has witnessed Call writing. However, Call buying was seen in the 90 Call of RPL.

Top Price Gainers

Security	Current Future Price	Previous Future Price	% Change in Future Price
RPL	84.25	79.40	6.11
MLL	30.70	29.35	4.60
MATRIXLABS	86.50	82.75	4.53
JETAIRWAYS	186.65	178.95	4.30
TULIP	539.90	521.75	3.48

Top Price Losers

Security	Current Future Price	Previous Future Price	% Change in Future Price
GMRINFRA	64.10	71.25	-10.04
APTECHT	85.70	94.30	-9.12
ROLTA	110.55	121.55	-9.05
EDUCOMP	2,345.85	2563.95	-8.51
IFCI	20.10	21.85	-8.01

Top Future Volume Gainers

Security	Current Future Vol (contracts)	Current Cash Vol	Cash Delivery Qty	Delivery %
RELIANCE	60,517	3172515	699064	14.93
DLF	37,226	13351822	1602005	8.22
SBIN	32,558	2484886	651080	18.18
RELCAPITAL	32,250	6896819	814738	8.00
SATYAMCOMP	32,181	25488062	4057120	10.90

Top Future Volume Losers

Security	Current Future Vol (contracts)	Current Cash Vol	Cash Delivery Qty	Delivery %
FEDERALBNK	100	122737	66266	39.77
SCI	100	142005	75605	38.26
RIIL	110	92423	20015	21.66
DISHTV	112	1402227	422100	30.10
AUROPHARMA	113	74586	51217	50.51

Intraday Strategy

i) BHEL (BHEL)

Sell BHEL Jan Fut below Rs 1294

View: Bearish
 Strategy: Short Future
 Target 1: Rs 1272
 Target 2: Rs 1260
 Stop Loss : Rs 1304
 Market Lot: 75

ii) AXIS BANK (UTIBAN)

Buy AXIS BANK Jan Fut above Rs 488

View: Bullish
 Strategy: Long Future
 Target 1: Rs 498
 Target 2: Rs 504
 Stop Loss : Rs 482
 Market Lot: 225

Follow-ups

Strategy Date	Stock	View	Strategy	Price Reco	Target	Stop-loss	Profit / Loss	Comment
26-Dec-08	TATA MOTORS	Bearish	Short Future	157	152 / 149	160	1168.75	Closed at 154.25
26-Dec-08	INDIAN OIL	Bullish	Long Future	415	423 / 428	410	4800	Target 2 Achieved
24-Dec-08	AXIS BANK	Bearish	Short Future	498	488 / 476	503	2250	Target 1 Achieved
24-Dec-08	GMRINFRA	Bullish	Long Future	72	76 / 77	70	-----	Not Initiated
23-Dec-08	ACC	Bearish	Short Future	485	479 / 476	488	1128	Target 1 Achieved
23-Dec-08	BANKBARODA	Bearish	Short Future	276	272 / 268	278	5600	Target 2 Achieved
22-Dec-08	GMRINFRA	Bullish	Long Future	72.50	76 / 78	70	1250	Closed at 73.50
22-Dec-08	BHARTIAIRTEL	Bearish	Short Future	720	706 / 696	728	(2000)	SL Triggered

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