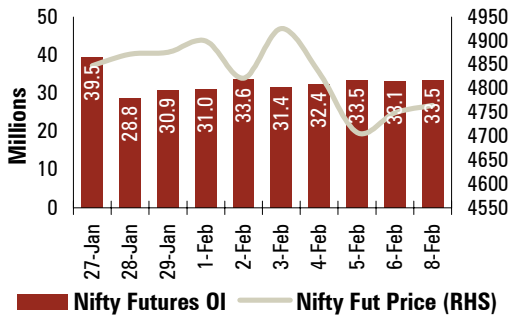
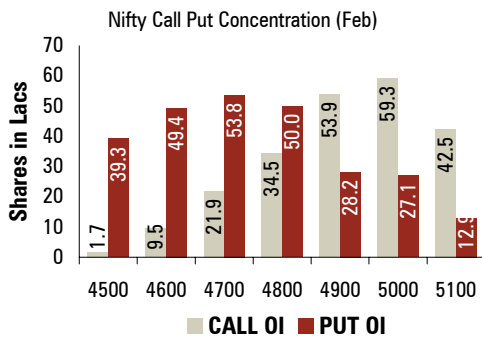


Nifty Futures – OI vs. Price

Nifty Options OI Distribution

Active Nifty Strikes

Strike	Call (%)		Put (%)	
	OI chg	IV	OI chg	IV
4500	-8.4	29.7	-10.8	32.0
4600	43.8	30.2	7.3	30.6
4700	9.4	29.0	9.0	29.5
4800	3.2	27.7	-6.8	28.1
4900	-0.1	26.6	-3.7	26.6
5000	7.5	25.7	-3.0	25.6
5100	2.3	25.4	-4.5	25.0

Open Interest Break-up

Open Interest	Current	Previous	% Chg
Market wide	111178	109128	1.9%
All Futures	48457	47680	1.6%
All Options	62721	61448	2.1%
Stock Futures	30552	29976	1.9%
Stock Options	5080	4830	5.2%

Amount in Rs Crore

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Nifty highlights

	Spot	Fut	COC (%)	Tot Fut OI	PCR OI	PCR Vol	ATM IV (%)
Current	4760	4765	2.0	33505600	1.03	1.04	28.0
Previous	4757	4749	-3.2	33082850	1.02	1.03	27.1
Change (%)	0.1	0.3	-	1.3	-	-	-

Source: NSE, Seediff, ICICIdirect.com Research

Derivative Outlook

- After opening flat, Nifty February Futures tanked to 4667 in the first half of trade, in the second half, the markets saw a smart pullback and made a high of 4806 before closing at 4765
- Nifty February series saw a further addition of 8415 lots in OI on Monday. The discount of 8 points, which was there on Saturday, vanished and the Nifty closed with a premium of 5 Points. The futures volume increased by 3.4% to 762963 lots. All these suggest fresh long positions were added in yesterday's trade
- The option data shows good addition in 4600 and 4700 Puts (6762 and 8920 lots, respectively). However, a closure of 7302 lots was seen in 4800 Put. On the Call side, we saw addition across 4600, 4700, 5000 and 5200 strikes
- On account of sharp swings in the market, IVs of options are still at a high level
- The maximum Put OI base is still at 4700, 4800 Put Strike (5.3 and 5 million shares, respectively) and the maximum Call OI base is still at 5000 and 4900 Call strike (5.9 and 5.3 million, respectively). With a given Put OI base and declining IVs, long positions could be initiated from 4700 levels. However, a decisive move below 4670 could result in IVs shooting up and VIX breaching 31 levels

Institutional Activity

- FII were net sellers to the tune of Rs 935 crore in the cash segment while DII were net buyers to the tune of Rs 381 crore. FII were sellers in index futures as well to the tune of Rs 296 crore

Sector Highlights

- Fertiliser, media, metals, power and technology added maximum OI whereas closure of positions was seen in infrastructure, sugar and textile
- In fertiliser, build up of long positions was seen in Chambal and Nagarjuna Fertilizer
- In banking, we saw build-up of long positions in Bank of Baroda, Allahabad Bank, Uco Bank and Oriental Bank of Commerce
- In realty, (DLF and Unitech) and metal (JSW Steel, Bhushan Steel and Sesa Goa), we saw fresh long addition
- Short closure was seen in SBI, Syndicate Bank, Kotak Bank and Andhra Bank

Stock in focus

- Polaris – The stock has seen long build up in yesterday's session. The stock can show an upside of 3-4% in the coming days
Time frame: 5 trading sessions

Intraday Strategy
i) Chennai Petro (MADREF)
Buy MADREF Feb Fut above 240

 View: Bullish
 Strategy: Buy Future
 Target: 244.10
 Stop Loss: 237.50
 Market Lot: 1800

ii) Tata Power (TATPOW)
Sell TATPOW Feb Fut below 1276

 View: Bearish
 Strategy: Sell Future
 Target: 1245
 Stop Loss: 1300
 Market Lot: 200

Open Interest Gainers

Symbol	OI (shrs)	%Chg	Price	%Price
CHAMBLFERT	7669350	29.2	72.2	7.1
TATAPOWER	1835800	24.9	1276.5	-1.6
ROLTA	2311200	24.7	180.2	-2.6
HINDALCO	23085116	18.3	136.7	-3.3
DABUR	1026000	17.3	175.8	4.2

Open Interest Losers

Symbol	OI (shrs)	%Chg	Price	%Price
OPTOCIRCU	1809480	-24.3	211.5	-0.5
ONGC	1555875	-7.3	1116.7	2.2
HINDUNILVR	13734000	-5.8	236.1	2.1
HOTELEELA	5722500	-5.7	48.4	1.7
CHENNPETRO	1004400	-5.1	240.3	1.5

FII Statistics

Segment	Buy	Sell	Net	OI (lots)	%Chg
Index fut.	1392	1687	-296	650259	-0.2
Index opt.	5132	4421	711	1512666	0.8
Stock fut.	1056	1061	-5	787647	0.7
Stock opt.	1	6	-5	27786	0.6
Total	7580	7175	405	2978358	0.5

Market Turnover

Instrument	No. of Contracts	Turnover	%Chg
Index Futures	909030	20921	6.8
Stock Futures	495417	16695	4.7
Index Options	2206361	53326	1.8
Stock Options	63534	2190	-13.9
F&O Total	3674342	93133	2.9

Turnover in Rs Crore

Top Future Volume Gainers

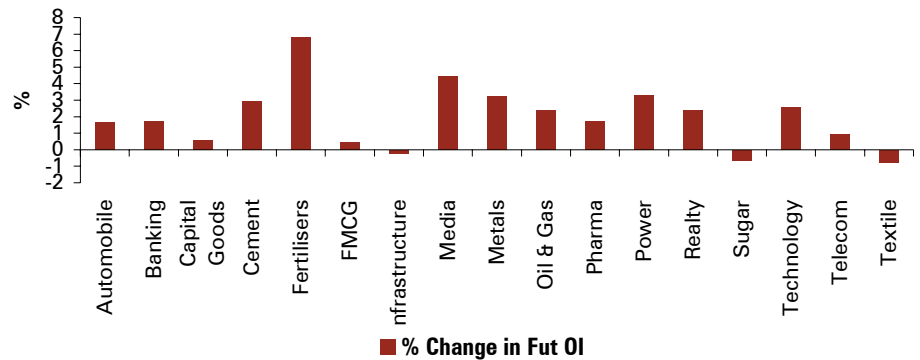
Symbol	FutVol	%Chg	Cash Vol	%Chg Del%
TATASTEEL	33253	35.1	14263921	62.3 35.0
RELIANCE	22403	-21.0	5919146	-13.4 41.9
SBIN	20309	-3.9	1888513	-29.7 18.9
JSWSTEEL	14607	34.4	3549997	53.7 15.1
DLF	14488	-1.5	9021414	-1.1 12.9

Future Volume in OI (lots)

Recent Highlights

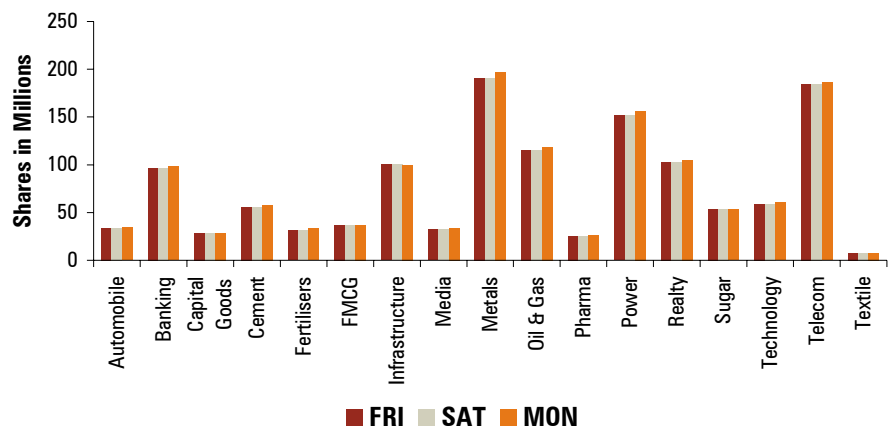
- JSW Steel Sell Future recommendation was given at 975 yesterday. Post recommendation the stock made a low of 948
- Stock in focus Hindustan Construction made a low of 124, down by 6% on Friday

Sector OI Change (Day on Day)



Source: NSE, Seediff, ICICIdirect.com Research

Sector wise OI Trend (last three days)



Source: NSE, Seediff, ICICIdirect.com Research

Top Ten Traded Stock Options

Stock	Expiry	Strike	Option	Price	OI	%OI Chg	IV	IVChg
TATASTEEL	25-Feb	560.0	C	14.1	669264	60	53	11.0
RELIANCE	25-Feb	1020.0	C	20.8	459300	9	37	-1.7
TATASTEEL	25-Feb	580.0	C	9.0	966460	35	54	10.2
IFCI	25-Feb	55.0	C	1.3	12671040	3	59	-0.2
UNITECH	25-Feb	75.0	C	2.5	4558500	9	64	-1.2
RELIANCE	25-Feb	1000.0	C	29.9	200700	39	38	-1.0
RELIANCE	25-Feb	950.0	P	13.5	194100	16,075	37	7.7
HINDALCO	25-Feb	150.0	C	2.1	2008778	5	56	5.6
TATASTEEL	25-Feb	520.0	P	18.6	162732	35	55	-0.8
DLF	25-Feb	320.0	C	11.8	281600	37	58	0.3

Source: NSE, Seediff, ICICIdirect.com Research

- We saw Call buying in 210 Call & 220 Call option of NTPC and 75 Call of Unitech
- We saw Put buying in 500 Put Option of Tata Steel and 960 Put Option of Reliance

Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	Profit/Loss	Comment
8-Feb-10	ZEEENT	Bullish	Long Fut	261.0	265.0	258.5	5600	Target Achieved
8-Feb-10	OPTCIR	Bearish	Short Fut	213.0	208.9	215.1	5304	Profit Booked

Derivatives research – product basket

Directional	Non-directional	Quant products
Long build up/Short covering Futures	Theta & Vega strategies	Pairs trading
Short build up Futures	Delta differential strategy	
High OI stocks – delivery product	Option indicators analysis	
Plain vanilla options	Gamma neutral delta neutral strategy	
Deep Value Strategy	Reverse, Synthetic options & Situational arbitrage	
Hybrid Strategies – Index/Stocks	Opportunity Matrix	
Rollover week product (High/low rollover stocks)	Calendar Spreads	
VWAP(expiry day product)	Ratio Spreads	

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