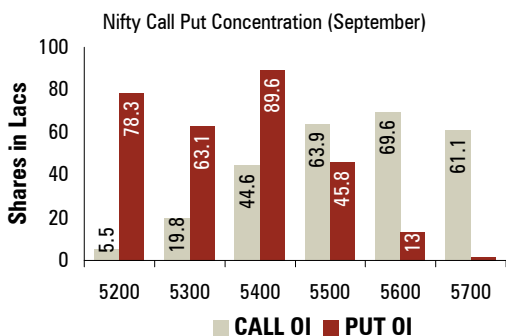


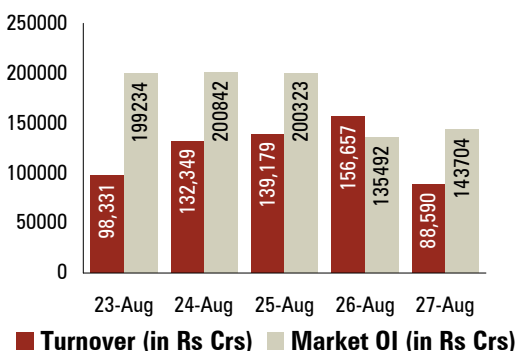
Nifty Options OI Distribution



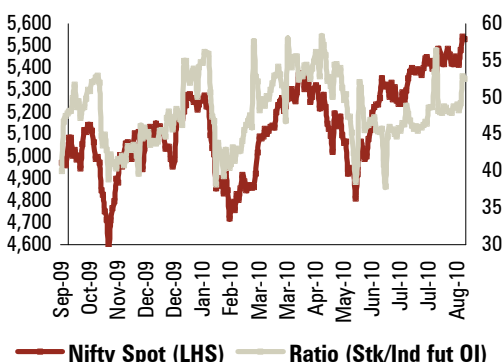
FII Activity

Date	Index Fut Net Buy	Stock Fut Net Buy	Index Opt Net Buy	Cash Net Buy
20-Aug	-781	-133	1752	662
23-Aug	-610	88	2225	318
24-Aug	-1160	-218	2836	191
25-Aug	-888	-288	2554	-365
26-Aug	-238	-217	901	-276

Turnover vs. Market Open Interest



Nifty Spot vs. Ratio of Stock / Index Future OI



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Nifty highlights

Week on week	Spot	Fut	COC (%)	Tot Fut OI	PCR OI	PCR Vol	ATM IV (%)
Current	5409	5416	6.8	33302650	1.45	1.31	17.3
Previous	5531	5520	-12.0	40193900	1.65	1.33	13.7
Change (%)	(2.2)	(1.9)	-	(17.1)	-	-	-

Source: NSE, Seediff, ICICIdirect.com Research

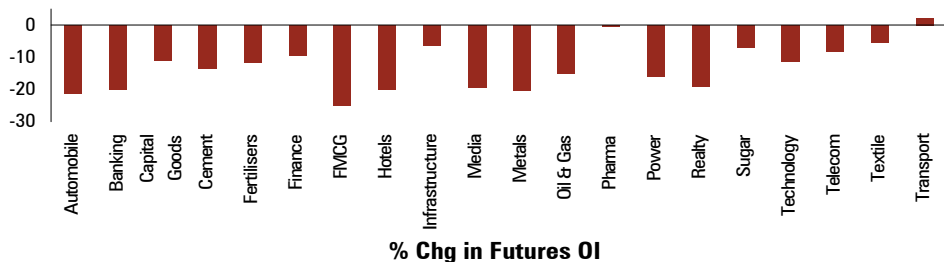
Derivative Outlook

- As stated in the last report, the August series expiry happened near 5500 levels. However, the last hour of trade in Friday's session saw the Nifty reeling under selling pressure breaching 5400 and finally managing to close above 5400 levels, tanked over 150 points for the week. Weak US economic data and traders lightening their positions before the Fed chief's Speech and Q2 GDP data are a plausible explanation for the nervousness in Friday's trade
- With September series being a comparatively long expiry, expect India VIX to test 20 levels (which was last seen on July 21, 2010). The view is further reaffirmed by CBOE VIX, which is trading above mean and still inching upwards
- For the September series, highest Put OI is seen at the 5400 Put of 8.96 million shares and 5200 Put. For Calls, highest OI base is seen at 5600 Call of 6.97 million shares, closely followed by 5500 Call with OI of 6.39 million shares. Based on OI build up and PCR, 5360 is a critical support level. If PCR at 5400, which is at 2.01 holds and improves, then we may see a pullback. However, with PCR at 5500 strike at 0.72, the Nifty will face resistance at this level. Global news flows will determine the movement of the market from this level

Sector Highlights

- The top three sector rollovers are identical to the last series with the sugar sector yet again seeing the highest rollover, which was followed by infrastructure, transport, finance and fertilisers. Automobile, textile, banking, FMCG and media showed lowest rollovers

Sector OI change (week on week)



Source: Company, ICICIdirect.com Research

Weekly Strategy

i) Nifty Hybrid

Sell 1 lot Oct 5000 Put at 60
and Sell 2 lots Oct 5700 Call at 43

View: Range Bound

Max Profit: Rs 7300 Max Loss: Unlimited

Stop Loss: Below 5300 and above 5580 spot

LBEP: 4854 HBEP: 5846

ii) ONGC (ONGC)

Buy ONGC Sept Fut above 1305

View: Bullish

Strategy: Buy Future

Target : 1345

Stop Loss: 1280

Market Lot: 250

Strategy Follow-up

Date	Underlying	View	Strategy	Reco	Target	SL	Profit/Loss	Comment
23-Aug-10	Nifty	Range	Sell C/P	112	82	132	-1000	Stop loss triggered
23-Aug-10	IDFC	Bullish	Buy Future	185	196.0	181.0	-8000	Stop loss triggered

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 (Long/Short rollover stocks)	Calendar Spreads	
VWAP(expiry day product)	Ratio Spreads	

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