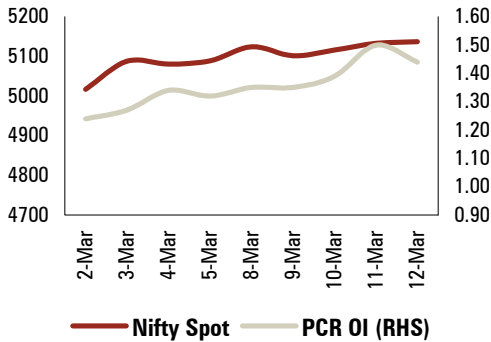
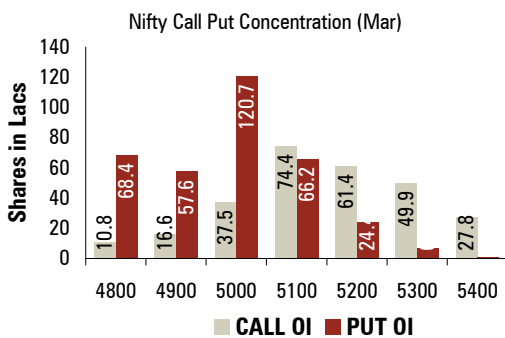
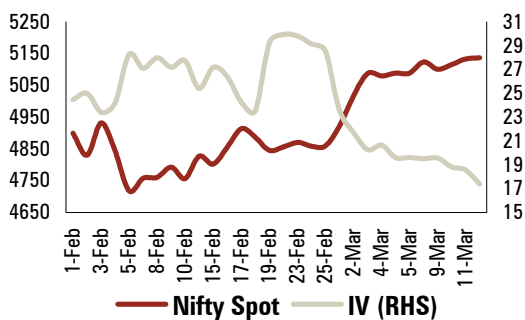


Nifty Spot vs. PCR Open Interest

Nifty Options OI Distribution

Active Nifty Strikes (week on week)

Strike	Call (%)			Put (%)		
	OI chg	IV	IV chg	OI chg	IV	IV chg
4800	-14.7	19.0	-5.9	11.4	23.0	0.5
4900	-16.8	18.5	-2.0	20.8	20.8	-0.4
5000	-12.5	17.7	-2.6	73.9	19.1	-0.6
5100	7.6	16.1	-2.9	85.9	16.9	-1.4
5200	39.0	15.3	-3.2	255.2	15.1	-2.2
5300	45.4	15.1	-3.3	2.9	14.2	-2.5
5400	49.2	14.7	-3.2	223.7	11.8	-9.3

Nifty Spot vs. Implied Volatility

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Nifty highlights

Week on week	Spot	Fut	COC (%)	Tot Fut OI	PCR OI	PCR Vol	ATM IV (%)
Current	5137	5145	4.2	28224150	1.44	0.89	17.4
Previous	5089	5088	-0.4	27708350	1.32	1.38	19.6
Change (%)	0.9	1.1	-	1.9	-	-	-

Source: NSE, Seediff, ICICIdirect.com Research

Derivative Outlook

- The Nifty opened the week on a strong note but gave up the gains on Tuesday. The following index movement has been in the range of 5090-5170 with a positive bias. Market participants waited for the IIP data, which came in line with expectations on Friday
- The near month Nifty future saw an unwinding of 3633 lots in OI over the week whereas the mid-month Nifty Futures added 11,456 lots. Also, the cost of carry turned positive to 4.2% from the previous week's discount of -0.4%. It suggests that the Nifty moved up mostly due to short covering in near month contracts
- The Volatility Index (VIX) continued its downward slide and closed at an all-time low of 19.70%. Market participants should be watchful at current levels as any up move in volatility may trigger downsides in the markets. Volatility has a strong inverse correlation with markets
- The PCR-OI has again surged from 1.32 to 1.44 on account of heavy accretion in Nifty March 5000 and 5100 Puts. The Nifty March 5000 Put has seen an abnormally high build up of 1.2 crore, which suggests the Nifty has strong support at 5000. Nifty March 5100 PCR-OI was low at 0.53 at the start of the week. It has continuously moved up to 0.90 creating 5100 as a good intermediate support. Also, aggressive short covering in Nifty March Futures near 5100 in the last two sessions of the week provided upside momentum till 5170. Thus, we expect the Nifty to trade in the broad range of 5000-5200 in the coming week
- FIs continued their aggressive buying spree throughout the week, whereas DIs were found on the selling side of trade in all trading sessions
- The turnover has remained sluggish during the week suggesting lack of conviction about the market trend among participants

Sectoral Highlights

- Automobile, FMCG and sugar sectors have seen substantial addition in OI. On the other had, we saw closure only in hotels and transport
- In the automobile space, short positions were formed in Maruti and Tata Motors. However, Hero Honda witnessed addition of long positions
- In the FMCG space, ITC witnessed long addition. However, HUL slid on the back of short build-up. In the sugar sector, we saw heavy selling across the board, after the collapse in international sugar prices.

Weekly Pick

- Cairn – The stock has seen sustained OI accumulation, with decent short covering on Friday. We expect the stock to show an upside of 4-5% in the coming days
Time frame: 10 trading sessions

Weekly Strategy
i) Nifty Hybrid

**Sell 1 lot Apr 5100 Put at 122
 and Sell 1 lot Apr 5100 Call at 165**

View: Range Bound
 Max Profit: Rs 14350 Max Loss: Unlimited
 Stop Loss: Below 4920 and above 5260 spot
 LBEP: 4813 HBEP: 5387

ii) BHEL(BHEL)

Sell BHEL Mar Fut below 2390

View: Bearish
 Strategy: Sell Future
 Target: 2335
 Stop Loss: 2410
 Market Lot: 150

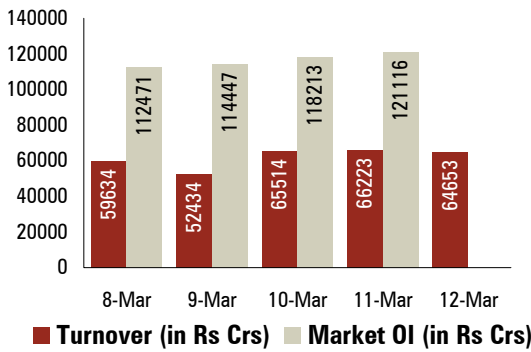
Open Interest Gainers (week on week)

Symbol	OI (shrs)	%Chg	Price	%Price
OPTOCIRCUI	1817640	53.4	215.6	-3.8
MCLEODRUSS	1926900	42.8	249.3	5.6
CROMPGREAV	2159500	35.4	247.0	-43.4
FORTIS	3740100	34.5	181.5	5.9
ALBK	2954700	33.9	146.0	4.3

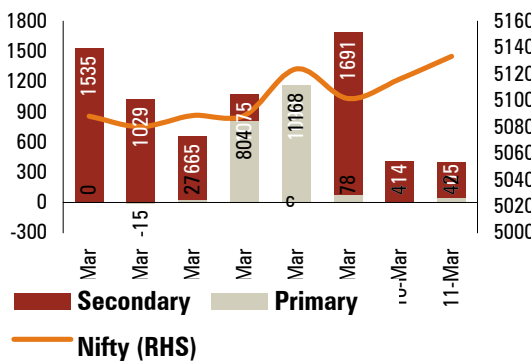
Open Interest Losers (week on week)

Symbol	OI (shrs)	%Chg	Price	%Price
TATACHEM	1557900	-72.2	304.8	8.0
RECLTD	13975650	-40.4	243.3	3.7
GAIL	2838375	-17.6	418.4	2.3
TATACHEM	1557900	-16.2	304.8	-1.2
SIEMENS	1121232	-13.7	736.7	3.5

Turnover vs. Market Open Interest

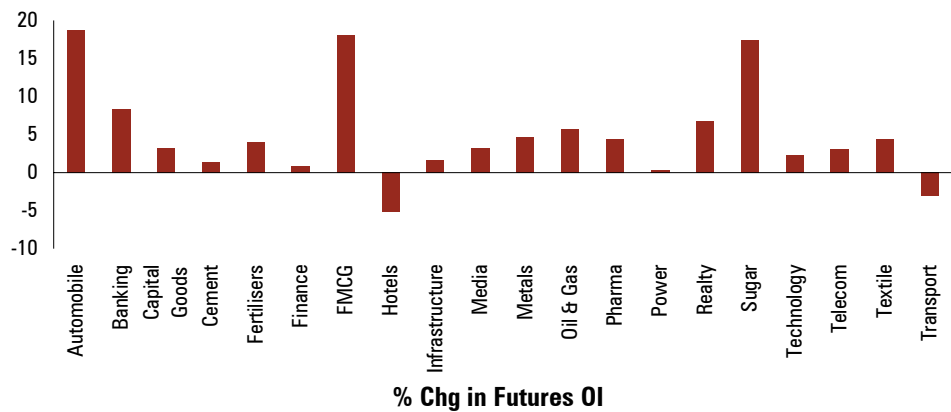


FII Inflow vs. Nifty Spot



Source: NSE, SEBI, ICICIdirect.com Research

Sector OI Change (week on week)



Source: NSE, Seediff, ICICIdirect.com Research

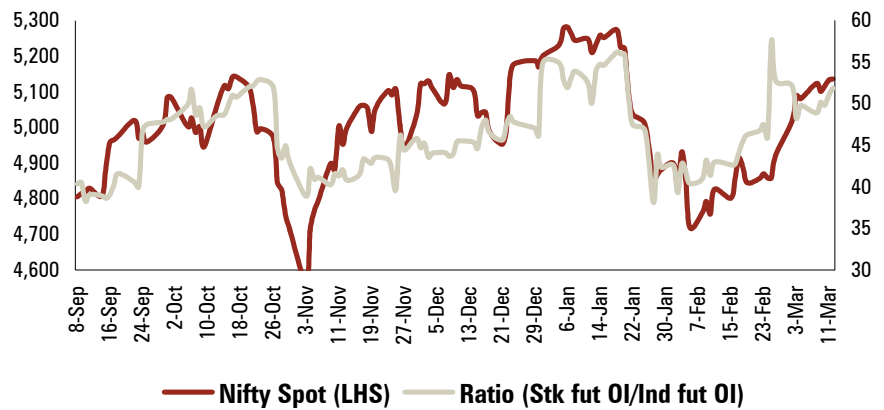
Institutional Activity

Date	FII		MF	
	Net Index Fut	OI (%chg)	Net Index Opt	OI (%chg)
8-Mar	287.0	0.9	495.0	1.4
9-Mar	24.0	0.7	254.0	2.1
10-Mar	335.0	0.6	94.0	4.8

Source: NSE, SEBI, ICICIdirect.com Research

Amount in Rs Crore

Nifty Spot vs. Ratio of Stock Future OI / Index Future OI



Source: NSE, Seediff, ICICIdirect.com Research

Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	Profit/Loss	Comment
8-Mar-10	NIFTY	Range Bound	Neutral	4922.0	4900.0	5,200.0	1150	Profit Booked
8-Mar-10	UTIBAN	Bearish	Sell Fut	1105.0	1085.0	1117.1	-	Not initiated

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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