



Derivative Insights

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F&O OUTLOOK

REVIEW: Nifty index futures closed 0.53% higher at 11122.95 on Friday. Open interest declined by 5.7 lakh contracts indicating short covering while premium closed lower at 13.3 from 31.5. Breaking the streak of alternative days of Call writing and Put writing, Nifty options witnessed decline of open interest from both Calls and Puts yesterday. Both Calls and Puts shed open interest by 18.2% and 18.8% respectively which ensured that PCR OI moved hardly and closed at 1.24 from 1.25. India VIX closed marginally lower at 15.84 from 16.09.

Fills remains cautious

Fills persisted with addition of shorts in index futures on Friday. Net exposure in shorts rose by 5110 contracts and total long exposure in index futures closed at a meagre 25%. However, activity in index options was focussed in the addition of Call longs and Put shorts. Net synthetic long exposure rose by 21281 contracts and synthetic longs now holds 50% of the open interest in index options. Ironically, stock futures have started to witness addition of shorts, where they reduced 18879 contracts. However, for the moment they have not started to dump long positions which still holds 61% of the total exposure.

NIFTY OUTLOOK: Strong support seen at 10800 and 10600 on a short term scenario

Covering of Call shorts from strikes between 11000 and 11300 was aided by the positive moves in the index. On the other hand, quantum of activity is still concentrated at 10800 and 10600 Put strikes which suggests that these are the major support levels of the index. Activity still focussed in the deep OTM strikes may be suggestive of the potential emergence of volatility at any time.

FII F&O Investment (Cr.)

	Change 1D	Change MTD	Change YTD
Derivative	-3282	7891	338673
Index Futures	-541	-5742	-43057
Index Options	-2517	9749	316058
Stock Futures	-315	3671	61043
Stock Options	91	212	5787

Put - Call Ratio

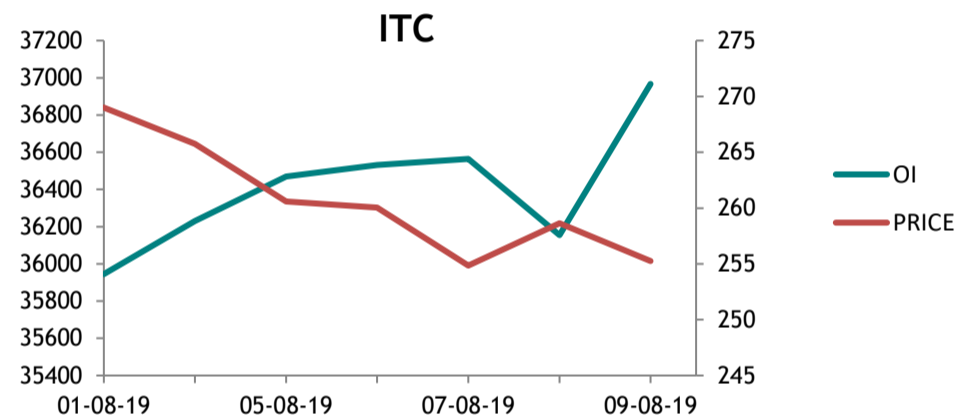
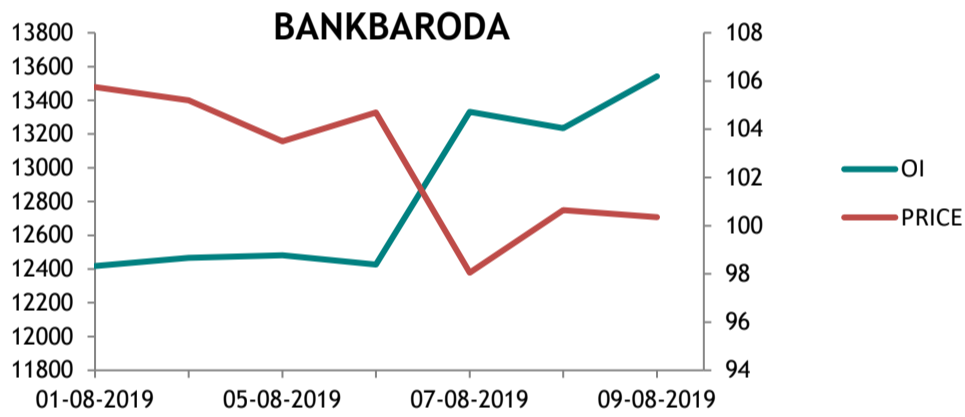
Indices	Last	-1 Day	-2 Day
Nifty	0.86	1.02	0.83
BankNifty	0.96	0.96	0.74

Hist. Implied Volatility

Indices	Last	10 Day Avg.	30 Day Avg.
Nifty	14.1	14.2	12.6
BankNifty	16.2	17.1	14.6

Stocks in focus

Future*	Price	Price Change	Future OI	Fut. OI Change	PCR OI	PCR OI Prv.	Comments
BANKBARODA	100.35	↓ -0.30	60939000	1381500	0.53	0.53	Short positions built up
ITC	255.25	↓ -1.31	88720800	1948800	0.69	0.78	Short positions built up



*Aug Series Data

Nifty Option Spectrum

Call							Put							
Comments	IV	Volume	Price	OI	OI%Chg	Price%	Strike	Price%	OI%Chg	OI	Price	Volume	IV	Comments
Short covering		19	912.05	9975	-9.5	2.8	10200	-40.8	-28.6	395400	7.85	10333	20.53	Long unwinding
Short covering		211	820	18300	-16.4	3.2	10300	-38.7	8.1	573525	10.45	8914	19.44	Short addition
Short covering	14.0	166	742.4	15675	-29.9	6.3	10400	-36.4	-4.2	673050	14.05	13944	18.91	Long unwinding
Short covering	15.5	866	633.3	279600	-8.1	5.3	10500	-30.0	-3.1	1733325	19.95	33662	18.09	Long unwinding
Short covering	15.8	852	553.7	63600	-31.7	7.6	10600	-28.2	11.5	1407600	27.2	25631	17.48	Short addition
Short covering	15.3	1417	455	100725	-27.4	8.0	10700	-25.7	-1.5	2299950	39.1	32308	16.91	Long unwinding
Short covering	14.9	4254	371.35	407025	-13.0	13.6	10800	-23.9	11.1	2412150	54.25	63524	16.25	Short addition
Short covering	14.3	9688	291.7	1059750	-11.0	14.3	10900	-22.4	-15.3	1254150	73.3	53666	15.44	Long unwinding
Short covering	14.4	36485	224.55	2079375	-9.2	16.8	11000	-20.9	-2.1	3330525	101.85	82562	14.96	Long unwinding
Short covering	14.1	852	194.1	26550	-31.1	22.0	11050	-19.1	15.7	87525	117.9	2758	14.29	Short addition
Short covering	13.8	44033	161.1	1159350	-10.2	20.8	11100	-18.2	28.6	1097625	138.45	49340	14.42	Short addition
Long addition	13.5	4760	132.75	90075	36.9	18.7	11150	-17.8	227.2	36075	161.35	2969	14.05	Short addition
Short covering	13.5	68263	111.05	1501500	-13.1	24.1	11200	-16.6	3.7	1491900	188.05	21986	13.95	Short addition
Short covering	13.2	71029	70.9	1545225	-15.8	24.7	11300	-14.4	3.3	744600	244.6	10374	13.37	Short addition
Short covering	13.1	53322	44.1	1236975	-15.5	32.0	11400	-13.3	1.8	464475	317.8	3165	13.47	Short addition
Long addition	13.1	60974	25.8	2395200	1.8	23.2	11500	-11.6	-3.4	793350	395	5274	12.64	Long unwinding
Short covering	13.3	27630	15.2	1111875	-1.5	24.1	11600	-8.5	-4.0	233775	481.7	521	12.17	Long unwinding
Long addition	13.3	18981	8.55	1340325	3.3	25.7	11700	-7.4	-0.3	394500	572.75	189	12.17	Long unwinding
Short covering	14.3	7231	6.4	896550	-4.6	26.7	11800	-7.9	-1.6	290400	666.05	221		Long unwinding
Short covering	15.1	3557	4.95	586950	-2.9	7.6	11900	-4.4	0.5	83550	775	70		Short addition
Long unwinding	16.1	6440	4	1346850	-2.0	-8.0	12000	-5.9	-4.8	543000	862.6	881		Long unwinding

Stock Futures

Long buildup

Scripcode	Prc%	OI%
BALKRISIND	5.23	5.30
JUSTDIAL	4.93	0.30
SRTRANSFIN	3.50	1.29
MCX	3.28	9.60
NIITTECH	3.06	2.15

Short buildup

Scripcode	Prc%	OI%
NMDC	-0.20	0.93
INDUSINDBK	-0.21	0.23
BANKBARODA	-0.30	2.32
DRREDDY	-0.36	0.06
OIL	-0.40	0.14

Long Unwinding

Scripcode	Prc%	OI%
PETRONET	-0.04	-1.31
HINDZINC	-0.05	-3.21
ONGC	-0.08	-3.95
CESC	-0.11	-0.84
AXISBANK	-0.12	-1.49

Short covering

Scripcode	Prc%	OI%
IBULHSGFIN	13.53	-4.17
MOTHERSUMI	8.82	-7.56
M&MFIN	5.38	-0.74
UJJIVAN	5.03	-0.06
L&TFH	4.35	-1.18

Stock Options

IV gainers

Scripcode	IV	IV %Chg 10D
DHFL	147.65	118.74
NBCC	92.25	114.17
SAIL	73.42	77.64
CUMMINSIND	39.39	64.44
ULTRACEMCO	34.59	38.76

IV losers

Scripcode	IV	IV %Chg 10D
ADANIANT	50.94	62.69
BOSCHLTD	20.78	43.87
TVSMOTOR	35.54	42.83
MINDTREE	33.32	40.14
BAJAJFINSV	24.81	32.98

Data source: Bloomberg, NSE

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CORPORATE OFFICE:

Geojit Financial Services Limited ,34/659-P, Civil Line Road, Padivattom, Kochi - 682024
Toll-Free Number : 1800-425-5501 / 1800-103-5501, Paid Number : 91 - 484 - 2901000
Email id :customercare@geojit.com, Web: www.geojit.com