

Indices' Snapshot

	Previous week	This week	Change	%Chg
Nifty	4529.50	4430.70	-98.8	-2.18
Sensex	15167.82	14724.18	-443.64	-2.92
Bank Nifty	6447.50	6030.05	-417.45	-6.47
NiftyMidcap50	2242.90	2185.55	-57.35	-2.56
CNX IT	3916.40	3907.40	-9	-0.23
Junior	7465.40	7173.60	-291.8	-3.91

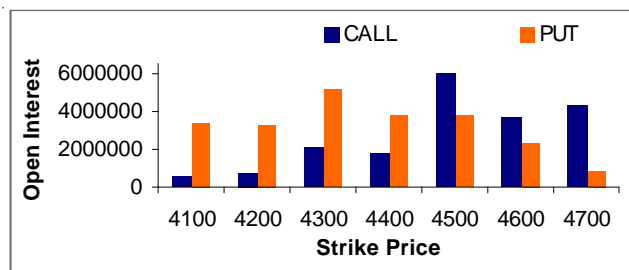
Futures LTP (Aug)

Nifty	4548	4438	-110	-2.42
Bank Nifty	6446	6065	-381	-5.91
NiftyMidcap50	2229.15	2205.10	-24.05	-1.08
CNX IT	3945.9	3918	-27.9	-0.71
Junior	7250	7250	0	0.00

Cost of Carry (% annualized)

Nifty	8.24	4.12	-4.12
Bank Nifty	0.42	5.93	5.51
NiftyMidcap50	-13.05	22.95	36
CNX IT	16.03	11.80	-4.23
Junior	-52.63	22.65	75.28

Nifty Options OI Distribution



	Last Week	This Week	Change	% Change
--	-----------	-----------	--------	----------

Nifty Put Call Ratio (OI)

Call OI	27390850	33131150	5740300	20.96
Put OI	36040300	38093700	2053400	5.70
PCR	1.32	1.15	-0.17	-12.62

Open Interest (No. of Shares)

Nifty	33417950	33883050	465100	1.39
Bank Nifty	325700	322950	-2750	-0.84
NiftyMidcap50	225	375	150	66.67
CNXIT	27500	29650	2150	7.82
Junior	200	325	125	62.50

FII's Weekly Derivative Statistics 13.08.08

	Buy		Sell		Open Interest as on 13.08.08		Open Interest as on 07.08.08		Change in FIIs Open Interest (W-o-W)	
	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.
Index Futures	216092	4922.51	275625	6256.82	654699	14841.46	652274	14722.08	2425	119.38
Index Options	120980	2663.4	99200	2193.92	917428	20775.39	817936	18501.1	99492	2274.29
Stock Futures	87671	1619.17	133104	2491.22	984687	18436.93	926796	17559.66	57891	877.27
Stock Options	2938	50.93	2050	43.94	44230	775.08	40052	689.04	4178	86.04
TOTAL	427681	9256.01	509979	10985.9	2601044	54828.86	2437058	51471.88	163986	3356.98

Source: NSE

Market Activity

This week Nifty opened Positive; but thereafter it took resistance at higher levels and corrected sharply to give a weekly close at 4430.70 with a loss of 98.80 points (2.18%) from its previous weeks close. Major Gainers for the week were Bajaj Holding, Polaris, IRB, Network 18 and Cairn. Losers were HDIL, IDBI, Bombay Dyeing, Bank of Baroda and DLF.

FIIs remained net Sellers in Index futures to the tune of 59533 contracts and have added 2425 contracts in OI. They remained net Buyers in Index options to the tune of 21780 contracts and the OI has increased by 99492 contracts. In stock futures however they were net Sellers to the tune of 45433 contracts and have added 57891 contracts in OI.

Market Outlook:

The Aug futures cost of carry for the Nifty stood at 4.12 % Positive against a 8.24 % Positive for the last week. Nifty Aug Futures traded at a Premium of 5 - 10 Points. The IV of Nifty this week decreased from 33 - 34 % to 30 - 31 %. And on a week on week basis Nifty added 4.65 lac shares (1.39%) in Open Interest.

Open Interest (OI) Analysis:

Short OI was seen in Bombay Dyeing (26%), HDIL (40%), IDBI (18%) and IDFC (19%). Hence we would advise clients to avoid going long on these stocks.

Long OI Build up was witnessed in Network18 (18%) and Polaris (26%). Hence we expect these stocks to show further upside move

Contd...

Put Call Ratio Analysis:

The Put Call Ratio of Nifty decreased from 1.32 to 1.15. On w-o-w basis Nifty Call options added 57.40 Lakh shares (20.9%) and Put options added 20.5 Lakh shares (5.7%) in OI.

On Friday most of the incremental Call additions took place at strikes of 4500(5.97L) shares and 4600(3.177L) On the total Call OI front maximum open interest now stands at 4500 strike (60L) followed by 4700 strike(43.46L). Thus the immediate resistance for the Nifty appears to have shifted from 4700 to 4500.

On the Puts Front significant action was seen at 4300 Strike which shed (2.71L) shares followed by 3900 Strike which added (2.09L) .However the highest open interest in Puts is at 4300 Strike stands at (51.06L) followed by 4000 strike (48.54L) and 4400 strike (37.7L). Hence on the downside Nifty has immediate support at 4400 and it has strong support at 4300 levels on an end of day basis.

Cost of Carry (CoC):

Turned Positive: Cipla, Hind Oil Exp and Tata Steel.

Turned Negative: ACC, Ashok Leyland, Hindalco, ICICI Bank, LIC HSG Fin, NTPC, Ranbaxy, Sail, Satyam and Unitech.

Derivative Strategy Recommendations

Date	Scrip	View	Strategy	Action	Maximum Profit	Maximum Risk	Current Price	Profit/Loss (Rs.)	Remarks
31.07.08	RNRL	Bullish	Bull Call Spread	Buy Aug 100 CA @ 12.3 Sell Aug 120 CA @ 5.40	Rs.23422.80	Rs.12337.20	Aug 100 CA @ 4.9 Aug 120 CA @ 1.25	(Rs.5811)	Hold
31.07.08	Chambal Fert	Bullish	Bull Call Spread	Buy Aug 80 CA @ 5.70 Sell Aug 90 CA @ 2.8	Rs.24495	Rs.10005	Aug 80 CA @ 4.55 Aug 90 CA @ 1.65	(Rs.0)	Hold
06.08.08	JP Associate	Bullish	Buy Call Option	Buy Aug 190 CA @ 11.30	Unlimited	Rs.8475	Aug 190 CA @ 2.85	(Rs.6337.5)	Hold
12.08.08	Nagarjuna Fert	Bullish	Bull Call Spread	Buy Aug 45 CA @ 3.25 Sell Aug 50 CA @ 1.7	Rs.12075	Rs.5425	Aug 45 CA @ 1.55 Aug 50 CA @ 0.55	(Rs.1925)	Hold
13.08.08	Reliance	Bullish	Buy Call Option	Buy Aug 2400 CA @	Unlimited	Rs.4657.50	Aug 2400 CA @ 22.8	(Rs.2947.50)	Hold

Sameer Shetye

Associate Derivative Analyst

sameer.shetye@emkayshare.com

Tel: +91 22 6612 1276

DISCLAIMER

Emkay Global Financial Services Ltd. (Emkay) has two separate independent equity research groups: Institutional Equities and Private Client Group. This document has been prepared by Emkay – Private Client Group (Emkay -PCG). Affiliates of Emkay Institutional Group may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Institutional Equities Research Group of Emkay Share & Stock Brokers Limited. This document is not for public distribution and has been furnished to you solely for your information and any review, re-transmission, circulation or any other use is strictly prohibited. Persons into whose possession this document may come are required to observe these restrictions. This document is subject to changes without prior notice and is intended only for the person or entity to which it is addressed to and may contain confidential information and/or privileged material. We are not soliciting any action based upon this material. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Emkay -PCG. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Emkay-PCG will not treat recipients as customers by virtue of their receiving this report. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable. It should be noted that the information contained herein is from publicly available data or other sources believed to be reliable. Neither Emkay, nor any person connected with it, accepts any liability arising from the use of this document. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Opinions expressed are our current opinions as of the date appearing on this material only. We do not undertake to advise you as to any change of our views expressed in this document. While we would endeavor to update the information herein on a reasonable basis, Emkay, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also there may be regulatory, compliance, or other reasons that may prevent Emkay and its affiliates from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Emkay and its affiliates, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.
Analyst's holding in the stocks mentioned in the report: NIL

Emkay Global Financial Services Ltd.

Member: Bombay Stock Exchange Limited (BSE) and The National Stock Exchange (NSE).

C-6, Ground Floor, Paragon Center, Pandurang Budhkar Marg, Worli, Mumbai – 400 013.

Tel No. 66121212. Fax: 66121299; **E-mail:** marketing@emkayshare.com; **Website:** www.emkayshare.com;

Regn.Nos.PMS-INP 0000 00779; BSE (Cash) INB 010901838; BSE (Derivative) INF 010901838;

NSE (Cash) INB 230901838; NSE (Derivative) INF 230901838; DP CDSL IN-DP-CDSL-58-2000

Call (Tollfree) 1-600-223-434 / 1-800-223-434