

Derivatives Update

February 2006



NSE

Leadership through change



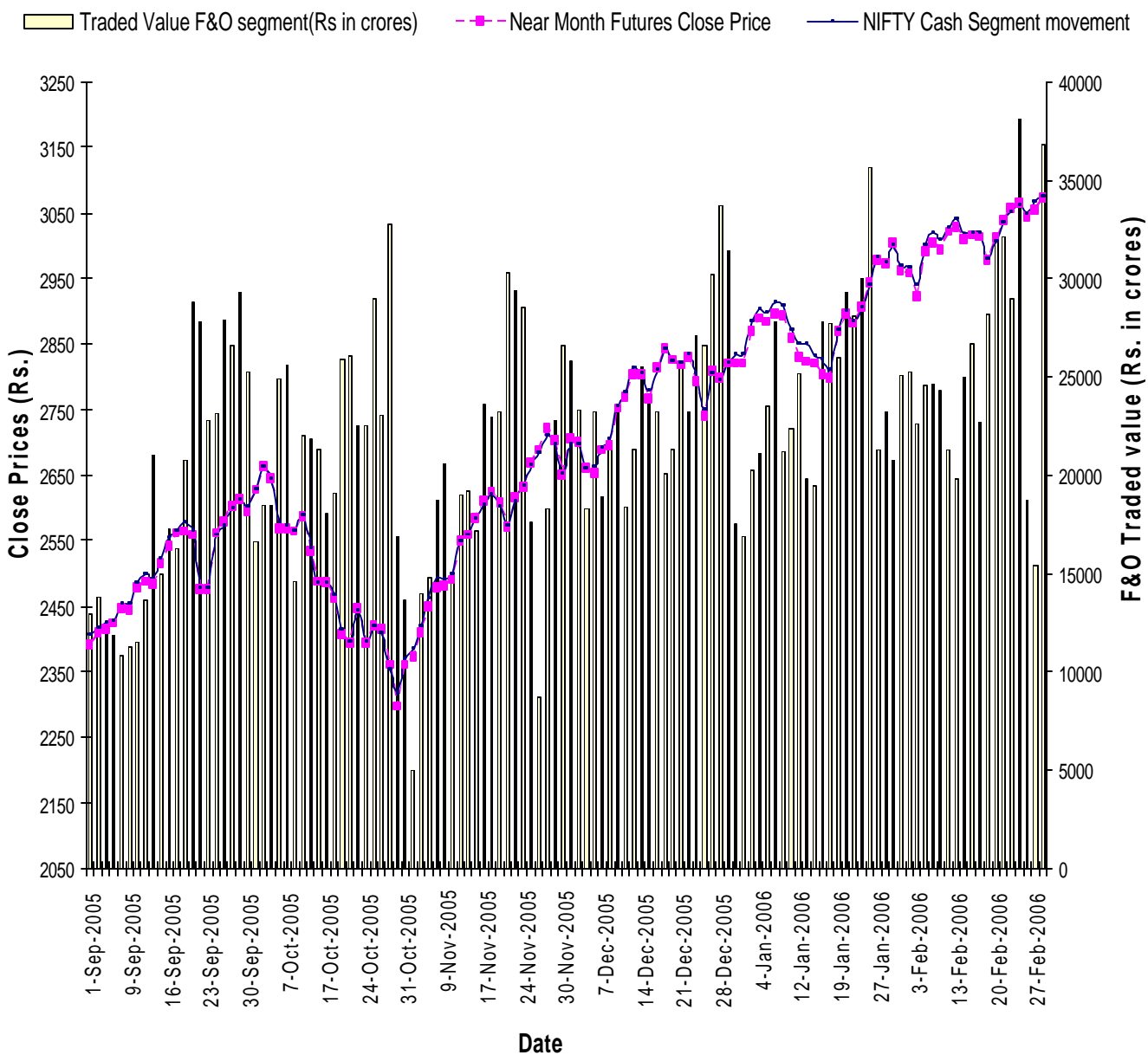
INDEX OF DERIVATIVES UPDATE

1. OVERVIEW OF THE F&O SEGMENT – SEPTEMBER 2005 TO FEBRUARY 2006	
1.1 Comparison of the NIFTY Contract, NIFTY Index & Daily Traded value	3
1.2 Records Achieved	4
1.3 Month wise Basic Statistics	4
1.4 Month wise Product wise Traded Value Analysis	6
1.5 Institutional, Retail & Proprietary Investors – Turnover Analysis	7
1.6 Summary of Members' Trading Activity	7
1.7 Value wise contribution of the Top Members	8
1.8 Comparative analysis of the Traded Value in the F&O and Cash Segments	9
1.9 Month wise Product wise Basic Statistics	10
1.10 Comparative Analysis – World Exchanges (January 2006)	11
2. FUTURES SEGMENT (FEBRUARY 2006)	
2.1 Top 5 Traded Symbols	11
2.2 Top 5 most active futures contracts	12
2.3 Top 5 Symbols by Open Interest as on expiry (February 23, 2006)	12
2.4 Cost of Carry (in percentage) for Near Month Contracts	13
3. OPTIONS SEGMENT (FEBRUARY 2006)	
3.1 Top 5 Traded Symbols	14
3.2 Top 5 most active options contracts	14
3.3 Options Exercises – Analysis	14
3.4 Top 5 Symbols by Open Interest as on expiry (February 23, 2006)	15
3.5 Put Call Ratios	16
4. ADDITION, REMOVAL & QUARTER SIGMA VALUES	18



1. Overview of the F&O Segment – September 2005 to February 2006

1.1 Comparison of the close prices of the NIFTY Near Month Futures Contract (F&O Segment) with the underlying movement of the NIFTY Index (Cash Segment), along with the Daily Traded value of the F&O Segment:



Note – BCP Live Trading – November 26, 2005
Muhurat trading on November 01, 2005



1.2 Records Achieved in the F&O Segment:

Product	Traded Value (Rs. in crores)	Date
Index Futures	12,992	28-Feb-06
Stock Futures	26,257	23-Feb-06
Index Options	3,079	26-Dec-05
Stock Options	2,306	17-Jan-06
Interest Rate Futures	140	24-Jun-03
Total F&O Traded Value	38,165	23-Feb-06
Open Interest on Contract Expiry (number of contracts)	13,10,179	23-Feb-06

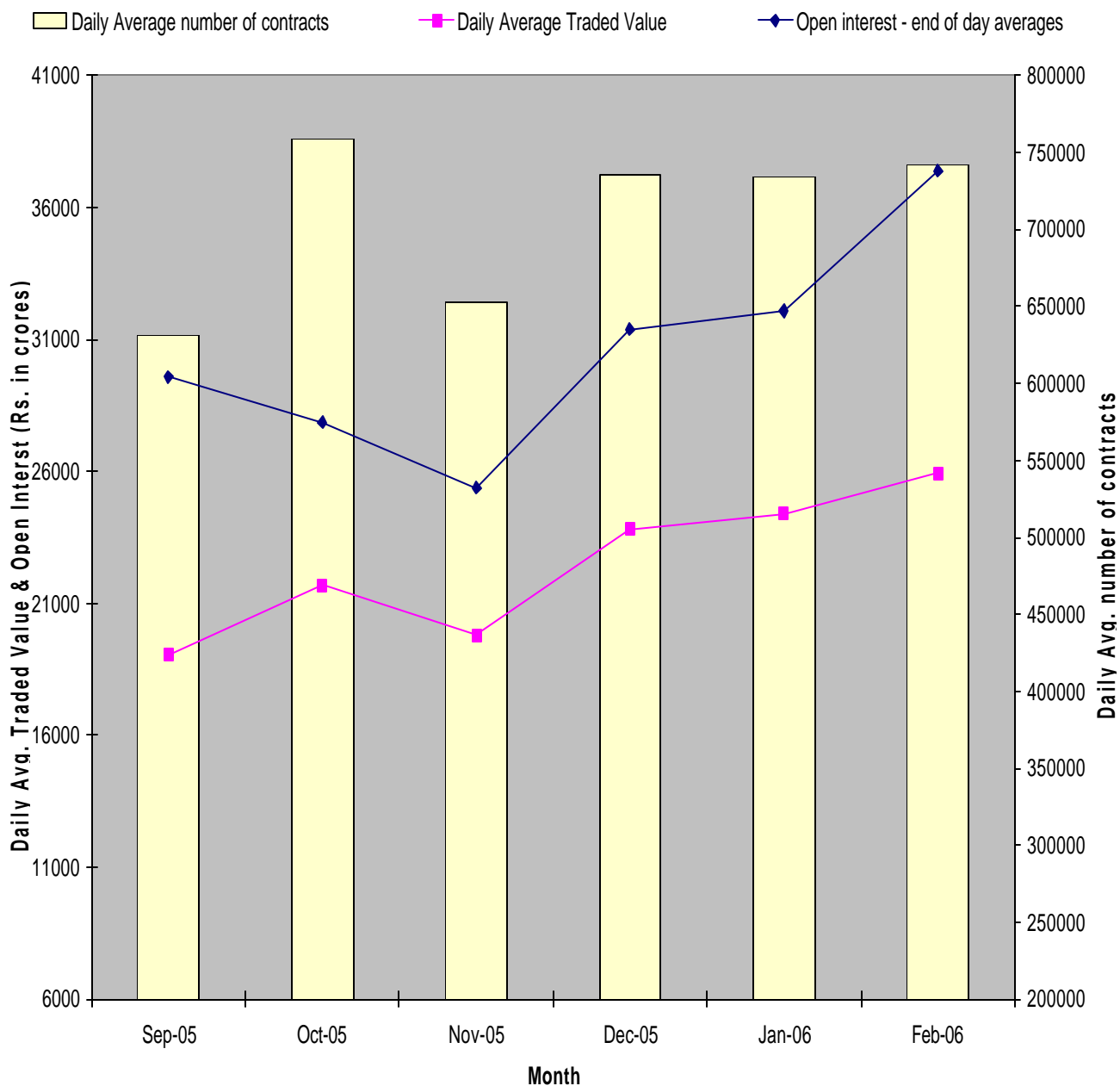
1.3 Monthwise Basic Statistics of the F&O Segment:

Particulars	Sep 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006
Traded Value (Rs in crores)						
Total	3,99,756	4,33,660	3,95,853	5,23,807	4,87,584	4,92,672
Daily Average	19,036	21,683	19,793	23,809	24,379	25,930
Number of Contracts						
Total	1,32,53,741	1,51,76,424	1,30,55,656	1,61,81,118	1,46,81,719	140,98,382
Daily Average	6,31,131	7,58,821	6,52,783	7,35,505	7,34,086	7,42,020
Open Interest (Rs in crores)						
End of day averages	29,579	27,870	25,377	31,376	32,082	37,377
% of Open interest to Daily Average Traded value	155	129	128	132	132	144

It may be observed from the above table that during February 2006 average daily figures for volumes & contracts traded have increased compared to the previous months. The ratio of average open interest to average traded value has increased from 132 % in January 2006 to 144% in February 2006.



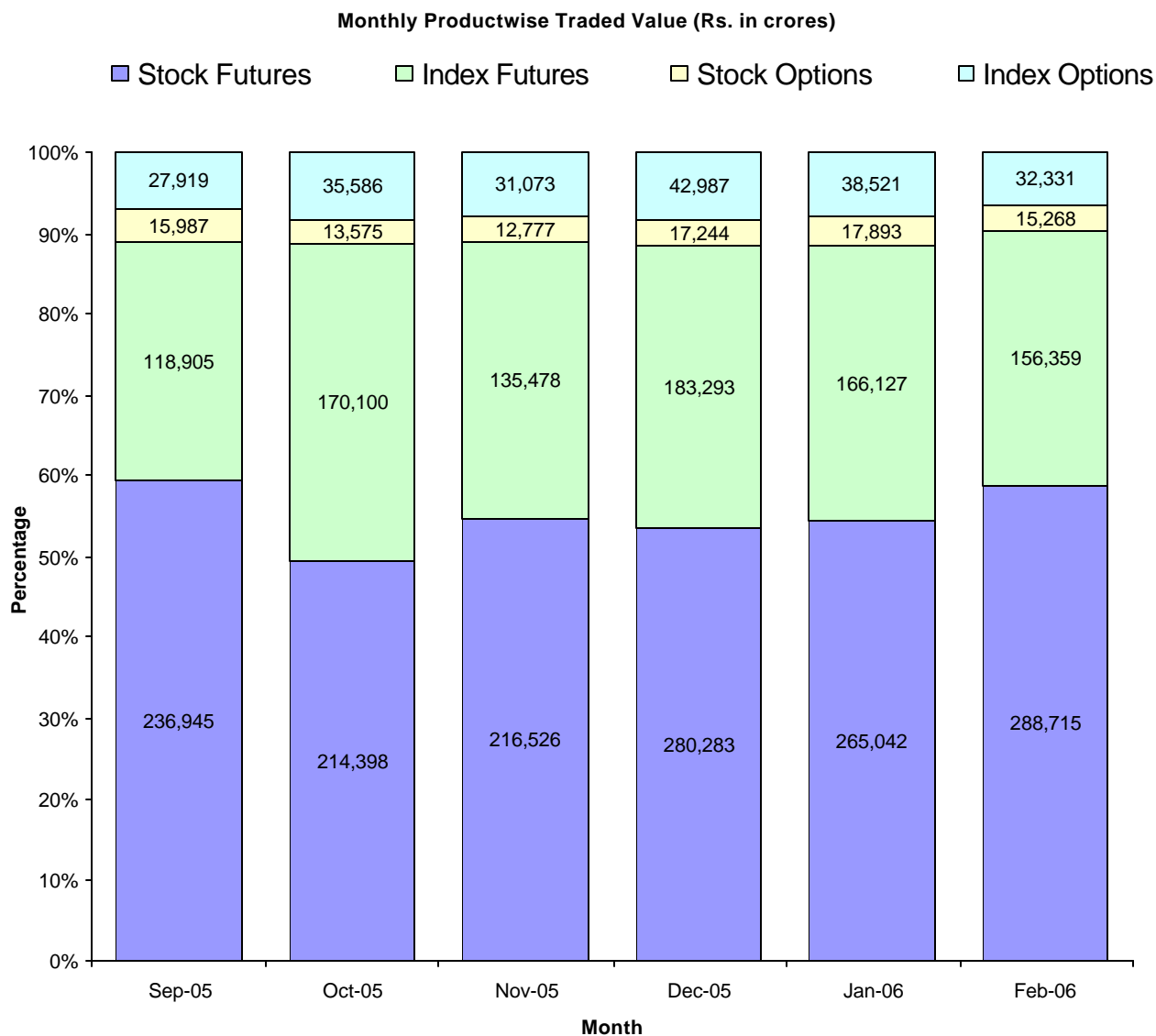
Following is the graphical representation of the above data w.r.t. the Daily Average of Traded Value & Number of Contracts, and Open Interest.





1.4 Month wise Product wise Traded Value Analysis:

A graphical representation of the month wise product wise turnover in the F&O Segment for the period September 2005 to February 2006 is as below:



From the above graphical representation, it may be observed that during February 2006, the proportion of Futures products increased from 88% to 90% compared to the previous month. It may also be observed that proportion of stock products has increased in this month as compared to index products from 57 % in January 2006 to 62% in February 2006.



1.5 Institutional, Retail & Proprietary Investors – Turnover Analysis:

No	Month	Institutional investors		Retail		Proprietary	
		Gross Traded Value (Rs in crores)	Percentage Contribution	Gross Traded Value (Rs in crores)	Percentage Contribution	Gross Traded Value (Rs in crores)	Percentage Contribution
1	Sep 05	55,575	6.95	4,93,750	61.76	2,50,187	31.29
2	Oct 05	67,961	7.84	5,19,302	59.87	2,80,058	32.29
3	Nov 05	56,340	7.12	4,92,086	62.15	2,43,280	30.73
4	Dec 05	65,786	6.28	6,55,110	62.53	3,26,719	31.19
5	Jan 06	74,215	7.61	6,16,350	63.20	2,84,603	29.19
6	Feb 06	82,388	8.36	6,24,122	63.34	2,78,835	28.30

It may be observed that contribution to total turnover by Institutional Investors has increased in value and proportion during February 2006. The contribution of retail trades has increased from 62.20% in January 2006 to 63.34% in February 2006.

1.6 Summary of Members' Trading Activity:

1.6.1 Total Turnover (F&O Segment)

Month	Number of Members					
	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06
Upto Rs. 10 crores	28	32	26	24	24	29
Rs. 10 crores upto Rs. 50 crores	76	80	90	68	73	72
Rs. 50 crores upto Rs.250 crores	146	141	151	147	165	172
Rs. 250 crores upto Rs.500 crores	103	113	103	100	89	94
Rs. 500 crores upto Rs.1000 crores	99	89	91	103	111	102
Rs. 1000 crores and more	187	193	191	219	205	207

It may be observed that the maximum number of members is observed to be trading in the category of 'Rs. 1000 crores and more'.

1.6.2 Total Turnover (Futures sub segment)

Month	Number of Members					
	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06
Upto Rs. 10 crores	32	34	26	27	27	31
Rs.10 crores upto Rs.50 crores	82	84	98	71	78	76
Rs.50 crores upto Rs.250 crores	153	149	160	159	173	179
Rs.250 crores upto Rs.500 crores	99	116	100	95	90	94
Rs.500 crores upto Rs.1000 crores	102	84	92	105	106	93
Rs 1000 crores and more	171	181	176	204	193	203



It may be observed that, the maximum numbers of members have been trading in the category of 'Rs. 1000 crores and more'.

1.6.3 Total turnover (Options sub segment)

Month	Number of Members					
	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06
Upto Rs. 10 crores	280	280	289	266	271	291
Rs.10 crores upto Rs.50 crores	150	172	161	160	160	179
Rs.50 crores upto Rs.250 crores	146	124	135	146	158	139
Rs.250 crores upto Rs.500 crores	21	30	29	39	36	29
Rs.500 crores upto Rs.1000 crores	24	23	21	24	18	19
Rs 1000 crores and more	18	19	17	26	24	19

The maximum number of members is observed to be trading in the category of 'Upto Rs. 10 crores'. It may also be observed that, the number of members have been constantly increasing in the categories Rs 10 crores upto Rs 50 crores.

1.7 Value wise contribution of the Top Members:

1.7.1 Futures sub segment

Month	Percentage contribution to sub-segment turnover					
	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06
Top 5 Members	12	12	12	12	12	14
Top 10 Members	20	20	20	20	20	22
Top 15 Members	27	28	27	26	26	29
Top 25 Members	37	38	37	36	36	39

It may be observed that, there has been no significant change in the contribution pattern.

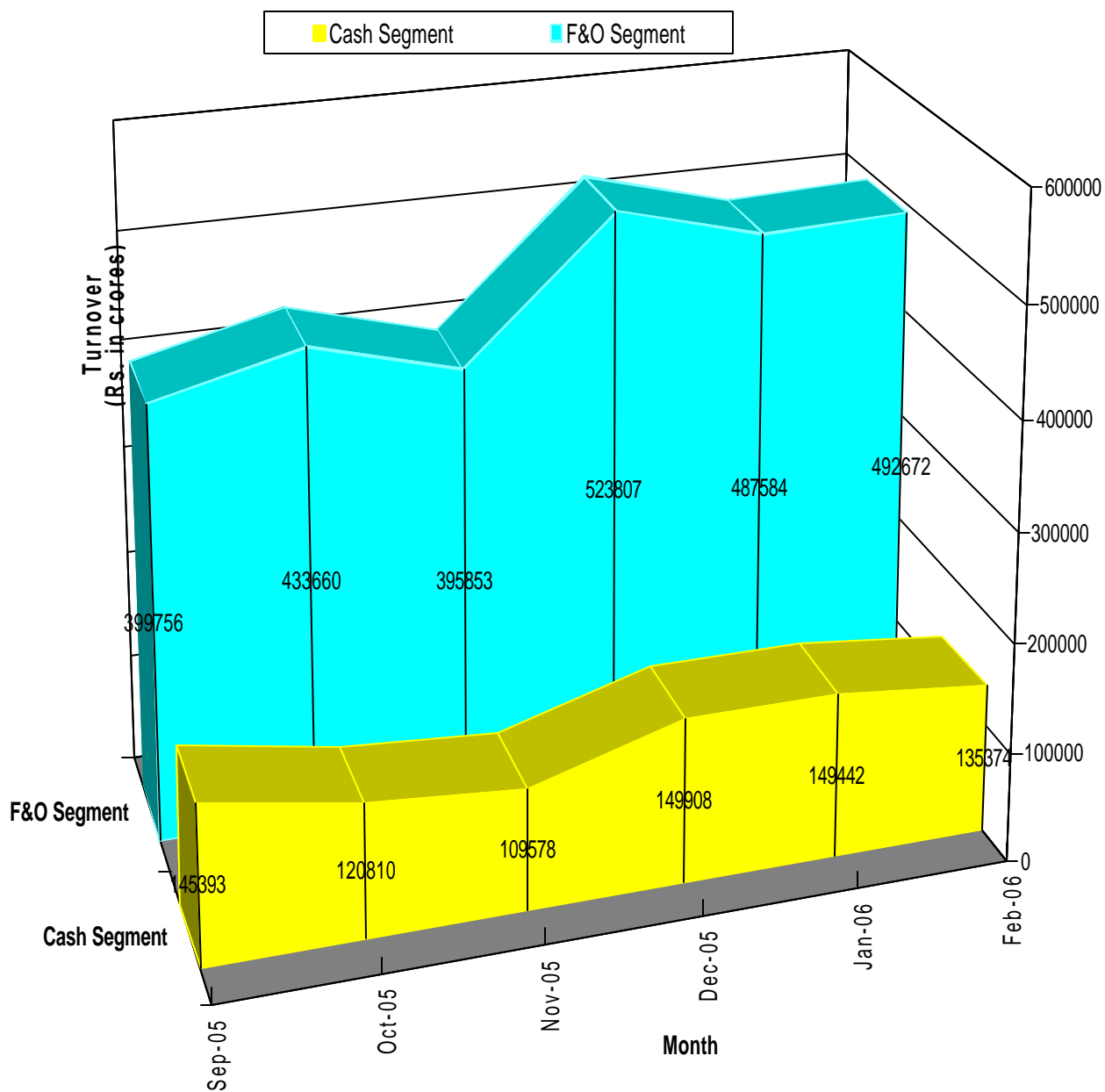
1.7.2 Options sub-segment

Month	Percentage contribution to sub-segment turnover					
	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06
Top 5 Members	23	25	24	24	25	26
Top 10 Members	37	39	37	38	38	41
Top 15 Members	45	47	45	45	47	51
Top 25 Members	56	58	56	56	57	63

It may be observed that, there has been no significant change in the contribution pattern.



1.8 Comparative analysis of the Traded Value in the F&O Segment with the Cash Segment :



It may be observed that, the ratio of Futures & Options segment to Cash segment has continued to be more than 3 times.



1.9 Monthwise Productwise Basic Statistics:

Category	Product	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	% change from Sept-05 to Feb-06	% change from Jan 05 to Feb 06
Traded Value (Rs in crores)									
Total	Stock Futures	236945	214398	216526	280283	265042	288715	21.85	8.93
	Index Futures	118905	170100	135478	183293	166127	156359	31.50	-5.88
	Stock Options	15987	13575	12777	17244	17893	15268	-4.50	-14.67
	Index Options	27919	35586	31073	42987	38521	32331	15.80	-16.07
Daily Average	Stock Futures	11283	10720	10826	12740	13252	15196	34.68	14.67
	Index Futures	5662	8505	6774	8332	8306	8229	45.34	-0.93
	Stock Options	761	679	639	784	895	804	5.65	-10.17
	Index Options	1329	1779	1554	1954	1926	1702	28.07	-11.63
Number of Contracts									
Total	Stock Futures	6995169	6526919	6252736	7571377	7134199	7443178	6.40	4.33
	Index Futures	4701774	6849732	5238175	6613032	5760999	5186835	10.32	-9.97
	Stock Options	449769	389254	364188	456529	456055	401973	-10.63	-11.86
	Index Options	1107029	1410519	1200557	1540180	1330466	1066396	-3.67	-19.85
Daily Average	Stock Futures	333103	326346	312637	344154	356710	391746	17.61	9.82
	Index Futures	223894	342487	261909	300592	288050	272991	21.93	-5.23
	Stock Options	21418	19463	18209	20751	22803	21156	-1.22	-7.22
	Index Options	52716	70526	60028	70008	66523	56126	6.47	-15.63
Open Interest (end of respective expiry day)									
Value in Rs. Crore	Stock Futures	16537	14238	14499	17587	19747	23028	39.25	16.62
	Index Futures	6607	7524	7107	7834	9467	9573	44.89	1.12
	Stock Options	2956	3050	2523	3307	2649	3155	6.73	19.10
	Index Options	6923	6481	6816	7664	6513	7766	12.18	19.24
Number of contracts	Stock Futures	529154	511812	467788	537012	598009	655920	23.96	9.68
	Index Futures	251962	317848	267705	277347	321692	311974	23.82	-3.02
	Stock Options	87927	103867	76810	94213	80331	88667	0.84	10.38
	Index Options	265117	275454	258666	271578	221492	253618	-4.34	14.50
Number of trading Days		21	20	20	22	20	19		

*There have been no trades in Interest Rate Futures for the period under consideration.

It may be observed that during February 2006 stock futures recorded a growth in daily average volume and contracts traded, while for other products these figures decreased. Open interest increased for all the products in value as compared to previous month.



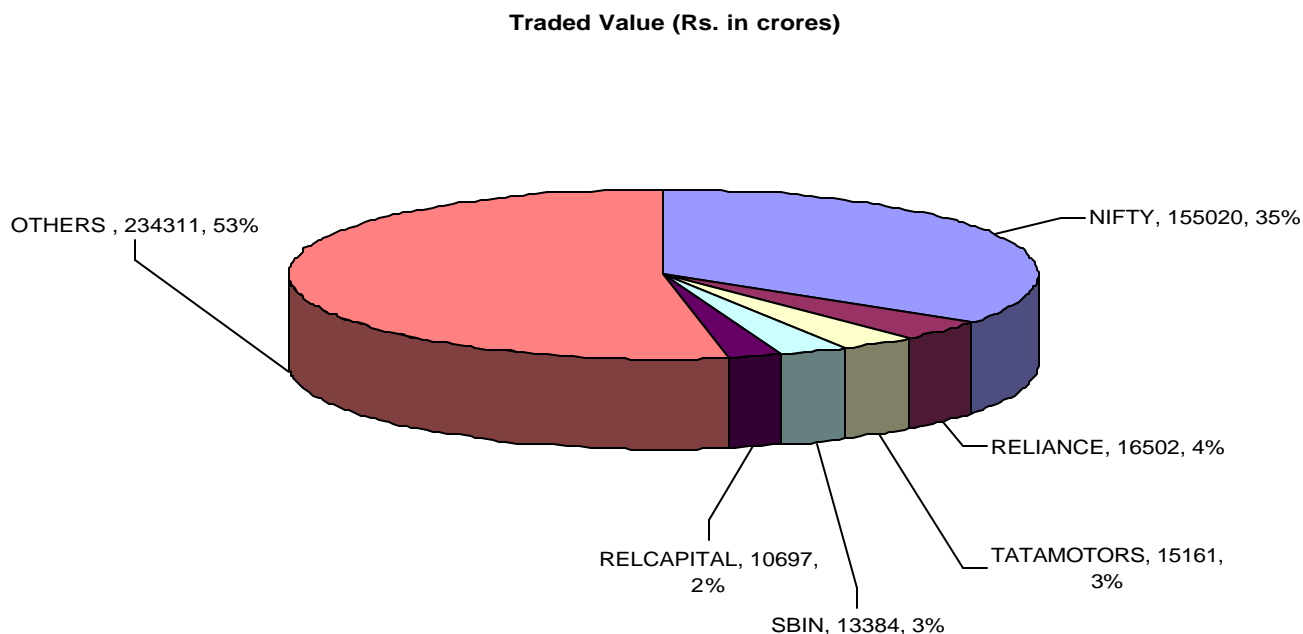
1.10 Comparative Analysis – World Exchanges (January 2006)

Product	Stock Futures		Index Futures		Stock Options		Index Options	
NSE's Position	1st with 71,34,199 contracts		3rd with 57,60,999 contracts		15th with 4,56,055 contracts		10th with 13,30,466 contracts	
Rank	Name of the Exchange	Number of Contracts	Name of the Exchange	Number of Contracts	Name of the Exchange	Number of Contracts	Name of the Exchange	Number of Contracts
1	NSE, India	71,34,199	Chicago Mercantile Exchange	3,49,77,140	CBOE	3,50,21,674	KSE	24,61,75,732
2	Euronext.Liffe	11,84,065	Eurex	1,65,87,421	Eurex	2,45,85,921	CBOE	1,88,69,425
3	JSE	11,58,509	NSE, India	57,60,999	Philadelphia SE	2,19,16,939	Eurex	1,75,42,565

NSE continues to be at number 1 position in the world for number of contracts traded in Stock Futures. NSE has also become the 3rd exchange in the world in terms of contracts traded in Index Futures.

2 FUTURES SEGMENT (February 2006)

2.1 Top 5 Traded Symbols

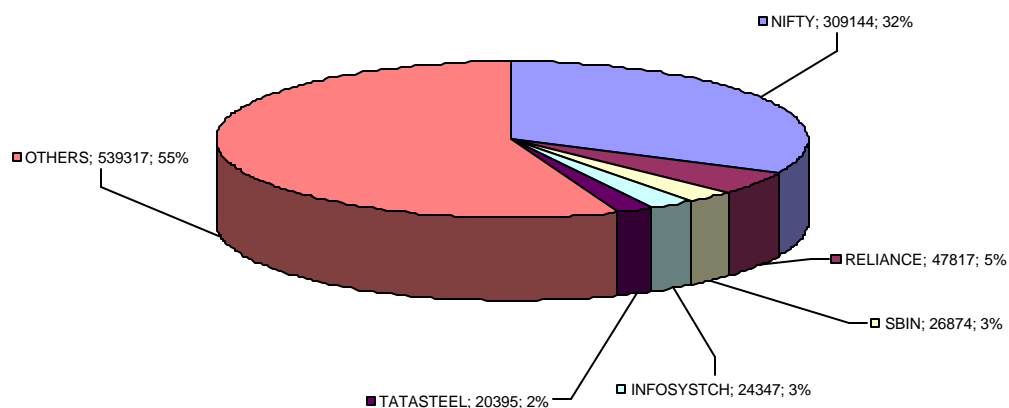




2.2 Top 5 most active Futures contracts:

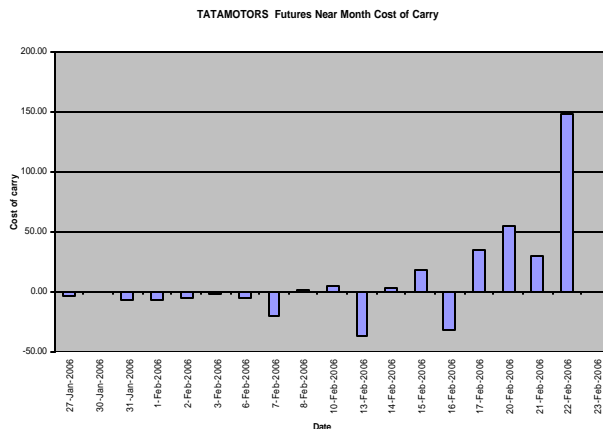
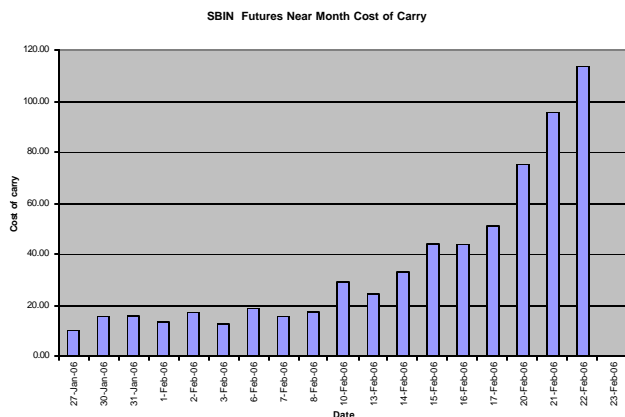
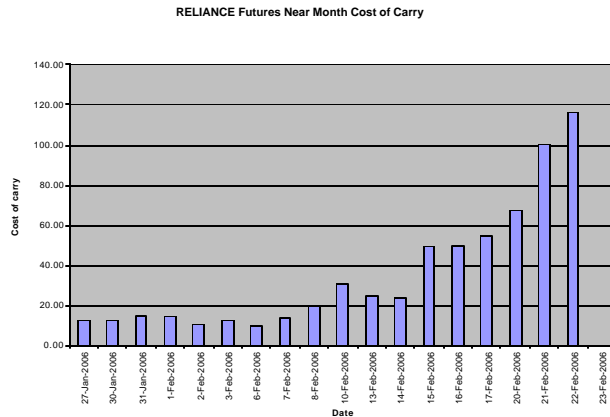
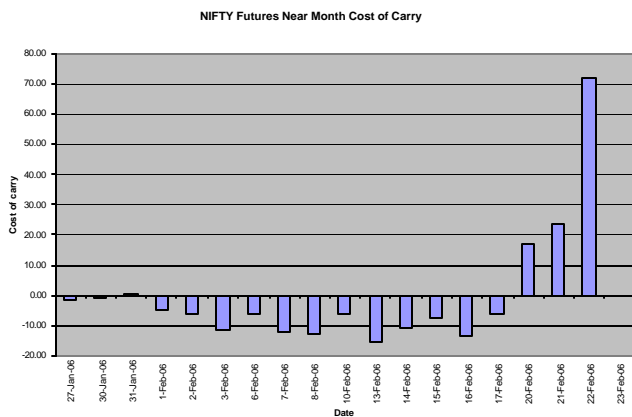
Sr. No.	Contract Descriptor	No. of Contracts	Traded Value (Rs. Crores)	Percentage of Contracts to Total Contracts
1	NIFTYFEBRUARY2006	3,868,805	115932	31
2	NIFTYMARCH2006	1,275,415	38709	10
3	RELIANCEFEBRUARY2006	2,73,123	11672	2
4	TATASTEELFEBRUARY2006	2,47,320	6700	2
5	SBINFEBRUARY2006	2,07,614	9096	2
	OTHERS	6,757,736	262,965	54
	TOTAL	12,630,013	445074	100.00

2.3 Top 5 Symbols by Open Interest (number of contracts) (on 23 February 2006)





2.4 Cost of carry (in percentage) for Near Month Contracts

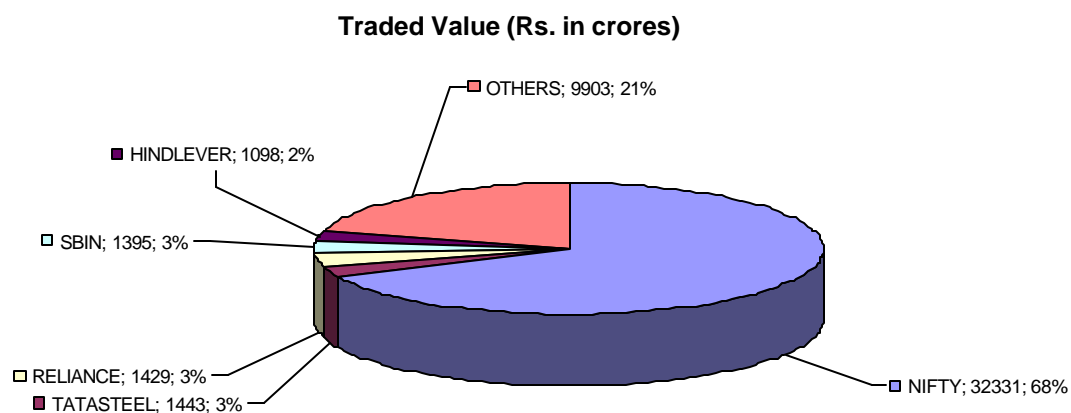


From the above graphs, it may be observed that during February 2006, near month contract of NIFTY & TATAMOTORS futures was generally trading at a discount but traded at a premium near expiry. RELIANCE and SBIN traded at a premium through out the month.



3. OPTIONS SEGMENT (February 2006)

3.1 Top 5 Traded Symbols



3.2 Top 5 most active Options contracts:

Sr. No.	Contract Descriptor	No. of Contracts	Traded Value (Rs. In crs)	Percentage of contracts to total contracts
1	NIFTY FEBRUARY 2006 CE 3000	177,788	5,411	12.11
2	NIFTY FEBRUARY 2006 PE 3000	153,809	4,681	10.47
3	NIFTY FEBRUARY 2006 PE 2950	103,992	3,105	7.08
4	NIFTY FEBRUARY 2006 CE 3050	92,466	2,840	6.30
5	NIFTY FEBRUARY 2006 CE 2950	71,577	2,161	4.87
OTHERS		868,737	29,401	59.16
TOTAL		1,468,369	47,599	100.00

3.3 Option Exercises – Analysis (Contract Month February 2006)

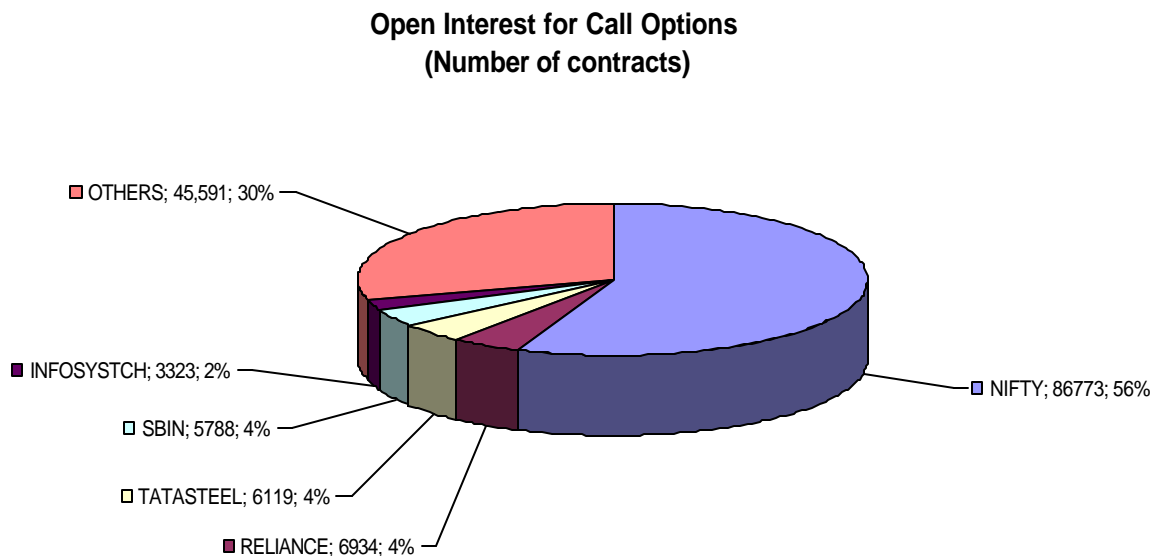
Underlying	Option Type		Total No. of contracts exercised	% to Total
	Call	Put		
Nifty	44019	2435	46454	61.51
Others	21112	7959	29071	38.49
Total	65131	10394	75525	100.00

Underlying-wise Date-wise details of Stock Option contracts exercised: - [Exercise.xls](#)

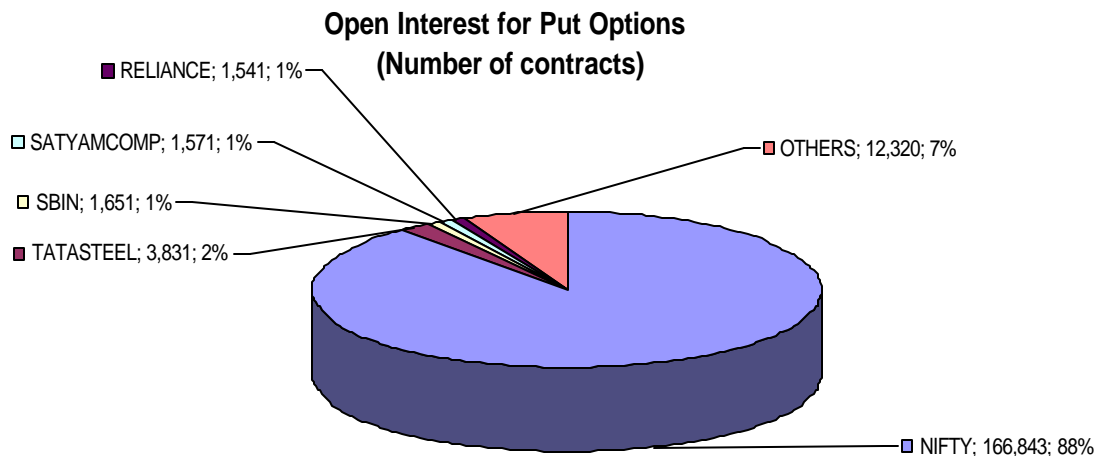


3.4 Top 5 Symbols by Open Interest (number of contracts) (on February 23, 2006)

3.4.1 Call Options



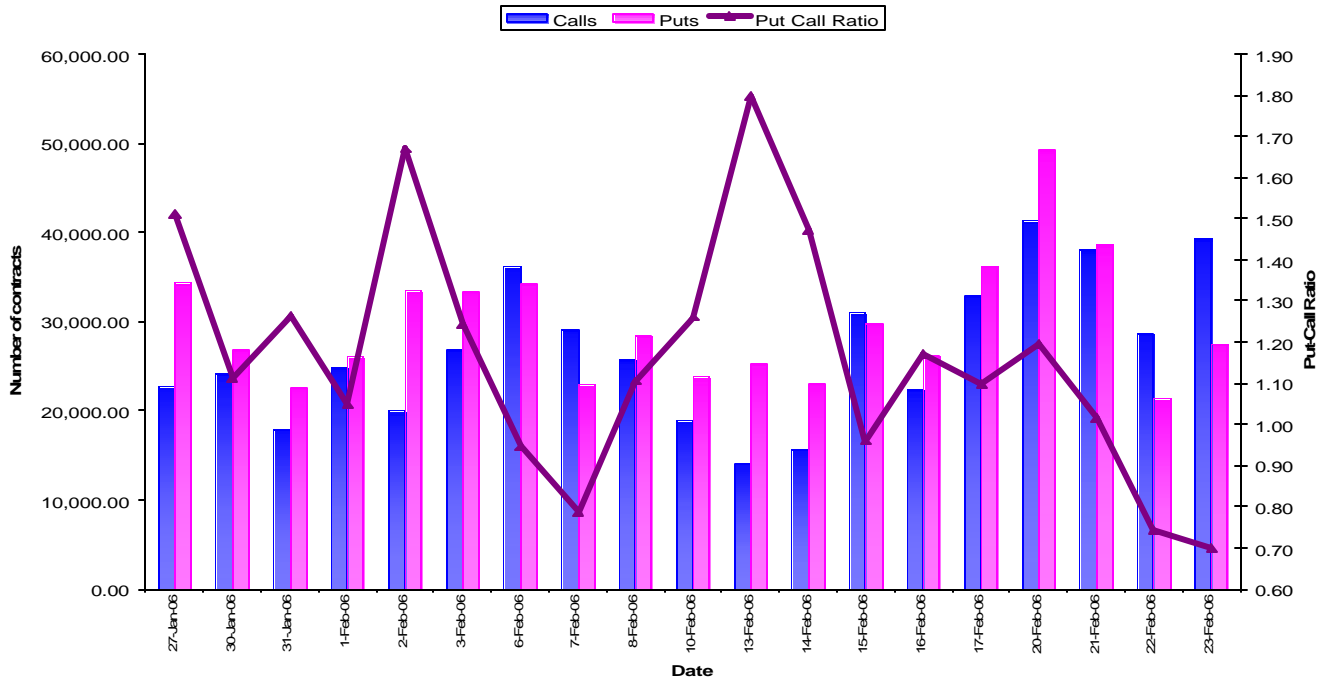
3.4.2 Put Options



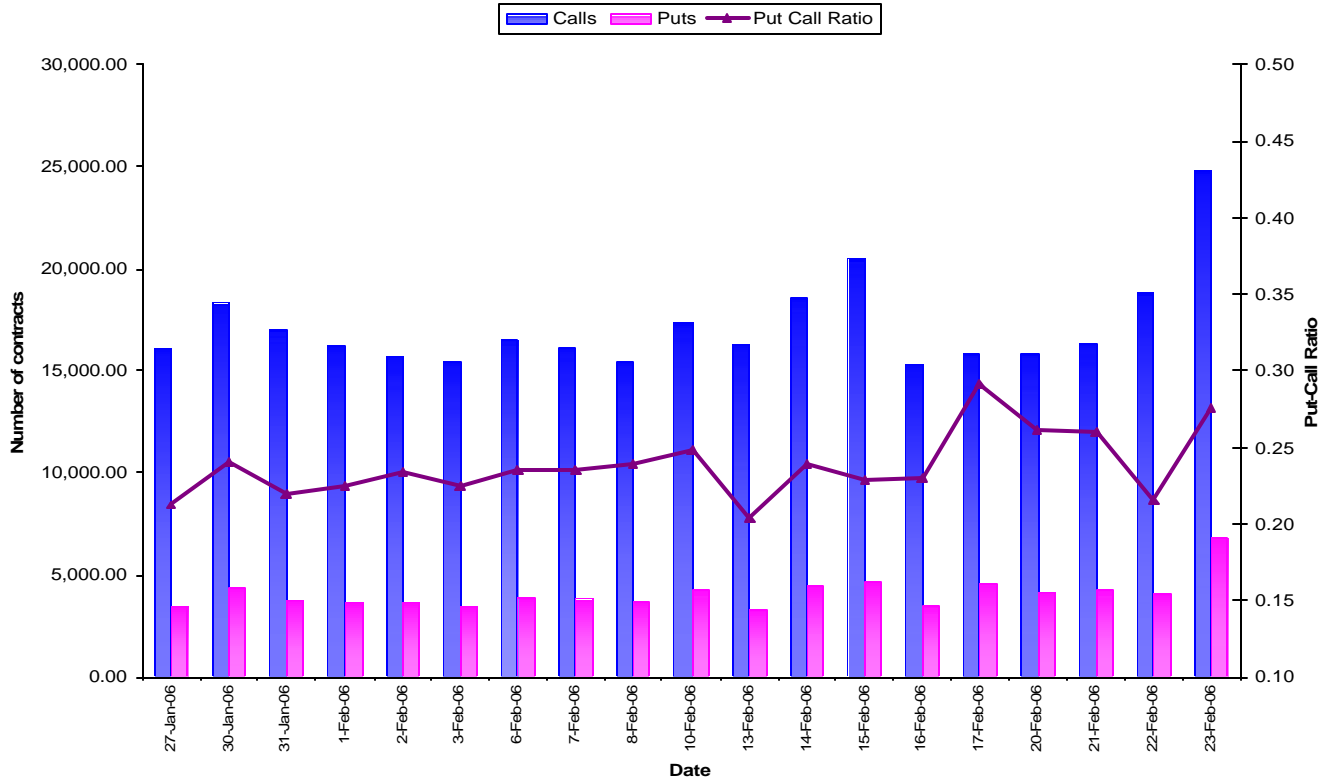


3.5 Put Call Ratios (Contract Month February 2006)

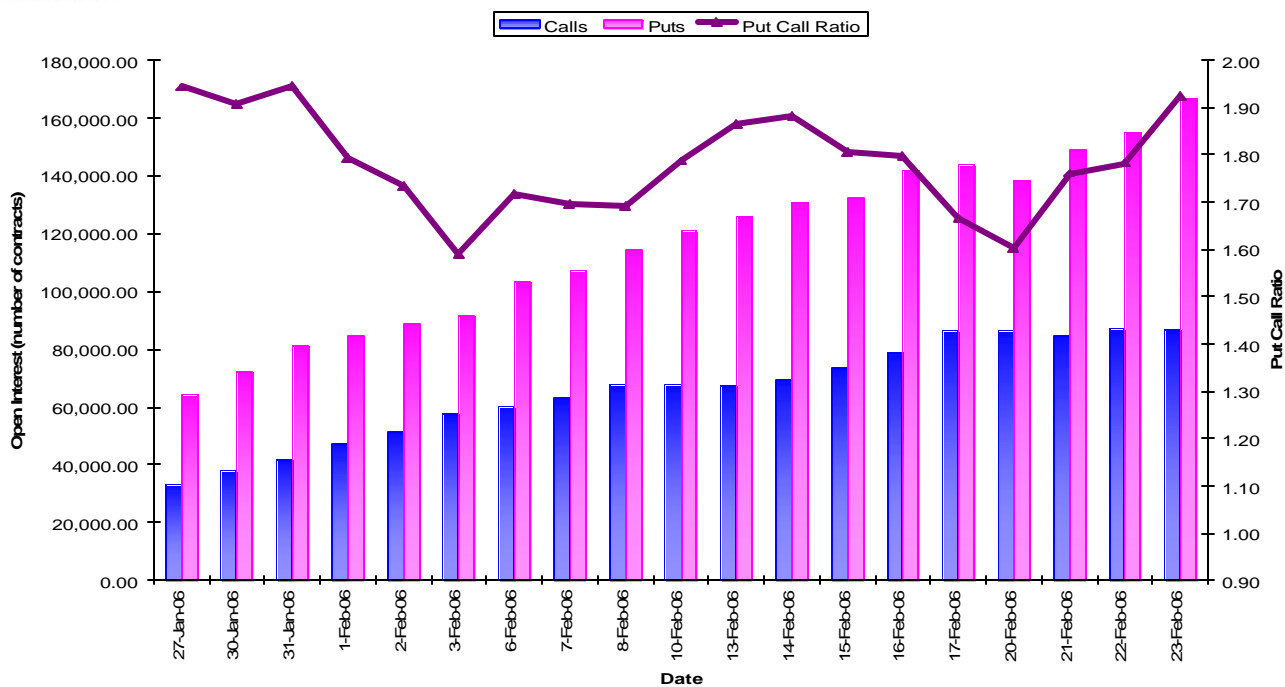
3.5.1 NIFTY Options (number of contracts traded)



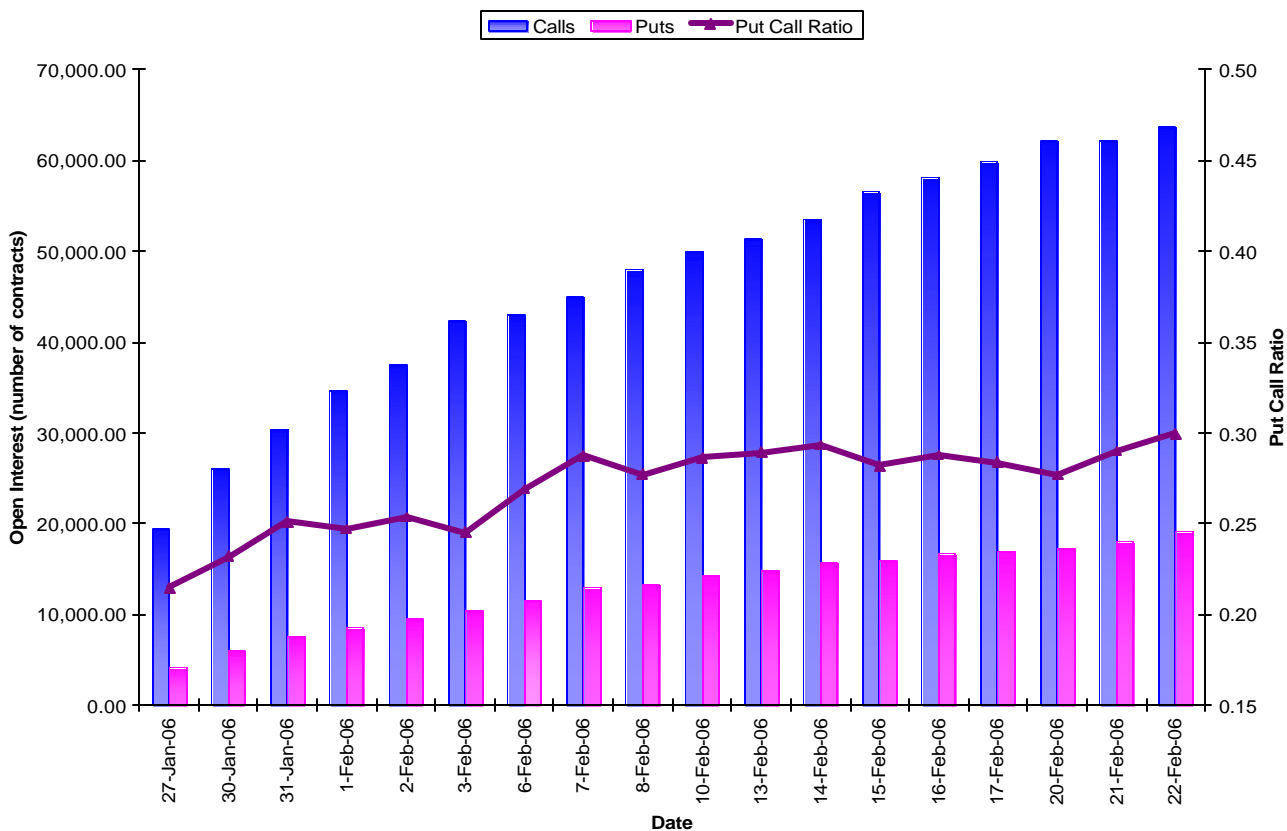
3.5.2 Stocks Options (number of contracts traded)



3.5.3 NIFTY Options (Open Interest in number of contracts)



3.5.4 Stocks Options (Open Interest in number of contracts)





4. AVERAGE QUARTER SIGMA SIZE AND MWPL

The results of the Average quarter sigma order size and MWPL value for the period August 16, 2005 to February 16, 2006 for the securities on which presently the derivatives contracts are permitted are presented below:

Sr. No.	Name of the underlying on which Futures and options are available for trading	Quarter Sigma Order size for the period August 16, 2005 to February 15, 2006 (Rs.)	MWPL value as on January 25, 2006 (Rs. Crs.)
1	ABB	1616872.25	778.58
2	ACC	3465385.83	1335.58
3	ALBK	927660.67	330.40
4	ALOKTEXT	804063.55	171.01
5	ANDHRABANK	1034087.04	273.90
6	ARVINDMILL	1588780.62	249.58
7	ASHOKLEY	3152754.48	352.45
8	AUROPHARMA	783167.63	239.85
9	BAJAJAUTO	3515234.65	1066.25
10	BANKBARODA	1600206.10	483.02
11	BANKINDIA	1790483.08	371.01
12	BEL	1445648.23	458.18
13	BHARATFORG	1951415.58	588.04
14	BHARTI	3244254.39	774.11
15	BHEL	3991496.54	1414.70
16	BILT	638346.93	231.90
17	BONGAIREFN	474342.59	71.84
18	BPCL	1910006.98	325.25
19	CANBK	1559025.13	496.21
20	CENTURYTEX	2861018.93	311.04
21	CESC	812606.42	219.86
22	CHAMBLFERT	700039.56	119.20
23	CHENNPETRO	652938.99	97.42
24	CIPLA	2261724.98	526.83
25	COCHINREFN	480930.49	68.74
26	COLGATE	623385.12	453.73
27	CORPBANK	701076.48	175.41
28	DABUR	1356275.24	142.89
29	DIVISLAB	766656.49	115.05
30	DRREDDY	2408735.27	710.12
31	ESCORTS	1123483.83	84.02
32	ESSAROIL	808260.99	547.59
33	FEDERALBNK	974204.89	232.92
34	GAIL	2924060.14	887.07



Sr. No.	Name of the underlying on which Futures and options are available for trading	Quarter Sigma Order size for the period August 16, 2005 to February 15, 2006 (Rs.)	MWPL value as on January 25, 2006 (Rs. Crs.)
35	GESHIPPING	2437221.64	687.63
36	GLAXO	851256.17	259.74
37	GNFC	853237.77	198.34
38	GRASIM	2986406.06	875.08
39	GUJAMBCEM	3079757.24	1636.68
40	HCLTECH	2139373.08	1169.83
41	HDFC	5279624.59	3108.56
42	HDFCBANK	2919542.73	1083.09
43	HEROHONDA	3397527.19	806.46
44	HINDALCO	3154491.44	1737.34
45	HINDLEVER	3549280.11	1043.23
46	HINDPETRO	1367646.33	274.49
47	ICICIBANK	6436110.27	4266.88
48	IDBI	2993542.31	639.28
49	IDFC	5738829.19	525.49
50	IFCI	3965308.73	140.51
51	I-FLEX	2319226.33	505.57
52	INDHOTEL	1254454.98	618.19
53	INDIACEM	2124756.65	308.29
54	INDUSINDBK	756075.94	156.33
55	INFOSYSTCH	23806761.02	9261.63
56	IOB	931822.39	466.12
57	IOC	1720867.29	239.68
58	IPCL	4294433.06	657.84
59	ITC	9787562.48	2943.44
60	IVRCLINFRA	2013964.69	347.86
61	J&KBANK	454154.52	95.05
62	JETAIRWAYS	2131324.67	338.25
63	JINDALSTEL	762667.14	88.91
64	JPHYDRO	1095064.91	103.52
65	JSTAINLESS	1006440.98	109.93
66	CUMMINSIND	699019.28	152.74
67	KTKBANK	1353555.67	264.71
68	LICHSGFIN	768510.42	177.29
69	M&M	3212246.44	1034.07
70	MAHSEAMLES	554400.08	99.84
71	MARUTI	6468188.35	1176.52
72	MATRIXLABS	1066554.26	290.32
73	MPHASISBFL	886311.12	330.11
74	MRPL	746179.92	111.72
75	MTNL	1948130.74	770.38
76	NAGARFERT	1033632.90	75.25
77	NATIONALUM	1440226.79	384.65



Sr. No.	Name of the underlying on which Futures and options are available for trading	Quarter Sigma Order size for the period August 16, 2005 to February 15, 2006 (Rs.)	MWPL value as on January 25, 2006 (Rs. Crs.)
78	NDTV	1200171.65	108.83
79	NEYVELILIG	523468.59	106.43
80	NICOLASPIR	765939.19	219.45
81	NTPC	3788743.73	922.90
82	ONGC	12550952.17	4137.82
83	ORCHIDCHEM	1160965.92	246.82
84	ORIENTBANK	1440010.07	413.81
85	PATNI	820269.28	223.27
86	PNB	3013305.49	1097.74
87	POLARIS	1435744.74	193.92
88	PUNJLLOYD*	2325572.89	502.93
89	RANBAXY	7713923.84	1571.47
90	REL	3278123.35	1142.93
91	RELCAPITAL	18469240.98	728.35
92	RELIANCE	32209229.58	10118.39
93	SATYAMCOMP	15847910.37	4036.68
94	SBIN	17893200.03	3752.54
95	SCI	764520.19	177.20
96	SIEMENS	3221291.27	1291.54
97	SRF	6148443.11	203.38
98	STAR	519929.36	135.52
99	STER	1242089.93	583.11
100	SUNPHARMA	977123.95	250.54
101	SUZLON	12955088.94	1696.77
102	SYNDIBANK	1521183.19	337.58
103	TATACHEM	1756517.69	582.61
104	TATAMOTORS	10103637.53	2899.19
105	TATAPOWER	2452964.87	471.08
106	TATATEA	1357750.15	206.02
107	TCS	11135893.32	2272.34
108	TATASTEEL	10651177.34	2946.76
109	TITAN	9733205.02	277.75
110	TVSMOTOR	733940.31	157.89
111	UNIONBANK	966142.02	363.89
112	UTIBANK	1357121.29	351.99
113	VIJAYABANK	595109.97	243.40
114	VSNL	9637477.34	603.47
115	WIPRO	5441929.62	1848.47
116	WOCKPHARMA	1245832.20	230.64

*Non-promoter holding is as of post-issue

For all other securities non-promoter holding is as on December 31, 2005



National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex,
Bandra East,
Mumbai 400 051
Tel : 91-22-2659 8100 / 5641 8100

Futures & Options Market Watch:
Tel : 91-22-2659 8151 / 2659 8152
Fax : 91-22-2659 8449

Futures & Options Clearing & Settlement:
Tel : 91-22-2659 8165 / 2659 8265

Futures & Options Risk Management:
Tel : 91-22-2659 8266 / 2659 8214

CTCL Enquiries:
Tel : 91-22-2659 8150

Membership Department:
Tel : 91-22-2659 8245 / 2659 8246 / 2659 8247 / 2659 8248

Investor Grievances:
Tel : 91-22-2659 8190

DISCLAIMER

All rights reserved. No part of the Derivatives Update may be reproduced or copied in any form by any means without the written permission of NSE. This document is not meant for circulation.

NSE, its directors and employees, will not in any way be responsible for the contents of this report. This is not an offer to sell or a solicitation to buy any securities and / or derivatives contracts. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.