

ALPHA TRADE: LONG ICICI BANK - SHORT NIFTY

Featured Trade: ICICI Bank/ NIFTY

Strategy:

We recommend an alpha play by going long on ICICI Bank and shorting Nifty Futures against it on a rupee neutral basis.

Risk Reward

The ratio is currently at 0.21. We expect ICICI Bank to outperform NIFTY in the coming few trading sessions and expect an out performance of 10% on GEP.

Technical Indicators

ICICI Bank has broken out of a channel recently. The width of this channel is INR 200 and the scrip broke out near INR 1000 levels. This gives a logical short-medium term target of INR 1200 for the scrip. Although the RSI has entered the over-bought territory in ICICI bank too, the pattern breakout should make sure that the scrip remains in good humor amongst the investors in the days to come



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Closed Trades

Start Date/ Closing Date	Strategy	Entry Price	Entry Ratio	Close Price	Close Ratio	Target Ratio	Return on GEP*	Return on AD#	Max Gain on GEP*	Max loss on GEP*	Status
19-Sep-07	Long PNB	508		537							
24-Sep-07	Short BOB	315	1.615	315	1.700	1.70	1.5%	2.9%	1.8%	0.0%	Closed
4-Jul-07	Long GUJAMBCEM	125		130							
10-Jul-07	Short ACC	940	0.133	1,036	0.125	0.14	-6.5%	-13.0%	0.0%	-6.5%	Closed
6-Jun-07	Long RCOM	516		536							
5-Jul-07	Short IDEA	122	4.230	119	4.504	4.50	6.3%	12.6%	6.3%	-2.9%	Closed
7-Jun-07	Long India Cements	169		180							
19-Jun-07	Short Grasim	2,421	0.070	2,434	0.074	0.074	6.1%	12.3%	6.2%	0.0%	Closed
11-Jun-07	Long Tata Motors	652		643							
14-Jun-07	Short Ashok Leyland	36	18.270	37	17.369	19.370	-5.1%	-10.2%	0.0%	-5.1%	Closed
18-May-07	Long HDFC Bank	1,070		1,148							
31-May-07	Short Bank Nifty	6,291	0.170	6,325	0.181	1.790	6.7%	13.4%	6.7%	0.0%	Closed
8-May-07	Long REL	506		552							
21-May-07	Short Tata Power	593	0.852	598	0.923	0.921	8.3%	16.6%	8.3%	0.0%	Closed
16-Apr-07	Long Nifty	4,013		4,084							
27-Apr-07	Short CNXIT	5,453	0.736	5,302	0.770	1.790	4.5%	9.0%	6.8%	0.0%	Closed
15-Mar-07	Long Infosys	2,079		2,087							
13-Apr-07	Short TCS	1,234	1.685	1,262	1.654	1.790	-1.9%	-3.8%	1.1%	-5.4%	Closed
24-Jan-07	Long Nifty	4,090		3,691							
4-Mar-07	Short Bank Nifty	6,056	0.675	4,995	0.739	0.729	7.7%	15.5%	7.7%	-0.4%	Closed
31-Jan-07	Long Satyam	472		433							
19-Mar-07	Short TCS	1,278	0.370	1,261	0.344	0.390	-7.0%	-14.0%	2.1%	-7.0%	Closed
14-Dec-06	Long ACC	1,029		1,014							
20-Feb-07	Short Gujamb	139	7.42	130	7.80	7.87	5.0%	10.1%	5.0%	-1.9%	Closed
6-Feb-07	HLL	209		200							
20-Feb-07	ITC	175	1.19	176	1.14	1.25	-5.0%	-10.0%	0.0%	-5.0%	Closed
7-Feb-07	Long Grasim	2,873		2,745							
13-Feb-07	Short Ultratech	1,126	2.55	991	2.77	2.70	7.6%	15.1%	7.6%	0.0%	Closed
8-Jan-07	Long Grasim	2,819		2,875							
25-Jan-07	Short Ultratech	1,092	2.58	1,033	2.78	2.76	7.4%	14.8%	7.6%	4.3%	Closed
9-Jan-07	Long Maruti	886		912							
19-Jan-07	Short Tata Motors	911	0.97	951	0.96	1.04	-1.4%	-2.9%	1.4%	3.4%	Closed
5-Jan-04	Long HCLT	322		327							
13-Jan-04	Short NIIT	277	1.16	252	1.30	1.22	11.0%	21.9%	13.3%	-	Closed

* Gross Equity Exposure # Amount Deployed

Note:

- Pair strategy recommends buying one security and short selling another in the same industry/sector (i.e. being sector neutral) with the expectation of out-performance of one security compared to another.
- It is a purely quantitative measure of relative value based on historical price movements of two securities. Fundamental analysis has not been used for this. The calls are based on the concept of reversion to the mean.
- Clients should exercise their own discretion in setting stop loss on the recommended strategy.
- The recommendation runs for a maximum time period of 30 trading days.

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Alternative Research

Regular Products

Derivatives Daily (DD)
 Earnings Strength Comparison (ESC)
 Edelweiss Corporate Action Tracker (e CAT)
 Edelweiss Fund Insight (EFI)
 Edelweiss Market Scan (EMS)
 Edelweiss Technical Reflection (ETR)
 Edelweiss Value Scanner (EVS)
 F&O Crossover
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 Insider Trades
 Pair Strategy
 Rollovers Analysis
 RSC Tracker (RSC)

Special Situation Products

ADS Conversion
 Alpha Trades
 Buy Back
 Delisting
 De-Merger
 Directional (Long / Short)
 Merger
 Open Offer
 Option Trading
 Restructuring (Value Unlocking)
 Rights Arbitrage
 Secondary Offerings
 Spread Trade

Date Special Reports

08-Jun-07	Master Moves; Opportunities from open offer, buyback, de-listing
06-Aug-07	Earning Strength Comparison
03-Aug-07	Enhanced Nifty: Nifty with an edge
14-Aug-07	Edelweiss Value Scanner; Adding Value to investments

Date Monthly Reports

03-Sep-07	hEDGE: The alternative insights monthly
06-Sep-07	RSC: Relative Strength Comparison
16-Aug-07	EFI: Edelweiss Funds Insight
30-Aug-07	Rollover Analysis

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