

03rd May, 2007

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Market Statistics

Index	Closing	1 Day (%)	3 M (%)	6 M (%)	
Sensex	13872	(0.3)	(1.6)	7.0	
Nifty	4088	0.1	0.1	9.2	
Sectoral Indices					
Mid-Cap	5796	1.1	(4.1)	7.4	
Small-Cap	6994	0.8	(6.8)	9.4	
Auto	4999	1.1	(9.4)	(6.7)	
Health	3703	0.2	(2.7)	1.7	
FMCG	1801	(1.1)	(5.5)	(12.1)	
IT	5053	2.0	(4.6)	4.8	
PSU	6404	(0.3)	1.6	7.4	
Bankex	6883	(2.9)	(5.2)	6.2	
Oil & Gas	7135	0.8	7.6	18.0	
Metal	9836	1.1	6.0	8.5	
Capital Goods	9880	0.6	4.2	14.0	
World Indices	Closing	1 Day (%)	3 M (%)	6 M (%)	
NASDAQ	2558	1.0	3.3	9.7	
DOW	13212	0.6	4.4	10.2	
Nikkei	17395	0.7	(0.9)	6.4	
Hang Sang	20575	0.9	0.1	9.7	
Indian ADR's	(USD)	1 Day (%)	3 M (%)	6 M (%)	
VSNL	21.64	1.6	(5.7)	9.2	
Infosys	53.71	0.6	(8.9)	5.6	
Wipro	16.86	1.7	(3.9)	19.6	
Satyam	25.09	2.1	6.0	19.0	
Dr Reddy's Lab	17.46	1.2	1.6	0.3	
Value Traded (Rs Cr)		30Apr07	(%)		
Cash BSE		3282.2	(13.0)		
Cash NSE		7571.2	(7.9)		
Derivatives		25629.5	(9.0)		
Net Inflows (Rs Cr)		29Apr07	MTD	YTD	
FI		(194.8)	5838.4	5838.4	
Mutual Fund		(39.3)	907.6	907.6	
Advances/Declines (BSE)					
30Apr07	A	B1	B2	Total	
Advance	142	431	413	986	
Decline	68	260	348	676	
Unchanged	1	16	29	46	
Commodity	30Apr07	1 Day (%)	3 M (%)	6 M (%)	
Crude (USD/Bbl)	65.6	(0.9)	12.5	17.7	
Gold (USD/OZ)	672.9	(0.0)	3.9	7.2	
Silver (USD/OZ)	13.2	0.0	(1.3)	4.8	
Debt/Forex Market Closing		1 Day (%)	3 M (%)	6 M (%)	
Re/USD		41.19	(0.2)	6.7	8.5
10 yr Gsec Yield		8.18	0.9	3.4	7.4

Source : Bloomberg

Corporate Snippets

- Wockhardt has entered into an agreement with Ifrah Finance S.A. of France to acquire Negma Lerads S.A.S, a French Pharmaceutical Group. Negma reported a sales turnover of \$ 150 million during the last financial year. –BS
- Wal-Mart Stores Inc is close to finalising an agreement with its Indian partner Bharti for a wholesale cash-and-carry venture, and will open first store next year. –BS
- Tata Chemicals has come out with a roadmap for a massive expansion plan, which includes acquisitions and greenfield projects, at an estimated investment of \$1 billion over the next four years. –BS
- The board of Moser Baer India announced an issue of bonus shares in the ratio of 1:2 (one share for every two shares held) by capitalising a part of its reserves. –BS
- Nestle India announced a 22.39% increase in net profit at Rs 108.45 cr for its first qtr ended Mar'07, as compared to Rs 88.61 cr for the qtr ended 31 March 2006. –BS
- Hindustan Lever reported a decline in net profit at Rs 392.89 cr for the first qtr ended Mar'07 as against Rs 442.86 cr in Q1FY06.BS
- Reliance Communications reported a consolidated net profit of Rs 3,526.43 cr for the year ended Mar'07 for a 15-month period.BS
- Patel Engineering is planning its maiden venture in thermal power generation by proposing to set up a 1,200 MW thermal power plant near Bhavnagar, Gujarat with a proposed investment of Rs 5,000 cr. –BS
- JSW Steel announced the acquisition of UK-based Argent Independent Steel at an enterprise value of 3.7 million pound (about Rs 31 cr). –BS
- Ashok Leyland will acquire US-based automotive testing services company Defiance Testing and Engineering Services, Inc (DTE) for over Rs 70 cr. –BS

Macro Economic & Geo-Political News

- Exports in FY06-07 up 23.88%; imports grow 29.33%. –ET
- The Centre is considering a partial reduction of Rs 300 per tonne export levy announced in the Budget and put into effect from March 1. –BS

Top Five Gainers (NSE)	Price	Chg (%)	Vol (Mn)
Gail India Ltd	296	4.2	0.5
Hero Honda Motors Limited	691	3.6	0.2
Tata Consultancy Svs Ltd	1266	2.6	1.0
Infosys Technologies Ltd	2051	2.3	1.0
Tata Steel Limited	549	2.3	3.3

Top Five Losers (NSE)	Price	Chg (%)	Vol (Mn)
Oriental Bank Of Commerce	197	(7.9)	0.6
ICICI Bank Ltd	866	(7.4)	4.0
Hindustan Lever Limited	199	(5.5)	6.3
Cipla Ltd	211	(2.8)	3.8
Bharti Airtel Limited	811	(1.8)	3.9

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line, ToI: Times of India, BSE = Bombay Stock Exchange

FROM OUR RESEARCH DESK

Result Update

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KPIT Cummins Infosystems Ltd.

(Rs 136, FY09E - P/E 11x, BUY with a revised target price of Rs. 178)

Quarter Ended:

	Q4FY06	Q3FY07A	Q4FY07	QoQ Var%	YoY Var%	FY06A	FY07A	YoY Var%
Revenues (Rs Mn)	901.6	1171.1	1303.3	11.3	44.6	3182.2	4637.0	45.7
EBITDA %	16.9	15.2	15.8	57	(116)	14.5	15.3	75
EBITDA	152.7	178.4	205.5	15.2	34.6	461.9	707.8	53.2
Net Profit	102.8	137.2	140.6	2.4	36.8	325.7	504.8	55.0

Source: Company and Emkay Private Client Research

Muted net profit growth

Q4FY07 Results: Muted Performance, Impressive guidance

KPIT Cummins reported a consolidated revenues of Rs 1303.3 mn, up by 11% QoQ and 45% YoY, which was driven by all-round growth in the key services vertical. On the other hand, EBITDA margins expanded marginally by around 60bps to 15.8%. Other income stood at Rs 3.81 mn as compared to Rs 0.9 mn coupled effective tax rate for the quarter under review was at 10.5% as compared to 3% in Q3FY07, which reflected in 2% QoQ in net profit to 140.6 mn.

The result for quarter gone by inline with expectations on revenue front, however net profit growth was below our expectations for the quarter under review.

Operational and Financials Highlights:

Quarterly Operating Metrics	Mar-05	Dec-06	Mar-07
	901.6	1171.0	1303.0
Revenue Breakdown by Geography:			
USA	66.4%	62.3%	58.8%
Rs in mn		728.9	765.7
QoQ growth		2.4	5.0
Europe	26.6%	29.5%	29.7%
Rs in mn		344.8	386.7
QoQ growth		5.4	12.1
RoW	6.9%	8.3%	11.6%
Rs in mn		97.2	150.6
QoQ growth		-4.4	54.9

Europe continues to show strong traction

Revenue Breakdown by Services Line	Mar-05	Dec-06	Mar-07
Manufacturing	80.6%	77.5%	78.0%
Rs in mn	944.0	907.5	1016.7
QoQ growth		4.2	12.0
DFS	9.4%	10.6%	10.4%
Rs in mn		124.1	136.0
QoQ growth		1.0	9.5
Others	9.9%	11.8%	11.5%
Rs in mn		139.0	150.2
QoQ growth		-5.5	8.0

All-round growth in key vertical

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Added two star customers during the quarter

	Mar-05	Dec-06	Mar-07
Top Client -Cummins	45.2%	40.0%	37.50%
(Rs in mn)		468.4	489.02
QoQ growth		-2.1	4.4
Star Customers-Non-Cummins	36.0%	41.8%	43.00%
Rs in mn		489.2	560.55
QoQ growth		20.1	14.57
Top 10 clients	83.7	75.6%	74.20%
Rs in mn		885.3	966.17
QoQ growth		1.7	9.13
Clients more than \$1mn		17	19
Total Clients	72	86	90
Star Customers	10	15	17
Clients Added	4	4	4
Repeat Business	91.00%	90.00%	90.00%

Utilization improved in offshore by around 400bps QoQ

Revenue Mix	Mar-05	Dec-06	Mar-07
Onsite	56.6	50.4%	49.9%
Offshore	43.4	49.6%	50.1%
Utilization Rates			
Onsite	93.0%	89.0%	93.1%
Offshore	71.0%	69.8%	74.4%
Employees			
No. of employees	2122	3119	3256
Attrition Rate	16.5%	20.0%	23.0%
Revenue Breakdown by Contract Type			
Fixed Price	9.0%	9.0%	11.0%
Time & Materials	89.0%	91.0%	91.0%
DSO	86	78	74

Attrition expect to decline to 20% in FY08

Source: Company and Emkay Private Client Research

Other key Highlights:

Impressive net profit guidance for FY08

- ❖ The Company's consolidated net profit guidance for FY 2007-08 is in the range Rs 700 Million to Rs 730 Million (\$16.28 Million to \$16.98 Million) representing an growth of 39% to 45% over FY07.
- ❖ Consolidated revenue guidance is in the range Rs 6150 Million to Rs 6180 Million (\$143.02 Million to \$143.72 Million) representing an annual growth of 33% to 33%.
- ❖ Blended wage hike is expected to be around 16% for FY08
- ❖ Intend to hire 2400 (gross employees) for FY08, attrition expect to around 20% for FY08.
- ❖ Tax rate is expected to around 10% for FY08.
- ❖ Total cash at the end of FY07 stood at Rs 625 mn.

Business Outlook and Valuation –

KPIT Cummins performance in the last two sequential quarters was below our expectations, on the operational efficiency front. Going forward, we expect KPIT Cummins performance to be more stable in the coming quarters, and most importantly on margins front.

For FY07, company has failed to meet its upper end guided net profit of Rs 534 mn, which was below our expectations. For FY08, company has guided a net profit growth around 40-44%, which translate into an average sequential growth of 10.5-11%. Management indicated at 100-200bps margins improvement for FY08. However looking at appreciating rupee scenario coupled with other margins levers like, pricing, offshore improvement and utilization still to execute, we expect margins to improvement of around 130 bps over next two fiscals.

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Nevertheless, with sooner than expected execution of margins levers and weakening of rupee could result in upward revision of our estimates for FY08E and FY09E.

We expect KPIT Cummins revenue and net profit to grow at a CAGR of 31 and 33% over FY07A-09E.

Financial Estimates –

	FY07	FY07A	Deviation from our Estimates	OLD FY08	New FY08	FY09	Implied Change (%)
Revenue	4682.00	4637.02	(0.96)	6006.00	6156.63	7942.05	2.51
OPM%	16.40	15.26	(113.59)	17.00	16.50	16.60	(50.00)
EBITDA	768.00	707.80	(7.84)	1022.00	1015.84	1318.38	(0.60)
Net Profit	535.00	503.09	(5.96)	698.00	700.28	894.44	0.33
EPS#	7.10	6.75	(4.89)	9.20	9.40	11.97	2.17
EPS^	6.90	6.64	(3.75)	9.00	9.24	11.77	2.72
PE#	19.01	19.99	13.90	14.67	14.36	11.28	-
PE^	19.57	20.33		15.00	14.60	11.47	

EPS based on expanded equity arising out of issue of equity to Cargill Ventures

^ EPS based on fully diluted equity, arising out of issue of warrants to Cargill Ventures

PE# on basic EPS

PE^ on diluted EPS

Source: Emkay Private Client Research

KPIT Cummins stock trades at a P/E of 15x FY08E and 11x FY09E with an EPS (On diluted equity of Rs 152 mn of FV of Rs 2).

BUY with a revised target price of Rs 178

At current market price, we recommend a BUY on KPIT Cummins with a revised target price of Rs 178; the stock will be valued at 15.5x for FY09E earning (based on diluted equity).

Result Update

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Great Offshore is the largest integrated offshore oilfield services provider

Great Offshore Ltd.

(CMP : Rs 760, FY08 PE : 13x, BUY with a Target Price of Rs.1153)

Company Background –

Great Offshore is the largest integrated offshore oilfield services provider offering a broad spectrum of services to upstream oil and gas producers to carry out offshore exploration and production (E&P) activities. It has a fleet size of 39 vessels comprising a mix of 25 offshore support vessels (OSV's), 11 harbour tugs (HT), 1 construction barge and 2 drilling rigs.

Great Offshore was a division of Great Eastern Shipping Company Ltd, which got hived off into a separate company under a scheme of Demerger on 16th October 2006, w.e.f. 01st April 2005. Since commissioning its operations in 1983, Great Offshore has serviced major E&P operators in India as well as in the international waters of the North Sea, the Middle East, South Africa and South East Asia with its state-of-the-art vessels that include exploratory rigs, offshore support vessels, anchor handling tug supply vessels and a construction barge.

Great Offshore declared its forth quarter and annual results for FY07, which was largely in line with our expectations. Under-mentioned are key financials and analysis of the same:

Key Financials - FY07**(Rs. Mn)**

Sales for FY07 improved 55% YoY

Operating margins for the year improved by 500 basis points YoY

PAT for FY07 improved 54% YoY

Particulars	Q4FY07	Q3FY07	Grwth QoQ	FY07	FY06	Grwth YoY
Net Sales	1492.9	1482.7	0.7	5,368.4	3,468.0	54.8
Other Income	26.5	6.1	334.4	78.1	29.4	165.6
Total Income	1,519.4	1,488.8	2.1	5,446.5	3,497.4	55.7
Total Expenditure	812.1	760.9	6.7	2,762.4	1,937.0	42.6
Operating Profit	707.3	727.9	(2.8)	2,684.1	1,560.4	72.0
Operating Margins	47.38	49.09	(3.5)	50.0	45.0	11.1
Interest	133.3	95.4	39.7	359.6	164.3	118.9
PBDT	574	632.5	(9.2)	2,324.5	1,396.1	66.5
Depreciation	220.3	193.3	14.0	696.7	421.8	65.2
PBT	353.7	439.2	(19.5)	1,627.8	974.3	67.1
Tax	54.4	63.8	(14.7)	213.6	56.3	279.4
Profit After Tax	299.3	375.4	(20.3)	1,414.2	918.0	54.1
Equity Capital	381.2	381.2	0.0	381.2	381.2	0.0
EPS (Rs) - FV Rs 10	7.9	9.8	(20.3)	37.1	24.1	54.1

Source: Company

Financial Analysis (FY07) –

- Comparative quarterly numbers for FY06 are not available as the company during that period was a division of Great Eastern Shipping Co;
- Aided by increase in its fleet size from 33 as on Mar'06 to 39 currently and an increment in day rates for vessels the company has registered an impressive revenue of Rs 5368.4 mn for year ending Mar'07 as against Rs 3468 mn during FY06 – an improvement of 55%. This is however marginally lower than our expected revenue of Rs 5520 mn, primarily due to maintenance and dry docking of vessels;
- The company registered an improvement of 500 basis points operating margins for year ended Mar'07 at 50% as against 45% during FY06. The improvement in margins is primarily on account of improvement in day rates for vessels and cost efficiencies in operating expenses during the period.

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- PAT for FY07 stood at Rs 1414 mn as against Rs 918 mn in FY06 – an improvement of 54%;
- EPS for FY07 stood at Rs 37.1 as against Rs 24.1 for FY06.

Significant Updates –

We spoke to the management of Great Offshore for an update on the status of fleet expansions and new contracts, following are some key take-aways from the discussion:

- Inline with the strong demand for OSV's and rigs in domestic as well as international markets, Great offshore plans to increase its fleet size over the next 3 years.
- The company's current order book consists of one AHTSV to be commissioned in Q2FY08, one jack-up rig to be received by Q3FY09 and one multi role support vessel to be received in FY10. The total committed capital expenditure towards these additions is about US\$245 mn until FY10, which will be financed through a mix of debt and equity in the ratio of 25% internal accruals and 75% debt.
- Apart from this planned expansion, the company is also open to buy second-hand vessels if opportunity exists. With a debt-equity ratio of 1.1 of FY07E, the company is well placed to make any unplanned additions to its fleet.

Business Outlook & Valuation –

Financial Estimates –

We maintain our FY08 & FY09 estimates, which are stated as under:

Year Ended	Mar08E	Mar09E
Net Sales (Rs Mn)	7683.0	8618.3
EBITDA (Rs. Mn)	3732.0	4327.7
EBITDA (%)	48.6	50.2
PAT (Rs Mn)	2167.7	2472.6
EPS (Rs)	56.9	64.9
P/E (x) at Rs 760	13.4	11.7

Source: Emkay Private Client Research

Recommendation –

We continue to remain positive on this scrip. The key growth driver for Great Offshore is its fleet expansion, increasing efficiency in capacity utilization and increasing day rates for its vessels resulting in better profitability. The planned expansion of the company shall result in increasing its fleet size from 39 by FY07 and 42 by FY10E. We expect revenues to grow at a CAGR of 32% between FY06-09E and EBITDA to grow at a CAGR of 39% during the same period. Great Offshore currently trades at a forward multiple of 13x FY08E and 12x FY09E. At our target price of Rs. 1153, the stock shall trade at 20x FY08E and 18x FY09E earnings. With an EPS CAGR of 37% estimated over FY06-09E, EV/EBITDA of 10x for FY08E & 9x FY09E we believe the present valuation looks attractive. Based on this we maintain a BUY recommendation on this scrip with target price of Rs. 1153.

We maintain a BUY with a target price of Rs 1153

FROM OUR TECHNICAL DESK



Indices	Previous close	Today's close	% chg
Sensex	13,908	13,872	-0.26
Nifty	4083	4087	0.11
S&P CNX 500	3363	3379	0.46
BSE 500	5,295	5,311	0.29
BSE Mid-Cap	5,733	5,795	1.08
BSE Small-Cap	6,941	6,993	0.75
BSE Auto	4,944	4,998	1.10
BSE Health	3,696	3,702	0.18
BSE FMCG	1,821	1,800	-1.13
BSE IT	4,953	5,053	2.01
BSE PSU	6,420	6,404	-0.25
BSE Bankex	7,086	6,882	-2.88
BSE Oil & Gas	7,077	7,135	0.81
BSE Metals	9,726	9,835	1.12
BSE Cons Dur	3,695	3,685	-0.26
BSE Cap Good	9,824	9,880	0.57
Levels to Watch			
	Sensex	Nifty	
Day's High	13,901	4096	
Day's Low	13,693	4028	
13 DMA	13770	4043	
34 DMA	13481	3945	

The Nifty opened weak in the morning and remained so for most of the trading session. It made a low of 4028 but started recovering its losses thereafter. It steadily appreciated and recovered all its day's losses and closed positive by the end of the day at 4087, gaining 0.11%. The Advance Decline ratio was bullish and stood at almost 3:2. The BSE Bankex and BSE FMCG indices underperformed the rest of the market and lost more than a percent each, whereas the BSE IT index registered outperformance.

Market Perspective

The Nifty opened weak in the morning and broke the support level of 4057. It made a low of 4028 and turned sideways for a while. Thereafter it slowly retraced all the intraday losses and gave a marginally positive close at 4087, gaining by 0.11%. It has made "**Hammer**" pattern on the daily chart thus it can test 4101 and above that 4123, which are 38.20% and 50% retracement levels of the fall from 4217 to 4028. However, one should be cautious at higher levels as last week the Nifty has made "**Doji**" pattern on the weekly chart. Thus, the Nifty will turn bullish for short term only above 4218. However, today's low of 4028 will play as an important support for short term and if the Nifty breaks 4028 then it can come down to 3988, which is the 38.20% retracement level of the rally from 3617 to 4217. Today the Nifty can test 4101 and the support levels are 4063 and below that 4028. However, the medium term trend for the Nifty is still bullish.

Sectoral Speak:

The **BSE Bankex** achieved our mentioned level of 6906 on Monday and underperformed the markets. It finally closed with a loss of 2.88% at 6882. It took support near the 50% retracement of the whole rally from 6110 to 7383 and made a low of 6715. After that it bounced back sharply. It has made "**Hammer**" pattern on the daily chart thus we may see further recovery in this index and it can test 7048, which is the 50% retracement level of the fall from 7383 to 6715.

The **BSE IT** index outperformed the markets and closed with a gain of 2.01% at 5053. This index took support almost near the 50% retracement level of the recent bounce back from 4656 to 5181. The stochastic oscillator has given a buy on the daily chart, thus this index may continue its upmove and can test its recent high of 5181.

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Recommendations

Date	Stock	Action	Recommendation Price	Stop-loss	Target	Current price	Comment
11-04-07	DCB	Buy	72.00 - 69.00	64.30	86.00	75.75	
13-04-07	KPIT Infosys	Buy	141.00 - 138.00	131.30	160.00	135.70	
17-04-07	India Cement	Buy	175.00 - 170.00	160.60	205.50	178.60	
17-04-07	CANDC	Buy	188.00 - 180.00	172.60	240.00	193.60	
17-04-07	GE Shipping	Buy	240.00 - 230.00	223.30	275.00	247.10	
18-04-07	ZEEL	Buy	282.00 - 272.00	257.30	320.00	291.15	
19-04-07	BOC	Buy	142.00 - 135.00	128.60	160.00	139.85	
20-04-07	Bharti Airtel	Buy	840.00 - 820.00	782.30	925.00	813.10	
23-04-07	Amar	Buy	38.00 - 35.00	33.10	47.50	35.25	
23-04-07	Jind Steel & Power	Buy	2750.00 - 2720.00	2645.30	3050.00	2875.05	Profit booked at 2900
23-04-07	Torrent Power	Buy	69.50 - 67.50	62.90	80.50	67.10	
24-04-07	HCC	Buy	105.00 - 100.00	94.10	125.00	97.75	
25-04-07	Hyderabad Industries	Buy	210.00 - 200.00	192.30	250.00	206.00	Stop loss triggered
26-04-07	HPCL	Buy	270.00 - 260.00	252.30	305.00	270.00	

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FROM OUR DERIVATIVES DESK

Nifty Snapshot

Nifty: 4087.90 (+0.11%)				Open Interest (No. of Shares)		Change in OI		PUT CALL RATIO (PCR-OI)		
LTP	27.04.07	30.04.07	Basis	27.04.07	30.04.07		Nifty	27.04.07	30.04.07	Chg in OI
Nifty Spot	4076.00	4089.35	-	-	-	-	Call OI	9754250	10156600	+402350
May Future	4066.55	4091.00	+1.65	30209400	30543500	+334100	Put OI	11307600	11861100	+553500
Jun Future	4065.00	4090.00	+0.65	703050	729950	+26900	PCR	1.16	1.17	+0.01
Total (May+June+July)				30932000	31297350	+365350				

FII's Derivative Statistics for 27.04.07

	Buy		Sell		Open Interest as on 27.04.07		Open Interest as on 26.04.07		Change in FIIs Open Interest	
	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	31911	656.09	57242	1173.07	657897	13408.43	623300	12980.93	34597	427.50
Index Options	7897	163.15	2020	39.77	235677	4811.94	226360	4728.49	9317	83.45
Stock Futures	11541	341.92	21828	650.37	531135	14161.63	523394	14233.36	7741	-71.73
Stock Options	0	0.00	23	0.71	1034	26.20	1011	26.34	23	-0.14
TOTAL						32408.19		31969.13		439.07

Source: NSE

Nifty closed flattish after opening with a downside gap in the morning even as it remained in negative territory for a major part of session. Nifty has closed with a minor gain of 4 points at 4087. Major gainers were RCOM, TCS, HeroHonda, TataSteel, Infosys, ACC etc. Major losers were ICICI Bank, HLL, Cipla, Bharti, ONGC, Hindalco etc.

- May futures turned positive 0.53% against negative 2.73% the previous day.
- Nifty May futures traded at 1-2 points premium by the end compared to 6-8 points discount during the day.
- Total Turnover for NSE F&O Segment was Rs. 25,629 Crores.

Open Interest Analysis:

BULLISH: Cummins (43%), Bharat Forge (27%), TTML (16%), RCOM (15%), GMR Infra (14%), Century Text (12%), Escorts (11%), IVRCL (9%), Arvind Mills (8%).

Long build up was seen in abovementioned stocks as OI has increased with upside move in these stocks and positive CoC and thus we may see further upside move in these stocks.

Nifty closed with a marginal gain towards the end of session, and the discount in Nifty futures which was nearly 15-20 points turned to a minor premium. The cost of carry continues to be positive in majority of stocks and therefore, we expect the markets to trade with positive bias and we expect to see stock specific moves.

Put Call Ratio Analysis:

PCR (OI) of Nifty is 1.17 compared to 1.16 the previous day. Nifty Call options added 4 lakh shares (4.12%) & Put options added 5.5 lakh shares (4.9%). Nifty 4050 Call options added 1.9 lakh shares and 4250 Call added 1.2 lakh shares in OI. Nifty 3900 & 4000 Put added 1.5 lakh shares each in OI; Nifty 4050 Put options added 1 lakh shares in OI.

Cost of Carry (May):

Turned Positive: ACC, Bharti, Cairn, Hindalco, TataMotors, Wipro.

Turned Negative: Jindal Stainless, TCS.

Contd...

Bank Nifty: 5621.00 (-2.29%)							CNX IT: 5418.40 (+2.19%)						
	LTP			Open interest (No. of shares)		Chg in OI		LTP			Open interest (No. of shares)		Chg in OI
	27.04.07	30.04.07	Basis	27.04.07	30.04.07			27.04.07	30.04.07	Basis	27.04.07	30.04.07	
Spot	5735.20	5632.25	-	-	-	-	Spot	5302.55	5422.95	-	-	-	-
May Futures	5717.00	5642.10	+9.85	134900	135250	+350	May Futures	5320.00	5438.00	+15.05	18500	26900	+8400
Total (May+June+July)				134900	135250	+350	Total (May+June+July)				18600	27000	+8400

Top traded stock futures		Most active stock options				
Scrip	No. of Contracts	Scrip	Expiry	Strike Price	Option Type	No of Contracts
RELIANCE	35392	RELIANCE	MAY	1560	CA	1429
ROOM	30342	IFCI	MAY	45	CA	888
ICICIBANK	20451	RELIANCE	MAY	1590	CA	712
IFCI	18238	IFCI	MAY	42.5	CA	710
BHARTIARTL	17293	IFCI	MAY	40	CA	627
INFOSYSTCH	17156	RELIANCE	MAY	1500	PA	566
TATASTEEL	14017	RELIANCE	MAY	1620	CA	520
SBIN	13859	ROOM	MAY	470	CA	516
IVRCLINFRA	10210	RELIANCE	MAY	1530	CA	457
CENTURYTEX	10121	ROOM	MAY	480	CA	451

Derivative Strategy Recommendations

Date	Scrip	View	Strategy	Action	Maximum Profit	Maximum Risk	Current Price	Profit/ Loss (Rs.)	Remarks
26.04.07	IndusInd Bank	Bullish	Buy Call Option	Buy 45 CA @ 3.25	Unlimited	12512.50	45 CA @ 2.45	-3080.00	Hold
27.04.07	India Cement	Bullish	Buy Call Option	Buy 180 CA @ 8.00	Unlimited	11600.00	180 CA @ 8.65	+942.50	Hold

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FROM OUR DEALING DESK

Dealing News

Market News & Gossip

Market Commentary:

Continue to remain positive on the market, we expect the market to test new highs at the same time stocks like Reliance and SBI should lead the rally. Stocks which we like are Infosys and NIIT Tech. Over all IT sector looks positive and are in a consolidated mode from current levels.

Investment Idea:

Amtek India @ 170

- The buoyancy of the domestic auto industry continues to translate into higher business for AIL as it supplies to most of the top OEM of the country.
- Expansion programme is currently under progress, castings capacity of 30,000 tons per annum shall be raised to 120,000 tpa; and further up to 165,000 tpa by June 2008.
- Component making facility has already been expanded to 175lakh units per annum from 125lakh units per annum.
- It aspires to grow rapidly inorganically for which it is assessing the merits of couple of Castings Company in Europe/UK.
- Expected consolidated EPS for FY07E is Rs11 and FY08E EPS is Rs15.6.
- We maintain BUY on the stock.

Derivatives:

On Monday Net OI up by Rs.1182 cr. (Premium to cash was avg. 2-3 pts.)

NF = Net OI up by Rs.229 cr. (added 3 NF)

SF = Net OI up by Rs.954 cr. (Rcom,RIL, Century, IFCI, TTML)

Overall OI is @ Rs 34514 cr. (NF 12895 cr + SF 21619 cr)

FII's OI (only Futures) as on 27th Apr stood at Rs.27570 cr. (ie 40%)

Active Trader's Delight

The following are the active trading delight calls.

Call Date	Scrip	CMP(Rs.)	EntryLevel	Target	StopLoss	Remarks
27/Apr/07	Bilt	116.25	115.00	126.00	108.00	F&O Call
27/Apr/07	Aftek	73.40	71.00	85.00	67.00	Intra Week

Source: PCG Desk

Market Gossip *: Continue with previous recommendation, stock which look good even from current levels are Praj Ind and Kotak Bank.

Disclaimer *: Short term view is considered for 8 to 10 trading sessions. This Market Gossip information contained herein is from the public domain or sources believed to be reliable. This market gossip information may not be suitable for all clients. Clients are requested to make their own decision based on their own investment objectives, Stop losses, goals & financial position.

TRADE DETAILS OF BULK DEALS

Bulk Deals		Deal Date	Scrip Name	Client Name	Deal Type *	Quantity	Price **
		30-Apr-07	Ambika Coton	Hsbc Global Invest Funds	S	50000	126.36
		30-Apr-07	Asian Oilfie	Pratap Bhan Arora	S	50000	52.4
		30-Apr-07	Continen Cre	Ashok Bhayani	B	50000	4.37
		30-Apr-07	Continen Cre	Hamir Ahir	S	50000	4.37
		30-Apr-07	Core Project	Grant Investment Limited Fccb	S	191555	601.4
		30-Apr-07	Cupid Ltd	Neil Finstock Pvt. Ltd	B	40000	55
		30-Apr-07	Empower Inds	Kaushik Maganbhai Rathod	B	50000	15.36
		30-Apr-07	Empower Inds	Jitesh Kailash Malhotra	B	50150	15.36
		30-Apr-07	Empower Inds	Beni Prasad Jain	S	52420	15.44
		30-Apr-07	Empower Inds	Dikul Mahendra Shah	S	50000	14.8
		30-Apr-07	Galaxy Entet	Bellono Finvest Ltd	B	275488	105.25
		30-Apr-07	Galaxy Entet	Nandita Mihir Mehta	S	153488	105.25
		30-Apr-07	Galaxy Entet	B R International	S	122000	105.25
		30-Apr-07	Jagjanani	Kamlesh Harishbhai Chavda	B	161490	26.25
		30-Apr-07	Jagjanani	Kamlesh Haribhai Chavda	S	464792	25.51
		30-Apr-07	Jagjanani	Hemant Madhusudan Sheth	S	175000	26.34
		30-Apr-07	Micro Techn	Goldman Sachs And Company	B	52968	249.83
		30-Apr-07	Mohit Indust	Hemant Madhusudan Sheth	S	30000	38.9
		30-Apr-07	Nitco Tiles	Carissa Investment Pvt Limited	S	188983	200
		30-Apr-07	Sriven Mul-T	Vasudev Hariram Savlani	B	59200	1.65
		30-Apr-07	Sriven Mul-T	Hariram Tirthdas Sawlani	S	59200	1.65
		30-Apr-07	Stocknet Int	Vasudev Hariram Savlani	B	29300	1.2
		30-Apr-07	Stocknet Int	Hariram Tirthdas Sawlani	S	29300	1.2
		30-Apr-07	Stone Indi L	Jalco Financial Services Pvt Ltd	S	45459	104.35
		30-Apr-07	Tripex Over	Rashmikant Ashokbhai Dave	S	47726	46.53
		30-Apr-07	Tulip Star H	Seaglimpse Investments Pvt Ltd	S	62000	76.25
		30-Apr-07	Tulip Star H	Systematik Finvest Pvt Ltd	S	114000	76.2
		27-Apr-07	Calfnia Sof	Shailesh M Nissar	B	84790	138.6
		27-Apr-07	Crazy Infote	Prem Mohanlal Parikh	S	45000	78
		27-Apr-07	Empower Inds	Dikul Mahendra Shah Huf	S	33135	14.8
		27-Apr-07	Gemstone Inv	Hemant Madhusudan Sheth	B	60000	21
		27-Apr-07	Gremac Infra	Shailesh M Nissar	S	84790	138.8
		27-Apr-07	Orbitco	H.J.Securities Pvt.Ltd.	B	295538	186.46
		27-Apr-07	Orbitco	H.J.Securities Pvt.Ltd.	S	295538	186.84
		27-Apr-07	Rei Agro Lim	H.J.Securities Pvt.Ltd.	B	422069	168.91
		27-Apr-07	Rei Agro Lim	H.J.Securities Pvt.Ltd.	S	422069	169.73
		26-Apr-07	Jagjanani	Rajkumar Goswami	B	79520	26.45
		26-Apr-07	Jagjanani	Rajkumar Goswami	S	79520	27.6

Source: BSE

COMPANY / MARKET**Forthcoming Events**

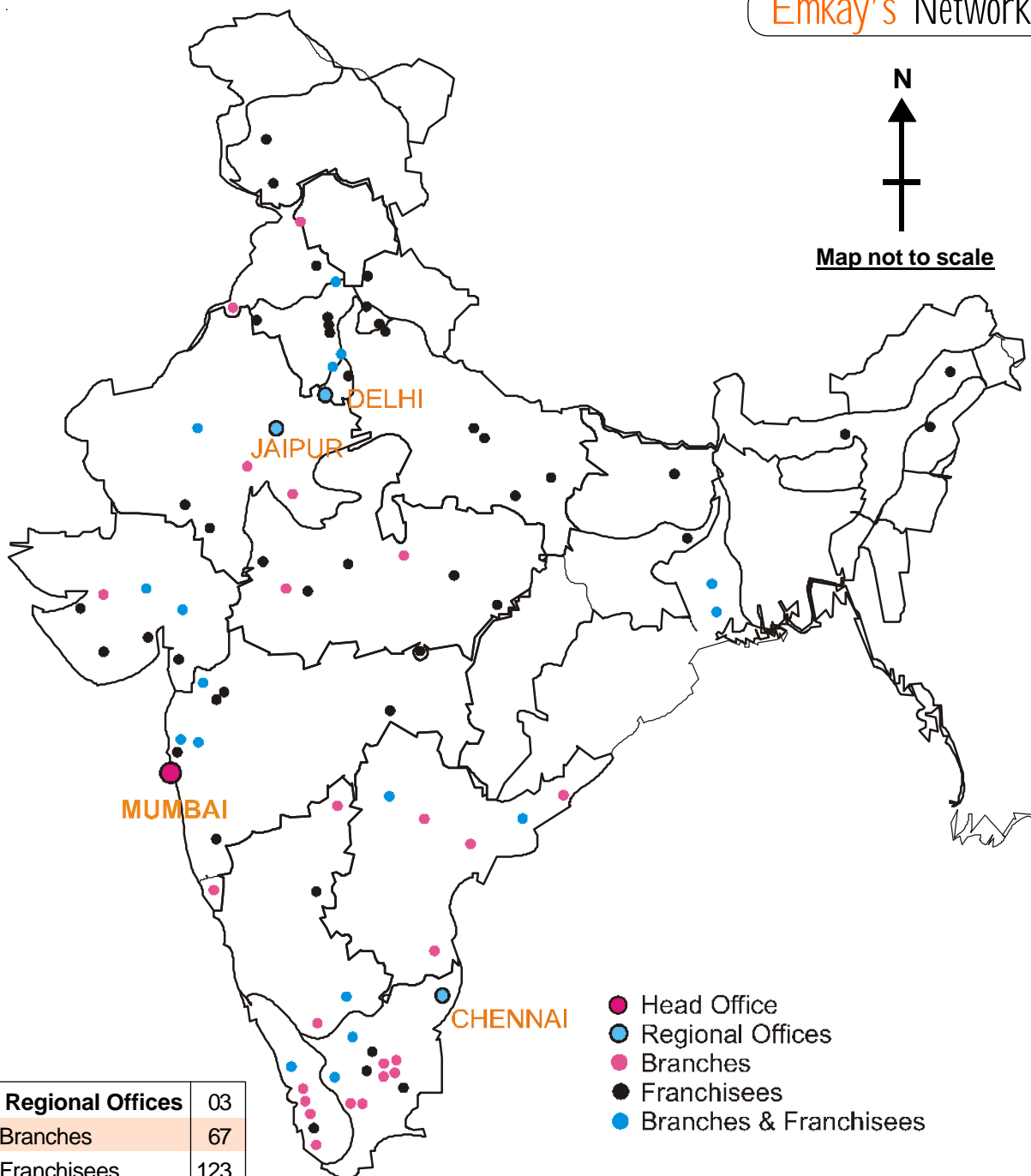
Effective Date	Summary	Action Type
03-May-07	BF Utilities Ltd	Listing
03-May-07	Century Enka Limited	Qtrly Results
03-May-07	Century Textiles & Inds Ltd	Qtrly Results
03-May-07	Colgate-Palmolive (India)	Qtrly Results
03-May-07	Eicher Motors Limited	Qtrly Results
03-May-07	Ennore Foundries Limited	Qtrly Results
03-May-07	Garware Offshore Services Ltd	Listing
03-May-07	GM Breweries Ltd	Cash Dividend
03-May-07	Godrej Consumer Products Ltd	Cash Dividend
03-May-07	Indcap Financial Ltd	Name Change
03-May-07	Info Edge (India) Limited	Qtrly Results
03-May-07	Kansai Nerolac Paints Ltd	Qtrly Results
03-May-07	Karuturi Networks Ltd	Listing
03-May-07	Lakeland Hotels Ltd India	Name Change
03-May-07	Marudhupandi Finance Ltd	Name Change
03-May-07	Nestle India Ltd	Corporate Meeting
03-May-07	Prithvi Information Solutions Ltd	Cash Dividend
03-May-07	R.S. Software (India)	Qtrly Results
03-May-07	Raipur Alloys & Steel Ltd	Corporate Meeting
03-May-07	Satra Properties India Ltd	Cash Dividend
03-May-07	Sterling Biotech Ltd	Cash Dividend
03-May-07	Sun Beam Infotech Ltd	Name Change
03-May-07	Twenty-First Century Printers Ltd	Corporate Meeting

Source: Bloomberg

Emkay's Network



Map not to scale



Total Regional Offices	03
Total Branches	67
Total Franchisees	123

Regional Offices

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Analyst's holding in the stocks mentioned in the report: **NIL**

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