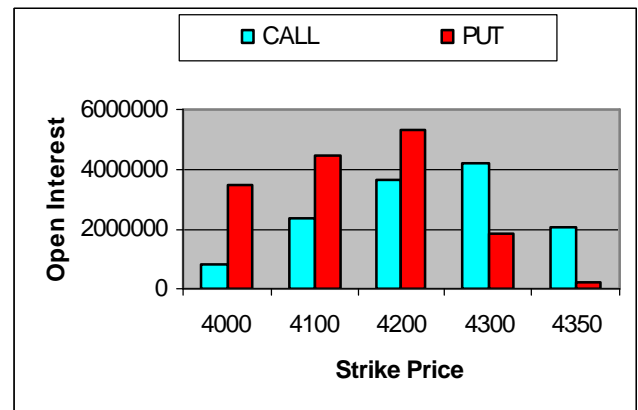


16th June, 2007

Indices' Snapshot

	Previous week	This week	Change	%Chg
Nifty	4145.00	4171.45	26.45	0.64
Sensex	14063.81	14162.71	98.90	0.70
Bank Nifty	6177.70	6176.20	-1.50	-0.02
CNX IT	5338.45	5281.95	-56.50	-1.06
Futures LTP (June)				
Nifty	4124.00	4129.00	5.00	0.12
Bank Nifty	6169.00	6135.00	-34.00	-0.55
CNX IT	5334.00	5272.00	-62.00	-1.16
Open Interest (OI)				
Nifty	36549150	40579550	+4030400	+11.03
Bank Nifty	164650	274850	+110200	+66.93
CNX IT	148100	118800	-29300	-19.78
Cost of Carry (% annualized)				
Nifty	-13.35	-27.72	-14.37	
Bank Nifty	-2.75	-7.42	-4.67	
CNX IT	-0.38	-1.90	-1.52	

Nifty Options OI Distribution



Nifty Put Call Ratio (OI)

	Last Week	This Week	Change	% Change
Call OI	13777750	16133400	+2355650	+17.10
Put OI	18058850	20308800	+2249950	+12.46
PCR	1.31	1.26	-0.05	

FII's Weekly Derivative Statistics 14.06.07

	Buy		Sell		Open Interest as on 14.06.07		Open Interest as on 07.06.07		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	281020	5810.08	342104	7081.57	816078	16992.38	709716	14774.71	106362	2217.66
Index Options	79233	1609.50	38864	818.68	333676	6957.14	289459	6048.97	44217	908.18
Stock Futures	109473	2927.57	117482	3308.50	741809	20333.21	671978	18449.49	69831	1883.72
Stock Options	198	5.35	382	10.10	1753	45.59	1397	34.47	356	11.12
TOTAL						44328.32		39307.64		5020.67

Source: NSE

Market Activity

Nifty corrected sharply during the week and has closed with a loss of 152 points on a week over week basis. The discount in Nifty also widened to nearly 20-25 points against nearly 10 points during the previous week. Major gainers during the week, in terms of price, were LITL, UniPhos, Divis Lab, Sun TV, Nicolas Piramal, Sterlite Optical, GMR Infra, Titan etc. Major losers were Peninsula Land, Nagarjun Fert, AIA Eng, Shree Cem, Moser Baer, Rolta, Dena Bank, TTML etc. FIIs remained net sellers in Index Futures to the tune of 61084 contracts and have added 1.06 lakh contracts in OI indicating build up of long as well as short positions with a strong bias towards short positions. Long positions were formed in Index options. In stock futures too, long as well as short build up is seen with a very slight bias towards short side.

Market Outlook

Nifty may remain range bound and volatile in the coming days as we see strong support close to 4100 levels and resistance close to 4200 levels. On a close above 4200 levels, Nifty may test 4300 levels. The Implied Volatility eased a bit to 23-24% levels but it still at high levels which indicates that volatility may be seen in the markets. Nifty added nearly 40 lakh shares in OI during the week and the discount also widened to nearly 25 points on Friday towards the end of session.

Open Interest (OI) Analysis

BULLISH: FT (76%), Educomp (67%), GE Shipping (41%), RIL (33%), Skumars (25), National Alum (17%).

BEARISH: HeroHonda (30%), RCOM (20%), Bharti (19%), NTPC (19%), TataMotors (18%).

Long build up was seen in abovementioned bullish stocks as OI has increased with strength in stock price and positive CoC and thus we may see upside move in these stocks. The abovementioned bearish stocks added remarkable OI with downside move in price during the week and are looking weak and therefore we may see a further downside in these stocks.

Put-Call Ratio (PCR) Analysis

- Nifty PCR (OI) further moved down to 1.26 from 1.31 last week.
- Nifty Call options added 23.5 lakh shares (+17%) & Put options added 22.5 lakh shares (+12.4%) in OI on w-o-w basis.
- Nifty 4100 Put options added nearly 10 lakh shares in OI during the week and now it holds 44.3 lakh shares in OI representing 21.8% of total put options OI. This indicates that support is developing constantly near 4100 levels.
- Nifty 4000 Put options added 6.2 lakh shares in OI.
- Nifty 4100 Call options have added 8.3 lakh shares in OI.
- Resistance for immediate term exists close to 4200 levels on Nifty and strong resistance exists close to 4300 levels.
- Nifty 4300 Call options hold 42.4 lakh shares in OI representing 26.3% of total Call OI.

Cost of Carry (CoC)

Turned Positive: Air Deccan, GTL, IVRCL, Jindal Stainless, M&M, Syndicate Bank, UltraTech.

Turned Negative: ACC, BILT, BPCL, GMR Infra, HPCL, India Cement, SAIL.

Derivative Strategy

Scrip: RELIANCE		Spot Price: 1681.90		Mkt Lot : 150		Expiry Date (F & O): 28th JUNE 2007		
View: Bullish				Strategy: Bull Call Spread			Expected Payoff	
Buy/Sell	Qty.	Scrip	Strike Price	Series	Option Type	Mkt Price (Rs.)	Closing Price	Expected Profit/Loss (Rs)
BUY	150	RELIANCE	1680	JUNE	CA	36.00		
SELL	150	RELIANCE	1740	JUNE	CA	16.00		
<p>Maximum Risk: Limited to Rs.20.00 (Rs. 3,000.00 per contract) If RELIANCE closes at 1680 or below on expiry of June series.</p> <p>Maximum Profit: Limited to Rs.40.00 (Rs. 6,000.00 per contract) If RELIANCE closes at 1740 or above on expiry of June series.</p> <p>Break Even Point : Rs.1700.00</p> <p>Risk-Reward Ratio : 1:2</p>							1680 or below	(20.00)
							1690	(10.00)
							1700	(0.00)
							1710	10.00
							1720	20.00
							1730	30.00
							1740 or above	40.00

Zeal Mehta

Derivative Analyst

zeal.mehta@emkayshare.com

Tel: +91 22 6612 1276

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

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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;

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