

DAILY MARKET OUTLOOK

Market Snapshot

Following the robust performance of last week, the Sensex opened with a positive gap of 95 points at 13,479, and moved higher as the day progressed touching a high of 13,708 before settling with a significant gain of 312 points (2.3%) at 13,696. Nifty Settled at 4,013 (up 96 points).

The NSE and BSE cash volumes were lower compared to the previous day at INR 89 bn and INR 41 bn respectively. The F&O volumes were also lower at INR 297 bn.

Sentiment Indicators

The Implied Volatility (IV) across Nifty strikes has increased to 24-27% levels. The WPCR of Nifty Options has increased to 1.25 while the 5 day average is 1.06.

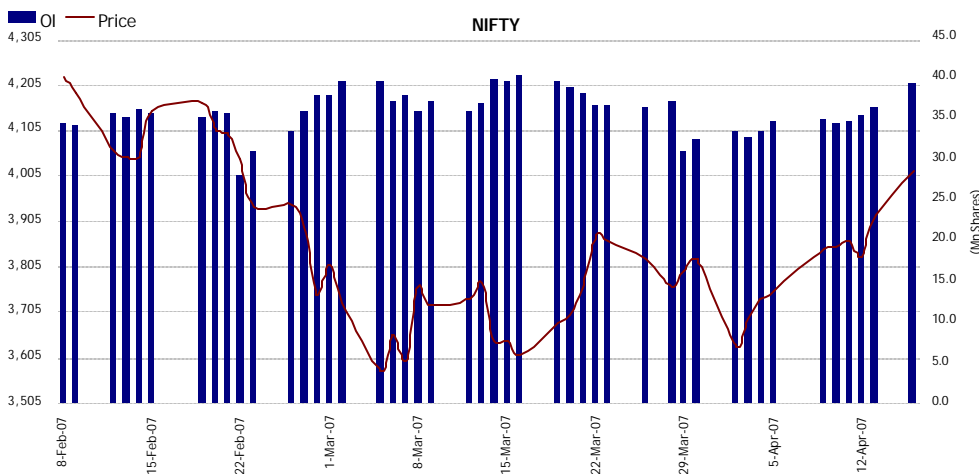
Outlook

The markets will open on a positive note taking cues from strong US markets. The positive run will continue as the TCS results were good and in line with the street expectations. After consolidating seen during the last few weeks, the Nifty has inched upwards in a new trading territory breaking some strong resistance levels. This is a good signal for the bulls taking over bears for a long run.

The Rupee appreciation will bring IT sector under some pressure even when the major players have considerable hedges against the dollar fall. Textile might face some continued pressure due to their low margins and high forex exposure. Cement counters can have some buying opportunities at current levels after recent fall. ACC is our top buy pick which saw a 6% OI increase with 5% price rise in the cement stocks.

FII's were net buyers of INR 1472 cr Index futures and INR 31 cr in single stock futures. This buying, along with OI build seen for FII numbers signals new interest in the broader market.

Nifty built on the bullish momentum after breaking the 3901 level on Friday. The market breadth was clearly on the side of the bulls and this adds to the intermediate bullishness of the market. The market has retraced 67% of the February fall and we expect the market to consolidate and move northwards from the current levels. The intermediate support is now at 3984 followed by 3962, while the resistance is at 4057 followed by 4099.



April 17, 2007

Market Snapshot

	16-Apr	13-Apr	% Chg
Nifty	4013.2	3917.4	2.4
Sensex	13695.6	13384.1	2.3
BSE MidCap	5666.0	5576.5	1.6
BSE SmallCap	6884.1	6756.5	1.9

Apr Futures

	16.2%	11.5%	40.0
Average ICC (p.a.)**			

Volume (INR mn)

	218,991	255,109	-14.2
Futures			
Call	38,676	39,025	-0.9
Put	39,754	40,562	-2.0
Total	297,421	334,696	-11.1
NSE Cash Vol.	89,509	97,354	-8.1
BSE Cash Vol.	41,439	47,243	-12.3

Open Interest (INR mn)

	386,063	374,510	3.1
Futures			
Call	80,796	76,815	5.2
Put	80,629	69,344	16.3
Total	547,488	520,669	5.2

Put Call Ratios

	1.11	1.10	1.0
PCR			
WPCR	1.02	1.02	0.0
OI PCR	1.02	0.92	10.6
Total OI/ Volume	1.84	1.56	18.3

Nifty IVs at 24 - 27% levels.

FII Activity* (INR Mn) (13-Apr)

Volume	Buy	Sell	Net
Cash	28,636	23,880	4,756
Index Futures	16,177	12,624	3,553
Stock Futures	6,685	4,520	2,165
Total	51,498	41,024	10,474

Open Interest	13-Apr	12-Apr	% Chg
Index Futures	143,281	135,342	5.9
Stock Futures	164,706	156,897	5.0
Total F&O OI	370,258	355,351	4.2

Mutual Fund Activity* (INR Mn) (13-Apr)

Volume	Buy	Sell	Net
Equity	6,307	4,310	1,997

*FII & MF Data is reported a day late

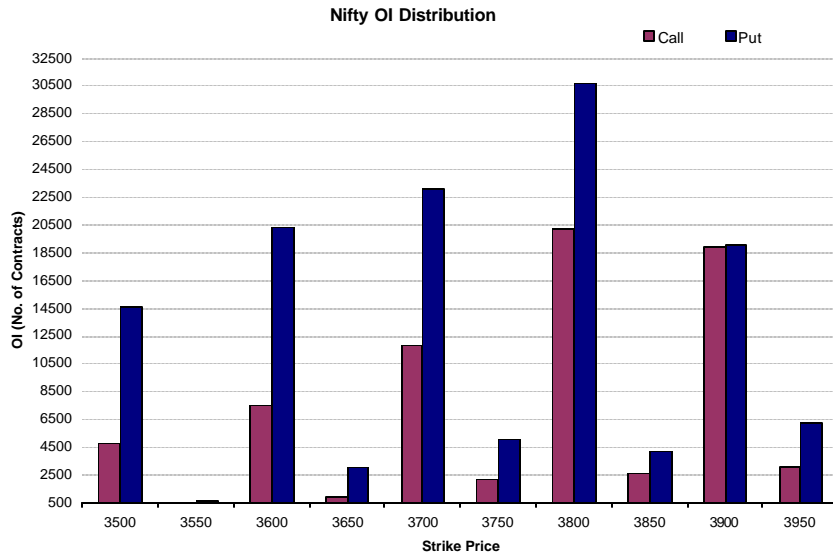
** Avg of positive ICC's

Pending Calls

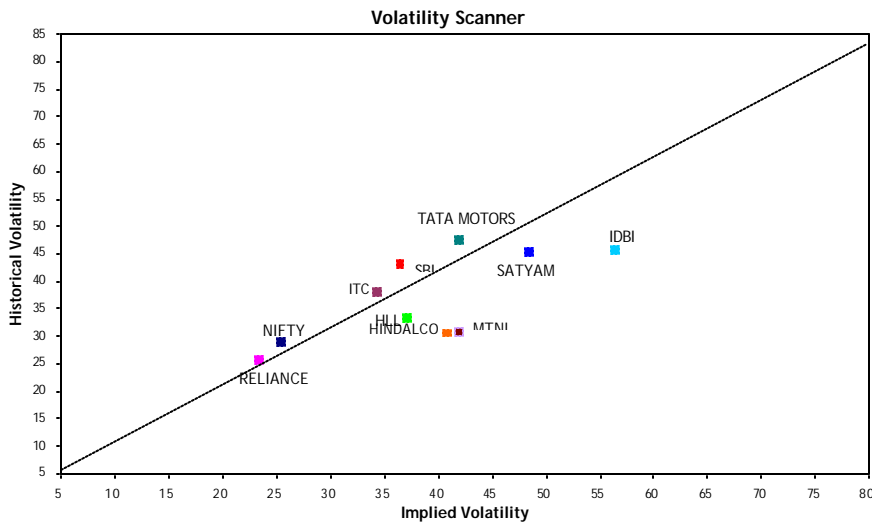
Scrip	Action	Date of Recommendation	Market Price	Returns	Rationale
Reliance	Buy	17-Apr-07	1457.8	-	The stock broke its all time high resistance at INR 1444 and close above it. The underlining strength of the stock is visible from the fact that the correction it went through in February was relatively flatter as compared to the broad indices.
ACC	Buy	17-Apr-07	785.3	-	The cement sector has been hammered a lot in the past few session on the back of uncertainty looming in the sector. However now we suggest investor can buy at current levels and we pick ACC as our best pick.
Unitedphosphorous	Buy	17-Apr-07	343.0	-	The stock was up more than 3% on good volumes. The company is expected to come out with good results and also we expect it to take cues from the advanta IPO.
RCOM	Buy	22-Mar-07	436.8	7%	With the reduction in ADC by 37% and expected short covering make this stock an attractive BUY at current levels.
SunPharma	Closed Today	10-Apr-07	1098.9	5%	The stock is getting delisted on the 20th on account of demerger we expect the value unlocking to keep the stock in good humour.
Relcapital	Buy	16-Apr-07	708.7	3%	The stock was up by 3% on good volumes with a 8% rise in OI. We expect the buying interest to stay and suggest going long.
Parsvnath	Buy	13-Apr-07	292.8	3%	The stock went up more than 7% on Thursday with huge build up on the long side. The OI rose by 23% and we recommend Parsvanath as the best pick in the sector.
M&M	Buy	16-Apr-07	762.5	2%	The stock has seen significant short build up over the last few session. However with renewed buying seen in auto stocks on Friday, we expect short covering to come in with every upmove in the market.

Closed Calls

Scrip	Recomm	Date of Recommendation	Initiated Price	Date of Closing	Closing Price	% Return
IFCI	Buy	22-Mar-07	26.8	28-Mar-07	32.5	21%
STER	Buy	4-Apr-07	434.4	12-Apr-07	506.4	17%
SesaGoa	Buy	15-Mar-07	1586.5	28-Mar-07	1746.4	10%
Lupin	Buy	12-Mar-07	580.0	10-Apr-07	633.9	9%
ZeeNews	Buy	10-Apr-07	38.7	11-Apr-07	41.9	8%
JetAirways	Sell	11-Apr-07	645.4	16-Apr-07	625.9	3%
GEShip	Sell	13-Apr-07	228.4	16-Apr-07	225.1	1%
SCI	Sell	13-Apr-07	170.1	16-Apr-07	170.8	0%



- Maximum OI increase was in the 3900 Call [increase of 8.6%], 4000 call [increase of 6.4%] and 3900 Put [increase of 50.5%].
- Maximum Volumes were witnessed by 3900 & 3800 Call and 3800 & 3700 Put.



Nifty IVs at 24-27% levels

High IVs

- Hindalco IV's are quoting at 41% as against HV's of 31%.
- IDBI IV's are quoting at 56% as against HV's of 46%.
- MTNL IV's are quoting at 42% as against HV's of 31%.

Sectoral Open Interest Build Up (Contracts) for 1 days				
Sector	OI	OI -D	% OI Chg	% Prc Chg
IT	116373	107748	8.00%	1.7%
Engineering & Capital Goods	71673	67982	5.43%	2.4%
Power	35995	34237	5.13%	2.6%
Cement	45712	43693	4.62%	3.8%
Oil & Gas	142181	137349	3.52%	2.1%
Chemicals	10235	9932	3.05%	3.6%
Pharma	45526	44446	2.43%	1.3%
Banking	165143	161999	1.94%	1.3%
Telecom	67192	65959	1.87%	4.3%
Metals & Mining	85240	83944	1.54%	2.4%
Construction	37673	37269	1.08%	2.6%
Textile	18772	18670	0.55%	2.7%
Auto	54946	54875	0.13%	0.7%
FMCG	37792	38306	-1.34%	2.8%

- Amongst all the sectors, the Telecom sector was up the most. TTML was up 12% with a 15% change in OI followed by IDEA was up 2% with 25% change in OI
- In the Cement space, ACC was up 5% followed by Ultratech and Grasim each up 4%.
- In the Chemical arena, Gujarat Alkali up 8% followed by Nagarjuna Fertilizer up 5%.

Futures Snapshot

Top OI Rises

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Bharat Earth Movers	47	512	0.2	232
Bajaj Hindustan	46	3,107	(5.0)	143
Siemens	32	1,709	(1.8)	39
Lupin	25	1,170	5.3	254
Patni Computer	23	466	2.1	17
Jindal Stainless	22	7,770	4.8	319
UTI Bank	21	2,191	0.0	(20)
Idea Cellular	20	15,630	2.0	(8)

Top OI Falls

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Crompton Greaves	(23)	410	5.4	295
ZEE LTD	(13)	2,163	6.6	44
Sterlite Ind.	(12)	5,782	4.0	23
Sobha Developers	(11)	793	1.9	(43)
Canara Bank	(10)	2,477	4.1	35
Tata Motors	(10)	3,642	3.3	(26)
VSNL	(8)	1,674	3.1	51
Bajaj Auto	(7)	832	2.2	(41)

Top Price Change

Scrip	% Price Chg	% OI Chg	OI	% Future Vol Chg
Tata Teleservices	11.9	15	42,584	592
Punj Lloyd	8.3	6	8,720	334
Suzlon	7.7	(6)	1,822	99
Gujarat Alkalies	7.6	0	1,932	537
Titan Industries	7.0	(1)	1,453	253
ZEE LTD	6.6	(13)	2,163	44
Praj Industries	5.6	6	5,669	72
Crompton Greaves	5.4	(23)	410	295

Top Volume Rises

Scrip	% Future Vol Chg	FutureVol	% Price Chg	% OI Chg
MRPL	795	4,619	4.7	3
Tata Teleservices	592	52,146	11.9	15
Gujarat Alkalies	537	1,462	7.6	0
Sun Tv	513	421	3.6	11
Strides Arcolab	398	212	3.8	7
Punj Lloyd	334	7,805	8.3	6
Maharashtra Seamless	332	679	2.3	4
Jindal Stainless	319	6,454	4.8	22

F&O CROSSOVER: -

Focus Stocks

o Positives: ACC, GAIL, HLL, Infosys, Maruti, Reliance, Tata Motors, Tatasteel.

Portfolio Tracker

16-Apr-07

Scrip	Reco	16-Apr-07 Score	13-Apr-07 Score	Reco Date	Reco Price	Current Price	No of days running	Retn since Reco	Stop Loss*
Nifty	Neu**	1	1	13-Apr	3,917	4,013			
ACC	Buy	1	3	13-Apr	748	785	3	4.9%	746
GAIL	Buy	1	1	9-Apr	292	287	7	-1.8%	280
HLL	Buy	3	3	4-Apr	198	214	12	8.0%	203
HPCL	Neu**	1	1	13-Apr	245	250			
ICICI Bank	Neu**	1	1	12-Apr	849	888			
Infosys	Buy	1	(1)	16-Apr	2,129	2,129			2,022
IPCL	Buy	3	5	13-Mar	265	289	34	9.0%	275
Maruti	Buy	3	1	13-Apr	772	778	3	0.8%	739
MTNL	Buy	3	1	10-Apr	154	162	6	5.3%	154
NTPC	Neu**	(1)	(1)	12-Apr	160	159			
ONGC	Buy	3	3	3-Apr	844	900	13	6.7%	855
Polaris	Buy	5	5	2-Apr	171	197	14	15.0%	187
Reliance	Buy	5	5	13-Apr	1,412	1,458	3	3.2%	1,385
Satyam	Buy	3	1	3-Apr	461	479	13	4.0%	457
SBI	Buy	5	3	5-Apr	948	1,014	11	6.9%	963
SCI	Buy	5	3	12-Apr	170	169	4	-0.6%	162
TCS	Buy	5	1	23-Mar	1,288	1,280	24	-0.6%	1,224
Tata Motors	Buy	3	3	13-Apr	726	750	3	3.3%	713
Tatasteel	Buy	1	1	13-Apr	511	535	3	4.6%	508

Buy/ Sell/ Neutral = 16/0/4

o Infosys moves into Buy Mode due to its Volume Indicator turning Positive.

Trailing Stop Loss at 5% i.e. 5% below the peak price since the recommendation date in case of a Buy and 5% above the lowest price since recommendation date in case of a Sell. Once the stop loss is hit the recommendation will become neutral and will be reviewed only after 3 trading days. In the event of a whipsaw also the recommendation will become neutral and will remain so for a period of 3 days.

Naresh Kothari – 2286 4246

Head, Institutional Equities

Vikas Khemani – 2286 4206

Head, Institutional Equities

INDIA RESEARCH		SECTOR	INSTITUTIONAL SALES	
Shriram Iyer	- 2286 4256	Head – Research	Nischal Maheshwari	- 2286 4205
Gautam Roy	- 2286 4305	Airlines, Textile	Rajesh Makharia	- 2286 4202
Ashutosh Goel	- 2286 4287	Automobiles, Auto Components	Shabnam Kapur	- 2286 4394
Vishal Goyal, CFA	- 2286 4370	Banking & Finance	Balakumar V	- (044) 4263 8283
Revathi Myneni	- 2286 4413	Cement	Monil Bhala	- 2286 4363
Sumeet Budhraj	- 2286 4430	FMCG	Ashish Agrawal	- 2286 4301
Harish Sharma	- 2286 4307	Infrastructure, Auto Components, Mid Caps	Nikhil Garg	- 2286 4282
Priyanko Panja	- 2286 4300	Infrastructure, Engineering, Telecom	Swati Khemani	- 2286 4266
Hitesh Zaveri	- 2286 4424	Information Technology	Neha Shahra	- 2286 4276
Parul Inamdar	- 2286 4355	Information Technology	Priya Ramchandran	- 2286 4389
Priyank Singhal	- 2286 4302	Media, Retail	Anubhav Kanodia	- 2286 4361
Prakash Kapadia	- 4097 9843	Mid Caps	Tushar Mahajan	- 2286 4439
Niraj Mansingka	- 2286 4304	Oil & Gas, Petrochemicals	Harsh Biyani	- 2286 4419
Nimish Mehta	- 2286 4295	Pharmaceuticals, Agrochemicals	Nirmal Ajmera	- 2286 4258
Manika Preamsingh	- 4019 4847	Economist	Ankit Doshi	- 2286 4671
Sunil Jain	- 2286 4308	Alternative & Quantitative	Dipesh Shah	- 2286 4434
Yogesh Radke	- 2286 4328	Alternative & Quantitative		

Email addresses: firstname.lastname@edelcap.com

e.g. naresh.kothari@edelcap.com

unless otherwise specified

RATING INTERPRETATION

Buy	Expected to appreciate more than 20% over a 12-month period	Reduce	Expected to depreciate up to 10% over a 12-month period
Accumulate	Expected to appreciate up to 20% over a 12-month period	Sell	Expected to depreciate more than 10% over a 12-month period
Trading Buy	Expected to appreciate more than 10% over a 45-day period	Trading Sell	Expected to depreciate more than 10% over a 45-day period

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