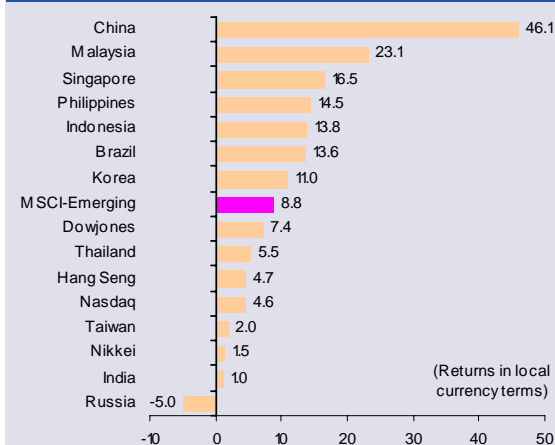
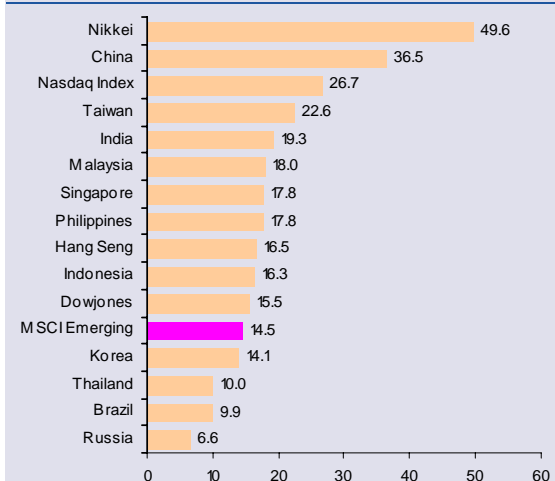


Latest daily return	Yesterday	Chg, %	YTD, %
BSE Sensex	13,929	-0.26	1.0
NSE Nifty	4,120	-0.34	3.9
Nifty Junior Index	7,761	0.33	9.2
Nasdaq	2,525	-0.83	4.6
DJIA	13,384	0.28	7.4
Nikkei	17,481	-0.18	1.5

YTD returns: Emerging Markets



Prospective P/E, x: Emerging Markets



Note: Dowjones, Nasdaq, Nikkei from developed markets included

Commodities	Latest	% Chg	% Chg 1m
Crude (\$/barrel)	63.0	-0.24	-0.93
Gold (\$/troy oz)	673.6	-0.13	-3.01
Copper (cents/lb)	350.5	-0.81	-0.98
Aluminium (\$/Ton)	2,854.0	0.85	1.49
Rubber (JPY/kg)	277.6	1.54	-3.28

Currencies	Closing	% Chg
Rs/US\$	40.86	0.26
US\$/EUR	1.36	-0.01

Today's Highlights: News, Impact, Analysis

- **RIL declares two new discoveries**
 - Impact: Positive, but no immediate change in valuation

Other News

- **Bhel:** Ties up with Toshiba for know how in higher horsepower locomotives.
- **UB Group:** Mallya to unveil GBP615m Whyte & Mackay buyout.
- **HDFC:** To buy out Chubb from insurance JV.
- **Nimbus** planning \$73mn IPO.
- **Moser Baer:** To buy 15-25% of new film releases.
- **Infotech Ent:** Picks up 74% stake in Hyderabad co. for \$.70mn.
- **RIL:** To raise \$2bn via 10yr loan for funding oil & gas expl in D6 block.
- **ICICI:** May offer retail shares @ discount in its forthcoming eq. issue.
- **Hindalco:** Gets okay for Novelis acquisition @\$6bn.

MAN: BSE Sensex valuations

Index	Index	MCap Value (USD\$b)	-----EPS (INR)-----			-----P/E (x)-----		
	Value		FY06	FY07E	FY08E	FY06	FY07E	FY08E
BSE-30 Index#	13,929	445	564	732	849	24.7	19.0	16.4
growth (%)	--	--	--	29.7	16.1	--	--	--
BSE-30 (ex Financials)#	--	392	549	731	839	25.4	19.1	16.6
growth (%)	--	--	--	33.0	14.8	--	--	--
BSE-30 (ex Financial, Oil&Gas)#	--	345	473	642	759	29.4	21.7	18.4
growth (%)	--	--	--	35.6	18.2	--	--	--

not adjusted for free float

Net Institutional Investment (CYTD) and Sensex Returns

Rs mn	Absolute Change	2007	2006	2005	2004
FII, USD mn	(1,681)	2,867	4,547	3,574	4,349
Mutual Fund, USD mn	(1,889)	(381)	1,508	946	54
Sensex return		1.0	25.8	-1.1	-22.8

Indian ADR

	Price, USD	1D Change, %	Volume	Premium Discount, %
Infosys	51	-0.27	1,033,200	6.31
Dr Reddy	16	0.45	1,409,580	-2.24
MTNL	7	-0.54	101,900	-2.49
Wipro	16	0.18	254,965	24.78
HDFC Bank	73	0.16	159,200	-1.30
ICICI Bank	45	1.78	3,397,100	2.55
Satyam	24	-0.08	631,500	10.07
VSNL	22	-0.46	32,100	-1.46

Source: Bloomberg, Man Financial Research

India: Cash equities and derivatives — last 10 days flows and volumes

	90d mov median	30-Apr	3-May	4-May	7-May	8-May	9-May	10-May	11-May	14-May	15-May
Net Inflows (US\$ mn)											
FII Cash equities	24	-69	13	50	23	-53	6	45	-80	15	NA
MF Cash equities	1.0	17	72	27	5	-5	-30	55	18	NA	NA
FII Futures & Option	0.6	-55	40	-32	-11	-12	-84	23	-37	42	-19
Total (cash+F&O)	26	-107	125	45	18	-69	-109	123	-98	NA	NA
Cash Equities Volumes (US\$ mn)											
FII Cash equities	1,035	830	1,325	1,001	782	844	960	942	987	919	NA
MF Cash Equities	268	278	263	160	381	295	292	257	172	NA	NA
Others Cash Equities*	1,667	1,526	1,756	2,183	2,056	2,247	1,804	2,067	2,215	NA	NA
Total Cash equities	2,970	2,635	3,343	3,345	3,219	3,386	3,056	3,266	3,373	3,085	3,245
FII vol as % of total vol	34.9	31.5	39.6	29.9	24.3	24.9	31.4	28.8	29.3	29.8	NA
MF vol as % of total vol	9.0	10.6	7.9	4.8	11.8	8.7	9.5	7.9	5.1	NA	NA
Others vol as % of total vol*	56.1	57.9	52.5	65.3	63.9	66.4	59.0	63.3	65.7	NA	NA
Cash equities % of India Mcap	0.35	0.28	0.35	0.35	0.34	0.36	0.33	0.35	0.36	0.32	NA
Derivatives Volumes (USDm)											
Total F&O	7,226	6,222	6,725	7,150	5,512	6,641	7,578	7,509	9,421	6,861	6,569
F&O % of India Mcap	0.84	0.67	0.71	0.76	0.59	0.71	0.82	0.80	1.01	0.72	0.69
F&O vol times cash equity vol	2.4	2.4	2.0	2.1	1.7	2.0	2.5	2.3	2.8	2.2	2.0
FII Open Interest	8,328	8,024	8,307	8,328	8,500	8,514	8,866	8,789	9,104	9,300	9,233
Total Open Interest	12,285	10,907	NA	11,692	11,979	11,996	12,453	12,454	12,972	13,459	13,643
Total OI % of India Mcap	1.49	1.18	NA	1.24	1.27	1.28	1.35	1.33	1.39	1.42	1.44

*Others include Retail segment and institutions other than FIIs and Domestic MFs

Source: SEBI, BSE, NSE and MAN Financial Research

News: RIL declares two new discoveries

Impact: Positive, but no immediate change in valuation

Analysis

RIL has notified two new discoveries to DGH, one in deepwater KG Basin (R1 well in KG D6 block) and another in shallow water in Gujarat Saurashtra (GS01 B1 well in GS OSN 2000/1 block). R1 well was drilled at a depth of 4860 metres and happens to be the deepest location to be drilled so far in this block. R1 well encountered gas-bearing zones while the GS01 B1 well-encountered gas and condensates. Commerciality of these discoveries is yet to be ascertained. The two discoveries can possibly lead to upside potential to RIL's hydrocarbon reserves and determination of their commerciality would be critical. The development is positive for RIL, but there would be no immediate upside to valuation as commerciality and reserve accretion is yet to be determined.

We have an Outperformer rating on RIL with a target price of Rs 1707.

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