

DAILY MARKET OUTLOOK

Market Snapshot

The markets were again gripped in volatility with wild swings in and out of positive zone. The Sensex surged to an intra-day high of 13,145, however with selling pressure at higher levels especially in the cement sector the index finally lost 164 points to settle at 12,885. The Nifty was down 42 points to 3,718.

The NSE & BSE cash volumes were significantly higher compared to the previous day at INR 96 bn and INR 43 bn. The F&O volumes were a touch higher at INR 347 bn.

Sentiment Indicators

The Implied Volatility (IV) across Nifty strikes has slightly decreased to 29-30% levels. The WPCR of Nifty Options decreased to 0.85 compared to the previous day while the 5 day average is 0.93.

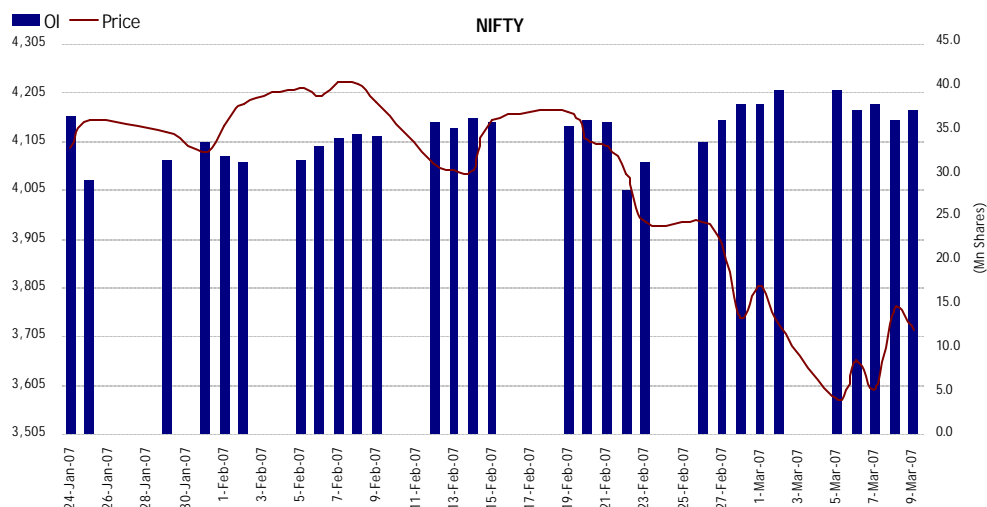
Outlook

We expect the market to open with a positive gap taking cues from encouraging US payroll data and Asian markets. The IIP numbers can set the tone of the market as we see some buildup in fresh positions by investors who were waiting on the fence for the volatility to settle down. The Nifty will be range bound in absence of any major news trigger.

After being net buyers for three consecutive days in Index futures, FII turned net sellers to the tune of INR 2.4 bn on Friday, as the bears overtook the bulls. The Nifty futures discount is expected to reduce from its current level of 18 points as the bearish tone is expected to fade away.

We continue to be bullish on Telecom, IT and Pharma sectors. Heavyweights Bharti, RCOM, Infosys are expected to drive the Nifty.

Currently the market is sandwiched between the 200 SMA (as a strong support) and 13 DMA as an intermediate resistance. We believe that the market would consolidate between 3750 and 3626 for sometime and eventually move northward. In the immediate term, the Nifty has a support at 3684 and 3644. The resistance for Nifty is at 3752 and 3778.



March 12, 2007

Market Snapshot

	9-Mar	8-Mar	% Chg
Nifty	3718.0	3761.7	-1.2
Sensex	12885.0	13049.4	-1.3
BSE MidCap	5228.4	5246.8	-0.3
BSE SmallCap	6251.1	6245.8	0.1

Mar Futures

	5.8%	7.9%	-26.2
Average ICC (p.a.)**			

Volume (INR mn)

	293,374	269,585	8.8
Futures			
Call	31,459	31,740	-0.9
Put	22,977	26,395	-12.9
Total	347,810	327,719	6.1
NSE Cash Vol.	96,412	79,541	21.2
BSE Cash Vol.	43,391	37,788	14.8

Open Interest (INR mn)

	353,016	348,958	1.2
Futures			
Call	98,075	96,267	1.9
Put	79,734	79,206	0.7
Total	530,825	524,431	1.2

Put Call Ratios

	0.75	0.85	-12.5
PCR			
WPCR	0.72	0.81	-11.9
OI/PCR	0.83	0.84	-1.1
Total OI/ Volume	1.53	1.60	-4.6

Nifty IVs at 29 - 30% levels.

FII Activity* (INR Mn) (8-Mar)

Volume	Buy	Sell	Net
Cash	21,976	20,817	1,159
Index Futures	18,256	8,772	9,484
Stock Futures	5,994	4,008	1,986
Total	46,226	33,597	12,629
Open Interest	8-Mar	7-Mar	% Chg
Index Futures	134,305	137,441	(2.3)
Stock Futures	150,101	144,078	4.2
Total F&O OI	364,313	356,482	2.2

Mutual Fund Activity* (INR Mn) (8-Mar)

Volume	Buy	Sell	Net
Equity	5,782	6,180	(398)

*FII & MF Data is reported a day late

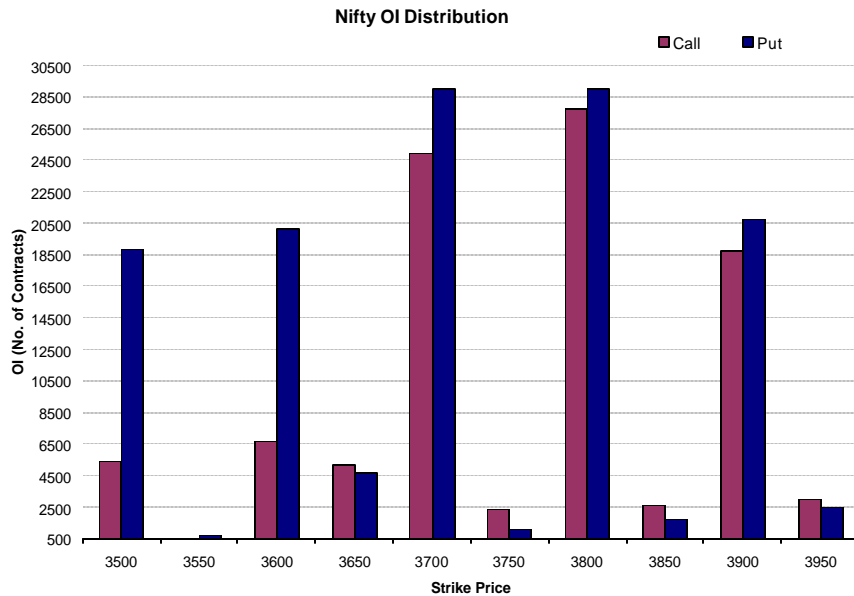
** Avg of positive ICC's

Pending Calls

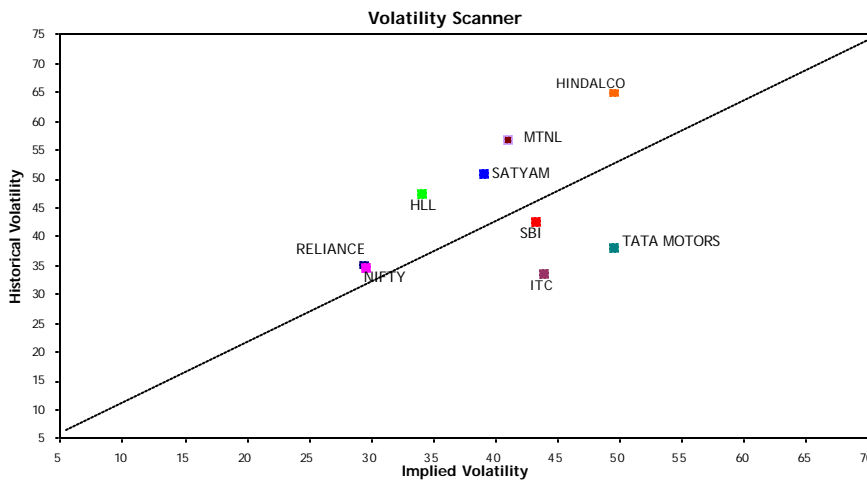
Scrp	Action	Date of Recommendation	Market Price	Returns	Rationale
Lupin	Buy	12-Mar-07	580.0	-	The counter continues to witness buying interest. The stock looks attractive at these levels as the company's US generic business is going to drive growth with the launch of Cefdinir in FY 08. Also the company's domestic formulation division has grown by 20% in past 3 years and we expect it to continue.
Nicholas piramal	Buy	12-Mar-07	228.0	-	The stock witnessed good buying interest on Friday and was up 5%. The company will announce some research developments which should keep the stock in limelight.
RCom	Buy	8-Mar-07	422.8	3%	The stock pared gains in line with weak markets as the stock was down about 3% on lower volumes. We remain positive on the scrip.
ICICIBank	Buy	5-Mar-07	859.6	2%	The stock was holding pretty well with a lot of buying seen at 855 levels. However it closed on a marginal negative note. The stock looks very attractive at current level and also there is a news of the company planning to transfer its subsidiary into to separate holding company called icici holdings.
Satyamcomp	Buy	7-Mar-07	438.6	1%	The stock was down more than a percent without any change in OI. Technically the stock has reverted from its 200 DMA support and looks a good buy at these levels.
BharatForg	Buy	7-Mar-07	303.3	-1%	The stock witnessed little selling and was down about 3%. We suggest Auto ancillary stocks as a good bet vis-à-vis auto stocks and pick this scrip as our best pick.
Infosystch	Buy	2-Mar-07	2123.5	-2%	The stock was down half a percent on low volumes. We are bullish on the IT sector and we pick Infosys as our best pick as the stock has been a lagard compared to peers off late and also the news on MAT in the budget has been overplayed.
Suzlon	Closed Today	2-Mar-07	1015.1	-5%	The stock pared 3% on low volumes. We suggest squaring off positions as it has hit the stop loss.

Closed Calls

Scrp	Recomm	Date of Recommendation	Initiated Price	Date of Closing	Closing Price	% Return
Cinemax	Buy	15-Feb-07	152.4	20-Feb-07	174.1	14%
Suzlon	Buy	21-Feb-07	985.5	28-Feb-07	1052.1	7%
HCLTech	Buy	19-Feb-07	675.0	28-Feb-07	693.6	3%
NTPC	Buy	27-Feb-07	142.4	28-Feb-07	142.6	0%
ABirlaNuvo	Buy	5-Feb-07	1273.6	28-Feb-07	1251.4	-2%
Satyamcomp	Buy	27-Feb-07	459.2	28-Feb-07	450.5	-2%
ABB	Buy	19-Feb-07	3804.4	28-Feb-07	3693.2	-3%
JSW Steel	Buy	2-Mar-07	480.8	6-Mar-07	429.3	-11%



- Maximum OI was added to 3700 call [increase of 19.6%], 3800 call [increase of 6.3%] and 3700 put [increase of 9.9%]
- Maximum Volumes were witnessed by 3700 & 3800 Call and 3700 Put.



Nifty IVs at 29-30% levels

High IVs

- ITC IV's are quoting at 44% as against HV's of 33%.
- Tata Motors IV's are quoting at 49% as against HV's of 33%.

Sectoral Open Interest Build Up (Contracts) for 1 days				
Sector	OI	OI -D	% OI Chg	% Prc Chg
Cement	49043	39270	24.89%	-5.7%
Textile	25883	23822	8.65%	3.6%
IT	96751	94674	2.19%	-0.5%
Oil & Gas	152002	148851	2.12%	-0.4%
Telecom	59672	58497	2.01%	-1.8%
FMCG	43551	43073	1.11%	-0.3%
Auto	52279	52254	0.05%	-0.9%
Power	28946	28956	-0.03%	-1.4%
Pharma	44171	44513	-0.77%	-1.3%
Banking	142995	144746	-1.21%	-0.3%
Engineering & Capital Goods	45234	45824	-1.29%	-0.2%
Construction	36058	36612	-1.51%	-0.2%
Metals & Mining	92164	94198	-2.16%	-0.8%
Chemicals	10618	10917	-2.74%	-1.7%

- There was a huge short build up in the cement sector with India Cements down 8.3%, Grasim down 7.1% and ACC down 6.2% with more than 15% change in OI in all these counters.
- The Textile sector was 3.6% higher with Bombay Dyeing up 9.8% and Century Textiles up 5.1%.
- In Telecom sector, MTNL was down 5.3% followed by R com down 2.7%.

Futures Snapshot

Top OI Rises

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
ACC	35	4,488	(6.2)	120
Ultratech Cement	33	394	(4.5)	217
Gujarat Amb	24	32,891	(2.5)	97
IPCL	23	10,518	3.2	7
India Cements	20	18,454	(8.3)	132
M&M	19	2,593	(4.1)	82
Grasim	18	1,125	(7.1)	144
Cairn India	12	4,446	4.7	231

Top OI Falls

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
NTPC	(11)	6,092	2.9	67
UTI Bank	(10)	971	4.7	6
Bharat Earth Movers	(9)	129	0.9	(14)
Indian Bank	(8)	752	2.1	(17)
Sobha Developers	(7)	578	4.8	11
IDBI	(7)	28,968	3.2	28
Shree Renuka Sugars	(7)	415	5.3	47
Colgate Palmolive	(7)	734	0.4	4

Top Price Change

Scrip	% Price Chg	% OI Chg	OI	% Future Vol Chg
Bombay Dyeing	9.8	(2)	415	87
India Cements	(8.3)	20	18,454	132
Grasim	(7.1)	18	1,125	144
ACC	(6.2)	35	4,488	120
Power Finance Corp	(6.1)	0	4,301	(53)
Shree Renuka Sugars	5.3	(7)	415	47
MTNL	(5.3)	3	18,923	(14)
Nicolas Piramal	5.1	(2)	941	154

Top Volume Rises

Scrip	% Future Vol Chg	FutureVol	% Price Chg	% OI Chg
J & K Bank	820	28	4.1	5
Cairn India	231	1,739	4.7	12
Ultratech Cement	217	384	(4.5)	33
Nicolas Piramal	154	260	5.1	(2)
Grasim	144	1,381	(7.1)	18
JetAirways	132	597	(1.9)	6
India Cements	132	36,472	(8.3)	20
ACC	120	9,957	(6.2)	35

F&O CROSSOVER: -

Focus Stocks

o Positives: Polaris, SBI

o Negatives: Nifty, ICICI Bank, Infosys, MTNL, ONGC, Tatasteel

Portfolio Tracker

9-Mar-07

Scrip	Reco	9-Mar-07 Score	8-Mar-07 Score	Reco Date	Reco Price	Current Price	No of days running	Retn since Reco	Stop Loss*
Nifty	Sell	(1)	(1)	9-Mar	3,718	3,718			3,904
ACC	Neu**	1	1	9-Mar	781	781			
GAIL	Sell	(1)	(3)	6-Mar	267	262	3	1.7%	275
HLL	Neu**	1	(1)	8-Mar	184	184			
HPCL	Sell	(1)	(1)	26-Feb	277	243	11	12.4%	255
ICICI Bank	Sell	(1)	(1)	9-Mar	859	859			902
Infosys	Sell	(1)	(1)	9-Mar	2,121	2,121			2,227
IPCL	Sell	(1)	(3)	8-Mar	261	269	1	-3.0%	274
Maruti	Sell	(1)	(1)	23-Feb	864	787	14	8.8%	812
MTNL	Sell	(3)	(3)	9-Mar	142	142			150
NTPC	Neu**	(5)	(5)	9-Mar	140	140			
ONGC	Sell	(1)	(1)	8-Mar	780	783	1	-0.4%	818
Polaris	Buy	1	1	8-Mar	166	167	1	0.7%	159
Reliance	Neu**	(5)	(5)	8-Mar	1,336	1,318			
Satyam	Sell	(5)	(3)	7-Mar	430	439	2	-2.1%	452
SBI	Buy	1	1	7-Mar	964	983	2	1.9%	949
SCI	Sell	(1)	(1)	27-Feb	178	158	10	11.1%	160
TCS	Neu**	(5)	(5)	8-Mar	1,218	1,212			
Tata Motors	Sell	(3)	(5)	8-Mar	767	757	1	1.3%	795
Tatasteel	Sell	(1)	1	9-Mar	434	434			455

Buy/ Sell/ Neutral = 2/13/5

o Nifty moves into Sell Mode from Neutral Mode.

o ICICI Bank moves into Sell Mode from Neutral Mode.

o Infosys moves into Sell Mode from Neutral Mode.

o MTNL moves into Sell Mode from Neutral Mode.

o Tatasteel moves into Sell Mode due to its OI indicator turning Negative.

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.

Blue Nos. indicate increase over last day, Red Nos. indicate decrease over last day

Edelweiss Securities

14th Floor, Express Towers,
Nariman Point, Mumbai – 400 021
Board: (91-22) 2286 4400
Email: research@edelcap.com



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
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Revathi Myneni	- 2286 4413	Cement	Balakumar V	- (044) 4263 8283
Sumeet Budhraj	- 2286 4430	FMCG	Monil Bhala	- 2286 4363
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Hitesh Zaveri	- 2286 4424	Information Technology	Swati Khemani	- 2286 4266
Parul Inamdar	- 2286 4355	Information Technology	Neha Shahra	- 2286 4276
Priyank Singhal	- 2286 4302	Media, Retail	Priya Ramchandran	- 2286 4389
Prakash Kapadia	- 2286 4432	Mid Caps	Anubhav Kanodia	- 2286 4361
Niraj Mansingka	- 2286 4304	Oil & Gas, Petrochemicals	Tushar Mahajan	- 2286 4439
Nimish Mehta	- 2286 4295	Pharmaceuticals, Agrochemicals	Harsh Biyani	- 2286 4419
Manika Preamsingh	- 4019 4847	Economist	Nirmal Ajmera	- 2286 4258
Sunil Jain	- 2286 4308	Alternative & Quantitative	Ankit Doshi	- 2286 4671
Yogesh Radke	- 2286 4328	Alternative & Quantitative	Ravi Pilani	- 4009 4533
			Dipesh Shah	- 2286 4434

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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