

06th June, 2007

Contents

- ❖ From Our Research Desk
 - Larsen & Toubro Ltd. (L&T)
 - South East Asia Marine, Eng & Con.
- ❖ From Our Technical Desk
- ❖ From Our Derivatives Desk
- ❖ From Our Dealing Desk
- ❖ Trade Details of Bulk Deals
- ❖ Forthcoming Events

Market Statistics

Index	Closing	1 Day (%)	3 M (%)	6 M (%)
Sensex	14535	0.3	14.5	4.2
Nifty	4285	0.4	17.2	6.7
Sectoral Indices				
Mid-Cap	6261	0.4	20.0	8.4
Small-Cap	7487	0.3	19.6	11.1
Auto	4960	0.2	3.8	(9.2)
Health	3848	0.2	14.3	2.4
FMCG	1870	(1.3)	10.0	(9.0)
IT	4885	0.8	(1.6)	(5.9)
PSU	6756	0.3	23.6	8.1
Bankex	7824	1.1	23.1	8.7
Oil & Gas	7712	0.3	27.1	24.7
Metal	10649	0.1	33.1	16.5
Capital Goods	11154	0.5	33.3	19.1

World Indices	Closing	1 Day (%)	3 M (%)	6 M (%)
NASDAQ	2611	(0.3)	9.5	6.8
DOW	13595	(0.6)	11.4	10.4
Nikkei	18054	0.4	8.5	11.0
Hang Sang	20842	0.5	11.7	10.0

Indian ADR's	(USD)	1 Day (%)	3 M (%)	6 M (%)
VSNL	23.38	1.0	42.4	19.0
Infosys	49.10	0.3	(8.5)	(10.2)
Wipro	16.06	0.5	2.6	0.2
Satyam	24.76	(1.4)	13.1	3.3
Dr Reddy's Lab	15.99	(0.3)	8.5	(4.6)

Value Traded (Rs Cr)	5Jun07	(%)
Cash BSE	4390.9	8.1
Cash NSE	9190.8	7.6
Derivatives	31210.0	8.6

Net Inflows (Rs Cr)	4Jun07	MTD	YTD
FI	482.4	482.4	10590.9
Mutual Fund	(36.9)	64.3	2846.2

Advances/Declines (BSE)				
6Jun07	A	B1	B2	Total
Advance	129	333	387	849
Decline	81	362	404	847
Unchanged	2	15	29	46

Commodity	5Jun07	1 Day (%)	3 M (%)	6 M (%)
Crude (USD/Bbl)	71.4	0.3	17.9	12.6
Gold (USD/OZ)	671.8	0.3	3.9	6.5
Silver (USD/OZ)	13.8	(0.1)	6.6	1.0

Debt/Forex Market Closing	1 Day (%)	3 M (%)	6 M (%)	
Re/USD	40.55	(0.1)	8.8	9.3
10 yr Gsec Yield	8.09	(0.1)	1.6	9.5

Source : Bloomberg

Corporate Snippets

- Sterlite Industries is set to list its \$2 billion (Rs 8,000 crore) American Depository Shares (ADS) issue, the largest by any Indian company, with the New York Stock Exchange by the middle June 2007. - BS
- Educomp Solutions has subscribed to equity in Educomp Infrastructure Pvt Ltd (Edu Infra) & Educomp School Management (Edu Manage). After the shares have been fully paid for, the company will hold 69.38 per cent and 68 per cent of the outstanding paid-up equity capital of Edu Infra and Edu Manage respectively. - BS
- The finance ministry had recommended that the government disinvest 10 per cent of its stake in the proposed initial public offer (IPO) of Oil India (OIL), a state-owned upstream company, If the government disinvests 10 per cent stake, it will earn around Rs 1,500 crore. - BS
- Indian Oil Corporation, the nation's biggest refiner, borrowed \$300 million by selling bonds to select investors in the US to partially fund new plants. The money was raised from 13 investors. - BS
- Domestic equipment hiring firm Gremach Infrastructure Equipments and Projects Ltd today said it will invest Rs 425 crore in the Gandhingaraj Special Economic Zone (SEZ) in Maharashtra. The company would invest Rs 200 crore in development of the SEZ and about Rs 225 crore in its own saw pipe industry in the proposed SEZ, which is expected to generate large scale employment. - BS
- Leading real estate developer DLF Ltd, which is aiming to raise up to Rs 9,625 crore through its initial public offer, plans to set up three townships in Chandigarh and its suburbs and Shimla.ET

Macro Economic & Geo-Political News

- Amid speculation that the Reserve Bank of India might increase the Cash Reserve Ratio (CRR), public sector lender Indian Bank today said there was enough liquidity in the market and it was well poised to handle another hike. The banking industry is mature enough to confront yet another hike in CRR rates should the RBI take such a step. In lieu of lower inflation rates, another hike in CRR is not likely. PTI

Top Five Gainers (NSE)	Price	Chg (%)	Vol (Mn)
Suzlon Energy Limited	1354	5.0	1.3
Videsh Sanchar Nigam Ltd	479	3.3	0.5
Oriental Bank Of Commerce	243	3.2	0.6
State Bank Of India	1437	2.1	1.8
Mahanagar Telephone Nigam	166	2.0	5.4

Top Five Losers (NSE)	Price	Chg (%)	Vol (Mn)
Hindustan Petroleum Corp	277	(2.7)	1.1
Tata Tea Limited	894	(2.1)	0.3
ITC Ltd	162	(1.9)	4.9
Bharat Petroleum Corp Ltd	350	(1.6)	0.7
Larsen & Toubro Limited	1945	(1.4)	0.8

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****Manish Balwani**

+91 22 66121278

manish.balwani@emkayshare.com

Larsen & Toubro Ltd. (L&T)**(Rs1945, FY09E EPS Rs 104.4, PE18.6x, HOLD with a Target Price of Rs 2200)****Key Financials (Stand alone)-**

(Rs Mn)	Q4FY07	Q4FY06	YoY (%)	FY07	FY06	YoY (%)
Net Sales	62482.4	46169.8	35.3	175788.4	147348.0	19.3
Other Income	2041.4	1649.2	23.8	4445.4	3849.1	15.5
Total Income	64523.8	47819.0	34.9	180233.8	151197.1	19.2
Total Expenditure	54384	40879.8	33.0	158323.0	136954.2	15.6
EBIDTA	8098.4	5290.0	53.1	17465.4	10393.8	68.0
EBIDTA (%)	13.0	11.5		9.9	7.1	
Interest	63.3	281.0	(77.5)	339.3	750.7	(54.8)
Depreciation	698.1	324.3	115.3	1700.1	1144.9	48.5
PBT	9378.4	6333.9	48.1	19871.4	12347.3	60.9
Provision for Tax	2370.7	1751.9	35.3	6018.7	3712.6	62.1
Reported PAT	7007.7	4582.0	52.9	13852.7	8634.7	60.4
Net gain from sale of business	0.0	80.9		0.0	697.5	
Net gain on divestures	0.0	5.6		177.5	789.2	
Adjusted PAT	7007.7	4668.5	50.1	14030.2	10121.4	38.6
Equity Capital	561.1	269.7	108.0	566.5	274.8	108.0
Reported EPS (Rs)	25.0	16.3	53.4	48.9	30.8	58.8
Adjusted EPS (Rs)	25.0	16.6	50.6	49.5	36.1	37.1

Source: Company. Face value: Rs2. EPS not annualized for Q4. Reported & Adjusted EPS is calculated on increased Equity of Rs 561.1 mn.

EBIDTA margins for the quarter increase YoY by 150 bps to 13%

Net sales increased by 35.3% to Rs 62482.4 million driven by 33.6% increase in Engineering & Construction revenues to Rs 48972.7 million while revenues from Electrical & Electronic (E&E) and Machinery & Industrial Products (MIP) divisions increased by 50.1% & 47% to Rs 6931.8 million & 6641.3 million respectively. Staff expenses during the quarter increased by 54.7% to Rs 3104.4 million which as a percentage of net revenues increased by 60 bps to 4.9% mainly on account of pay revision, additional ESOP's & provision under AS15 and increase in manpower.

Raw material cost increased by 56.3% to Rs 16938.6 million which as a percentage of net revenues increased by 360 bps to 27.1%. However, EBIDTA increased by 53.1% to Rs 8098.4 million while EBIDTA margins jumped about 150 bps YoY to 13% mainly on account of increase in EBIDTA margins in all its business divisions: i.e. E&C (up 350 bps to 11.5%); E&E business (up 60 bps to 17.3%); MIP (up 330 bps to 18%) and others segment (up 20 bps to 10.3%).

Financial restructuring resulted in 77.5% decline in interest cost to Rs 63.3 million while depreciation increased by 115.3% to Rs 698.1 million. Tax incidence for the quarter increased by 35.3% to Rs 2370.7 million. This resulted in 52.9% increase in adjusted PAT to Rs 7007.7 million. The company had a net gain from sale of businesses (Rs 80.9 million) and net gain on divestures (Rs 5.6 million) in the corresponding previous quarter. As a result, Adjusted PAT for the quarter increased by 50.1% to Rs 7007.7 million.

revenues from Engineering & Construction segment, Electrical & Electronic (E&E) and Machinery & Industrial Products (MIP) divisions increased by 33.6%, 50.1% & 47% respectively

Financial restructuring resulted in 77.5% decline in interest cost to Rs 63.3 million while depreciation increased by 115.3% to Rs 698.1 million.

Contd...

Segmental Analysis

(Rs Mn)	Q4FY07	Q4FY06	YoY (%)	FY07	FY06	YoY (%)
Engineering & Construction						
Net Sales	48972.7	36667.0	33.6	134250.5	115703.6	16.0
*EBIT (%)	13.6	11.2	240	10.5	7.4	310
Electrical & Electronics						
Net Sales	6931.8	4618.3	50.1	20670.8	15499.8	33.4
*EBIT (%)	13.8	15.5	(170)	14.9	14.7	20
Machinery & Industrial Prod						
Net Sales	6641.3	4517.6	47.0	18430.0	14738.3	25.0
*EBIT (%)	20.6	16.2	440	17.0	13.5	350
Others						
Net Sales	2513.6	2116.1	18.8	9413.0	6722.3	40.0

* YoY Difference is in bps

Exports constituted 18% of the total sales. EBIDTA increased by 68% to Rs 17465.4 million while EBITDA margins increased by 285 bps to 9.9% with increased EBITDA growth coming from across businesses.

PAT for FY07 up by 38.6%

For FY07, net revenues increased by 19.3% to Rs 175788.4 million driven by 16% YoY increase in E&C revenues to Rs 134250.5 million while revenues from E&E business increased by 33.4% to Rs 20670.8 million. Exports constituted 18% of the total sales. EBIDTA increased by 68% to Rs 17465.4 million while EBITDA margins increased by 285 bps to 9.9% with increased EBITDA growth coming from across businesses.

Interest cost for FY07 declined by 54.8% to Rs 339.3 million on account of astute treasury management.

Interest cost for FY07 declined by 54.8% to Rs 339.3 million on account of astute treasury management. Depreciation increased by 48.5% to Rs 1700.1 million. PAT before profit on sale of businesses & divestures increased by 60.4% to Rs 13852.7 million. During FY07, the company had a net gain on divestures of Rs 177.5 million as compared to net profit from sale of businesses (Rs 697.5 million) and gain from divestures (Rs 789.2 million) in the corresponding previous period. PAT for FY07 increased by 38.6% to Rs 14030.2 million.

Strong Order book position

- Order inflow for FY07 increased by 36.6% YoY to Rs 306 bn while order backlog in the same period increased by 48.2% YoY to Rs 369 bn.
- Order backlog accounted for 1.8x FY07 consolidated revenues.

Sector wise orders break up (%)

Process	12
Oil & Gas	19
Power	16
Infrastructure	39
Others	14

Source: Company

- Order inflow in the E&C division in FY07 increased by 37% YoY to Rs 306.02 bn.
- FY07 saw E&C division bagging single largest order in history for expansion & modernisation of Delhi International Airport valued at Rs 54 bn.
- Order backlog for the E&C for FY07 was up by 48% to Rs 368.82 bn.

Contd...

Major growth expected from L&T Infotech & L&T Finance in the coming years

Robust performance by L&T InfoTech and L&T Finance

- L&T Infotech reported strong performance for FY07 with revenues growing by 60% YoY to Rs 12.81 bn while PAT grew by 115% to Rs 1.51 bn. Net margins for the company grew by 300 bps to 11.8%. The company opened new centers in Mumbai, Bangalore & Chennai and 79 new clients got added during the year.
- L&T Finance saw major growth in disbursements across its key business segments viz. Corporate Finance, Construction Equipment, Tractor and Commercial Vehicle Finance. Total revenues for the year increased 85% to Rs 2.75 bn while PAT increased by 78% to Rs 0.63 bn. Total Assets of the company saw 117% improvement to Rs 29.22 bn.
- Revenues of the total subsidiaries (excluding IDPL & UIL) of L&T increased by 51.6% to Rs 33.62 bn while PAT increased by 71% to Rs 5.42 bn.
- Net revenues for associate companies increased by 37.1% to Rs 23.64 bn while PAT increased by 40.7% to Rs 2.11 bn.

Consolidated Results for FY07

- Consolidated results for FY07 were in line with the management's guidance. Total income of the L&T group for FY07 increased by 25.4% to Rs 213.42 bn while PAT (w/o gain on divestures) increased by 72.2% to Rs 18.10 bn.
- Other Income includes a gain of Rs 339.78 crore recognized on partial dilution of stake in two subsidiaries, L&T Transportation Infrastructure and L&T infrastructure Development Projects (L&T IDPL), arising on issue of additional share capital to third parties (Private Equity Investors) at a premium. The money received from such dilution has been invested in L&T IDPL.
- Consolidated profits including net gains on dilution/ divestments of group companies stakes increased by 70.1% to Rs 22.40 bn.

Consolidated Financials

(Rs bn)	FY07	FY06	YoY (%)
Net Sales	213.42	170.19	25.4
EBIDTA (w/o gain on divestures)	29.09	18.46	57.6
PBT (w/o gain on divestures)	25.10	14.72	70.5
Tax Provision	7.15	4.47	59.9
PAT (w/o gain on divestures)	17.96	10.25	75.2
Share of profits in Associate Cos	0.95	0.71	33.8
Minority Interest	(0.80)	(0.45)	
Reported PAT (w/o gain on divestures)	18.10	10.51	72.2
Divestures gains net of tax & Minority Interest	4.30	1.96	119.4
Extra-ordinary items (net of tax)	0.0	0.70	
Group Profit after Tax	22.40	13.17	70.1

* YoY Difference is in bps

Business Outlook–

The company sees huge scope in terms of orders from new ventures of Coal Gasification & Shipbuilding. L&T is in the process of building up its brand in Middle East in the areas of infrastructure, construction, hydrocarbon and power.

With the ongoing thrust on infrastructure development by the government especially in the power, roads and ports sector holds big opportunity for the company. Increased investments in the hydrocarbon sector with thrust on development of new oil wells, which command higher margins holds good for the company. The company sees huge scope in terms of orders from new ventures of Coal Gasification & Shipbuilding. L&T is in the process of building up its brand in Middle East in the areas of infrastructure, construction, hydrocarbon and power.

L& T is also looking at doubling business from China to \$200 million in next 2-3 years. Capacity expansion of heavy engineering fabrication facility at Hazira and new facilities in Coimbatore & Middle East are some of the initiatives by the company in E&C division. The company is also taking other measures like: institutionalising risk management system for E&C orders, focusing on operational excellence & talent management.

The order book for the company for FY08 is expected to grow by about 25%-30% in the E&C division.

Consolidated Financial Estimates	Mar'08	Mar'09
Net Sales (Rs Mn)	260452.5	343878.7
EBIDTA (Rs Mn)	31775.2	42641.0
EBIDTA (%)	12.2	12.4
PAT (Rs Mn)	22259.4	29282.9
EPS (Rs) Face Value Rs 2	79.3	104.4
PE (x) at Rs 1945	24.5	18.6

Source: Company

We expect a CAGR growth of 30% over FY07-09 E

We maintain a HOLD with a target price of Rs 2200.

The company has given a guidance of 25%-30% increase in net revenues on a consolidated basis and margins are expected to improve. We expect a CAGR growth of 30% over FY07-09 E. We expect an increase in EBITDA margins by 40 bps to 12.2% in FY08E and a further 20 bps increase in EBITDA margins in FY09E to 12.4%. This translates into an EPS of Rs 79.3 & Rs 104.4 for FY08E & FY09E respectively. We maintain a HOLD with a target price of Rs 2200. At our target price the stock trades at a PE multiple of 21x FY09E.

28 May, 2007

Buy

Price **Rs 185** Target Price **Rs 260**

Sensex - 14,338

Price Performance

(%)	1M	3M	6M	12M
Absolute	(6)	(12)	8	15
Rel. to Sensex	(6)	(14)	3	(14)

Source: Bloomberg

Stock Details

Sector	Shipping
Reuters	SEAM.BO
Bloomberg	PSOS@IN
Equity Capital (Rs mn)	339
Face Value (Rs)	10
52 Week H/L(Rs)	239/106
Market Cap (Rs bn)	6.3
Daily Avg Volume (No of shares)	52322
Daily Avg Turnover (US\$ mn)	0.3

Shareholding Pattern (%)

(31st Mar.'07)

Promoters	78.2
FII/NRI	1.5
Institutions	5.7
Private Corp./Others	4.3
Public	10.3

Source: Capitaline

South East Asia Marine, Engineering & Construction

Smooth Sailor

Initiating

We initiate coverage on South East Asia Marine Engineering & Construction (Seamec) with a BUY rating and a price target of Rs260. Seamec with its fleet of three Multi Support Vessels (MSVs) is a direct beneficiary of rising charter rates for high spec offshore support vessels. With its recent long term contracts, average charter rates that Seamec has locked for its fleet is USD 44000 as compared to USD 19500 in its earlier contracts. This is a whopping 125% increase over the charter rates in the earlier contract. With the addition of one more vessel to its fleet and firm charter rates, we expect its revenues to grow at a CAGR of 35% and its earnings to grow at CAGR of 38% with EPS of Rs33 in CY2008. Further with its debt free status and free cash of more than Rs1.8 billion by the end of CY2008, the possibility of further vessel addition cannot be ruled out.

Charter rates for Seamec's fleet up 125%

Capitalizing on the rising charter rates for high spec offshore support vessels like MSVs, Seamec has recently entered into a long-term charter for its entire fleet. The average charter rates that Seamec has locked for its fleet is USD 44000 as compared to USD 19500 earlier. This is a whopping 125% increase over the charter rates in earlier contract.

Addition of new vessel to boost earnings

To capitalise on strong demand for MSVs, Seamec has recently added another vessel, Seamec Princess, to its fleet. The total acquisition and upgradation cost of this vessel is USD36 million and the vessel shall be ready for deployment by August 2007. Seamec Princess is likely to get a day rate of USD 65000 and the estimated operating cost (Opex) on the same is approximately USD16500. This we believe would be a big revenue and earnings kicker for Seamec. Further as the total investment for purchase and upgradation of Seamec princess is just USD 36 million the pay back period from the date of commence of operation is as short as 2.2 years.

Earnings to grow at a CAGR 39% over CY2006-08E

With all its MSVs locked in long term contracts at higher day rates and with the addition of new vessel to its fleet, we expect Seamec's revenue to grow sharply at a CAGR of 35% over CY2006-08E. With improvement in operating margins on account of higher day rates, we expect Seamec's earnings to grow at a CAGR of 38% over CY2006-08E with an EPS of Rs33 in CY2008.

Initiate coverage with a BUY and a price target of Rs260

At the CMP of Rs185, the stock is trading at 5.6x its CY2008E earnings and 3.4x its CY2008E EBIDTA. Compared with its peers, Seamec is trading at a huge discount of 40%. Seamec EBIDTA margins at 45% are pretty much comparable to its peers. With an RoCE of 34% and an RoE of 25%, Seamec boasts of the best return ratios. With its debt free status and free cash of more than Rs1.8 billion by CY2008, the possibility of further vessel addition cannot be ruled out, which in turn would further boost Seamec's earnings. We initiate coverage on Seamec with a BUY rating and a DCF based price target of Rs260.

Key financials

Y/E, Dec	Net	EBIDTA	EBIDTA	PAT	EPS	EPS	ROCE	PE
(Rs.mn)	Sales		(%)		(Rs.)	growth (%)	(%)	(x)
CY05	822.8	272.4	33.1	194.1	5.7	-53.9	10.7	32.3
CY06	1593.4	709.9	44.5	587.7	17.3	202.9	33.8	10.7
CY07E	2201.0	735.6	33.4	595.8	17.6	1.4	31.5	10.5
CY08E	2882.7	1284.8	44.6	1119.6	33.0	87.9	56.6	5.6

Home

FROM OUR TECHNICAL DESK



Indices	Previous close	Today's close	% chg
Sensex	14495	14535	0.27
Nifty	4267	4284	0.41
S&P CNX 500	3557	3571	0.40
BSE 500	5643	5667	0.43
BSE Mid-Cap	6233	6261	0.44
BSE Small-Cap	7466	7486	0.27
BSE Auto	4948	4960	0.24
BSE Health	3840	3847	0.19
BSE FMCG	1893	1869	-1.27
BSE IT	4846	4884	0.79
BSE PSU	6733	6755	0.32
BSE Bankex	7741	7823	1.06
BSE Oil & Gas	7691	7712	0.27
BSE Metals	10634	10648	0.14
BSE Cons Dur	4106	4114	0.20
BSE Cap Good	11102	11154	0.46
Levels to Watch			
	Sensex	Nifty	
Day's High	14571	4292	
Day's Low	14432	4249	
13 DMA	14374	4249	
34 DMA	14079	4155	

Yesterday, Nifty opened negative in the morning, but took support at 4249. After that, it recovered smartly and gave a positive closing at 4284 with a gain of 0.41%. The Advance Decline ratio was absolutely flat yesterday. Most of the sectoral indices closed in green. The BSE Bankex outperformed the markets and closed with a gain of 1.06%. However, the BSE FMCG underperformed the broader markets and closed negative with a loss of 1.27%.

Market Perspective

After making "**Evening Star**" pattern on Monday, which is a sign of correction, Nifty opened weak yesterday morning; but took support near to 50% retracement level of the recent rally from 4141 to 4362 and made a low of 4249. After that, it bounced back sharply and gave a positive closing at 4284 with a gain of 0.41%. We maintain bullish view on Nifty and the short-term target of 4454. Toady, If Nifty breaks the resistance of 4295 then it can come in the range of 4319 to 4325. For intra-day Nifty has support at 4273 and below that 4249.

Sectoral Speak

The **BSE Bankex** index broke the resistance level of 7755 and closed strong at 7823 with a gain of 1.06%. We maintain bullish view for this index and we are revising our short-term target to 8157 from 8082. However, we maintain medium term target 8457 and long-term target of 9260 for this index. In this sector, stocks like **SBI, Kotak Bank, Bank of Baroda, Oriental Bank** and **Federal bank** are still looking strong on the charts.

Contd...

Recommendations

Date	Stock	Action	Recommendation Price	Stop-loss	Target	Current price	Comment
13-04-07	KPIT Infosys	Buy	141.00 - 138.00	131.30	160.00	140.40	
19-04-07	BOC	Buy	142.00 - 135.00	128.60	160.00	141.40	
20-04-07	Bharti Airtel	Buy	840.00 - 820.00	782.30	925.00	836.00	
23-04-07	Amar	Buy	38.00 - 35.00	33.10	47.50	34.95	
04-05-07	LITL	Buy	169.00 - 162.00	153.30	205.00	184.00	
14-05-07	Triveni	Buy	55.50 - 51.50	47.30	71.50	53.80	
18-05-07	ITC	Buy	168.00 - 162.00	158.60	188.50	161.85	
22-05-07	Aftek	Buy	76.00 - 72.00	70.60	87.50	73.00	
22-05-07	TVS Motors	Buy	65.00 - 62.00	59.60	80.00	71.30	
23-05-07	Finolex	Buy	78.50 - 74.50	70.30	92.50	81.30	
25-05-07	Rcom	Buy	502.00 - 490.00	479.60	550.00	510.20	
30-05-07	BEL	Buy	1825 - 1775	1729.30	2050.00	1845.00	
30-05-07	Jindal Photo	Buy	117.00 - 110.00	99.60	160.00	115.95	
31-05-07	AirDeccan	Buy	143.00 - 135.00	129.60	165.00	143.00	
31-05-07	Tata Motors	Buy	758.00 - 745.00	728.10	810.00	711.00	Stop-Loss Triggered
01-06-07	Mah. Seamless	Buy	604.00 - 595.00	569.30	675.00	606.95	
01-06-07	BEML	Buy	1085.00 - 1065.00	1026.60	1200.00	1108.25	
01-06-07	GAIL	Buy	317.00 - 310.00	297.30	360.00	303.00	

Manas Jaiswal
Technical Analyst
manas.jaiswal@emkayshare.com
+91 22 66121274

Rajesh Manial
Associate Technical Analyst
rajesh.manial@emkayshare.com
+91 22 66121275

FROM OUR DERIVATIVES DESK

Nifty Snapshot

Nifty: 4284.65 (+0.41%)				Open Interest (No. of Shares)		Change in OI		PUT CALL RATIO (PCR-OI)		
LTP	04.06.07	05.06.07	Basis	04.06.07	05.06.07		Nifty	04.06.07	05.06.07	Chg in OI
Nifty Spot	4257.80	4281.20	-	-	-	-	Call OI	9394700	10321650	+926950
June Future	4236.00	4283.00	+1.80	30098100	30703000	+604900	Put OI	15077650	15669850	+592200
July Future	4234.00	4278.00	-3.20	707400	763950	+56550	PCR	1.60	1.52	-0.08
Total (June+July+Aug)				30929250	31658550	+729300				

FII's Derivative Statistics for 04.06.07

	Buy		Sell		Open Interest as on 04.06.07		Open Interest as on 01.06.07		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	37549	802.96	45334	966.77	611871	13002.08	614046	13164.30	-2175	-162.23
Index Options	15925	330.72	2666	56.54	239505	5109.90	222956	4790.27	16549	319.63
Stock Futures	10336	301.21	14739	397.67	644985	17909.70	636762	17843.94	8223	65.77
Stock Options	23	0.79	92	3.35	1041	26.00	926	22.14	115	3.86
TOTAL						36047.68		35820.65		227.03

Source: NSE

Nifty opened on a bit shaky note but took support near 4249 and bounced back sharply. Nifty closed with a gain of 17 points at 4284. Major gainers were I-flex, Punj Lloyd, AIA Engg, TVS Motors, Bom Dyeing, IDBI, Kotak Bank, Vijaya Bank, RPL etc. Major losers were McDowell, Jindal Steel, HPCL, Neyvelli Lignite, MoserBaer, Ansal Infra etc.

- Nifty June futures cost of carry is positive 0.70% against negative 8.13% the previous day.
- Nifty June futures turned to premium of 4-6 points against 18-22 points discount the previous day.
- Total Turnover for NSE F&O Segment was Rs. 31,210 Crores.

Open Interest Analysis:

BULLISH: BankNifty(15%), Crompton Greaves(39%), Bom Dyeing(37%), BEML(16%), Petronet(10%), RPL(6%).

Long positions were seen in above mentioned stocks as OI has increased with positive CoC and upside move in stock price and therefore we are bullish on these stocks. BankNifty futures added 33000 shares (15%) in OI and the BankNifty closed very strong with a gain of 1.3% and therefore we continue to remain bullish on overall banking sector. Yesterday, long positions were seen in banking and finance stocks like **BOI, Canara Bank, Dena Bank, Federal Bank, IDBI, IFCI, Indian Bank, IOB, OBC, Reliance Capital and UTI Bank.**

Nifty closed strong with a gain of 17 points and futures turned to premium of 4-6 points during the latter half of the session. We continue to maintain our bullish view on the markets for the coming days.

Put Call Ratio Analysis:

PCR (OI) of Nifty is 1.52 compared to 1.60 the previous day. Nifty Call options added 9.2 lakh shares (+9.8%) & Put options added 5.9 lakh shares (+3.9%) in OI. Nifty 4350 & 4300 Call options added 2.4 and 2.7 lakh shares each and 4200 Call added 1.3 lakh shares in OI. Nifty 4300 Put added 2.4 lakh shares; Nifty 4200 and 4100 Put added over 1.1 lakh shares each in OI.

Cost of Carry :

Turned Positive: Bharti, ITC, Sterlite, UltraTech Cem, VSNL.

Turned Negative: —.

Contd...

Bank Nifty: 6533.35 (+1.31%)							CNX IT: 5251.55 (+0.81%)						
	LTP			Open interest (No. of shares)		Chg in OI		LTP			Open interest (No. of shares)		Chg in OI
	04.06.07	05.06.07	Basis	04.06.07	05.06.07			04.06.07	05.06.07	Basis	04.06.07	05.06.07	
Spot	6430.05	6534.50	-	-	-	-	Spot	5199.70	5250.20	-	-	-	-
June Future	6398.90	6539.85	+5.35	225450	258450	+33000	June Future	5212.00	5264.95	+14.75	163250	154950	-8300
Total (June+July+Aug)				226050	259100	+33050	Total (June+July+Aug)				163350	155050	-8300

Top traded stock futures		Most active stock options				
Scrip	No. of Contracts	Scrip	Expiry	Strike Price	Option Type	No of Contracts
RELIANCE	30447	RELIANCE	JUNE	1770	CA	938
SBIN	29044	IDBI	JUNE	100	CA	919
RELCAPITAL	22721	RELIANCE	JUNE	1800	CA	718
IDBI	22681	SBIN	JUNE	1440	CA	638
PUNJLLOYD	20119	IDBI	JUNE	105	CA	608
INFOSYSTCH	18231	TATASTEEL	JUNE	640	CA	581
ROOM	16099	RPL	JUNE	100	CA	566
RPL	14288	SBIN	JUNE	1410	CA	542
ICICIBANK	12570	RELIANCE	JUNE	1740	CA	533
SUZLON	11357	INFOSYSTCH	JUNE	1920	CA	525

Derivative Strategy Recommendations

Date	Scrip	View	Strategy	Action	Maximum Profit	Maximum Risk	Current Price	Profit/ Loss (Rs.)	Remarks
26.05.07	Infosys	Bullish	Buy Call Option	Buy 2010 CA @ 70.00	Unlimited	7000.00	2010 CA @ 23.80	-4620.00	Hold
01.06.07	SBI	Bullish	Buy Call Option	Buy 1380 CA @ 47.00	Unlimited	11750.00	1380 CA @ 83.00	+9000.00	Profit Booked (05.06.07)
01.06.07	RCOM	Bullish	Buy Call Option	Buy 520 CA @ 23.00	Unlimited	16100.00	520 CA @ 18.25	-3325.00	Hold
01.06.07	TataSteel	Bullish	Buy Call Option	Buy 640 CA @ 24.00	Unlimited	16200.00	640 CA @ 20.50	-2362.50	Hold

Zeal Mehta

Derivative Analyst

zeal.mehta@emkayshare.com

Tel: +91 22 6612 1276

[Home](#)

FROM OUR DEALING DESK

Dealing News

Market News & Gossip

Market Commentary:

Outlook remains cautious on market from current levels. We have seen some buying at the same time short covering which took Nifty to almost 4300 levels. Outlooks still remain cautious for short term. It is time to be more stock specific from current levels, Keep on buying Shree Ashtavinayak, GE Offshore and Sterlite Optical as investment idea.

Market Gossip *:

Buy Nitin Fire as investment idea target 750-800, Buy BEML for trading target 1225-1250 levels , Buy BEL target 1975-2000.

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 **
		05-Jun-07	Aplab Ltd	Aap Investments	B	50000	100.56
		05-Jun-07	Biopac Incor	Nalin P Shah	S	142294	19
		05-Jun-07	Birla Cap	Pradeep Bhat	B	77325	4.36
		05-Jun-07	Blue Chi Tex	Sangeetaben Arpitbhai Patel	B	10000	9
		05-Jun-07	Blue Chi Tex	Daxesh Upendrabhai Patel	B	12000	9.45
		05-Jun-07	Blue Chi Tex	Sangeetaben Arpitbhai Patel	S	10000	9.45
		05-Jun-07	Blue Chi Tex	Daxesh Upendrabhai Patel	S	120000	9.02
		05-Jun-07	Chd Dev Ltd	Amit Bharat Shah	B	282973	17.98
		05-Jun-07	Chd Dev Ltd	Amit Bharat Shah	S	257973	17.97
		05-Jun-07	Encore Soft	Speed Tex Pvt Ltd	B	50000	37.67
		05-Jun-07	Expo Ga Cont	Bds Share Brokers Pvt Ltd	S	25384	8.55
		05-Jun-07	Gemini Commu	Ayodhyapati Investment Pvt Ltd	B	64868	424.86
		05-Jun-07	Gemini Commu	Ayodhyapati Investment Pvt Ltd	S	51079	416.66
		05-Jun-07	Gemstone Inv	Kishor Balubhai Chauhan	S	33310	21.83
		05-Jun-07	Kalptaru	Ashlesh Gunvantbhai Shah	B	56621	86.65
		05-Jun-07	Kalptaru	Ashlesh Gunvantbhai Shah	S	48116	86.8
		05-Jun-07	Logix Micro	Passport India Investment	B	83450	279.87
		05-Jun-07	Mcd Holding	Edmond De Rothschild Asset Manage.	B	154006	338.32
		05-Jun-07	Mcd Holding	Fidelity Management And Research Co	S	185408	337.64
		05-Jun-07	Mic Elect	Bsma Ltd	B	119000	366.76
		05-Jun-07	Neemtek Org	Atim Kabra	B	20439	247.05
		05-Jun-07	Nitin Fire	Radhey Shyam Agarwal Huf	B	76470	448.86
		05-Jun-07	Nitin Fire	S.M.Nissar	B	70300	462.2
		05-Jun-07	Nitin Fire	Sam Global Securities Ltd	B	180332	454.5
		05-Jun-07	Nitin Fire	B K Shah Co	B	179085	449.17
		05-Jun-07	Nitin Fire	Bharat H Sheth	B	89363	447.45
		05-Jun-07	Nitin Fire	Amit M Gala	B	82993	452.89
		05-Jun-07	Nitin Fire	Vinod Nanalal Doshi	B	299810	453.32
		05-Jun-07	Nitin Fire	Amu Shares And Sec Ltd	B	176008	456.49
		05-Jun-07	Nitin Fire	Radhey Shyam Agarwal Huf	S	76470	450.79
		05-Jun-07	Nitin Fire	S.M.Nissar	S	70300	462.96
		05-Jun-07	Nitin Fire	Sam Global Securities Ltd	S	180332	456.02
		05-Jun-07	Nitin Fire	B K Shah Co	S	179080	451.69
		05-Jun-07	Nitin Fire	Bharat H Sheth	S	89363	447.38
		05-Jun-07	Nitin Fire	Amit M Gala	S	82993	453.19
		05-Jun-07	Nitin Fire	Vinod Nanalal Doshi	S	298180	453.03
		05-Jun-07	Nitin Fire	Amu Shares And Sec Ltd	S	176008	457.62
		05-Jun-07	Oriental	Rajaram Devakikrishna Keni	B	74200	24.27
		05-Jun-07	Oriental	Rajaram.D.Keni	B	205769	24.63
		05-Jun-07	Oriental	Rajaram D. Keni	S	205769	24.44
		05-Jun-07	Oriental	Ayodhyapati Investment Pvt Ltd	S	125500	24.31
		05-Jun-07	Oriental	Rajaram Devakikrishna Keni	S	74200	24.43
		05-Jun-07	Osian Lpg Bo	Megha Inns And Hotels Pvt Ltd	S	50000	7.43
		05-Jun-07	Pasari Spin	Hardik Mithani	S	87178	13.62
		05-Jun-07	Pioner Embro	N C Jain	B	97923	191.62
		05-Jun-07	Pioner Embro	N C Jain	S	97923	191.52
		05-Jun-07	Priya Spin L	Pradeep Kumar Agarwal	B	66756	18.75
		05-Jun-07	Proto Infosy	Sudhir Jain	B	200000	4.41
		05-Jun-07	Samtel Color	Rama Kant	B	235000	16.5
		05-Jun-07	Samtel Color	Antique Stock Broking Ltd	B	1738655	16.5
		05-Jun-07	Samtel Color	Ubs Securities Asia Limited	S	623443	16.5
		05-Jun-07	Samtel Color	The Western India Trust & Exec. Co.Ltd.	S	861203	16.5
		05-Jun-07	Samtel Color	Icici Bank Limited	S	259009	16.5
		05-Jun-07	Samtel Color	Antique Stock Broking Ltd	S	1120212	16.51
		05-Jun-07	Smzs Chemica	Nayanbhai Rameshchandra Shah	B	46500	4.85
		05-Jun-07	Smzs Chemica	Bcb Finance Pvt Ltd	B	42400	4.95
		05-Jun-07	Smzs Chemica	Ayodhyapati Investment Pvt Ltd	S	60173	4.85
		05-Jun-07	Smzs Chemica	Nayanbhai Rameshchandra Shah	S	46500	4.95

Contd...

05-Jun-07	Usher Agro	Chitra Jitendra Mayekar	B	197250	44.82
04-Jun-07	Asahi Song	Dharmendra J. Manek	B	134585	97.4
04-Jun-07	Asahi Song	H.J.Securities Pvt.Ltd.	B	71682	118.31
04-Jun-07	Asahi Song	Dharmendra J. Manek	S	134585	97.64
04-Jun-07	Asahi Song	H.J.Securities Pvt.Ltd.	S	71682	121.62
04-Jun-07	Atlas Cyc Hr	Bhaves D Shah	B	28599	172.04
04-Jun-07	Avery India	Amit Bharat Shah	B	49434	70.32
04-Jun-07	Dhanala Ro S	Vijay Kumar Pathak	B	25000	11
04-Jun-07	Dhanala Ro S	Purshatham Baheti	B	25000	11.02
04-Jun-07	Dhanala Ro S	Rajesh Kabra	B	25000	11.02
04-Jun-07	Gandhim.Appl	Kandagatla Ramadevi	B	34110	11.03
04-Jun-07	Kadamb Const	Somani Jayshree	B	70000	21
04-Jun-07	Kalptaru	Chirag Bipinchandra Shah	B	57500	86.27
04-Jun-07	Mic Elect	Opg Securities Pvt Ltd	B	269471	373.98
04-Jun-07	Mic Elect	H.J.Securities Pvt.Ltd.	B	105182	379.16
04-Jun-07	Mic Elect	Dynamic Stock Broking I Pvt Ltd	B	139538	373.71
04-Jun-07	Mic Elect	Opg Securities Pvt Ltd	S	269471	374.9
04-Jun-07	Mic Elect	H.J.Securities Pvt.Ltd.	S	105182	379.33
04-Jun-07	Mic Elect	Dynamic Stock Broking I Pvt Ltd	S	141238	373.33
04-Jun-07	Pamwi Papers	Honest Investment	B	104800	77
04-Jun-07	Sandur Man	Idbi Ltd	S	43000	76.75
04-Jun-07	Shree Ashta	Advantage Software Private Ltd	B	68796	213.11
04-Jun-07	Shree Ashta	Advantage Software Private Ltd	S	73855	214.15
01-Jun-07	Cupid Ltd	Mukesh Jitendra Vora	B	39031	59.73
01-Jun-07	Dhanala Ro S	Gopaldas Mundada	B	20800	11.57
01-Jun-07	Diamine Chem	Amit Bharat Shah	B	49018	75.01
01-Jun-07	Diamine Chem	Amit Bharat Shah	S	40318	74.77
01-Jun-07	Kalptaru	Chirag Bipinchandra Shah	S	65000	84.31
01-Jun-07	Rama Pul Pap	Honest Investment	B	51068	74

Source: BSE

COMPANY / MARKET**Forthcoming Events**

Effective Date	Summary	Action Type
06-Jun-07	Bayer Diagnostic India Ltd	Cash Dividend
06-Jun-07	Bosch Chassis Systems India Ltd	Stock Dividend
06-Jun-07	BSEL Infrastructure Realty Ltd	Corporate Meeting
06-Jun-07	Core Projects & Technologies Ltd	Stock Split
06-Jun-07	Core Projects & Technologies Ltd	Cash Dividend
06-Jun-07	Core Projects & Technologies Ltd	Par Value Change
06-Jun-07	GL Hotels Ltd	Corporate Meeting
06-Jun-07	India Government Bond	Funged Issues
06-Jun-07	Infosys Technologies Ltd	Cash Dividend
06-Jun-07	Oriental Bank Of Commerce	Cash Dividend
06-Jun-07	SBI Home Finance Ltd	Corporate Meeting
06-Jun-07	Steelcast Ltd	Cash Dividend
06-Jun-07	Tayo Rolls Ltd	Cash Dividend

Source: Bloomberg

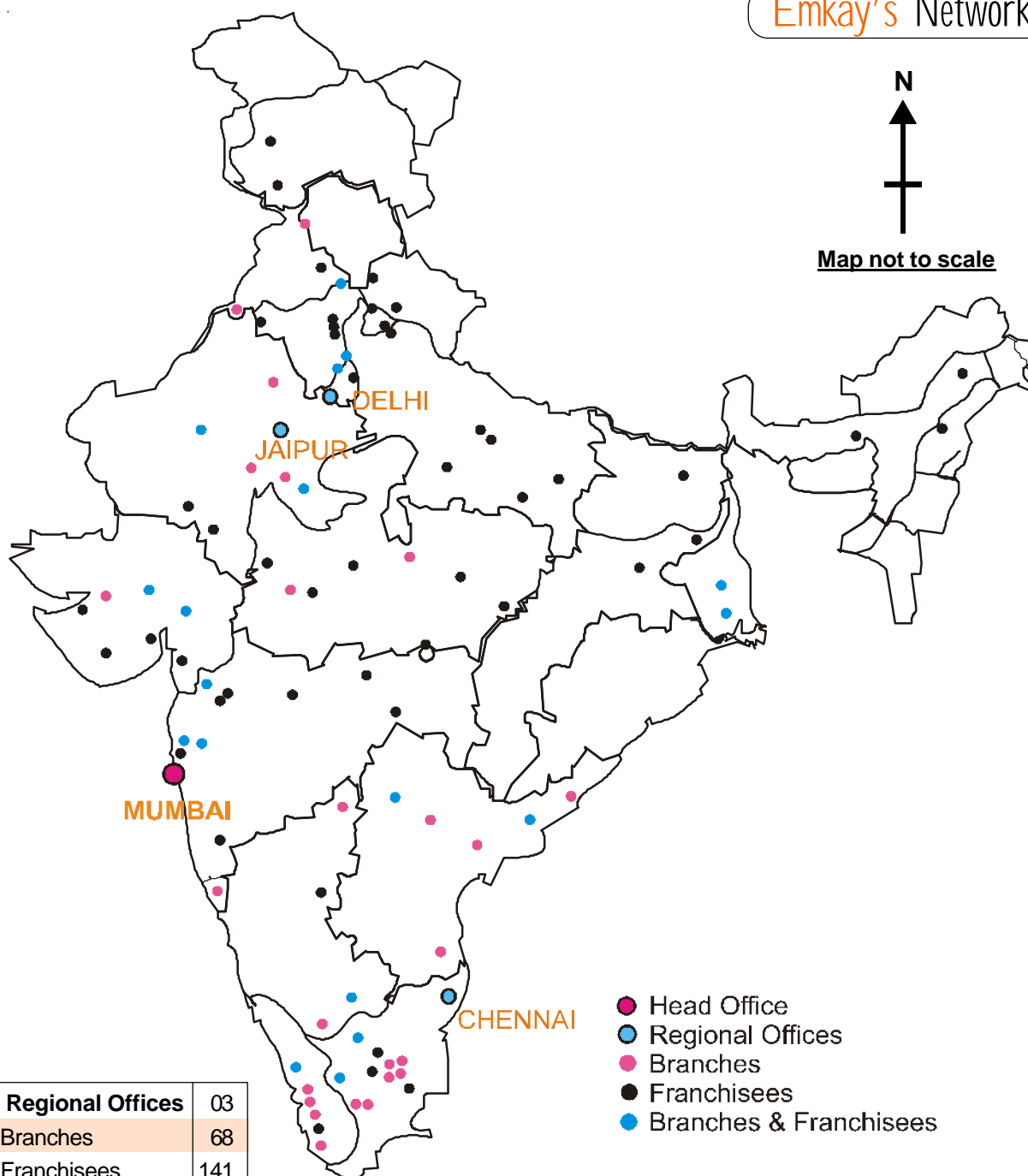
[Home](#)

[Home](#)

Emkay's Network



Map not to scale



Total Regional Offices	03
Total Branches	68
Total Franchisees	141

- Head Office
- Regional Offices
- Branches
- Franchisees
- Branches & Franchisees

Regional Offices

NEW DELHI

MR. ARUN BANSAL

401, NEW DELHI HOUSE, 27, BARAKHAMBA ROAD, NEW DELHI - 110001
 PH: 9350496088 / 9350192101; Email: newdelhi@emkayshare.com

JAIPUR

MR. RAHULL MANTRI

1, M.I. ROAD, 2ND FLOOR, NO.7, OPP. AMRAPURA STHAN, JAIPUR 302001, RAJASTHAN
 TEL NO: 0141 2378661/2/3/4; Email: emkay.jaipur@emkayshare.com

CHENNAI

MR. RAJESH RENGARAJAN

1ST FLOOR ROOP EMERALD, NEW NO 45 OLD NO28, NORTH USMAN ROAD, T-NAGAR, CHENNAI 600-017
 TEL NOS: 044-45502496/7/ , Email: chennai@emkayshare.com

Mr. Chirayush Bakshi – Vice President - Marketing and Business Development

Mob.: 9322934529; Email: chirayush.bakshi@emkayshare.com

Mr V. H. Bhaskaran – Vice President - Business Development (South)

Mob.: 9323811847; Email: bhaskaran@emkayshare.com

Name	Sector	Tel No	E-mail id
Umesh Karne,CFA	Auto, Auto Ancillary, Capital Goods, Power Equipment	+91 22 6612 1281	umesh.karne@emkayshare.com
Manish Balwani	Cement, Construction	+91 22 6612 1278	manish.balwani@emkayshare.com
Sanjeev Hota	IT, Telecom, Media	+91 22 6612 1243	sanjeev.hota@emkayshare.com
Pratik Dalal	Hotels, Packaging, Retail	+91 22 6612 1280	pratik.dalal@emkayshare.com
Manas Jaiswal	Technical analyst	+91 22 6612 1274	manas.jaiswal@emkayshare.com
Rajesh Manial	Associate Technical analyst	+91 22 6612 1275	rajesh.manial@emkayshare.com
Zeal Mehta	Derivative Analyst	+91 22 6612 1276	zeal.mehta@emkayshare.com

DISCLAIMER

Emkay Share & Stock Brokers Limited (Emkay) has two separate independent equity research groups: Institutional Equities and Private Client Group. This document has been prepared by Emkay – Private Client Group (Emkay -PCG). Affiliates of Emkay Institutional Group may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Institutional Equities Research Group of Emkay Share & Stock Brokers Limited. This document is not for public distribution and has been furnished to you solely for your information and any review, re-transmission, circulation or any other use is strictly prohibited. Persons into whose possession this document may come are required to observe these restrictions. This document is subject to changes without prior notice and is intended only for the person or entity to which it is addressed to and may contain confidential information and/or privileged material. We are not soliciting any action based upon this material. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Emkay -PCG. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Emkay-PCG will not treat recipients as customers by virtue of their receiving this report. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable. It should be noted that the information contained herein is from publicly available data or other sources believed to be reliable. Neither Emkay, nor any person connected with it, accepts any liability arising from the use of this document. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Opinions expressed are our current opinions as of the date appearing on this material only. We do not undertake to advise you as to any change of our views expressed in this document. While we would endeavor to update the information herein on a reasonable basis, Emkay, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also there may be regulatory, compliance, or other reasons that may prevent Emkay and its affiliates from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Emkay and its affiliates, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

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

Emkay Share and Stock Brokers Ltd.

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;

Regn.Nos.PMS-INP 000000779; BSE (Cash) INB 010901838; BSE (Derivative) INF 010901838;

NSE (Cash) INB 230901838; NSE (Derivative) INF 230901838; DP CDSL IN-DP-CDSL-58-2000

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