

DAILY MARKET OUTLOOK

Market Snapshot

The Sensex opened with a positive gap of 37 points at 13,733, and touched a high of 13,756 before slipping into negative zone on profit-taking in technology stocks. The index attempted a pull-back and sneaked into positive zone in mid-noon trades, but eventually dropped to a low of 13,581. The BSE Sensex closed at 13,607 while the NSE Nifty closed at 3,985.

The NSE and BSE cash volumes were slightly higher compared to the previous day at INR 96 bn and INR 45 bn respectively. The F&O volumes were the same at INR 297 bn.

Sentiment Indicators

The Implied Volatility (IV) across Nifty strikes has decreased to 24-25% levels. The WPCR of Nifty Options has decreased to 1.14 while the 5 day average is also 1.14.

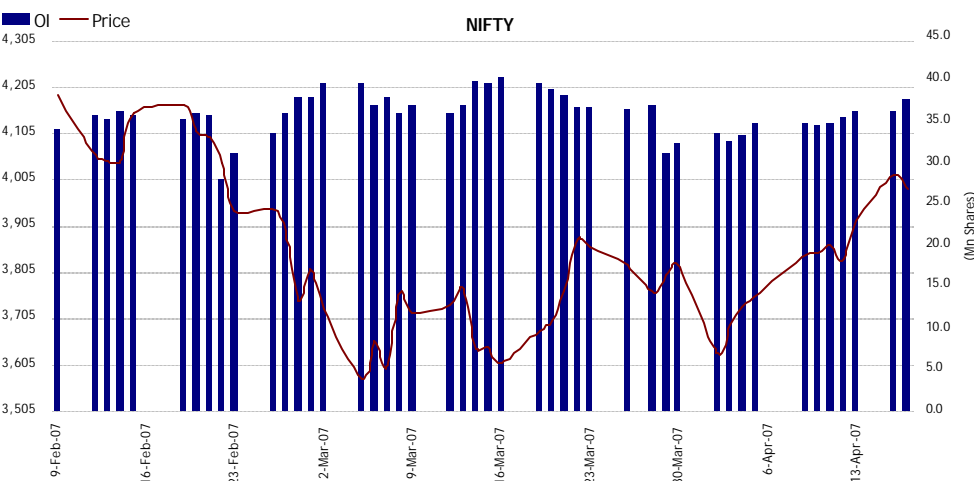
Outlook

The markets are expected to open with a slight negative gap taking cues from US indices which remain flattish. The Nifty is expected to be range bound in the absence of any major news flow from the global as well as domestic markets.

FII's open interest in Nifty increased by a significant 3% yesterday which is about 45,500 contracts totaling to INR 688 cr. This can be quoted as a long build-up as FII's were net buyers of INR 388 cr.

We continue to maintain our view on IT counters to under perform the market in light with the weakening of USD against INR which cooled of to 41.9 overnight. Banking counters might outperform the market. Investors can go long on the complete Reliance pack as RIL, RCOM; Rel Petroleum might see buying opportunities.

The technical charts indicate that the markets are consolidating before they move northward for a longer term. The immediate support for the Nifty is 3978 followed by 3964. The Nifty might face some resistance at 4006 and later at 4039



April 18, 2007

Market Snapshot

	17-Apr	16-Apr	% Chg
Nifty	3985.0	4013.2	-0.7
Sensex	13607.0	13695.6	-0.6
BSE MidCap	5621.3	5666.0	-0.8
BSE SmallCap	6862.5	6884.1	-0.3

Apr Futures

Average ICC (p.a.)**	14.8%	16.2%	-8.5
----------------------	-------	-------	------

Volume (INR mn)

Futures	235,058	218,991	7.3
Call	32,845	38,676	-15.1
Put	28,946	39,754	-27.2
Total	296,849	297,421	-0.2
NSE Cash Vol.	96,116	89,509	7.4
BSE Cash Vol.	45,649	41,439	10.2

Open Interest (INR mn)

Futures	389,722	386,063	0.9
Call	89,994	80,796	11.4
Put	85,556	80,629	6.1
Total	565,272	547,488	3.2

Put Call Ratios

PCR	0.96	1.11	-13.4
WPCR	0.89	1.02	-12.5
OIPCR	0.97	1.02	-4.7
Total OI/ Volume	1.90	1.84	3.4

Nifty IVs at 24 - 25% levels.

FII Activity* (INR Mn) (16-Apr)

Volume	Buy	Sell	Net
Cash	26,748	18,865	7,883
Index Futures	23,630	8,912	14,718
Stock Futures	6,712	6,405	307
Total	57,090	34,182	22,908
Open Interest	16-Apr	13-Apr	% Chg
Index Futures	151,023	143,281	5.4
Stock Futures	171,170	164,706	3.9
Total F&O OI	391,659	370,258	5.8

Mutual Fund Activity* (INR Mn) (16-Apr)

Volume	Buy	Sell	Net
Equity	7,037	4,988	2,049

*FII & MF Data is reported a day late

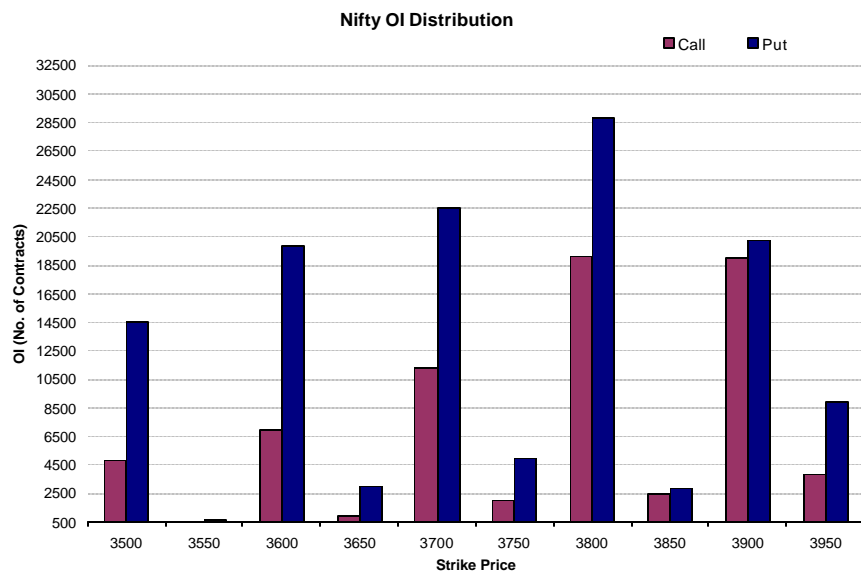
** Avg of positive ICC's

Pending Calls

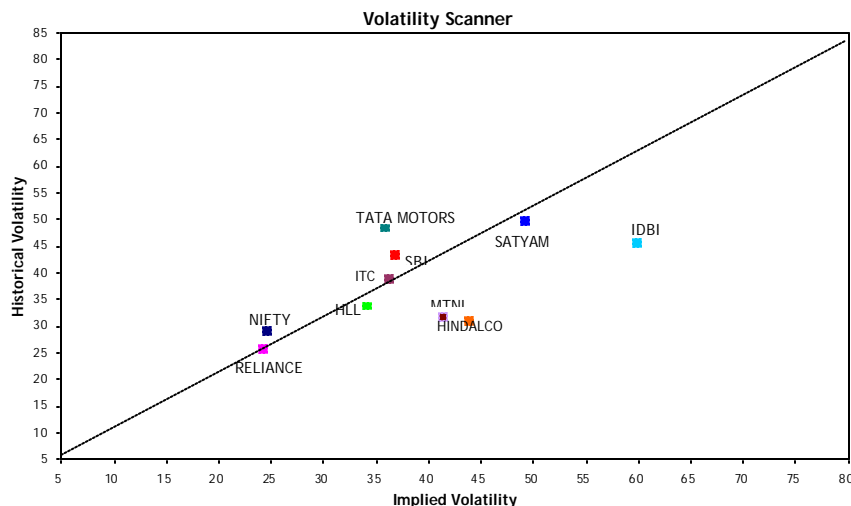
Scrip	Action	Date of Recommendation	Market Price	Returns	Rationale
Tatasteel	Sell	18-Apr-07	528.0	-	The news of equity dilution should act as a negative sentiment indicator for the company and hence we initiate a short term trading sell on the stock. Also uncertainty about the government policy looms on the steel sector.
HPCL	Buy	18-Apr-07	261.6	-	The government might raise the FDI limit to 49% for the sector in favour of the LN Mittal bid. Also the stock gained close to 5% on significant volumes.
RCOM	Buy	22-Mar-07	432.6	6%	With the reduction in ADC by 37% and expected short covering make this stock an attractive BUY at current levels.
ACC	Buy	17-Apr-07	806.7	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.
Relcapital	Buy	16-Apr-07	699.1	2%	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.
Reliance	Buy	17-Apr-07	1476.1	1%	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.
Parsvnath	Closed Today	13-Apr-07	287.5	1%	The stock has seen significant short build up yesterday and hence we suggest squaring off long positions for now.
M&M	Closed Today	16-Apr-07	749.5	1%	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.
UniPhos	Buy	17-Apr-07	339.8	-1%	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.

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 4000 Call [increase of 14.3%] and 4000 put [increase of 13.6%].
- Maximum Volumes were witnessed by 3900 & 4000 Call and 3900 & 4000 Put.



Nifty IVs at 24-25% levels

High IVs

- Hindalco IV's are quoting at 44% as against HV's of 31%.
- IDBI IV's are quoting at 60% as against HV's of 46%.
- MTNL IV's are quoting at 41% as against HV's of 32%.

Sectoral Open Interest Build Up (Contracts) for 1 days				
Sector	OI	OI -D	% OI Chg	% Prc Chg
IT	115033	111709	2.98%	-1.4%
Construction	38355	37348	2.70%	-1.8%
Metals & Mining	84076	82651	1.72%	-1.4%
Auto	54287	53515	1.44%	-0.4%
Power	35021	34624	1.15%	-0.8%
Textile	18764	18614	0.80%	-1.2%
Banking	163726	162683	0.64%	0.9%
Pharma	44851	44924	-0.16%	-0.8%
Chemicals	10183	10229	-0.45%	-0.9%
Engineering & Capital Goods	70444	70765	-0.45%	-0.7%
FMCG	37472	37696	-0.60%	-0.3%
Oil & Gas	137738	138725	-0.71%	1.5%
Telecom	65084	65733	-0.99%	-1.2%
Cement	44220	45330	-2.45%	1.0%

- Amongst all the sectors, the Oil & Gas sector was up the most. Essar Oil was up 4.7% followed by BPCL was up 3.4%.
- In the Cement space, ACC and Ultratech were each up 3%.
- In the Chemical arena, Syndicate Bank was up 5% followed by IOB and Corporation bank which were up 4.8% and 4.4% respectively.

Futures Snapshot

Top OI Rises

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
UTI Bank	27	2,781	(0.8)	142
Bombay Dyeing	23	571	0.4	79
Bank of India	20	5,487	(1.2)	156
Bajaj Hindustan	19	3,695	(3.1)	(20)
Bank Nifty	19	133	0.4	67
Cummins India	19	1,288	(3.4)	11
Power Finance Corp	17	4,898	1.5	558
Aban Offshore	13	440	(0.3)	114

Top Price Change

Scrip	% Price Chg	% OI Chg	OI	% Future Vol Chg
BEL	(5.5)	7	502	34
Nagarjuna Construction	(5.0)	7	1,821	(1)
Syndicate Bank	5.0	(11)	6,156	241
Satyam	(4.9)	5	12,999	34
IOB	4.8	(6)	1,413	268
Essar Oil	4.7	(3)	22,255	191
GE Shipping	4.5	7	593	83
HPCL	4.5	(1)	3,540	165

Top OI Falls

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Titan Industries	(16)	1,218	(1.5)	(2)
Syndicate Bank	(11)	6,156	5.0	241
IFCI Ltd	(10)	78,404	(1.6)	4
Andhra Bank	(8)	2,429	2.4	165
Bajaj Auto	(7)	772	2.4	34
Sun Tv	(7)	323	(0.7)	(69)
Canara Bank	(6)	2,318	0.8	(5)
Divi's Lab	(6)	528	(1.8)	(16)

Top Volume Rises

Scrip	% Future Vol Chg	Future Vol	% Price Chg	% OI Chg
Power Finance Corp	558	7,183	1.5	17
SCI	282	891	2.7	(6)
Union Bank	277	2,287	3.0	3
IOB	268	1,207	4.8	(6)
Indusind Bank	251	4,739	1.8	2
Syndicate Bank	241	6,905	5.0	(11)
Chennai Petroleum	233	18	2.3	10
Neyveli Lignite	215	1,581	0.2	3

F&O CROSSOVER: -

Focus Stocks

- Positives: ACC, GAIL, HLL, Infosys, Maruti, Reliance, Tata Motors, Tatasteel.
- Negatives: NTPC, Tata Steel.

Portfolio Tracker

17-Apr-07

Scrip	Reco	17-Apr-07 Score	16-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	3,985			
ACC	Buy	1	1	13-Apr	748	809	4	8.1%	768
GAIL	Buy	1	1	9-Apr	292	285	8	-2.2%	280
HLL	Buy	5	3	4-Apr	198	212	13	7.0%	203
HPCL	Neu**	3	1	13-Apr	245	262			
ICICI Bank	Buy	5	1	17-Apr	894	894			849
Infosys	Neu**	(1)	1	17-Apr	2,083	2,083			
IPCL	Buy	3	3	13-Mar	265	292	35	10.1%	277
Maruti	Buy	3	3	13-Apr	772	762	4	-1.3%	739
MTNL	Buy	3	3	10-Apr	154	159	7	3.4%	154
NTPC	Sell	(1)	(1)	17-Apr	157	157			165
ONGC	Buy	3	3	3-Apr	844	894	14	5.9%	855
Polaris	Buy	5	5	2-Apr	171	189	15	10.4%	187
Reliance	Buy	5	5	13-Apr	1,412	1,476	4	4.5%	1,402
Satyam	Neu**	3	3	17-Apr	456	456			
SBI	Buy	5	3	5-Apr	948	1,010	12	6.5%	963
SCI	Buy	3	5	12-Apr	170	174	5	2.0%	165
TCS	Buy	5	5	23-Mar	1,288	1,250	25	-2.9%	1,224
Tata Motors	Buy	3	3	13-Apr	726	731	4	0.6%	713
Tatasteel	Sell	(1)	(1)	16-Apr	535	528	1	1.2%	554

Buy/ Sell/ Neutral = 14/2/4

○ Infosys moves into Neutral Mode due to Whipsaw.

○ NTPC moves into Sell Mode from Neutral Mode.

○ Satyam hits the Stop Loss and moves into Neutral Mode.

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
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	Ashish Agrawal	- 2286 4301
Sumeet Budhraj	- 2286 4430	FMCG	Nikhil Garg	- 2286 4282
Harish Sharma	- 2286 4307	Infrastructure, Auto Components, Mid Caps	Swati Khemani	- 2286 4266
Priyanko Panja	- 2286 4300	Infrastructure, Engineering, Telecom	Neha Shahra	- 2286 4276
Hitesh Zaveri	- 2286 4424	Information Technology	Priya Ramchandran	- 2286 4389
Parul Inamdar	- 2286 4355	Information Technology	Anubhav Kanodia	- 2286 4361
Priyank Singhal	- 2286 4302	Media, Retail	Tushar Mahajan	- 2286 4439
Prakash Kapadia	- 4097 9843	Mid Caps	Harsh Biyani	- 2286 4419
Niraj Mansingka	- 2286 4304	Oil & Gas, Petrochemicals	Nirmal Ajmera	- 2286 4258
Nimish Mehta	- 2286 4295	Pharmaceuticals, Agrochemicals	Ankit Doshi	- 2286 4671
Manika Prem Singh	- 4019 4847	Economist	Dipesh Shah	- 2286 4434
Sunil Jain	- 2286 4308	Alternative & Quantitative		
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

This document has been prepared by Edelweiss Securities Private Limited (Edelweiss). Edelweiss and its holding company and associate companies are a full service, integrated investment banking, portfolio management and brokerage group. Our research analysts and sales persons provide important input into our investment banking activities. This document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Edelweiss or any of its affiliates shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors. We and our 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 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. This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Edelweiss and affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. Edelweiss reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Edelweiss is under no obligation to update or keep the information current. Nevertheless, Edelweiss is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Neither Edelweiss nor any of its affiliates, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. 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.