

INDIA MACRO PICTURE



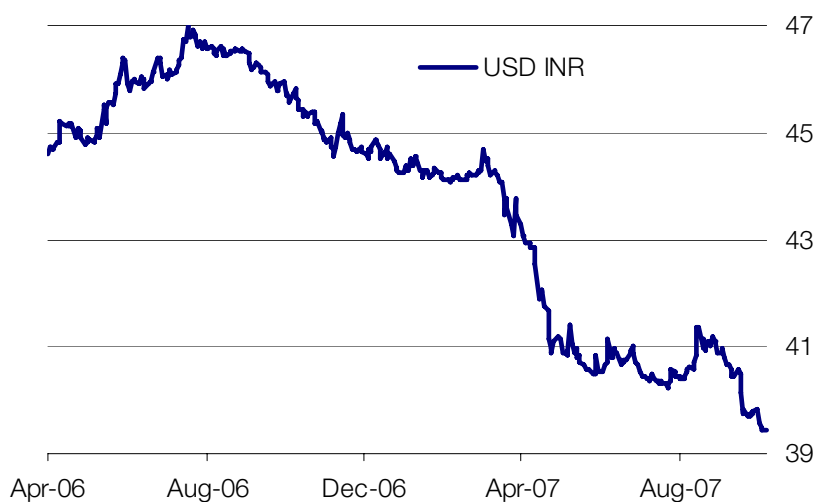
Revised exchange rate forecast

- Given the unanticipated recent appreciation in exchange rate, we have revised our currency forecast for FY-08 to USD/INR 40.1- 40.6 (average for the year) and for FY-09 to USD/INR 39.7-40.2.
- For Q3 FY08 and Q4 FY08, we forecast the rupee to range between USD/INR 39.65-39.95 and USD/INR 38.96-39.56 respectively.
- We would continuously re-look the forecasts going forward, given volatility in the indicator in the recent past.
- The two critical factors determining the way forward for the rupee will remain (i) development in RBI's currency management policy and (ii) foreign flows.

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Exchange rate appreciation



Source: Bloomberg

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Recent Research

Date		Title
03-Oct-07	Economy Release Calendar	
03-Oct-07	External Sector Indicator release	Sustained imports, softening exports
1-Oct-07	Indicator Release	Balance of payments shows strong surplus
20-Sep-07	Macro Meter	Strong GDP growth, credit and inflation soften
19-Sep-07	FOMC Statement	Start of a rate cut cycle?

Distribution of Ratings / Market Cap

Edelweiss Research Coverage Universe

	Buy	Accumulate	Reduce	Sell	Total
Rating Distribution*	100	46	23	6	183
* 6 stocks under review / 2 rating withheld					
	> 50bn	Between 10bn and 50 bn	< 10bn		
Market Cap (INR)	83	66	34		

Rating Interpretation

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

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