

24th May, 2007

Contents

- ❖ From Our Research Desk
- Unity Infra Projects Ltd.
- ❖ 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 | 14363 | (0.6) | 5.4 | 4.8 |
| Nifty | 4246 | (0.7) | 7.8 | 7.5 |
| Sectoral Indices | | | | |
| Mid-Cap | 6109 | (0.6) | 7.8 | 8.0 |
| Small-Cap | 7238 | (0.7) | 4.8 | 11.0 |
| Auto | 4837 | (1.1) | (9.4) | (9.4) |
| Health | 3758 | (0.5) | 4.1 | 0.4 |
| FMCG | 1897 | (1.2) | 6.2 | (5.2) |
| IT | 4824 | (0.5) | (8.3) | (6.5) |
| PSU | 6738 | (0.5) | 14.7 | 7.1 |
| Bankex | 7590 | (0.9) | 12.3 | 6.1 |
| Oil & Gas | 7769 | (1.2) | 18.9 | 25.7 |
| Metal | 10635 | 1.0 | 20.9 | 18.0 |
| Capital Goods | 10297 | 0.4 | 11.6 | 14.5 |

| World Indices | Closing | 1 Day (%) | 3 M (%) | 6 M (%) |
|---------------|---------|-----------|---------|---------|
| NASDAQ | 2577 | (0.4) | 2.5 | 4.7 |
| DOW | 13526 | (0.1) | 6.9 | 10.1 |
| Nikkei | 17664 | (0.2) | (2.9) | 12.3 |
| Hang Sang | 20799 | (0.2) | 0.4 | 8.0 |

| Indian ADR's | (USD) | 1 Day (%) | 3 M (%) | 6 M (%) |
|----------------|-------|-----------|---------|---------|
| VSNL | 23.50 | 0.2 | 29.3 | 21.8 |
| Infosys | 49.44 | (1.2) | (14.3) | (7.7) |
| Wipro | 16.07 | (1.2) | (8.2) | 3.3 |
| Satyam | 24.26 | (1.8) | 8.2 | 2.1 |
| Dr Reddy's Lab | 16.05 | (1.3) | (1.2) | (3.4) |

| Value Traded (Rs Cr) | 24May07 | (%) |
|----------------------|---------|-------|
| Cash BSE | 5316.0 | 0.5 |
| Cash NSE | 10715.9 | (5.8) |
| Derivatives | 33963.0 | 1.6 |

| Net Inflows (Rs Cr) | 23May07 | MTD | YTD |
|---------------------|---------|--------|--------|
| FI | 450.8 | 2861.4 | 8395.2 |
| Mutual Fund | (47.5) | 1673.8 | 2652.7 |

| Advances/Declines (BSE) | | | | |
|-------------------------|-----|-----|-----|-------|
| 24May07 | A | B1 | B2 | Total |
| Advance | 67 | 210 | 295 | 572 |
| Decline | 183 | 481 | 491 | 1155 |
| Unchanged | 2 | 14 | 31 | 47 |

| Commodity | 24May07 | 1 Day (%) | 3 M (%) | 6 M (%) |
|-----------------|---------|-----------|---------|---------|
| Crude (USD/Bbl) | 71.2 | 0.3 | 18.8 | 18.7 |
| Gold (USD/OZ) | 662.7 | 0.1 | (2.9) | 3.8 |
| Silver (USD/OZ) | 13.1 | 0.3 | (10.3) | (2.8) |

| Debt/Forex Market Closing | 1 Day (%) | 3 M (%) | 6 M (%) | |
|---------------------------|-----------|---------|---------|-----|
| Re/USD | 40.54 | 0.1 | 8.3 | 9.3 |
| 10 yr Gsec Yield | 8.13 | 0.2 | 2.3 | 9.2 |

Source: Bloomberg

Corporate Snippets

- Punjab National Bank posted net profit at Rs 237.7 crore in the three months ended March 31, 2007 as compared to Rs 288.6 crore in the corresponding period in 2006. –ET
- Torrent Pharmaceuticals Ltd posted profit of Rs 94 crore in the financial year ended March 31, 2007 as compared to Rs 51 crore in the corresponding period in 2006. –ET
- NIIT Technologies on Wednesday announced it has posted a 139% rise in net profit at Rs 46 crore for the January-March quarter as compared to the same period last year. –ET
- Sayaji Hotels announced it will set up a chain of 20 new restaurants across the country including Delhi, Mumbai and Bangalore among others. –ET
- Sail has given an in principle approval to Rs 9,869 crore modernization and capacity expansion plan of Rourkela Steel Plant. –BS
- Alembic has entered into a licensing agreement with Belgium-based UCB for its novel drug delivery platform for anti-epileptic drug Keppra XR. –BS
- India NRE Minerals, the Australian subsidiary of Gujarat NRE Coke has lodged an IPO prospectus to raise AU\$ 15 million and seek listing on the Australian Securities Exchange. –BS
- Tata Power Company will issue nearly two crore additional shares and convertible warrants to promoters Tata Sons Ltd to raise around Rs 1,200 crore. –BS
- Torrent Power has signed a MoU with Gujarat Power Corporation for setting up a 1000+ MW coal-based power project at Pipavav in Amreli District, Gujarat. –BS

Macro Economic & Geo-Political News

- India's industrial production growth, a blistering 11.3% in 2006-07, is likely to be moderate this year, fear economists and industry representatives. Economists feel that growth of the index of industrial production (IIP) could range between 8.4% and 10% in the current fiscal. –ET

| Top Five Gainers (NSE) | Price | Chg (%) | Vol (Mn) |
|--------------------------|-------|---------|----------|
| Tata Steel Limited | 660 | 4.9 | 7.7 |
| Reliance Energy Ltd | 570 | 3.2 | 3.7 |
| Hindustan Lever Limited | 199 | 2.0 | 3.2 |
| Bharat Heavy Electricals | 2713 | 1.3 | 0.8 |
| Punjab National Bank | 560 | 1.1 | 2.5 |

| Top Five Losers (NSE) | Price | Chg (%) | Vol (Mn) |
|--------------------------|-------|---------|----------|
| HCL Technologies Ltd | 334 | (3.2) | 0.4 |
| ITC Ltd | 166 | (2.6) | 3.5 |
| Tata Motors Ltd | 708 | (2.6) | 2.0 |
| Ranbaxy Laboratories Ltd | 390 | (2.5) | 0.6 |
| Maruti Udyog Ltd | 815 | (1.9) | 0.3 |

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line, ToI: Times of India, BSE = Bombay Stock Exchange

Visit <http://deadpresident.blogspot.com> for more reports!**FROM OUR RESEARCH DESK****Initiating Coverage****Manish Balwani**

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Stock details

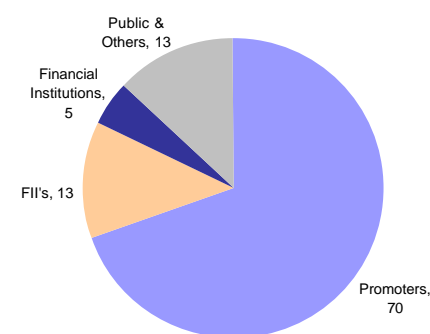
| | |
|--------------------------|---------|
| BSE Code | 532746 |
| Bloomberg Code | UIPIN |
| Market Cap (Rs bn) | 5.41 |
| Free Float (%) | 30.48 |
| 52-wk Hi/Lo (Rs) | 679/317 |
| Avg Daily Vol (BSE) | 32100 |
| Avg Daily Vol (NSE) | 42823 |
| Shares o/s (mn) FV Rs 10 | 13.4 |

Source: Emkay Private Client Research

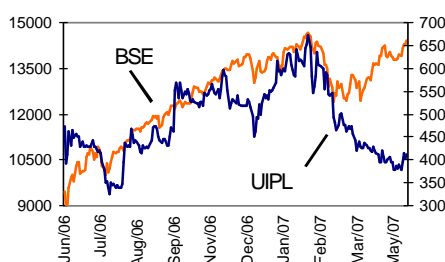
Summary table

| Rs mn | FY06A | FY07E* | FY08E* | FY09E* |
|-----------------|---------|---------|---------|----------|
| Sales | 3,287.4 | 5,424.3 | 8,244.9 | 11,955.1 |
| Growth % | 23.9 | 65.0 | 52.0 | 45.0 |
| EBITDA | 429.0 | 705.2 | 1,030.6 | 1,494.4 |
| EBITDA margin % | 13.1 | 13.0 | 12.5 | 12.5 |
| Net Profit | 245.9 | 438.7 | 572.6 | 798.9 |
| EPS (Rs) | 23.2 | 32.8 | 42.8 | 59.8 |
| CEPS (Rs) | 27.0 | 46.7 | 61.9 | 87.3 |
| ROE % | 35.2 | 37.7 | 35.0 | 35.1 |
| ROCE % | 27.4 | 24.8 | 24.7 | 25.9 |
| EV/Sales (x) | 1.3 | 1.0 | 0.7 | 0.5 |
| EV/EBITDA (x) | 10.3 | 8.0 | 5.7 | 4.1 |
| P/E (x) | 17.5 | 12.4 | 9.5 | 6.8 |
| P/CEPS (x) | 15.1 | 11.0 | 8.3 | 5.9 |
| P/BV (x) | 4.5 | 4.0 | 2.9 | 2.1 |

Source: Company Emkay Private Client Research. EPS calculated on increased equity of Rs 133.7 million after IPO issue

Shareholding pattern (31 Mar, 06)

Source: Emkay Private Client Research

Stock Performance (Rel to sensx)

Source: Capitaline

Unity Infra Projects Ltd.**RECOMMENDATION: BUY****Price: 407****Target Price: 609**

Unity Infrastructure projects Ltd. (UIPL) is a small size engineering & construction company providing integrated engineering, procurement & construction services for civil construction & infrastructure projects. The company is carrying out its projects in 11 states across India and also in Nepal. The company has two 100% subsidiaries:

- (a) Unity Reality Developers Ltd. — for real estate development
- (b) Unity Infrastructure Assets — for undertaking BOT projects

Having consolidated its position in infrastructure space, especially in the areas of transportation engineering, Irrigation & water supply, industrial structures and airports the company is now focusing on real estate & BOT projects in a big way.

Driven by strong growth in construction business coupled with good potential seen in real estate business we expect revenues and net profit for the company to grow by 54% & 37% respectively over the period FY06-FY09E.

Investment Positives:**Strong Order Book in the construction segment**

Unity Infrastructure Projects Ltd.'s construction business comprises of 2 segments viz: Civil Construction (comprising of commercial & residential buildings, Airports, Railway Stations) and Infrastructure segment comprising of Transport & Irrigation & Water Supply. The current order book of UIPL is Rs 21.7 billion (as on Dec'06) with civil projects accounting for about 75.6%, irrigation & water supply accounting for 17.2% while transportation segment accounting for 7.3%. The company is also looking for entry into BOT & BOOT projects through its wholly owned subsidiary Unity Infrastructure Assets which would further increase company's profitability.

Ability of the company to undertake projects on a Turnkey & design-build basis by providing a range of specialized construction & operational services enables the company to command higher margins at the EBITDA levels. With increased order book size & company's venture into higher value added business the EBITDA margins are expected to increase.

Good growth seen in infrastructure segment

Infrastructure segment is expected to be on the exponential growth in the next few years. Government plans to infuse about US \$ 320 bn for building & upgrading India's infrastructure. Private participation is being sought by the Government through BOT & BOOT projects across sectors. Investments are increasing in civil construction segments like Airports, malls etc. UIPL's vast experience in infrastructure & civil construction projects would help the company to bid for & secure more complex & profitable infrastructure projects. The company also plans to expand its activities in other areas like hydropower & port projects. Hence, we see a good growth for the company with the growing economy of India in the coming years.

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Focusing on BOT projects

With increasing opportunities in the BOT segment, UIPL has forayed into this segment by floating a 100% subsidiary Unity Infrastructure Assets. The Government has planned a number of projects across sectors, such as roads, water supply, power & real estate on BOT & annuity basis. UIPL plans to bid aggressively for the BOT projects going forward. BOT or annuity projects generally provide better operating margins because of the added overall control of projects costs that can be exerted by the contractor. Up till now the company has successfully procured Rs 940 million water supply project from Ulhasnagar Municipal Corporation in 50:50 JV with Pratibha Industries Ltd. We believe UIPL is well positioned in the construction & infrastructure space and would be able to bag major orders in the BOT & BOOT segment.

Strong focus on Real Estate Development to drive business growth

With the exponential growth in the economy opportunities in the real estate segment are growing rapidly. The promoters through their group company have had previous experience in the real estate sector having built prominent residential apartments in the city of Mumbai. Looking at the opportunity, UIPL has recently forayed into real estate development. The company has formed a 100% subsidiary, Unity Reality Developers Ltd. for its real estate development projects.

For real estate projects, the company is focusing more on projects on contract basis where the margins are good rather than building on its land bank. UIPL has recently bagged Rs 430 million commercial complex projects from India Bulls where the land belongs to India Bulls and further the raw material viz. cement, steel would be provided to Unity by India Bulls. This would result in increased margins for UIPL. Unity Infra Projects has bagged real estate projects on BOT basis in Joint Venture with BSEL Infra in Nagpur & Pune where the land cost has to be paid during the lease period. Such business models for real estate projects on contract basis insulates UIPL from blocking its money in land bank.

Risks & Concerns:

- The projects of the company are heavily concentrated in & around Mumbai with Mumbai contributing about 21% of the current order book.
- Increasing interest rates are detrimental as debt comprises a significant portion of BOT projects.
- Entire construction industry is expected to experience pressure on margins with increasing raw material cost & wages.

Valuations:

With an EPS CAGR growth of 37% estimated over FY06-FY09E, on the back of a 54% CAGR growth in net sales and a ROE & ROCE levels of 34.3% & 35.8% on FY09. We feel, at the current price of Rs 407, the stock trades at an EV/EBITDA of 4.1x FY09E and the current valuations look attractive. UIPL is a compelling BUY and we initiate a coverage on the stock with a BUY recommendation. We arrive at a target price of Rs 609 for the stock based on SOTP approach. At our target price the stock will be valued at 6x EV/EBITDA for FY09E.

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| Indices | Previous close | Today's close | % chg |
|------------------------|----------------|---------------|-------|
| Sensex | 14,453 | 14,363 | -0.63 |
| Nifty | 4278 | 4246 | -0.75 |
| S&P CNX 500 | 3550 | 3524 | -0.74 |
| BSE 500 | 5,604 | 5,566 | -0.68 |
| BSE Mid-Cap | 6,144 | 6,108 | -0.59 |
| BSE Small-Cap | 7,286 | 7,237 | -0.68 |
| BSE Auto | 4,890 | 4,837 | -1.08 |
| BSE Health | 3,777 | 3,758 | -0.50 |
| BSE FMCG | 1,920 | 1,897 | -1.19 |
| BSE IT | 4,849 | 4,824 | -0.52 |
| BSE PSU | 6,772 | 6,737 | -0.50 |
| BSE Bankex | 7,659 | 7,589 | -0.91 |
| BSE Oil & Gas | 7,859 | 7,769 | -1.15 |
| BSE Metals | 10,531 | 10,634 | 0.99 |
| BSE Cons Dur | 3,883 | 3,849 | -0.87 |
| BSE Cap Good | 10,254 | 10,296 | 0.41 |
| Levels to Watch | | | |
| | Sensex | Nifty | |
| Day's High | 14,500 | 4291 | |
| Day's Low | 14,325 | 4231 | |
| 13 DMA | 14115 | 4178 | |
| 34 DMA | 13827 | 4076 | |

The Nifty opened positive in the morning and made a high of 4291 but turned sideways for some while. As the session progressed selling pressure crept in at higher levels and we witnessed a correction in the post noon session. By the end of the day's trade the Nifty lost 0.75% yesterday and closed at 4246. The Advance Decline ratio was not too bullish in the morning and further worsened as the day progressed. It finally ended the day at almost 1:2. All the sectoral indices but for the BSE Metal and BSE CG index were seen closing in the red. The BSE Oil & Gas and BSE FMCG indices lost the most in yesterday's session.

Market Perspective

After a positive start the Nifty lost its early morning gains and turned negative as the day progressed. It ended the day with a loss of 0.75% at 4246. Yesterday the Nifty has formed "**Engulfing Bearish**" pattern and the Stochastic oscillator has given a sell on the daily chart, which implies it may correct the recent rally from 3981 to 4291 in the immediate term but the confirmation will come only if the Nifty breaks 4231 today, in this case it can come down to 4172 which is the 38.20% retracement level of the above mentioned rally. However the level of 4218, will play as a strong support for the Nifty. For short term we maintain our bullish view and we believe that this correction is a good buying opportunity. The intraday support levels are placed at 4231 and 4218. It may face resistance at 4262 and above that at 4291 today.

Sectoral Speak:

The **BSE FMCG** index made a high of 1929 yesterday and almost attained our mentioned target of 1931. It later corrected and broke the support level of 1899 and closed at 1897 with a loss of 1.19%. On the daily chart it made "**Hanging Man**" pattern on Tuesday and yesterday it gave a confirmation of correction, thus it can correct the recent rally from 1791 to 1929 and come down to 1877 and below that 1860, these are 38.20% and 50% retracement levels of the above mentioned rally. This index will turn bullish for the short term only if it breaks the resistance of 1932.

After making a high of 7886, the **BSE Oil & Gas** index fell Sharply and broke the support level of 7767 and made a low of 7752. It finally closed at 7769 with a loss of 1.15%. On Tuesday, this index made "**Hanging Man**" pattern on the daily chart and yesterday it gave a confirmation of correction as it broke Tuesday's low of 7767. Thus we may see further correction in this index and it may come down to 7563, which is the 38.20% retracement level of the rally from 7040 to 7886. However, we maintain the medium term target of 8658 for this index and we believe that the correction may serve as a good buying opportunity.

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| 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 | 137.10 | |
| 19-04-07 | BOC | Buy | 142.00 - 135.00 | 128.60 | 160.00 | 138.05 | |
| 20-04-07 | Bharti Airtel | Buy | 840.00 - 820.00 | 782.30 | 925.00 | 849.70 | |
| 23-04-07 | Amar | Buy | 38.00 - 35.00 | 33.10 | 47.50 | 35.60 | |
| 01-05-07 | JSW Steel | Buy | 606.00 - 595 | 569.30 | 700.00 | 618.50 | |
| 04-05-07 | LITL | Buy | 169.00 - 162.00 | 153.30 | 205.00 | 159.05 | |
| 07-05-07 | Akruti | Buy | 400.00 - 385.00 | 367.30 | 460.00 | 380.00 | |
| 14-05-07 | Triveni | Buy | 55.50 - 51.50 | 47.30 | 71.50 | 54.80 | |
| 17-05-07 | Arvind Mills | Buy | 48.50 - 46.50 | 43.90 | 56.50 | 44.70 | |
| 17-05-07 | ACC | Buy | 890.00 - 870.00 | 854.30 | 960.00 | 889.00 | |
| 17-05-07 | Karnataka Bank | Buy | 179.50 - 176.50 | 171.90 | 193.00 | 175.00 | |
| 18-05-07 | ITC | Buy | 168.00 - 162.00 | 158.60 | 188.50 | 166.20 | |
| 18-05-07 | Mysore Cement | Buy | 42.00 - 39.00 | 36.60 | 54.50 | 42.35 | |
| 21-05-07 | Hind Oil Exp | Buy | 102.00 - 95.00 | 84.30 | 126.00 | 96.45 | |
| 22-05-07 | Aftek | Buy | 76.00 - 72.00 | 70.60 | 87.50 | 77.85 | |
| 22-05-07 | TVS Motors | Buy | 65.00 - 62.00 | 59.60 | 80.00 | 64.30 | |
| 23-05-07 | Finolex | Buy | 78.50 - 74.50 | 70.30 | 92.50 | 78.65 | |

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FROM OUR DERIVATIVES DESK

Nifty Snapshot

| Nifty: 4246.20 (-0.75%) | | | | Open Interest (No. of Shares) | | Change in OI | | PUT CALL RATIO (PCR-OI) | | |
|-------------------------|----------|----------|--------|----------------------------------|----------|-----------------|---------|-------------------------|----------|-----------|
| LTP | 22.05.07 | 23.05.07 | Basis | 22.05.07 | 23.05.07 | | Nifty | 22.05.07 | 23.05.07 | Chg in OI |
| Nifty Spot | 4271.95 | 4245.30 | - | - | - | - | Call OI | 14414700 | 14672100 | +257400 |
| May Future | 4273.70 | 4238.00 | -7.30 | 29512500 | 28795900 | -716600 | Put OI | 21431250 | 21672650 | +241400 |
| Jun Future | 4273.90 | 4233.50 | -11.80 | 3371500 | 3970150 | +598650 | PCR | 1.49 | 1.48 | -0.01 |
| Total (May+June+July) | | | | 33004350 | 32886350 | -118000 | | | | |

FII's Derivative Statistics for 22.05.07

| | Buy | | Sell | | Open Interest as on 22.05.07 | | Open Interest as on 21.05.07 | | 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 | 36575 | 780.52 | 28551 | 609.34 | 674970 | 14449.16 | 674144 | 14380.08 | 826 | 69.08 |
| Index Options | 18578 | 388.12 | 20510 | 423.29 | 345686 | 7394.40 | 338412 | 7209.70 | 7274 | 184.70 |
| Stock Futures | 28741 | 835.36 | 47367 | 1287.56 | 690003 | 19142.52 | 671583 | 18643.58 | 18420 | 498.94 |
| Stock Options | 2 | 0.08 | 203 | 4.49 | 3856 | 103.79 | 3786 | 103.13 | 70 | 0.65 |
| TOTAL | | | | | | 41089.87 | | 40336.49 | | 753.37 |

Source: NSE

Nifty opened on a slight positive note but immediately slipped and remained rangebound for the rest of the session. It faced heavy selling pressure in the second half of the session and closed with a loss of 32 points at 4246. Major gainers were Educomp TataSteel, Bata, FT, UTI Bank, IDEA, AIA Engg, REL, HLL, etc. Major losers were BRFL, Chennai Petro, Nagarjun Fert, Dena Bank, Air Deccan, Triveni, Rel Capital, EKC, NDTV, Adlabs Film, McDowells etc.

- Nifty May futures cost of carry turned negative 8.97% against positive 1.87% the previous day.
- Nifty May futures traded at 2-3 points discount for a major part of session which further widened to 6-8 points towards the end of session.
- Total Turnover for NSE F&O Segment was Rs. 33,963 Crores.

Open Interest Analysis:

BULLISH : BILT (12%), IDEA (9%).

Long positions are 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. Profit booking activity was seen in many stocks including HLL, Indian Bank, IVRCL, Kotak Bank, RPL & Zee Tele as OI decreased with decline in CoC. Unwinding of positions was seen in IFCL, Nagarjun Fertilizers & JP Hydro.

Though Nifty closed with a loss of 32 points yesterday and the futures were trading at a discount of 6-8 points towards the end of session we have not witnessed any major short build up of positions in Nifty. We maintain our positive view on the markets going ahead and we expect support near to 4200 levels in case of any correction.

Put Call Ratio Analysis:

PCR (OI) of Nifty remained at 1.48 compared to 1.49 the previous day. Nifty Call options added 2.5 lakh shares (+1.8%) & Put options added 2.4 lakh shares (+1.1%) in OI. Nifty 4250 & 4300 Call options added 2.3 lakh shares each in OI whereas 4100 Call options shed 2 lakh shares. Nifty 4250 Put added 1.8 lakh shares; 4200 Put added 1.3 lakh shares whereas 4100 Put shed 1.5 lakh shares in OI.

Cost of Carry (May):

Turned Positive: BHEL, Grasim, Reliance Capital.

Turned Negative: Bharti, IVRCL, Maruti.

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| Bank Nifty: 6309.15 (-0.74%) | | | | | | | CNX IT: 5205.90 (-0.36%) | | | | | | |
|------------------------------|----------|----------|--------|----------------------------------|----------|--------------|--------------------------|----------|----------|--------|----------------------------------|----------|--------------|
| | LTP | | | Open interest (No. of shares) | | Chg in OI | | LTP | | | Open interest (No. of shares) | | Chg in OI |
| | 22.05.07 | 23.05.07 | Basis | 22.05.07 | 23.05.07 | | | 22.05.07 | 23.05.07 | Basis | 22.05.07 | 23.05.07 | |
| Spot | 6339.85 | 6298.35 | - | - | - | - | Spot | 5217.25 | 5204.35 | - | - | - | - |
| May Futures | 6360.00 | 6320.00 | +21.65 | 287050 | 259300 | -27750 | May Futures | 5245.00 | 5226.00 | +21.65 | 146050 | 141650 | -4400 |
| Total (May+June+July) | | | | 299500 | 271650 | -27850 | Total (May+June+July) | | | | 151650 | 149600 | -2050 |

| Top traded stock futures | | Most active stock options | | | | |
|--------------------------|---------------------|---------------------------|--------|--------------|----------------|--------------------|
| Scrip | No. of Contracts | Scrip | Expiry | Strike Price | Option Type | No of Contracts |
| TATASTEEL | 35637 | TATASTEEL | MAY | 640 | CA | 2419 |
| RELIANCE | 26193 | IDEA | MAY | 120 | CA | 1859 |
| ROOM | 25062 | TATASTEEL | MAY | 660 | CA | 1855 |
| IDEA | 24159 | RELIANCE | MAY | 1770 | CA | 1674 |
| RELCAPITAL | 23664 | TATASTEEL | MAY | 620 | CA | 1488 |
| REL | 21621 | RELIANCE | MAY | 1800 | CA | 943 |
| SBIN | 18874 | IDEA | MAY | 125 | CA | 870 |
| EDUCOMP | 14547 | TATASTEEL | MAY | 600 | CA | 849 |
| INFOSYSTCH | 14110 | TATASTEEL | MAY | 640 | PA | 729 |
| IVRCLINFRA | 12389 | TATASTEEL | MAY | 620 | PA | 598 |

Derivative Strategy Recommendations

| Date | Scrip | View | Strategy | Action | Maximum Profit | Maximum Risk | Current Price | Profit/ Loss (Rs.) | Remarks |
|----------|---------------|---------|------------------|--|-------------------|-----------------|----------------------------------|-----------------------|----------------------------------|
| 15.05.07 | IDEA | Bullish | Buy Call Option | Buy 115 CA @ 5.50 | Unlimited | 14850.00 | 115 CA @ 6.00 | +1350.00 | Hold |
| 17.05.07 | IFCI | Bullish | Bull Call Spread | Buy 50 CA @ 2.90 Sell 55 CA @ 1.30 | 26775.00 | 12600.00 | 50 CA @ 0.70 55 CA @ 0.20 | -8662.50 | Position Closed (23.05.07) |
| 18.05.07 | IDBI | Bullish | Bull Call Spread | Buy 105 CA @ 3.80 Sell 110 CA @ 2.20 | 8160.00 | 3840.00 | 105 CA @ 1.50 110 CA @ 0.75 | -2040.00 | Hold |
| 21.05.07 | Nifty | Bullish | Buy Call Option | Buy 4250 CA @ 63.00 | Unlimited | 3150.00 | 4250 CA @ 45.00 | -900.00 | Hold |
| 22.05.07 | IndusInd Bank | Bullish | Buy Call Option | Buy 50 CA @ 2.50 | Unlimited | 9625.00 | 50 CA @ 1.35 | -3080.00 | Position Closed (23.05.07) |
| 22.05.07 | RCOM | Bullish | Buy Call Option | Buy 520 CA @ 14.50 | Unlimited | 10150.00 | 520 CA @ 11.95 | -1785.00 | Hold |
| 23.05.07 | TataSteel | Bullish | Bull Call Spread | Buy 640 CA @ 13.75 Sell 660 CA @ 6.75 | 8775.00 | 4725.00 | 640 CA @ 23.00 660 CA @ 13.30 | +1822.50 | Hold |

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FROM OUR DEALING DESK

Dealing News

Market News & Gossip

Market Commentary:

Over all after a good run market have shown some sign of profit booking. View remains cautious for trading on long position. Time to book profit on trading position at the same time be stock specific from current levels. We continue with our previous investment idea and accumulation at dips would be advisable.

Derivatives:

On Wednesday Roll Over Activities Started, Net RO of Rs.1286 cr.

NF = RO Rs.240 cr (RO Qty 6 lc)

SF = RO Rs.1046 cr.

On Wednesday PRO Net OI Down by Rs.292 cr. (Discount to cash was avg. 5-7 pts.)

NF = PRO Net OI Down by Rs.191 cr. (shed 2 NF)

SF = PRO Net OI Down by Rs.101 cr.

Overall OI is @ Rs 43221 cr. (NF 14173 cr + SF 29048 cr)

FII's OI (only Futures) as on 22nd May stood at Rs.33592 cr. (ie 39%)

Active Trader's Delight

The following are the active trading delight calls.

| Call Date | Scrip | CMP(Rs.) | Entry Level | Target | Stop Loss | Remarks |
|-----------|-------|----------|-------------|--------|-----------|-----------|
| 27/Apr/07 | Bilt | 117.35 | 115.00 | 126.00 | 108.00 | F&O Call |
| 03/May/07 | FSL | 81.85 | 85.8 | 98.00 | 82.00 | Stop Loss |
| 15/May/07 | HCC | 96.05 | 98.65 | 110.00 | 94.00 | F&O Call |
| 17/May/07 | M&M | 735.40 | 720.00 | 764.00 | 702.00 | F&O Call |

Source: PCG Desk

Market Gossip *: Stocks which looks good from current levels are idea for 125-130 levels, Praj Ind for 600 levels. Hind Oil Exp has a potential to test 150 levels as investment idea. Infosys looks weak to some extent target can be 1825-1850 levels. While book profits in Reliance, Divis Lab & IDFC.

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.

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| Bulk Deals | | Deal Date | Scrip Name | Client Name | Deal Type * | Quantity | Price ** |
|------------|--|-----------|--------------|--|-------------|----------|----------|
| | | 23-May-07 | Anjani Fabri | Anunay Fab Ltd. | B | 50000 | 18.55 |
| | | 23-May-07 | Bombay Rayon | Grantham | | | |
| | | 23-May-07 | Dynamic Indu | Shreeji Security | B | 18930 | 100.19 |
| | | 23-May-07 | Dynamic Indu | Shreeji Security | S | 17886 | 99.47 |
| | | 23-May-07 | Dynamic Indu | Atulkumar M Shah | S | 20000 | 100.00 |
| | | 23-May-07 | Educomp Soln | Deutsche Securities Mauritius Limited | B | 151000 | 1874.75 |
| | | 23-May-07 | Flap Prod Eq | Sundaram Mutual Fund | B | 30863 | 350.00 |
| | | 23-May-07 | Goldston Tec | Shriprakash Vinaykumar Sardesa | S | 74755 | 81.15 |
| | | 23-May-07 | Goldston Tec | Avn Stock & Secutieies Brokers Pvt Ltd | S | 146460 | 82.30 |
| | | 23-May-07 | Icra | Nirmal Kumar Agarwal Huf | B | 62045 | 954.39 |
| | | 23-May-07 | Icra | Nirmal Kumar Agarwal Huf | S | 62045 | 955.38 |
| | | 23-May-07 | Ifl Prmoter | Niranjan Lal Gupta | B | 17000 | 23.50 |
| | | 23-May-07 | Jagjanani | Aditya A Bhansali | B | 150000 | 19.84 |
| | | 23-May-07 | Jagjanani | Mahendra P Rathod | B | 282278 | 20.59 |
| | | 23-May-07 | Jagjanani | Kirti Shantilal Shah | B | 383081 | 20.23 |
| | | 23-May-07 | Jagjanani | Piyush Subodh Jhaveri | B | 197787 | 17.56 |
| | | 23-May-07 | Jagjanani | Rajesh Navinchandra Shah | B | 149790 | 19.91 |
| | | 23-May-07 | Jagjanani | Aditya A Bhansali | S | 150000 | 20.35 |
| | | 23-May-07 | Jagjanani | Mahendra P Rathod | S | 282278 | 18.23 |
| | | 23-May-07 | Jagjanani | Kirti Shantilal Shah | S | 383081 | 18.33 |
| | | 23-May-07 | Jagjanani | Piyush Subodh Jhaveri | S | 374378 | 19.73 |
| | | 23-May-07 | Jagjanani | Hiren Kumar Parshottam Bhai Patel | S | 92080 | 20.04 |
| | | 23-May-07 | Jagjanani | Rajesh Navinchandra Shah | S | 149790 | 18.92 |
| | | 23-May-07 | Jaisal Secur | Canox Trading Pvt Ltd. | B | 50000 | 26.00 |
| | | 23-May-07 | Jetking Info | Batra Neeraj | S | 19351 | 383.94 |
| | | 23-May-07 | Kalpitaru | Chauhan Pares R | B | 33999 | 72.25 |
| | | 23-May-07 | Kalpitaru | Ashlesh Gunvantbhai Shah | B | 125091 | 71.49 |
| | | 23-May-07 | Kalpitaru | N C Jain | B | 24513 | 72.09 |
| | | 23-May-07 | Kalpitaru | Ashlesh Gunvantbhai Shah | S | 125090 | 72.10 |
| | | 23-May-07 | Kalpitaru | N C Jain | S | 24513 | 71.60 |
| | | 23-May-07 | Maharastra | Vinay Jain | B | 100001 | 120.11 |
| | | 23-May-07 | Maharastra | Sj Securities Pvt Ltd | B | 56495 | 118.81 |
| | | 23-May-07 | Maharastra | Mukesh Kumar | S | 82424 | 119.25 |
| | | 23-May-07 | Mohit Indust | Shah Manish Ratilal | B | 26500 | 28.44 |
| | | 23-May-07 | Mohit Indust | Shah Manish Ratilal | S | 26500 | 28.39 |
| | | 23-May-07 | Mohit Indust | Bela Zaveri | S | 26500 | 28.44 |
| | | 23-May-07 | Nihar Info | Hiren Mohanlal Shah | S | 34210 | 11.00 |
| | | 23-May-07 | Nutraplus Pr | Niti Nilesh Shah | B | 20488 | 6.13 |
| | | 23-May-07 | Oriental | Pari Stock Trading Pvt. Ltd | B | 122638 | 23.69 |
| | | 23-May-07 | Oriental | Shailesh Ved | S | 145450 | 23.73 |
| | | 23-May-07 | Oriental | Pari Stock Trading Pvt. Ltd | S | 125887 | 23.63 |
| | | 23-May-07 | Pasari Spin | Hardik M Mithani | B | 100119 | 9.07 |
| | | 23-May-07 | Pasari Spin | Pasari Export Ltd | S | 100000 | 9.08 |
| | | 23-May-07 | Pratibha Ind | Rajesh Pravin Bhanushali | B | 93227 | 229.59 |
| | | 23-May-07 | Pratibha Ind | Rajesh Pravin Bhanushali | S | 92725 | 229.35 |
| | | 23-May-07 | Pruden Pharm | Mercury Fund Management Co Ltd | S | 100000 | 14.51 |
| | | 23-May-07 | Pyramid Saim | Mahendra P Rathod | B | 222034 | 333.70 |
| | | 23-May-07 | Pyramid Saim | Merrill Lynch Capital Markets | B | 190000 | 326.34 |
| | | 23-May-07 | Pyramid Saim | Rajesh Navinchandra Shah | B | 184806 | 336.40 |
| | | 23-May-07 | Pyramid Saim | Mahendra P Rathod | S | 222034 | 331.33 |
| | | 23-May-07 | Pyramid Saim | Rajesh Navinchandra Shah | S | 196376 | 329.47 |
| | | 23-May-07 | Rama Paper | Jayesh Jeevraj Mehta Huf | S | 100773 | 39.13 |
| | | 23-May-07 | Sandur Man | Idbi Ltd | S | 100000 | 52.05 |
| | | 23-May-07 | Sparsh Bpo | Sundaram Mutual Fund | B | 137430 | 218.29 |
| | | 23-May-07 | Sparsh Bpo | Sundaram Mutual Fund | B | 489275 | 218.29 |
| | | 23-May-07 | Sparsh Bpo | Kapil Puri | S | 700000 | 218.28 |
| | | 23-May-07 | Vimal Oil Fo | Jyotiben Kamtibhai Patel | B | 50000 | 31.25 |
| | | 22-May-07 | Aftek Ltd | Merrill Lynch Capital Markets | B | 559930 | 77.43 |

Contd...

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| | | | | | |
|-----------|--------------|--------------------------------------|---|--------|---------|
| 22-May-07 | Axon Infotec | Somani Dinesh Huf | S | 4000 | 281.00 |
| 22-May-07 | Divi's Lab | Merrill Lynch Capital Markets | B | 67649 | 3939.93 |
| 22-May-07 | Dwar Sugar | Merrill Lynch Capital Markets | B | 104000 | 71.16 |
| 22-May-07 | Dynamic Indu | H A Share Consultancy | S | 66150 | 100.52 |
| 22-May-07 | Gtl Limited | Merrill Lynch Capital Markets | S | 546000 | 187.55 |
| 22-May-07 | Mafatla Indu | Ms Sameera Investments | B | 25000 | 94.55 |
| 22-May-07 | Raj Tele | Jmp Securities Pvt. Ltd. | B | 151155 | 288.20 |
| 22-May-07 | Raj Tele | Jmp Securities Pvt. Ltd. | S | 161805 | 286.34 |
| 22-May-07 | Rama Paper | Rohnil R Boradia | B | 62836 | 38.13 |
| 22-May-07 | Rama Paper | Rohnil R Boradia | S | 58521 | 39.21 |
| 22-May-07 | Vimal Oil Fo | Rameshbhai Chaturbhai Patel | B | 100000 | 35.50 |
| 21-May-07 | Raj Tele | Naman Securities And Finance Pvt Ltd | B | 71084 | 263.55 |
| 18-May-07 | Bihar Tubes | Mukesh Kumar Jain | S | 36000 | 161.77 |

Source: BSE

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COMPANY / MARKET

Forthcoming Events

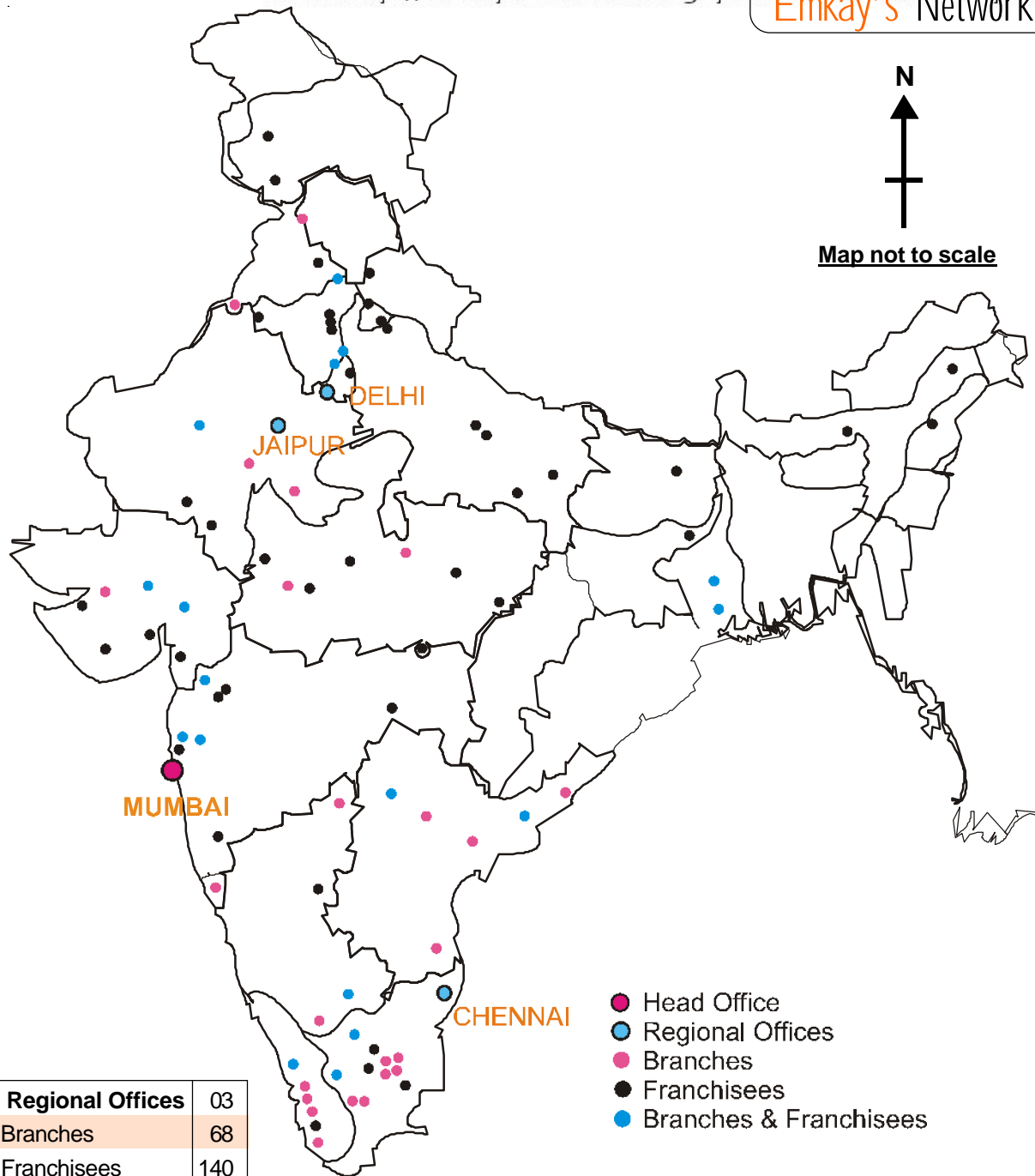
| Effective Date | Summary | Action Type |
|----------------|--------------------------|-------------------|
| 24-May-07 | Bharat Seats Ltd | Corporate Meeting |
| 24-May-07 | Bihar Tubes Ltd | Stock Dividend |
| 24-May-07 | Hilton Metal Forging Ltd | Listing |
| 24-May-07 | Hilton Metal Forging Ltd | Equity Offering |
| 24-May-07 | REpower Systems AG | Acquisition |
| 24-May-07 | Shilpa Medicare Ltd | Cash Dividend |

Source: Bloomberg

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