

DAILY MARKET OUTLOOK

Market Snapshot

On Friday, the Sensex opened with a positive gap of 65 points at 13,685, backed by buoyant Q4 numbers of Wipro and Satyam. Unabated buying in heavyweights like Reliance, Bharti, ONGC and SBI saw the index soar to a high of 13,916. The Sensex finally settled with a gain of 278 points (2%) at 13,897 while NSE Nifty ended at 4,084 (up 86 points). The Sensex has thus gained 513 points during the week.

The NSE & BSE cash volumes were slightly higher compared to the previous day at INR 88 bn and INR 43 bn. The F&O volumes were also higher at INR 371 bn.

Sentiment Indicators

The Implied Volatility (IV) across Nifty strikes has decreased to 23-26% levels. The WPCR of Nifty Options has increased to 1.12 while the 5 day average is also 1.15. The April futures are now trading at 6 points discount to spot.

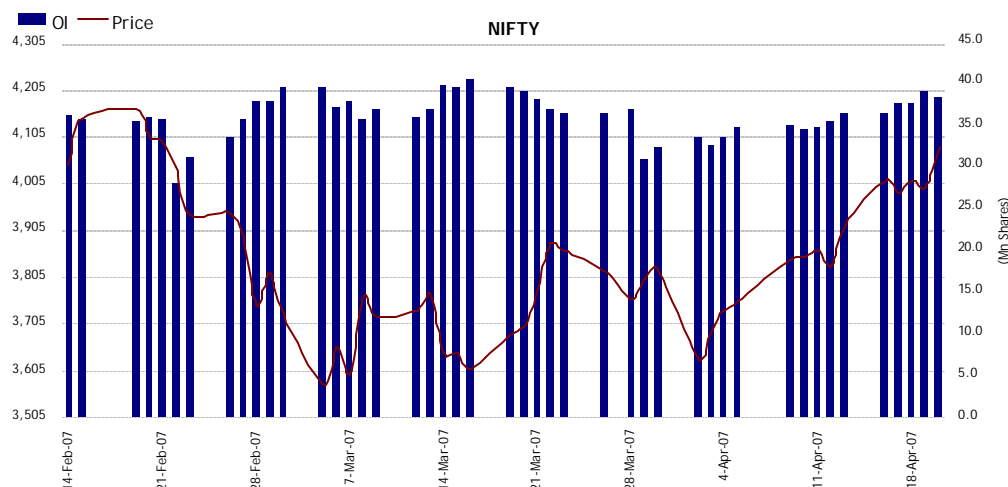
Outlook

The markets are expected to open positive taking cues from strong US markets and Asian peers. The market can look for some trigger from the results of Relcap, Siemens, IoB during the day. Nifty can see some selling at higher levels of 1 to 1.5% as investors might take a cautious approach before Tuesday's RBI announcement on monetary policy.

PSU banks can offer good buying opportunities at current levels or in case of any down move before interest rate announcements tomorrow. SBI is our top buy in the banking sector. Metal stocks especially Steel can see some action as steel prices went up at LME. Sugar stocks can gain from export incentives by the government and news about ethanol supply to petroleum companies comes in.

The Nifty short rolls are happening at -4 to -5 and we recommend the long rollers to be aggressive here as we head into the expiration week. The short rollers can look for levels around -1.5 to -2 to participate.

The Nifty has a support at 4061 and 4047. The resistance for the Nifty is at 4106 and 4126.



April 23, 2007

Market Snapshot

	20-Apr	19-Apr	% Chg
Nifty	4083.6	3997.7	2.1
Sensex	13897.4	13619.7	2.0
BSE MidCap	5699.1	5652.1	0.8
BSE SmallCap	6974.4	6905.3	1.0

Apr Futures

Average ICC (p.a.)**	20.9%	19.5%	6.8
----------------------	-------	-------	-----

Volume (INR mn)

Futures	290,401	276,530	5.0
Call	43,497	33,176	31.1
Put	37,365	27,981	33.5
Total	371,264	337,688	9.9
NSE Cash Vol.	88,557	81,943	8.1
BSE Cash Vol.	43,213	41,700	3.6

Open Interest (INR mn)

Futures	405,081	401,143	1.0
Call	91,876	94,211	-2.5
Put	96,952	88,759	9.2
Total	593,909	584,113	1.7

Put Call Ratios

PCR	0.98	0.92	6.7
WPCR	0.89	0.86	3.7
OIPCR	1.08	0.97	11.9
Total OI/ Volume	1.60	1.73	-7.5

Nifty IVs at 23 - 26% levels.

FII Activity* (INR Mn) (19-Apr)

Volume	Buy	Sell	Net
Cash	19,170	19,904	(734)
Index Futures	10,268	19,690	(9,422)
Stock Futures	9,498	11,480	(1,982)
Total	38,936	51,074	(12,138)

Open Interest

	19-Apr	18-Apr	% Chg
Index Futures	167,745	159,849	4.9
Stock Futures	172,075	170,196	1.1
Total F&O OI	424,417	412,228	3.0

Mutual Fund Activity* (INR Mn) (19-Apr)

Volume	Buy	Sell	Net
Equity	4,576	4,833	(257)

*FII & MF Data is reported a day late

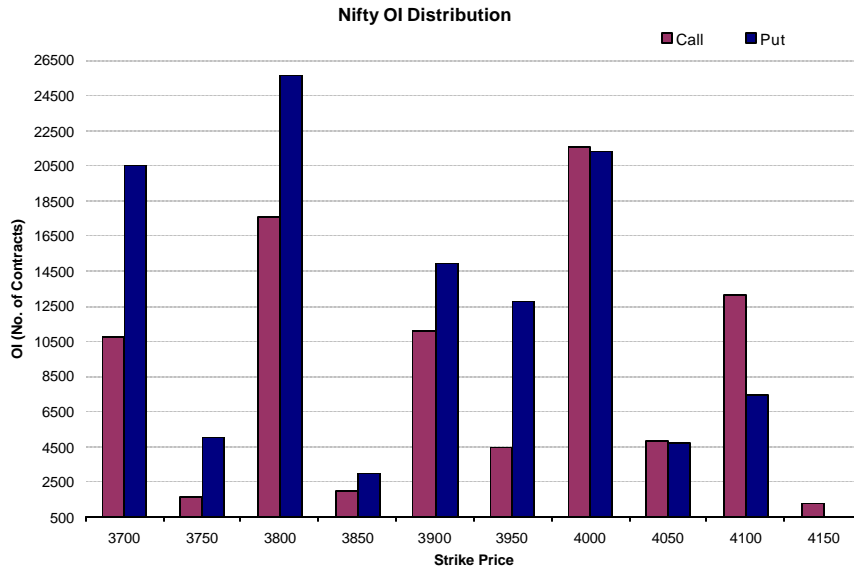
** Avg of positive ICC's

Pending Calls

Scrip	Action	Date of Recommendation	Market Price	Returns	Rationale
Renuka	Buy	23-Apr-07	453.6	-	Fresh export incentives by the government and the news on Supply of Ethanol to petroleum companies the approval for which is still pending should keep the sugar stocks in good humor.
RCOM	Buy	22-Mar-07	456.4	11%	With the reduction in ADC by 37% and expected short covering make this stock an attractive BUY at current levels.
AptechT	Buy	19-Apr-07	303.4	5%	The company has a tie up with Infosys for Finnacle Training and also the stock was up by 10% on high volumes indicating lot of buying interest.
Relcapital	Buy	16-Apr-07	719.8	5%	The stock closed on a flat note on low volumes. We expect the buying interest to stay and suggest going long.
HCL-INSYS	Buy	20-Apr-07	335.2	4%	The stock still looks attractive. It has gained more than 4% in last three sessions with a 4% fall in OI. We remain positive on the scrip.
ACC	Buy	17-Apr-07	791.0	1%	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.
JSWsteel	Buy	20-Apr-07	592.7	0%	The stock continues to witness buying interest. There has been significant short covering over the last few sessions. We expect the positive sentiment to continue.
UniPhos	Buy	17-Apr-07	341.3	0%	The stock was closed on a marginal negative note. The company is expected to come out with good results and also we expect it to take cues from the advanta IPO.

Closed Calls

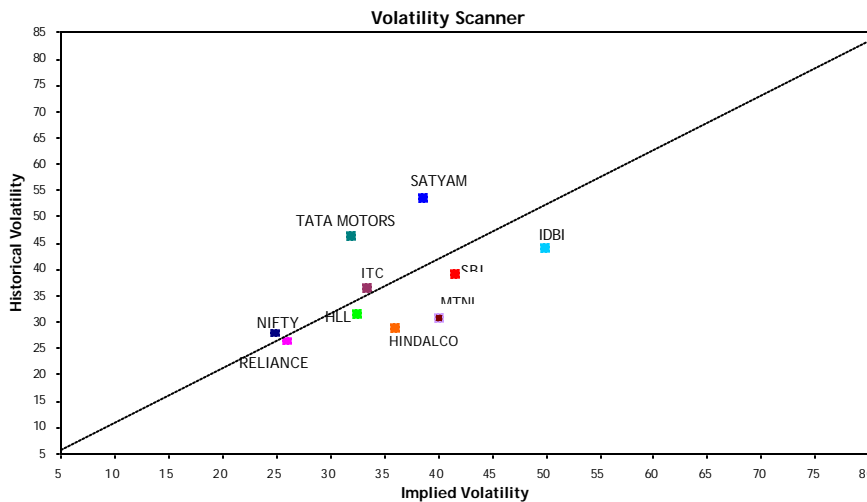
Scrip	Recomm	Date of Recommendation	Initiated Price	Date of Closing	Closing Price	% Return
STER	Buy	4-Apr-07	434.4	12-Apr-07	506.4	17%
SesaGoa	Buy	15-Mar-07	1586.5	28-Mar-07	1746.4	10%
Lupin	Buy	12-Mar-07	580.0	10-Apr-07	633.9	9%
ZeeNews	Buy	10-Apr-07	38.7	11-Apr-07	41.9	8%
SunPharma	Buy	10-Apr-07	1048.9	17-Apr-07	1098.9	5%
Tatasteel	Sell	18-Apr-07	528.0	19-Apr-07	511.4	3%
Reliance	Buy	17-Apr-07	1457.8	19-Apr-07	1486.5	2%
BHEL	Sell	19-Apr-07	2553.5	20-Apr-07	2502.7	2%



- Maximum OI increase was in the 4100 Call [increase of 2.6%] and 4000 put [increase of 91.8%].

- Maximum Volumes were witnessed by 4100 & 4000 Call and 4000 & 3900 Put.

Note: Data given is for May strikes.



Nifty IVs at 23-26% levels

High IVs

- Hindalco IV's are quoting at 36% as against HV's of 29%.
- IDBI IV's are quoting at 50% as against HV's of 44%
- MTNL IV's are quoting at 40% as against HV's of 31%.

Sectoral Open Interest Build Up (Contracts) for 1 days				
Sector	OI	OI -D	% OI Chg	% Prc Chg
Banking	169002	167812	0.71%	0.9%
Metals & Mining	84286	83864	0.50%	3.4%
Chemicals	10136	10175	-0.38%	0.5%
Oil & Gas	138685	139417	-0.53%	1.4%
Auto	55292	55599	-0.55%	0.4%
Textile	18471	18655	-0.99%	1.8%
Power	36007	36399	-1.08%	0.3%
Engineering & Capital Goods	75122	75972	-1.12%	1.6%
FMCG	35962	36595	-1.73%	-0.3%
Cement	43317	44110	-1.80%	1.3%
Pharma	44334	45205	-1.93%	0.9%
Construction	38837	39732	-2.25%	0.3%
Telecom	64193	66659	-3.70%	3.3%
IT	112788	117381	-3.91%	2.3%

- Amongst all the sectors, the Metals sector was up the most. Jindal Stainless and Sail were the major gainers with a 7% rise in price for each.
- In the Telecom space, Idea saw a huge short covering and was up 10% coupled with a 12% fall in OI followed by R com which gained 5%.
- In the IT sector, Satyam gained more than 6% on the back of good results followed by Mphasis and Patni which rose by 5% each.

Futures Snapshot

Top OI Rises

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Crompton Greaves	55	554	2.0	246
Bank Nifty	23	187	1.0	(8)
NDTV	22	3,823	5.5	406
Patni Computer	20	616	4.5	146
Jindal Stainless	15	8,792	6.6	147
ZEE LTD	14	2,818	0.6	10
IFCI Ltd	14	82,814	2.4	94
Reliance Capital	13	4,543	2.2	26

Top Price Change

Scrip	% Price Chg	% OI Chg	OI	% Future Vol Chg
Idea Cellular	10.0	(12)	14,040	618
JetAirways	7.2	(4)	2,093	304
SAIL	6.7	(1)	27,996	142
Jindal Stainless	6.6	15	8,792	147
Satyam	6.4	(14)	11,735	43
HDFC	5.7	(2)	1,252	148
NDTV	5.5	22	3,823	406
Tatasteel	5.4	(0)	12,976	31

Top OI Falls

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Parsvnath Developers	(20)	5,594	0.1	(54)
Satyam	(14)	11,735	6.4	43
Idea Cellular	(12)	14,040	10.0	618
Sun Pharma	(10)	1,603	2.1	129
Praj Industries	(9)	5,621	2.6	(47)
TCS	(8)	4,438	1.2	(17)
Indian Hotels	(8)	4,625	1.2	(10)
Jaiprakash Associates	(7)	1,202	1.9	(29)

Top Volume Rises

Scrip	% Future Vol Chg	FutureVol	% Price Chg	% OI Chg
Idea Cellular	618	59,106	10.0	(12)
Escorts India	487	3,480	3.6	1
NDTV	406	6,131	5.5	22
JetAirways	304	3,127	7.2	(4)
Gujarat Narmada Fert	293	1,717	2.2	(1)
McDowell & Co	270	171	(0.3)	3
Shree Renuka Sugars	264	1,374	2.2	2
Ultratech Cement	254	549	3.3	5

F&O CROSSOVER: -

Focus Stocks

○ Positives: GAIL, HPCL, MTNL, NTPC, Reliance, Satyam, TCS.

○ Negatives: Nifty, ACC, Infosys, ONGC, Tata Motors.

Portfolio Tracker

20-Apr-07

		20-Apr-07	19-Apr-07		Reco	Current	No of days	Retn since	Stop	
	Scrip	Reco	Score	Score	Reco Date	Price	Price	running	Reco	Loss*
	Nifty	Sell	(1)	(1)	18-Apr	4,012	4,084	2	-1.8%	4,198
	ACC	Sell	(1)	(1)	19-Apr	789	792	1	-0.4%	828
	GAIL	Buy	5	3	9-Apr	292	295	11	1.0%	280
	HLL	Buy	3	3	4-Apr	198	205	16	3.8%	203
	HPCL	Buy	3	3	18-Apr	256	260	2	1.3%	247
	ICICI Bank	Buy	5	5	17-Apr	894	917	3	2.5%	871
	Infosys	Sell	(1)	(1)	20-Apr	2,055	2,055			2,158
	IPCL	Buy	3	3	13-Mar	265	305	38	14.9%	289
	Maruti	Buy	3	3	13-Apr	772	779	7	0.9%	740
	MTNL	Buy	1	(1)	20-Apr	164	164			156
	NTPC	Buy	5	3	18-Apr	162	160	2	-1.2%	154
	ONGC	Sell	(1)	5	20-Apr	922	922			968
	Polaris	Buy	5	3	2-Apr	171	203	18	18.3%	193
	Reliance	Buy	5	3	13-Apr	1,412	1,541	7	9.2%	1,464
	Satyam	Buy	3	1	20-Apr	476	476			453
	SBI	Buy	5	5	5-Apr	948	1,074	15	13.2%	1,020
	SCI	Buy	5	5	12-Apr	170	174	8	2.2%	165
	TCS	Buy	3	3	23-Mar	1,288	1,258	28	-2.4%	1,224
	Tata Motors	Sell	(1)	(1)	19-Apr	713	723	1	-1.4%	749
	Tatasteel	Neu**	(1)	(1)	20-Apr	533	533			

Buy/ Sell/ Neutral = 14/5/1

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 Budhraja - 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.