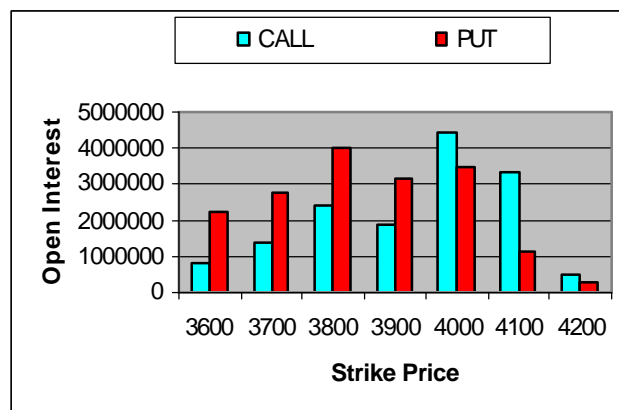


21st April, 2007

Indices' Snapshot

	Previous week	This week	Change	%Chg
Nifty	3917.35	4083.55	166.20	4.24
Sensex	13384.08	13897.41	513.33	3.84
Bank Nifty	5362.10	5597.55	235.45	4.39
CNX IT	5353.40	5386.90	33.50	0.63
Futures LTP (March)				
Nifty	3899.40	4083.00	183.60	4.71
Bank Nifty	5358.70	5585.00	226.30	4.22
CNX IT	5337.00	5375.50	38.50	0.72
Open Interest (OI)				
Nifty	36386200	38454950	+2068750	+5.69
Bank Nifty	116400	186850	+70450	+60.52
CNX IT	17500	19750	+2250	+12.86
Cost of Carry (% annualized)				
Nifty	-15.75	-3.57	+12.18	
Bank Nifty	-3.54	-21.64	-18.10	
CNX IT	-9.14	-8.14	+1.00	

Nifty Options OI Distribution



Nifty Put Call Ratio (OI)

	Last Week	This Week	Change	% Change
Call OI	15418100	17051950	1633850	+10.60
Put OI	16321750	21691150	5369400	+32.90
PCR	1.06	1.27	+0.21	

FII's Weekly Derivative Statistics 19.04.07

	Buy		Sell		Open Interest as on 19.04.07		Open Interest as on 12.04.07		Change in FIIs Open Interest (W-o-W)	
	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	413556	8199.22	325187	6437.59	843016	16774.51	712291	13534.24	130725	3240.27
Index Options	168946	3291.93	84290	1629.44	418753	8370.14	325713	6237.16	93040	2132.98
Stock Futures	155464	4080.18	164390	4276.69	656606	17207.45	620267	15689.73	36339	1517.72
Stock Options	2079	42.45	1150	27.98	3965	89.63	3471	73.98	494	15.65
TOTAL						42441.74		35535.11		+6906.62

Source: NSE

Market Activity

Nifty started the week on a very positive note but corrected on Thursday's session but we again witnessed rally on Friday's session as Nifty ended the week with a gain of 166 points at 4083. Major gainers during the week, in terms of price, were GTL, TTML, Ultra Tech, IDEA, Syndicate Bank, Punj Lloyd, Mphasis, Jindal Stainless, Jet Airways, IOB, RIL, Bharti, Suzlon, IPCL, RCOM, SBI etc. Major losers were BajajHind, CESC, Nagarjun Const, Siemens, Balrampur chini etc. FIIs remained net buyers in Index futures and we witnessed build up of huge long positions. In Index options also, we witnessed buying activity and long positions were seen; looking as addition in Nifty Put options we feel that some of the long positions in Index futures may be hedged by long positions in Put options. Mixed activity was seen in Stock futures as both long as well as short positions were seen, with a bias towards short positions as they were net sellers in Stock futures.

Market Outlook

Nifty closed very strong and we have witnessed good amount of build up of Open Interest and overall cost of carry remained strong. The Implied volatility of Nifty May series remained at nearly 23-24% and Nifty PCR (OI) also increased to 1.27 levels due to heavy build up in Put options. We expect the markets to remain strong going ahead and Banking & Finance sector is expected to lead the rally.

Open Interest (OI) Analysis

BULLISH: Banking & Fin: Indian Bank (104%), UTI Bank (61%), PFC (51%), Karnataka Bank (46%)
Others : Lupin (76%), GTL (50%), Jindal Stainless (38%), TTML (38%)

Long positions are seen in abovementioned stocks and we may see an upside move. Especially Banking & Finance sector looks strong as **BankNifty** futures has also added 70450 shares (60.5%) in OI with BankNifty index gaining 4.4% during the week.

We witnessed long build up during Friday's session in stocks like **Crompton Greaves, IFCI, IVRCL, NDTV & Reliance Capital** and thus these stocks are also looking good for an upside move.

Rollovers

- Over 50% rollovers were seen in RPL & Satyam.
- 25-40% rollovers were seen in JSW Steel, Jindal Steel, Jindal Stainless, Hindalco, Balrampur Chini, Alok Text, TTML.
- 20-25% rollovers were seen in BajajHind, IDBI, ICICI Bank, Dabur, Infosys, SRF & JP Hydro.
- Nifty rollover over 16%.
- Stock futures rollovers nearly 15%.

Put-Call Ratio (PCR) Analysis

- Nifty PCR (OI) is moved up further to 1.27 compared to 1.06 the previous week.
- Nifty Call options added 16.3 lakh shares (+10.6%) & Put options added 53.7 lakh shares (+32.9%) in OI during the week.
- Nifty 4000 Put options added 28.2 lakh shares during the week and now holds 34.2 lakh shares in OI. We expect 4000 levels to act as important support levels for immediate term.
- However, strong support now exists near 3900 levels as Nifty 3900 Put added 11 lakh shares in OI during the week and Nifty also took support near 3933 levels on Thursday.
- Nifty 4100 Call options added 17.2 lakh shares; 4000 Call added 9.7 lakh shares; whereas 3800 & 3900 Call options shed 6 lakh and 7 lakh shares respectively in OI. Shifting of positions to higher strike prices implies bullish trend.

Cost of Carry (CoC)

Turned Positive: Bharti, Federal Bank, HLL, IDEA, IPCL, Nagarjun Const, Wipro, Siemens.

Turned Negative: SAIL, SBI, TataSteel, VSNL.

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

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