

DAILY MARKET OUTLOOK

Market Snapshot

Despite weakness in other Asian markets, the Sensex opened with a positive gap of 49 points at 13,163 on the back of Infosys numbers. Late in the day more good news came in from the inflation front which dropped below the 6%-mark to 5.74%. Stocks from auto, banking and metal sector joined the party which led the index rally to a high of 13,421. BSE Sensex closed at 13,389 (up 275 points) while the NSE Nifty closed at 3,916 (up 86 points).

The NSE and BSE cash volumes were higher compared to the previous day at INR 97 bn and INR 47 bn respectively. The F&O volumes were also higher at INR 334 bn.

Sentiment Indicators

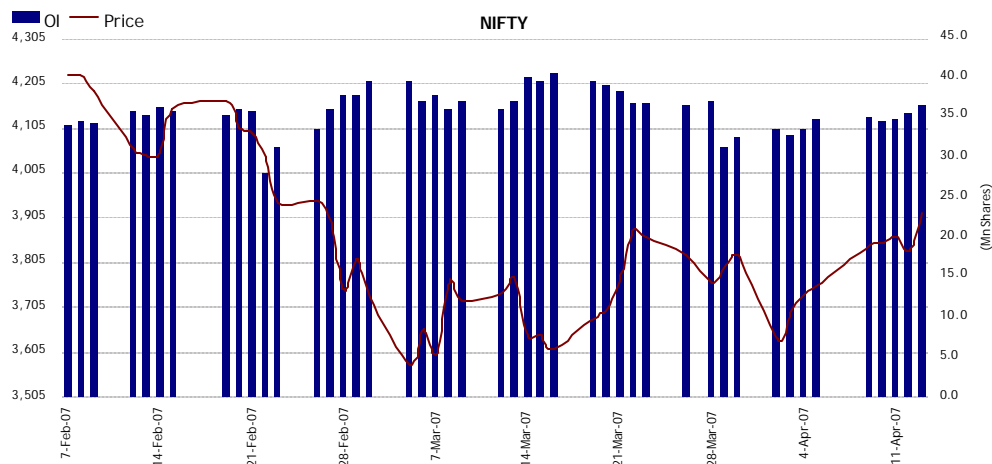
The Implied Volatility (IV) across Nifty strikes has increased to 25-27% levels. The WPCR of Nifty Options has increased to 1.20 while the 5 day average is 1.07.

Outlook

The market seems to have formed a direction post the Infosys results which were broadly in line with expectations. The broad based rally on Friday has ensured that the market has broken out of the range. All these factors, coupled with positive cues from global indices will ensure a positive opening for the market today.

We can expect sectors such as banking to outperform on the back of interest shown in the previous few trading sessions. The IT sector will also see some strength due to Infosys results which will form a benchmark. Metals and telecom should also outperform today.

The nifty broke and closed above the crucial 3901 level which was last support for the bears. The immediate outlook for the Nifty has turned bullish and the next resistance is at 3950 followed by 3986, while the immediate support is at 3901 followed by 3847. The bullishness is strengthened by a fresh round of buying visible in IT & Auto stocks.



April 16, 2007

Market Snapshot

	13-Apr	12-Apr	% Chg
Nifty	3917.4	3829.9	2.3
Sensex	13384.1	13113.8	2.1
BSE MidCap	5576.5	5512.4	1.2
BSE SmallCap	6756.5	6282.5	7.5

Apr Futures

Average ICC (p.a.)**	11.5%	9.7%	19.5
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Volume (INR mn)

Futures	255,109	162,104	57.4
Call	39,025	20,040	94.7
Put	40,562	16,505	145.7
Total	334,696	198,650	68.5
NSE Cash Vol.	97,354	70,784	37.5
BSE Cash Vol.	47,243	33,247	42.1

Open Interest (INR mn)

Futures	374,510	359,231	4.3
Call	76,815	72,982	5.3
Put	69,344	63,712	8.8
Total	520,669	495,925	5.0

Put Call Ratios

PCR	1.10	0.90	22.1
WPCR	1.02	0.83	22.0
OI PCR	0.92	0.89	3.3
Total OI/ Volume	1.56	2.50	-37.7

Nifty IVs at 25 - 27% levels.

FII Activity* (INR Mn) (12-Apr)

Volume	Buy	Sell	Net
Cash	17,145	16,593	552
Index Futures	4,668	1,259	3,409
Stock Futures	3,940	5,060	(1,120)
Total	25,753	22,912	2,841

Open Interest	12-Apr	11-Apr	% Chg
Index Futures	135,342	130,589	3.6
Stock Futures	156,897	154,902	1.3
Total F&O OI	355,351	346,128	2.7

Mutual Fund Activity* (INR Mn) (12-Apr)

Volume	Buy	Sell	Net
Equity	-	-	-

*FII & MF Data is reported a day late

** Avg of positive ICC's

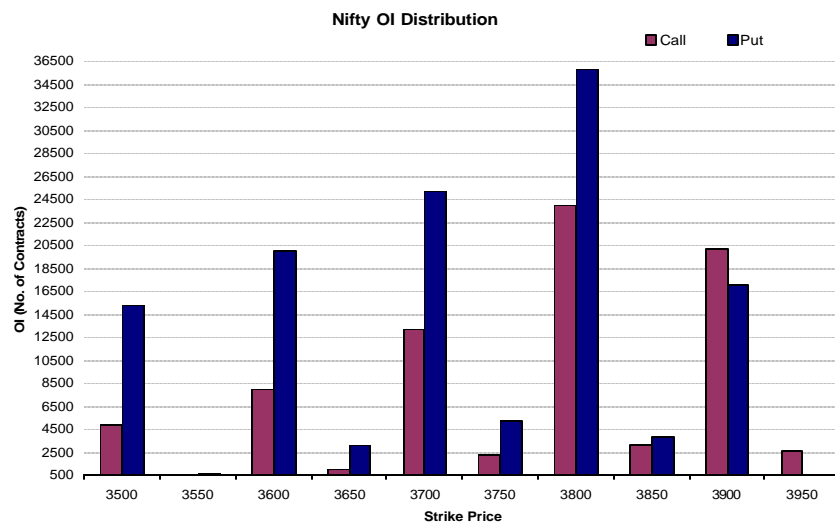
Note:- MF Cash Data has not been reported.

Pending Calls

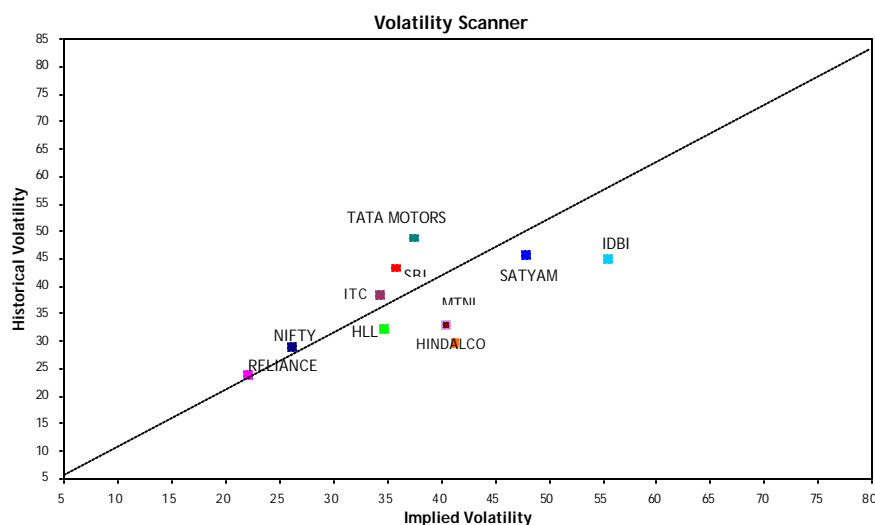
Scrip	Action	Date of Recommendation	Market Price	Returns	Rationale
M&M	Buy	16-Apr-07	745.1	-	The stock has seen significant short build up over the last few session. However with renewed buying seen in auto stocks on Friday, we expect short covering to come in with every upmove in the market.
Relcapital	Buy	16-Apr-07	686.5	-	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.
SunPharma	Buy	10-Apr-07	1095.6	4%	The stock is getting delisted on the 20th on account of demerger we expect the value unlocking to keep the stock in good humour.
JetAirways	Closed Today	11-Apr-07	625.9	3%	The legal compulsions have forced jet to agree on a valuation of 1950 crs which we believe is too high and suggest going short here.
RCOM	Buy	22-Mar-07	421.5	3%	With the reduction in ADC by 37% and expected short covering make this stock an attractive BUY at current levels.
Parsvnath	Buy	13-Apr-07	290.3	2%	The stock went up more than 7% on Thursday with huge build up on the long side. The OI rose by 23% and we recommend Parsvanath as the best pick in the sector.
GEShip	Closed Today	13-Apr-07	225.1	1%	The IT department has suggested a change in the tax system for shipping companies which can increase the tax burden hugely. We expect shipping to underperform the broader market.
SCI	Closed Today	13-Apr-07	170.8	0%	The IT department has suggested a change in the tax system for shipping companies which can increase the tax burden hugely. We expect shipping to underperform the broader market.

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%
Matrixlabs	Buy	29-Mar-07	168.8	11-Apr-07	180.6	7%
Karnatbnk	Buy	10-Apr-07	173.3	12-Apr-07	174.6	1%
ICICIBank	Buy	11-Apr-07	857.8	12-Apr-07	859.1	0%



- Maximum OI increase was in the 3900 Call [increase of 8.6%], 4000 call [increase of 6.4%] and 3900 Put [increase of 50.5%].
- Maximum Volumes were witnessed by 3900 & 3800 Call and 3800 & 3700 Put.



Nifty IVs at 25-27% levels

High IVs

- Hindalco IV's are quoting at 41% as against HV's of 30%.
- IDBI IV's are quoting at 56% as against HV's of 45%.
- MTNL IV's are quoting at 40% as against HV's of 33%.

Sectoral Open Interest Build Up (Contracts) for 1 days				
Sector	OI	OI -D	% OI Chg	% Prc Chg
Pharma	44446	42117	5.53%	0.8%
Cement	43693	41610	5.01%	2.9%
FMCG	38306	36939	3.70%	-0.3%
IT	107748	104491	3.12%	3.8%
Power	34237	33334	2.71%	0.7%
Banking	161999	158070	2.49%	2.4%
Chemicals	9932	9736	2.01%	0.8%
Construction	37269	36613	1.79%	2.0%
Metals & Mining	83944	82936	1.22%	2.1%
Oil & Gas	137349	135830	1.12%	0.7%
Textile	18670	18471	1.08%	1.5%
Engineering & Capital Goods	67982	68178	-0.29%	1.6%
Telecom	65959	66451	-0.74%	2.4%
Auto	54875	56771	-3.34%	2.5%

- Amongst all the sectors, the IT sector was down the most. Satyam was up 8% followed by Polaris and Patni which were up 7% and 6% respectively.
- In the Cement space, India Cement was up 5% followed by Ultratech up 4%.
- In the Auto arena, Bajaj Auto and M&M were up 3.7% each followed by Tata Motors up 2%.

Futures Snapshot

Top OI Rises

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Ranbaxy	28	6,990	(1.3)	99
CNX IT	25	18	4.3	103
Bank of India	24	4,592	4.3	157
UTI Bank	21	1,805	1.2	107
Bharat Earth Movers	17	349	0.0	92
Crompton Greaves	16	534	0.3	(5)
NTPC	14	8,198	(1.6)	1
HCL Tech	14	5,223	7.2	410

Top OI Falls

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
M&M	(17)	2,019	3.7	172
Wockhardt	(14)	376	3.2	59
LT	(10)	1,560	3.0	112
Nicolas Piramal	(9)	777	1.7	(55)
Bajaj Auto	(9)	896	3.7	(25)
CESC Ltd	(8)	2,719	(1.1)	(35)
Nagarjuna Construction	(6)	1,589	3.8	(46)
Tata Motors	(6)	4,036	2.0	53

Top Price Change

Scrip	% Price Chg	% OI Chg	OI	% Future Vol Chg
Satyam	7.9	3	11,584	265
HCL Tech	7.2	14	5,223	410
Cummins India	7.0	(1)	956	879
Balrampur Chini	(5.9)	9	8,527	89
Polaris	5.6	14	3,990	174
Patni Computer	5.4	11	380	1035
TCS	5.1	3	4,307	174
Suzlon	5.1	4	1,934	(25)

Top Volume Rises

Scrip	% Future Vol Chg	FutureVol	% Price Chg	% OI Chg
J & K Bank	2580	40	1.6	0
Patni Computer	1035	295	5.4	11
Cummins India	879	1,749	7.0	(1)
Vijaya Bank	630	1,511	2.6	2
TVS Motors	559	2,313	2.3	1
HCL Tech	410	3,920	7.2	14
Amtek Auto	403	175	2.5	4
Corporation Bank	361	587	4.4	1

F&O CROSSOVER: -

Focus Stocks

- o Positives: Nifty, ICICI Bank, IPCL, NTPC, Reliance, Tatasteel.
- o Negatives: ACC, Infosys, ONGC, SCI, TCS.

Portfolio Tracker

13-Apr-07

Scrip	Reco	Score	13-Apr-07	12-Apr-07	Reco Date	Reco Price	Current Price	No of days running	Retn since Reco	Stop Loss*
Nifty	Neu**	1	(1)		13-Apr	3,917	3,917			
ACC	Buy	3	(1)		13-Apr	748	748			711
GAIL	Buy	1	1		9-Apr	292	282	4	-3.5%	280
HLL	Buy	3	3		4-Apr	198	207	9	4.5%	198
HPCL	Neu**	1	3		13-Apr	245	245			
ICICI Bank	Buy	1	1		12-Apr	849	873	1	2.8%	
Infosys	Sell	(1)	(3)		13-Apr	2,087	2,087			2,191
IPCL	Buy	5	5		13-Mar	265	280	31	5.6%	266
Maruti	Buy	1	1		13-Apr	772	772			733
MTNL	Buy	1	3		10-Apr	154	158	3	3.1%	150
NTPC	Neu**	(1)	(1)		12-Apr	160	157			
ONGC	Buy	3	5		3-Apr	844	872	10	3.4%	837
Polaris	Buy	5	1		2-Apr	171	190	11	10.6%	180
Reliance	Buy	5	3		13-Apr	1,412	1,412			1,341
Satyam	Buy	1	1		3-Apr	461	481	10	4.5%	457
SBI	Buy	3	3		5-Apr	948	998	8	5.2%	948
SCI	Buy	3	3		12-Apr	170	171	1	0.2%	162
TCS	Buy	1	(1)		23-Mar	1,288	1,262	21	-2.0%	1,224
Tata Motors	Buy	3	1		13-Apr	726	726			690
Tatasteel	Buy	1	1		13-Apr	511	511			486

Buy/ Sell/ Neutral = 16/1/3

o HPCL hits the Stop Loss and moves into Neutral Mode.

o ICICI Bank moves into Buy Mode due to its PCR & WPCR indicators turning Positive.

o Satyam moves into Neutral Mode due to Whipsaw.

o SCI moves into Sell Mode due to its OI indicator turning Negative.

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.

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Niraj Mansingka	- 2286 4304	Oil & Gas, Petrochemicals	Harsh Biyani	- 2286 4419
Nimish Mehta	- 2286 4295	Pharmaceuticals, Agrochemicals	Nirmal Ajmera	- 2286 4258
Manika Prem Singh	- 4019 4847	Economist	Ankit Doshi	- 2286 4671
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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

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