

DAILY MARKET OUTLOOK

Market Snapshot

The indices opened on a positive note and remained firm till early afternoon. The markets gained momentum in the final trading hour with buying activity in the index heavyweights. While buying was witnessed across sectors, select stocks in the energy, auto and FMCG sectors reeled under pressure. The BSE Sensex closed 87 points higher at 14,499 while the NSE Nifty closed at 4,267 (up 18 points).

The NSE and BSE cash volumes were higher compared to the previous day at INR 103 bn and INR 53 bn respectively. The F&O volumes were same at INR 396 bn.

Sentiment Indicators

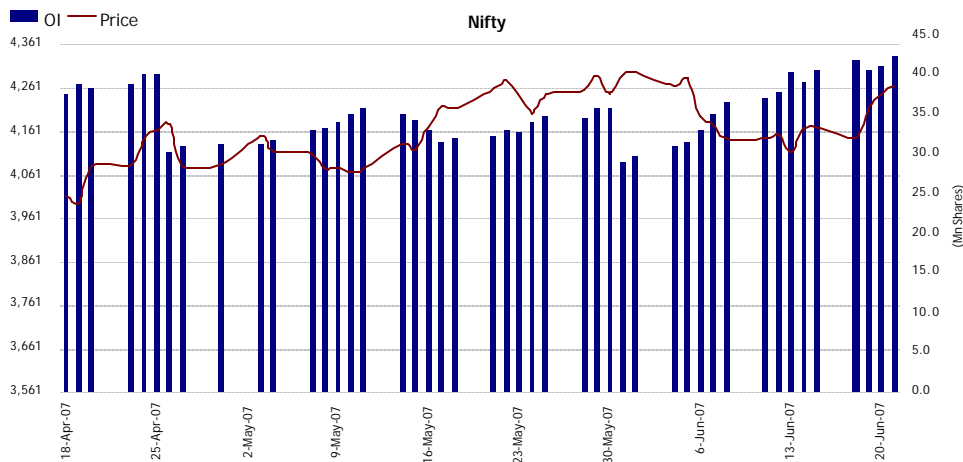
The Implied Volatility (IV) across Nifty strikes remained constant 20-23% levels. The WPCR of Nifty Options has increased to 1.31 while the 5 day average is 1.08.

Outlook

The markets are expected to open slightly positive taking cues from gains in the US and Asian indices. The outlook for the markets remains positive with some upside to come in before the weekend as the buying seen yesterday is expected to continue. The inflation data will come out today by noon and we expect the inflation to be 4.41% Y-o-Y in comparison to 4.80% Y-o-Y during the previous week.

Nifty OI went up by 3% as fresh longs continue to build up positions. Short rollers can look for better levels as we expect the discount to contract. Long rollers can be aggressive at current levels as we move into the June expiry week.

Going into today's trading session, the immediate resistance for the Nifty would come at 4280 beyond which the bulls would be eyeing 4300; whereas; the immediate support for the Nifty would come at 4250 and 4225 levels.



June 22, 2007

Market Snapshot

	21-Jun	20-Jun	% Chg
Nifty	4267.4	4248.7	0.4
Sensex	14499.2	14412.0	0.6
BSE MidCap	6373.8	6340.0	0.5
BSE SmallCap	7496.5	7420.4	1.0

Jun Futures

	23.3%	19.7%	18.0
Average ICC (p.a)**			

Volume (INR mn)

	330,336	323,825	2.0
Futures			
Call	36,988	42,711	-13.4
Put	28,786	29,724	-3.2
Total	396,109	396,261	0.0
NSE Cash Vol.	103,880	99,774	4.1
BSE Cash Vol.	53,067	50,847	4.4

Open Interest (INR mn)

	517,076	500,826	3.2
Futures			
Call	103,504	104,011	-0.5
Put	107,160	104,212	2.8
Total	727,740	709,049	2.6

Put Call Ratios

	1.06	0.89	19.0
PCR			
WPCR	0.96	0.81	18.0
OI PCR	1.11	1.07	3.3
Total OI / Volume	1.84	1.79	2.7

Nifty IVs at 20 - 23% levels.

FII Activity* (INR Mn) (20-Jun)

	Buy	Sell	Net
Volume			
Cash	-	-	-
Index Futures	19,322	12,804	6,518
Stock Futures	15,605	13,882	1,723
Total	34,927	26,686	8,241
Open Interest	20-Jun	19-Jun	% Chg
Index Futures	194,108	188,109	3.2
Stock Futures	221,309	217,591	1.7
Total F&O OI	493,024	480,736	2.6

Mutual Fund Activity* (INR Mn) (20-Jun)

	Buy	Sell	Net
Volume			
Equity	6,563	5,070	1,493

*FII & MF Data is reported a day late

** Avg of positive ICC's

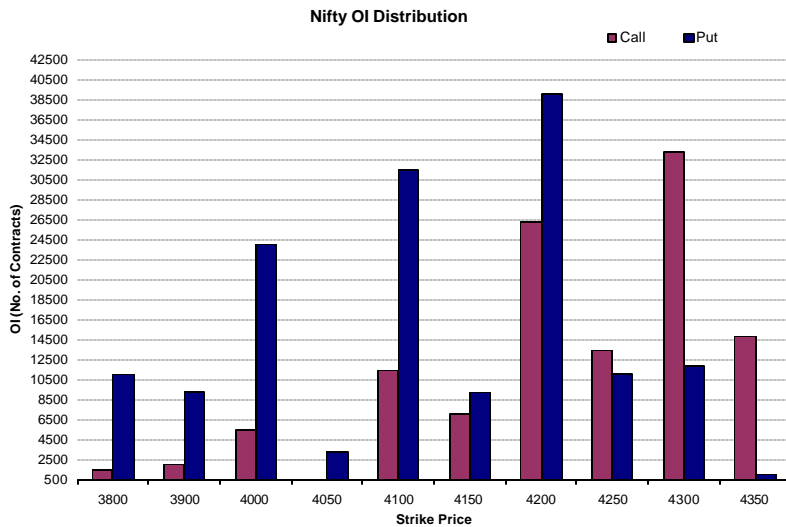
Note:

Pending Calls

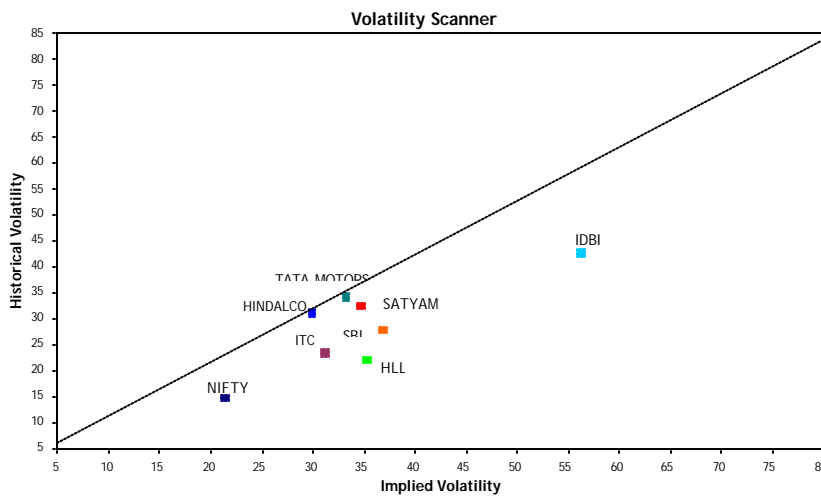
Scrp	Action	Date of Recommendation	Market Price	Returns	Rationale
Rohta	Closed Today	20-Jun-07	491.8	12%	The stock has entered a new cycle on the upmove and looks strong at these levels. Buy for a target of 470.
RelCapital	Buy	18-Jun-07	1093.4	7%	The stock has shown some strength even in a falling market of Fridays. We expect the momentum to continue and suggest going long here.
SKUMARSYNF	Buy	18-Jun-07	89.6	4%	Skumars has been testing the long term supply region for long and the indicators point at it breaking that, so we expect it to break out of its trend and suggest a Long.
UTIBank	Buy	18-Jun-07	616.5	3%	There has been a significant long build in the stock with the OI rising by 18% on reasonably good volumes and suggest going long here.
BankNifty	Buy	20-Jun-07	6496.5	3%	The fears for CRR hike is fading off and also China has postponed its rate hike. We take this as a positive and suggest going long here.
BEL	Buy	12-Jun-07	1862.8	1%	The stock is rising on a robust trend and is currently trading close to its break out region. We expect buying pressure to build up in the stock.
Federalbnk	Buy	21-Jun-07	297.4	1%	The stock had recently given a cup pattern breakout and since then had gone into a congestion region. It gave a break out of this region yesterday and looks good for a short term upmove.
ONGC	Closed Today	21-Jun-07	912.8	1%	The DGH has slashed the estimates of gas discoveries claimed by ONGC in the KG Basin to just 2.09 tcf against a claim of 20 tcf. This should act as a major negative and suggest going intraday short.
IDFC	Buy	21-Jun-07	119.6	-1%	The stock has moved up on good volumes yesterday and has seen significant addition of long positions with the OI rising by 22%.
FinPipe	Buy	19-Jun-07	83.7	-1%	The stock looks good fundamentally and on the basis of a strong Land bank, we recommend a Buy. There were also rumours of sale of Land.
Cipla	Sell	20-Jun-07	210.0	-1%	There has been a short build up in the stock with the OI rising by 4% on reasonably good volumes and suggest going short here.

Closed Calls

Scrp	Recomm	Date of Recommendation	Initiated Price	Date of Closing	Closing Price	% Return
SREINTFIN	Buy	1-Jun-07	71.9	13-Jun-07	97.2	35%
Airdeccan	Buy	31-May-07	131.0	4-Jun-07	145.2	11%
Spicejet	Buy	14-Jun-07	53.0	18-Jun-07	57.5	8%
TataMotors	Sell	7-Jun-07	688.0	13-Jun-07	641.4	7%
IDEA Cell	Sell	5-Jun-07	121.6	11-Jun-07	118.4	3%
GTL	Buy	19-Jun-07	224.4	21-Jun-07	229.9	2%
DrReddy	Buy	14-Jun-07	627.7	20-Jun-07	635.5	1%
GSKCONS	Buy	15-Jun-07	1280.2	19-Jun-07	1288.8	1%



- Maximum OI decrease was in the 4300 calls [decrease of 4%] and 4100 put [decrease of 14.3%].
- Maximum Volumes were witnessed by 4200 & 4300 Call and 4200 & 4100 Put.



Nifty IVs at 20-23% levels

High IVs

- Hindalco IV's are quoting at 37% as against HV's of 28%.
- ITC IV's are quoting at 31% as against HV's of 23%
- IDBI IV's are quoting at 56% as against HV's of 43%.

Sectoral Open Interest Build Up (Contracts) for 1 days				
Sector	OI	OI -D	% OI Chg	% Prc Chg
Textile	42274	39955	5.80%	2.1%
Metals & Mining	80689	77757	3.77%	0.6%
Power	44449	42841	3.75%	0.8%
Oil & Gas	166955	161876	3.14%	2.0%
Sugar	9235	8960	3.07%	1.5%
IT	159003	154316	3.04%	-0.3%
FMCG	42346	41433	2.20%	0.5%
Engineering & Capital Goods	93749	91860	2.06%	0.9%
Pharma	76031	74811	1.63%	0.0%
Banking	222883	219606	1.49%	0.2%
Telecom	92366	91091	1.40%	0.2%
Auto	87296	86200	1.27%	0.3%
Chemicals	19311	19300	0.06%	-0.2%
Construction	58743	59019	-0.47%	1.6%

- Amongst all the sectors, the Textile sector was up the most. Century Textiles was up 5% with 11% increase in OI
- In the Oil & Gas space, Chennai Petroleum was up 13% with a 195% change in OI
- In the Construction arena, Ansal Infrastructure was up 3% with a 5% change in OI

Futures Snapshot

Top OI Rises

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Chennai Petroleum	195	896	13.2	7244
LIC Housing Finance	79	2,700	5.7	388
Rolta India	49	2,614	5.9	107
Kotak Mahindra Bank	25	2,120	4.6	140
J & K Bank	25	170	7.2	1235
Hero Honda	23	2,400	(0.9)	256
Cummins India	22	1,112	5.0	502
Crompton Greaves	15	744	0.2	19

Top OI Falls

Scrip	% OI Chg	OI	% Price Chg	% Future Vol Chg
Educomp Solutions	(23)	316	(6.9)	(36)
Hindustan Construction	(23)	5,606	8.1	169
Sobha Developers	(11)	423	2.7	108
Birla Corporation	(10)	876	8.1	(28)
Tata Power	(9)	1,998	2.2	(46)
Sun Tv	(9)	267	1.6	(40)
India Infoline	(8)	1,924	(1.5)	(50)
Everest Kanto Cylinder	(8)	501	1.1	(20)

Top Price Change

Scrip	% Price Chg	% OI Chg	OI	% Future Vol Chg
Chennai Petroleum	13.2	195	896	7244
Birla Corporation	8.1	(10)	876	(28)
Hindustan Construction	8.1	(23)	5,606	169
J & K Bank	7.2	25	170	1235
Rajesh Exports	6.9	(1)	1,309	422
Educomp Solutions	(6.9)	(23)	316	(36)
Voltas	(6.1)	(5)	7,247	(50)
Aditya Birla Nuvo	6.0	10	544	600

Top Volume Rises

Scrip	% Future Vol Chg	FutureVol	% Price Chg	% OI Chg
Chennai Petroleum	7244	5,949	13.2	195
J & K Bank	1235	373	7.2	25
Bongaigaon Refinery	896	2,376	5.4	15
HPCL	669	4,727	4.1	9
Aditya Birla Nuvo	600	491	6.0	10
Cummins India	502	2,623	5.0	22
BPCL	440	1,876	4.3	8
Rajesh Exports	422	6,019	6.9	(1)

F&O CROSSOVER: -

Focus Stocks

o Positives: ACC, GAIL, ONGC, Reliance.

o Negatives: IPCL, NTPC, TCS.

Portfolio Tracker

21-Jun-07

Scrip	Reco	21-Jun-07 Score	20-Jun-07 Score	Reco Date	Reco Price	Current Price	No of days running	Retn since Reco	Stop Loss*
Nifty	Neu**	1	(1)	19-Jun	4,214	4,267			
ACC	Buy	1	(3)	21-Jun	855	855			812
GAIL	Buy	1	(3)	21-Jun	295	295			280
HLL	Sell	(1)	(1)	19-Jun	189	190	2	-0.3%	198
HPCL	Sell	(1)	(1)	15-Jun	273	274	6	-0.1%	276
ICICI Bank	Buy	1	5	18-Jun	919	950	3	3.4%	902
Infosys	Sell	(1)	(1)	19-Jun	1,957	1,958	2	-0.1%	2,052
IPCL	Sell	(1)	1	21-Jun	349	349			367
Maruti	Neu**	3	1	20-Jun	768	759			
MTNL	Sell	(3)	(1)	13-Jun	153	159	8	-4.1%	160
NTPC	Sell	(5)	(5)	20-Jun	151	150	1	0.6%	157
ONGC	Buy	3	3	19-Jun	915	914	2	-0.1%	877
Polaris	Buy	1	1	19-Jun	157	157	2	0.0%	150
Reliance	Buy	1	1	21-Jun	1,734	1,734			1,648
Satyam	Neu**	(3)	(1)	20-Jun	471	467			
SBI	Buy	1	3	15-Jun	1,324	1,447	6	9.2%	1,374
SCI	Sell	(3)	(3)	8-Jun	196	192	13	2.0%	196
TCS	Sell	(5)	(5)	20-Jun	1,147	1,146	1	0.1%	1,203
Tata Motors	Neu**	(1)	(3)	20-Jun	686	688			
Tatasteel	Sell	(5)	(5)	18-Jun	589	610	3	-3.5%	619

Buy/ Sell/ Neutral = 7/9/4

o ACC moves into Buy Mode due to its Volume & OI indicators turning Positive.

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

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

o Reliance moves into Buy Mode from Neutral Mode.

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

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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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