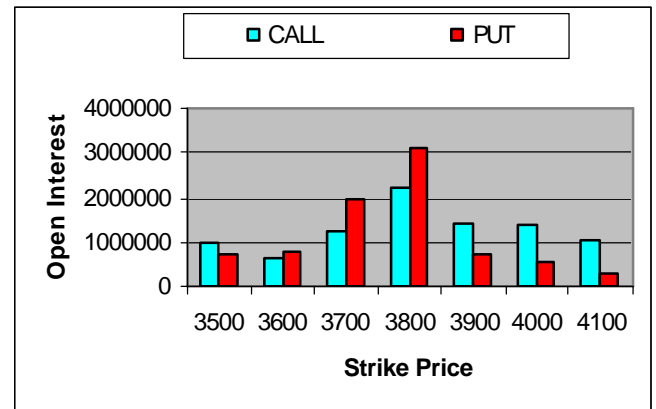


31st March, 2007

Indices' Snapshot

	Previous week	This week	Change	%Chg
Nifty	3861.05	3821.55	-39.50	-1.02
Sensex	13285.93	13072.10	-213.83	-1.61
Bank Nifty	5518.95	5308.50	-210.45	-3.81
CNX IT	5369.85	5180.70	-189.15	-3.52
Futures LTP (March)				
Nifty	3868.45	3796.00	-72.45	-1.87
Bank Nifty	5547.00	5317.55	-229.45	-4.14
CNX IT	5361.00	5185.00	-176.00	-3.28
Open Interest (OI)				
Nifty	36605350	32439000	-4166350	-11.38
Bank Nifty	207950	100700	-107250	-51.57
CNX IT	13500	4950	-8550	-63.33
Cost of Carry (% annualized)				
Nifty	+1.31	-8.35	-9.66	
Bank Nifty	-1.79	+6.42	+8.21	
CNX IT	+4.08	+2.04	-2.04	

Nifty Options OI Distribution



Nifty Put Call Ratio (OI)

	Last Week	This Week	Change	% Change
Call OI	24509550	9976400	-14533150	-59.30
Put OI	25509550	9119100	-16390450	-64.25
PCR	+1.04	0.91	-0.13	

FII's Weekly Derivative Statistics 29.03.07

	Buy		Sell		Open Interest as on 29.03.07		Open Interest as on 22.03.07		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	793644	15134.67	791681	15088.61	708240	13476.20	720857	14010.78	-12617	-534.58
Index Options	99075	1892.91	59405	1141.32	185254	3518.07	516809	10015.50	-331555	-6497.43
Stock Futures	427915	10785.67	459940	11584.84	497979	12554.30	654474	16608.34	-156495	-4054.05
Stock Options	123	2.98	112	3.05	40	0.94	2506	58.19	-2466	-57.26
TOTAL						29549.50		40692.82		-11143.32

Source: NSE

Market Activity

Nifty closed for the week with a minor loss of 1% at 3821; it remained weak during first half of the week but recovered slightly during the last two sessions. Major gainers during the week, in terms of price, were Renuka, BajajHind, Triveni, ABAN, IFCI, Orchid Chem, Ranbaxy, Auro Pharma, Balram Chini, CESC, I-Flex, Cairn etc. Major losers were LIC Hsg Fin, HCC, Tata Motors, LITL, Syndicate Bank, HPCL, HDFC Bank, UTI Bank, PFC, Parsvnath, Wipro, Ashok Leyland etc. Remarkable decline in OI from the FII segment was seen in Index Options & Stock futures due to expiry of March series contracts.

Market Outlook

We witnessed remarkable addition of short positions in Nifty on Friday as OI increased by 19.7 lakh shares with april futures turning to discount of 20-25 points by the end of session. The Implied Volatility eased a bit to 25-26% from 27-28% the day before, but it is still at high levels. We continue to maintain our cautious view on the markets as we are continuously witnessing selling pressure at higher levels in the market.

Open Interest (OI) Analysis

BULLISH: Sugar : Renuka (43%), BajajHind (21%), Balrampur Chini (12%)

Others: CESC (16%), NTPC (13%), Reliance Capital (11%), Orchid Chemicals (9%)

Long positions are seen in abovementioned stocks and these stocks may see a further upside move as OI has built up with strength in stock price during Friday's session.

Rollovers

- Nifty & Stock futures rollover nearly 80%.
- Good rollovers seen in Banking, Metal & Pharma Stocks.
- Heavyweights like Infosys, TCS, Wipro, RIL, ONGC, Bharti, RCOM, TataMotors & Maruti witness moderate rollovers.
- Above 85% - Andhra Bank, HeroHonda, Hindalco, Reliance Capital, Voltas, BOB, HCC, Mah Seamless, RPL, Jindal Steel, Sun Pharma, Matrix Labs, Tata Steel, REL, Auro Pharma, Satyam, Praj, Ind Hotel, JP Hydro, Century, Dr.Reddy, JSW Steel.
- 80-85% - Wockhardt Pharma, Canara Bank, OBC, Polaris, NDTV, TTML, Parsvnath, IDBI, Jindal Stainless, India Cement, Ashok Leyland, IOB, IPCL, MTNL, PNB, Bajaj Auto, IFCI, Sterlite, Syndicate Bank, SBI, ABAN, Sesa Goa, BPCL, Orchid Chem, ICICI Bank, Ranbaxy, SRF, Guj Ambuja..
- Low rollovers seen in Indian Bank, Sobha, HCL Tech, VSNL, M&M, GE Shipping, Renuka, ITC, HLL, Wipro etc.

Put-Call Ratio (PCR) Analysis

- Nifty PCR (OI) is currently at 0.91 compared to 1.04 the previous week.
- Nifty Call options shed 1.45 crore shares (-59.3%) & Put options shed 16.4 crore shares (-64.25%) in OI during the week.
- On Friday, the Nifty Call options added 23.5 lakh shares & Put options added 18.7 lakh shares in OI.
- We have witnessed substantial Call writing at higher strike prices of Nifty 3900 & 4000.
- On the Put options side, 3800 Put options hold over 30 lakh shares, at the very beginning of the month, indicating it to be expected support level in the immediate term.
- Below 3800 levels, build up of nearly 19.6 lakh shares is seen at Nifty 3700 Put options. Thus we may expect it to be next support for Nifty below 3800 levels.

Cost of Carry (CoC)

Turned Positive: Century Textiles, Jet Airways, LIC Hsg Fin, Wipro.

Turned Negative: Cairn, ITC, REL.

Derivative Strategy

Scrip: BAJAJHIND		Spot Price: 195.00		Mkt Lot: 950		Expiry Date (F & O): 26 th APR 2007		
View: Bullish				Strategy: Bull Call Spread			Expected Payoff	
Buy/Sell	Oty.	Scrip	Strike Price	Series	Option Type	Mkt Price (Rs.)	Closing Price	Expected Profit/Loss (Rs)
BUY	950	BAJAJHIND	200	APR	CA	9.40		
Maximum Risk: Limited to Rs.9.40 (Rs.8,930.00 per contract) If Bajaj Hind closes at 200 or below on expiry of April series. Maximum Profit: Unlimited Expected Profit : Rs.15.00 (Rs.14,250.00) at our expected target price of 220.00 Break Even Point : Rs.209.4							200 or below	(-9.4)
							210	+0.60
							220	10.60
							230	20.60
							240	30.60

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