

MOST Market Action

18 May, 2007

Market Trend		CONSOLIDATION		
<p>Though Nifty Futures has formed its new high at 4245, Sensex is still behind 370 points from its all time high of 14,723.88. The intraday support levels for Nifty Futures are at 4195 and 4165 where as resistance may be seen near 4260 level.</p> <p>Trend Reversal: BSE Sensex exhibited 172 points up-move and closed above 14,200 (which was the level for trend reversal for minor trend). Hence minor trend direction has changed to UP and the minor trend downward reversal is at 13,880</p> <p>Inflation Figures will be announced today.</p>	Market Trends - Sensex			
	Trend	Direction	Reversal	
	Major	UP	12,300	
	Intermediate	UP	13,350	
	Minor	UP	13880	
For INVESTORS				
<p>MOST Focus :- BUY M&M (MBP - 900) and Maruti (MBP 975).</p> <p>MOST Focus Update :- OUT - GMR Infra , Rcom, Blue Star , NIIT Tech. (MBP Exceeded)</p>		MOST Top Investment Picks		
<p>M&M (900)</p> <p>Recent fall is a good opportunity to buy for investment</p> <p>M&M's core business continues to do well, its non-automotive subsidiaries – especially Tech Mahindra, MMFSL and Mahindra Gesco – are adding substantially to its valuations. We estimate the value of its non-automotive subsidiaries at Rs197/share of M&M – 40% of the value of its core business.</p> <p>Introduced Logan Sedans JV with Renault SA, France. Expects 50000 car sales will be priced at between Rs4.28lakh – Rs6.44 lakh</p> <p>The stock trades at a discount to most of its peers. It quotes at 11.8x FY07E and 9.9x FY08E consolidated earnings</p> <p>Maruti (MBP 975)</p> <p>Maruti's volumes have increased by 29.6% in 4FY07, the A2 SEGMENT (Alto, Swift etc) being the best performer</p> <p>Government announced 10.27% residual stake sale</p> <p>Maruti's debut in the diesel car segment, launched of the new car Zen Estilo and recent launched SX4 Sedan</p> <p>The stocks is trading 12x FY08E and 10.1x FY09E</p>		Scrip Name		MBP
		M&M		900
		MARUTI		950
		Amtek Auto		400
For POSITIONAL TRADERS (Technical)				
Options Strategy - A (FOLLOW UP)		(Initiated on 11/05/2007)		
<p>BOOK PROFIT: TCS BULL CALL RATIO SPREAD</p>	SELL	TCS MAY 1230 CA at Rs. 28.50	Lot Size	250
	BUY	TCS MAY 1260 CA at Rs. 14.00	Total Profit	Rs. 2,250.00
	BUY	TCS MAY 1290 CA at Rs. 6.50	-	-

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