



Weekly Pick

Advisory Group

11 June 2010

HSBC  InvestDirect

MindTree Limited

Closing Price: Rs 535.65

MindTree Limited (MindTree), a global IT and R&D Services Company co-headquartered in India and the U.S, The Company's activity is structured into two business units that focus on software development - IT Services and R&D Services, in which MindTree offers different IT Services to Capital Markets, Insurance, Manufacturing, Retail and Travel & Transportation Industries.

MindTree, has been selected as a CUPPS (Common Use Passenger Processing System) testing entity (CTE) by the CUPPS Committee, a collaboration of airlines, airports and vendors. MindTree is among a select few companies with the distinction of serving as a testing entity on the CUPPS platform.

Key attributes for the stock being high exposure to cyclical segments, strong client base and experienced management
Forecast robust revenue and EBITDA CAGR of c20% over FY10-12e vs 13% for peer group
The stock trades at a PE of c14.5x on our FY11e EPS of Rs.36.9 and 10x on our FY12e EPS of Rs.53.6.

MindTree Limited Technical View



Source: HISL Advisory, FALCON

MindTree has completed its medium-term correction, and it is currently trading on its trend line support. The cluster of moving averages also provides support near Rs 535 level; the buy-on-dip strategy could be implemented here. The 14-day RSI is in the oversold territory and still indicates a buy signal. Any decline from current levels will bring the trigger line towards the 30-level support, thus creating headroom for another rally. Moreover, all momentum indicators in the oversold zone also indicate a buy signal. Investors are advised to take long positions in the stock in the range of Rs 535 and on dips to Rs 515 for an appreciation of 8% to 10% in the short-term. Traders can retain a stoploss placed below Rs 500 levels on a closing basis.

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Performance of Weekly Pick

No of Calls	Targets Achieved	Calls Open	Stop Loss	Strike Rate
35	27	5	3	90%

Performance of Weekly Pick

Initiation Date	Scrip Name	Initiation Price (Rs) & (Buy on Dips till...)	High Price	High Date	Stop Loss for traders	Returns @ High %	Status
24.04.10	Voltamp Transf	890 (Buy on Dips 870)	944	28.04.10	850	6	Call Open
30.04.10	Persistant System Ltd	398 (Buy on Dips 385)	404.45	04.05.10	375	2	Call Open
14.05.10	Greaves Cotton	348 (Buy on Dips 335)	356.50	18.05.10	325	2	Call Open
28.05.10	Uco Bank	76.10 Div Rs1.50/- Ex 23.06.10	81.90	04.06.10	73	7	Call Open
04.06.10	Central Bank	149.55	153.45	08.06.10	135	3	Call Open

Disclaimer:

Issuer of the Document:- HSBC InvestDirect Securities (India) Limited*

Registered Office: -

Dhana Singh Processor Premises
J B Nagar, Andheri - Kurla Road
Andheri (East)
Mumbai – 400 059
Telephone: +91 22 6789 7830
Fax: +91 22 6789 7700
Website: www.hsbcinvestdirect.co.in

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