

## MOST Market Action

16 May, 2007

Market Trend		CONSOLIDATION		
<p>In Nifty Futures the consolidation phase continues on Tuesday between the range of 4145 &amp; 4100. Nifty Futures is having intraday resistance at 4160. The next resistance band for Nifty Futures is between 4190 - 4220 levels. Nifty Futures is having crucial support at 4080 level on closing basis.</p> <p>Banking sector and Oil &amp; refinery stocks will continue to remain in lime light.</p> <p>Sugar stocks are likely to underperform.</p>	<b>Market Trends - Sensex</b>			
	<b>Trend</b>	<b>Direction</b>	<b>Reversal</b>	
	Major	UP	12,300	
	Intermediate	UP	13,350	
	Minor	Down	14200	
<b>For INVESTORS</b>				
MOST Focus :- BUY M&M ( MBP - 900 ) & GREAT OFFSHORE ( MBP - 750 )		<b>MOST Top Investment Picks</b>		
<p>M&amp;M Recent fall is a good opportunity to buy for investment</p> <p>M&amp;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&amp;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>GREAT OFFSHORE :- Beneficiary of rising E&amp;P activity, High-growth, low-risk business model, Marine construction and leveraged growth are upsides.</p> <p>Our DCF model suggests a one-year forward value of Rs978, a 38% upside from current levels. At our target price, the stock P/E would be in line with peers, despite superior earnings growth and RoE</p>	<b>Scrip Name</b>		<b>MBP</b>	
	M&M		900	
	GREAT OFFSHORE		750	
	TAJ GVK		240	
<b>For POSITIONAL TRADERS (Technical)</b>				
<b>Options Strategy - A (Initiated on 15/05/2007)</b>				
NIFTY: CALENDAR SPREAD	SELL	NIFTY MAY PE 4000 @ Rs. 39.50	Lot Size	50
	BUY	NIFTY JUNE PE 4000 @ Rs. 90.50	Margin	Rs. 9,500.00
The strategy is preferably a neutral strategy with a limited risk and limited profit potential. The Nifty has been consolidating almost for a month in a range of 4000-4200. We expect the index to continue consolidating in the same range until this expiry before it makes a fresh directional move in the next month.			Cash Outflow	Rs. 2,550.00
<b>Options Strategy - B (Initiated on 15/05/2007)</b>				
ICICI BANK: LONG CALL	BUY	ICICIBANK MAY CA 880 @ Rs. 21	Lot Size	350
	-	-	Max Profit	Unlimited
ICICIBANK is looking good on the daily charts. The RSI is also moving upwards along with decent open interest. The stock finds resistance around 900 levels and 950 should act as a strong resistance.			Max. Loss	Rs. 7,350.00
			BEP	901
			Cash Outflow	Rs. 7,350.00

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