

MOST Market Action

19 April, 2007

Market Trend		SIDEWAYS		
Technical Outlook: Nifty Futures upward breakout is at 4030 level on closing basis with a target of 4120 and intraday support levels below 3964 are at 3950 and 3910.	Market Trends - Sensex			
	Trend	Direction	Reversal	
	Major	UP	12,300	
	Intermediate	Down	13,800	
	Minor	UP	13,000	
For INVESTORS				
We continue with our previous recommendations BUY IOB (MBP - 130) & BUY ANDHRA BANK (MBP - 95). IOB -NII growth for the bank is expected at 15% YoY in 4QFY07 and 17% in FY07. PAT growth is likely to be 16% YoY in 4QFY07, driven by steady NII growth and robust fee income growth and lower provisions. High CASA ratio positive for IOB. At CMP, the stock is trading at 4.7x FY08E EPS and 1.1x FY08E BV. Andhra Bank:- We expect NII to grow 22.2% YoY to Rs3.8b on back of ~20% loan growth. The bank is a play on healthy growth, clean books and a reasonable RoE. At CMP, the stock is trading at 5.5x FY08E EPS and 1x FY08E BV.	MOST Top Investment Picks			
	Scrip Name		MBP	
	IOB		130	
	ANDHRA BANK		95	
	SAIL		130	
JP ASSOCIATES		650		
For POSITIONAL TRADERS (Technical)				
Options Strategy - A (Initiated on 18/04/2007)				
TISCO: CALL WRITING	SELL	TISCO APR 540 CA @ Rs. 3.50 - 4	Lot Size	675
	-	-	Max. Profit	Rs. 2,531
We expect TISCO to see a downtrend as the management plans 41% equity dilution for funding the Corus acquisition. Technically 540 also acts as very strong resistance.			Max. Loss	Above 543.75
			Breakeven Pt.	543.75
			Margin	Rs. 50,000
Futures / Cash Markets		Price	Stop Loss	Target
TECHNICAL CALL :- SELL HLL FUTURES (INTRADAY)		208	212	200

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