



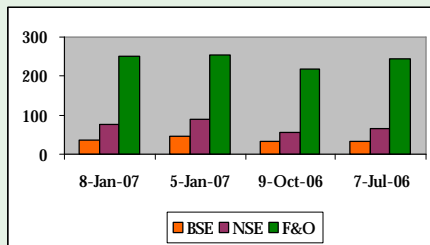
09 January 2006

Indices	%Change			
	8-Jan-07	1mth	3mth	6mth
Sensex	13,652	(2.1)	10.4	26.8
Nifty	3,933	(2.1)	10.3	24.6
CNX Midcap	5,912	2.3	23.2	49.2
Banking	7,083	(1.6)	16.8	61.0
Capital Goods	9,099	(2.9)	9.3	30.1
IT	5,205	0.2	17.4	37.3
Healthcare	3,828	1.8	5.2	21.6
NASDAQ	2,438	(0.3)	5.5	14.5
Dow Jones	12,423	0.9	4.8	12.0

Net Inflows

Rsbm	5-Jan-07	4-Jan-07	MTD	YTD
FII	(3)	2	36.3	36.3
Mutual Fund	0	(0)	1.8	155.7
FII - F&O	(2.0)	1.6	3.9	43.3

Turnover



Commodity & Currency	% Change			
	8-Jan-07	1mth	3mth	6mth
Crude (US\$/barrel)	56.1	(10.1)	(6.3)	(24.3)
Gold (US\$/Oz)	613.6	(2.3)	5.9	(3.1)
US\$	44.4	(0.2)	(2.8)	(3.8)
Euro	57.8	(2.6)	0.3	(2.0)

Debt

	% Change			
	8-Jan-07	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	5.8
10 yr G-Sec yld	7.5	7.4	7.6	7.7
Spread 1 & 10 yr G-Sec	0.4	0.5	0.7	0.7
US 10 yr treasury	4.7	4.5	4.7	5.2
Surplus liquidity (Rsbm)	(163.2)	181.0	291.7	582.8

Dena Bank (Rs38) Market Performer

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We are downgrading our recommendation to Market performer from Out-performer as the share price has appreciated since our last update dated 25th October 2006. We are maintaining our price target at Rs40 and retaining our FY2007 and FY2008 estimates. As indicated in our 2QFY2007 results update we expect 3QFY2007 profits to be lower as the bank would have to classify some legacy accounts as non-performing and as Q3FY2006 had non recurring income in treasury profits and better bad debt recoveries.

3QFY2007 earnings to decline by 20% yoy: We expect Dena Bank to report 6% yoy growth in pre-provision profits to Rs2,157mn and net profits to decline by 20% yoy to Rs667mn. In 3QFY2006 the bank had significant treasury profits of Rs560mn and recoveries from written off accounts of Rs300mn which would be marginal in 3QFY2007. Moreover some legacy accounts would be classified as non-performing in 3QFY2007, resulting in higher provisions. To compensate for the unusual income of Q3FY2006, the bank has sold non-performing assets (NPAs) of around Rs3.5bn and is likely to report a profit of around Rs700mn on written-off accounts.

Credit to increase by 28% yoy: Dena Bank's gross credit is expected to have increased by around 28% to Rs173bn which is in line with the banking industry. We expect the bank to retain its net interest margin to over 3%.

Dena Bank plans to report net NPAs of 1.5% by FY2007: The management of the banks plans to undertake a major asset clean-up in FY2007 and we expect the bank to report FY2007 net profits of around Rs1,689mn. The bank would also therefore report a sharp decline in 4QFY2007 net earnings as 4QFY2006 net earnings had some unusual income. We believe that investors should not be apprehensive about the decline in 3Q and 4QFY2007 earnings as it is on expected lines.

Dena Bank	Financial Summary					
	(Rs mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E
Total Income	9,978	11,816	11,994	13,875	15,454	
Reuters/Bloomberg C DENA.BO/DBNK@IN Profit before provisions	3,822	6,203	5,835	7,107	7,977	
Market Cap Rsbm	11	3.2	3.0	3.0	3.0	2.9
Market Cap US\$m	247	610	730	1,689	2,529	3,070
52-week range (Rs)	42/20	2.1	2.5	5.9	8.8	10.7
Shares in issue (mn)	287	(78.5)	19.6	131.5	49.7	21.4
PE (x)		17.9	14.9	6.5	4.3	3.6
Price/Book Value (x)		1.4	1.3	1.1	0.9	0.7
Price/Adjusted Book Value (x)		5.1	2.2	1.5	1.1	0.8
Government of India	51	-	-	1.3	2.0	2.6
Banks & MFs	3.6	61.7	47.5	51.4	48.8	48.4
Others	16.5	0.3	0.29	0.58	0.75	0.79
Public	19.8	8.5	7.2	14.1	18.4	19.0
FII's/NRI's/OCBs	9.13	6.6	5.9	5.5	5.5	5.9
Tier-1 Capital (%)						

Source: Company,KSBL

Dena Bank 3QFY2007					YoY	QoQ
Rsmn	1QFY07	2QFY07	3QFY06	3QFY07E	Change	Change
Interest on credit	2,966	3,418	2,368	3,568	50.7%	4.4%
Interest on Investments	1,636	1,632	1,849	1,712	-7.4%	4.9%
Interest on RBI balances	101	70	77	65	-16.0%	-6.6%
Other Interest	71	145	304	10	-96.7%	-93.1%
Interest Income	4,774	5,265	4,598	5,355	16.5%	1.7%
Interest Expenditure	-2,800	-3,114	-2,561	-3,194	24.7%	2.6%
Net Interest Income	1,974	2,151	2,037	2,161	6.1%	0.5%
Total Other Operating Income	695	811	1,425	1,586	11.3%	95.6%
Total income	2,669	2,962	3,462	3,747	8.2%	26.5%
Salaries	-982	-999	-912	-1,000	9.6%	0.2%
Overheads	-515	-561	-519	-590	13.7%	5.1%
Total Overheads	-1,497	-1,560	-1,431	-1,590	11.1%	1.9%
Operating Profit	1,172	1,402	2,032	2,157	6.2%	53.9%
Bad Debt Provisions	-437	-343	-904	-980	8.4%	185.7%
Fraud and others	-1		0			
Provision for Standard Assets			-295	-300	1.7%	
Tax	-13	-167	60	-170	-383.3%	2.1%
Fringe benefit tax			-5			
Investment depreciation	-478		-5	-40		
Amortisation of prem. On HTM	-73		-50			
Other Provisions	14	-204				
Total Provisions	-987	-714	-1,198	-1,490	24.4%	108.8%
Net Profit	185	688	834	667	-20.0%	-3.1%

Share price has appreciated: The share price has appreciated by 12% since our last update on 25th October 2006 and we are downgrading our recommendation to Market Performer. We believe that the bank will report strong earnings in FY2008 and FY2009. as the bank's asset quality would significantly improve.

BULK DEALS ON NSE - 08 Jan 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	BUY	20,370,919	13.8
PSTL	PYRAMID SALT. THEAT. LTD	MANSUKH SECURITIES & FINANCE LT	BUY	204,076	167.5
AKSHOPTFBR	AKSH OPTIFIBRE LIMITED	VIVEK MEHROTRA	BUY	124,000	56.4
PSTL	PYRAMID SALT. THEAT. LTD	RIDDHI PAJWANI	BUY	147,419	171.5
PSTL	PYRAMID SALT. THEAT. LTD	CHANDRAVALI MARKETING PVT LTD	BUY	227,271	171.6
PSTL	PYRAMID SALT. THEAT. LTD	LATESH M CHHEDA	BUY	249,561	169.9
LIQUIDBEES	LIQUID BENCHMARK ETS	NORTHGATE TECHNOLOGIES LTD	BUY	36,500	1000.0
MAARSOFTW	MAARS SOFTWARE INTERNAT	ADROIT FINANCIAL SERVICES PVT L	BUY	496,692	5.7
GITANJALI	GITANJALI GEMS LIMITED	HARSIDDH ONLINE	BUY	405,890	245.7
PSTL	PYRAMID SALT. THEAT. LTD	LATIN MANHARLAL SECURITIES PVT.	BUY	327,389	168.7
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	ASTUTE COMMODITIES & DERIVATIVE	BUY	61,150	86.1
BAGFILMS	B.A.G. FILMS LIMITED	RAJEEV SHUKLA	BUY	452,583	10.7
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	EMERALD SYSTEM ENGINEERING LTD	BUY	101,757	85.8
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	ADVANTAGE SOFTWARE PRIVATE LTD	BUY	172,159	85.6
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	SELL	19,903,789	13.8
PSTL	PYRAMID SALT. THEAT. LTD	MANSUKH SECURITIES & FINANCE LT	SELL	204,076	167.8
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	SANJAY JAIN .	SELL	164,559	86.1
AKSHOPTFBR	AKSH OPTIFIBRE LIMITED	VIVEK MEHROTRA	SELL	500	57.0
PSTL	PYRAMID SALT. THEAT. LTD	RIDDHI PAJWANI	SELL	147,419	168.7
PSTL	PYRAMID SALT. THEAT. LTD	CHANDRAVALI MARKETING PVT LTD	SELL	227,271	171.0
PSTL	PYRAMID SALT. THEAT. LTD	LATESH M CHHEDA	SELL	252,111	170.0
SOMATEX	SOMA TEXTILES & INDUST LT	LOTUS GLOBAL INVESTMENTS LTD. A	SELL	200,000	29.1
MAARSOFTW	MAARS SOFTWARE INTERNAT	ADROIT FINANCIAL SERVICES PVT L	SELL	497,192	5.7
GITANJALI	GITANJALI GEMS LIMITED	HARSIDDH ONLINE	SELL	405,890	245.7
PSTL	PYRAMID SALT. THEAT. LTD	LATIN MANHARLAL SECURITIES PVT.	SELL	324,389	169.2
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	ASTUTE COMMODITIES & DERIVATIVE	SELL	71,127	85.7
VALECHAENG	VALECHA ENG. LIMITED	SHANTI FINANCIAL SERVICES PVT L	SELL	39,820	208.6
VALECHAENG	VALECHA ENG. LIMITED	CHANDRA FINANCIAL SERVICES PVT	SELL	38,141	204.4
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	EMERALD SYSTEM ENGINEERING LTD	SELL	31,757	86.1
LIQUIDBEES	LIQUID BENCHMARK ETS	BENCHMARK MUTUAL FUND	SELL	37,832	1000.0

Source: NSE

BULK DEALS ON BSE - 08 Jan 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
532351	AKSH OPTIFIB	VIVEK MEHROTRA	B	150,500	56.3
531400	ALLIANZ SECU	PLANETARY MAURITIUS LTD.	B	300,000	51.5
508134	APEEJAYTEA	AC AGARWAL SONS.SHARES S	B	56,731	102.9
508134	APEEJAYTEA	AC AGARWAL SONS.SHARES S	S	56,731	103.2
531381	ARIH FOUND H	WHS PRECISION FORGING LTD	S	60,000	515.0
532493	ASTRA MICRO	FIDELITY INVESTMENT MANAG	B	1,000,000	160.0
532493	ASTRA MICRO	EMERGING MARKETS MANAGEME	S	1,219,378	160.6
590059	BIHAR TUBES	SUNITA RANI GARG	B	25,000	117.4
512018	CHAMATKAR.NT	MARUTI SECURITIES LTD	B	200,000	26.4
530839	CLIO INFOTE	RAKESH B SHAH	S	60,000	6.5
530839	CLIO INFOTE	ALKA RAKESH SHAH	S	60,000	6.5
505052	CLUTCH AUTO	AC AGARWAL SONS.SHARES S	B	80,481	143.9
505052	CLUTCH AUTO	AC AGARWAL SONS.SHARES S	S	80,481	144.6
517973	DMC VAULTS	BRIJALYOGESH PARIKH	S	10,000	37.0
517477	ELNETTECHNO	KUBERSWAMY ASHUTOSH CONSU	B	33,777	140.4
530407	EPIC ENERGY	EVOLUTION CORPORATE SERVI	B	18,314	36.4
530407	EPIC ENERGY	VIVEK MEHROTRA	B	42,653	36.2
500133	ESAB INDIA	PRUDENTIAL ICICITRUST LT	B	128,000	402.5
500139	FEDDERS LLYO	MARUTI SECURITIES LTD	B	167,781	148.8
500139	FEDDERS LLYO	MARUTI SECURITIES LTD	S	167,781	148.8
530519	INTERF FIN S	KARNAVATI DYE CHEM PVT LT	B	1,086,942	3.2
530519	INTERF FIN S	KARNAVATI DYE CHEM PVT	S	1,086,842	3.0
526209	K S OILS LTD	SHRADHA TRADELINKS PVT LT	B	100,000	263.6
526209	K S OILS LTD	NINA SUNIL DALAL	S	100,000	264.2
532283	KASHYAPTEC	JMP SECURITIES PVT. LTD.	B	584,695	4.0
532283	KASHYAPTEC	JMP SECURITIES PVT. LTD.	S	976,695	4.0
505523	MAH IND LEAS	KIRTI FINVEST LIMITED	B	10,000	85.2
505523	MAH IND LEAS	RASHEL AGROTECH LTD.	B	9,300	86.3
530543	MARG CONSTRU	MARUTU SECURITIES LTD	B	102,458	280.9
530543	MARG CONSTRU	MARUTI SECURITIES LTD	S	102,458	283.1
511276	MEFCOM AGR I	PURSHOTTAM KHANDELWAL	B	17,874	197.0
511276	MEFCOM AGR I	MASTER FINLEASE LTD	B	71,442	196.7
511276	MEFCOM AGR I	I S F SECURITIES LIMITED	B	36,535	197.0
511672	MITTAL SEC.	RAKESH HASHMUKHLAL SHAH	S	25,000	10.1
511672	MITTAL SEC.	A.S.R.KRISHNA PRASAD	S	35,000	10.1
531453	MOHIT INDUST	AJAY SHAND	B	25,050	65.7
531453	MOHIT INDUST	HASMUKH PURSHOTTAM SOLANK	S	29,755	66.2
519494	N K INDUSTR	KOTAK MAHINDRA BANK LTD	S	99,100	13.1
532117	PENTIUM INFT	JMP SECURITIES PVT. LTD.	B	2,263,634	2.4
532117	PENTIUM INFT	JMP SECURITIES PVT. LTD.	S	1,727,079	2.4
532626	PONDY OXIDES	PURSHOTTAM KHANDELWAL	B	881,071	5.8
532626	PONDY OXIDES	PURSHOTTAM KHANDELWAL	S	497,758	5.8
532791	PYRAMID SAIM	UTTAM FINANCIAL SERVICES	B	256,267	168.2
532791	PYRAMID SAIM	H.J.SECURITIES PVT.LTD.	B	741,390	170.4
532791	PYRAMID SAIM	UTTAM FINANCIAL SERVICES	S	255,267	168.0
532791	PYRAMID SAIM	H.J.SECURITIES PVT.LTD.	S	742,090	170.5
524194	ROCK HARD PE	N.J.ASSOCIATES	B	100,000	15.0
524194	ROCK HARD PE	PARESH RAMJIBHAI CHAUHAN	B	128,889	14.9
524194	ROCK HARD PE	SANJAY JETHALAL SONI	S	156,582	15.0
524194	ROCK HARD PE	HEMANT HARKHACHAND SHAH	S	69,360	14.8
524194	ROCK HARD PE	DINESHKUMAR PATEL	S	50,000	14.9
531898	SANGUINE MD	PRISM IMPEX PVT LTD	B	85,000	52.6
521034	SOMATEX IND	LOTUS GLOBAL INVESTMENTS	S	250,000	29.1
513687	SPECTRA INDU	SAJIAN KUMAR NANVAL	B	47,389	21.9
513687	SPECTRA INDU	HITESH JHAVERI	B	70,112	23.4
513687	SPECTRA INDU	HITESH JHAVERI	S	50,983	23.4
532249	SQL STAR INT	ASHOK FINSTOCK LTD.	B	106,218	46.2
532249	SQL STAR INT	ASHOK FINSTOCK LTD.	S	119,659	46.6
521178	SRI RAMK.MIL	GRISHMA DHARMESH BUSA	B	20,000	42.7
517224	SUJANA UNIV	TEJDEEP ENG.ENTERPRISES P	S	1,000,000	22.0
514211	SUMEET INDUS	PURSHOTTAM KHANDELWAL	B	205,523	18.9

Source: BSE

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Stock Ratings		Absolute Returns		Stock Ratings		Absolute Returns
Buy	:	> 25%		Market Performer	:	0 - 15%
Out Performer	:	16 - 25%		Under Performer	:	< 0%

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