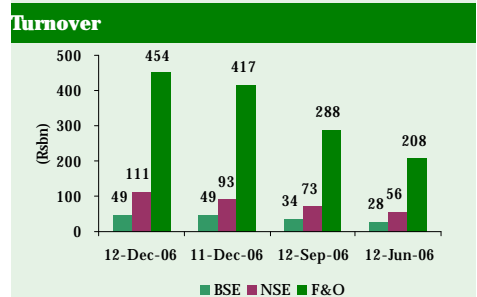




13 December 2006

Indices	% Change			
	12-Dec-06	1mth	3mth	6mth
Sensex	12,995	(2.2)	11.4	37.1
Nifty	3,717	(3.1)	9.6	33.9
CNX Midcap	5,370	(4.0)	21.6	46.5
Banking	6,532	(3.0)	22.4	53.7
Capital Goods	8,755	(0.9)	12.2	38.6
IT	4,990	2.7	18.1	48.8
Healthcare	3,533	(6.2)	0.3	17.8
NASDAQ	2,432	1.8	9.7	16.3
Dow Jones	12,316	1.7	7.1	14.1

Net Inflows				
Rsbm	11-Dec-06	8-Dec-06	MTD	YTD
FII	(2)	0.1	(16.7)	385.4
Mutual Fund	(6)	1	(3.1)	134.5
FII - F&O	(316.8)	(68.1)	(18.5)	27.8



Commodity & Currency	% Change			
	12-Dec-06	1mth	3mth	6mth
Crude (US\$/barrel)	60.9	2.2	(4.4)	(13.4)
Gold (US\$/Oz)	629.2	0.1	7.1	4.1
US\$	44.8	0.8	(3.1)	(2.4)
Euro	59.4	4.0	1.2	2.8

Debt				
%	12-Dec-06	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	5.8
10 yr G-Sec yld	7.6	7.6	7.8	7.8
Spread 1 & 10 yr G-Sec	0.6	0.5	0.9	1.1
US 10 yr treasury	4.5	4.6	4.8	5.0
Surplus liquidity (Rsbm)	71.1	28.2	347.6	492.4

Bank of India Outperformer Target Price Rs195

Rakesh Kumar
rakesh.kumar@karvy.com

Recently, Bank of India (BoI) has taken 76% stake in an Indonesian bank, P T Bank Swadesi Tbk at around Rs.1.12 billion. BoI would make open offer for the rest 24% stake later. BoI has presence in Indonesia for last three decades through representative office. The bank foresees strong growth potential in Indonesia and bilateral business with India. The acquisition is the part of international expansion to cash in on developing opportunities in international trade.

This is the first overseas acquisition by BoI; the bank already has footprint in 12 countries through 24 branches and representative offices. The bank generates considerable chunk of business from international operations.

	1H FY06	FY06	1H FY07
Deposits			
Indian	81.7	82.9	82.8
Foreign	18.3	17.1	17.2
Advances			
Indian	76.7	81.0	79.4
Foreign	23.3	19.0	20.6

Source: Company and KSBL research

The Bank's international operation has been augmenting overall margins and spread. Over the period we witness improvement in spread. The bank has been selective in choosing the area of operation and offering whole gamut of financial products. The bank has been mainly targeting Indian Diaspora across globe.

	1H FY06		FY06		1H FY07	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Yield on Advances (%)	8.31	4.53	8.22	5.15	9.05	6.04
Cost of Deposits (%)	4.32	2.85	4.21	3.25	4.4	4.18
Yield on Funds (%)	7.05	4.54	7.19	5.14	7.53	6.19
Cost of Funds (%)	4.14	3.23	4.08	3.7	4.26	4.56
Spread (%)	2.91	1.31	3.11	1.44	3.27	1.63

Source: Company and KSBL research

Bank of India		(Rs mn)	FY2004	FY2005	FY2006	FY2007E	FY2008E
Bloomberg/Reuters Code	BOI IN/BOI	Total Income	39,934	35,425	40,600	46,159	52,865
Market Cap	Rsbm	81 Profit before provisions	22,419	16,102	19,449	23,047	27,467
Market Cap	US\$m	1,751 NIM (%)	2.83	2.75	2.87	2.84	2.80
52-week range	Rs	212/60 Net Profit	10,083	3,401	7,015	9,767	13,067
Shares in issue	mn	488.14 EPS (Rs)	20.7	7.0	14.4	20.0	26.8
FII limit	%	20 EPS Growth (%)	18.6	-66.3	106.4	39.2	33.8
		P/E (x)	8.0	23.7	11.5	8.2	6.2
		Price/Book Value (x)	2.1	2.0	1.8	1.5	1.3
Major Shareholder (%)		Price/Adjusted Book Value (x)	4.7	3.4	2.1	1.7	1.4
Promoters	69.5	Dividend Yield (%)	1.82	1.21	1.82	2.27	2.73
Banks/FIs/MFs	4.7	Cost-to-income (%)	43.9	54.5	52.1	50.1	48.0
Pvt. Corp. Bodies	0.9	ROA (%)	1.25	0.38	0.68	0.79	0.90
Public	8.7	ROE (%)	28.30	28.04	8.63	16.28	19.67
FIs/NRIs/OCBs	16.3	Tier-1 Capital (%)	7.47	7.05	6.75	6.46	6.37

PT Bank Swadesi Tbk is an Indonesia-based financial institution. The Bank's products and services include funding products, loans, foreign exchange transactions and other related services. The Bank is comprised of seven divisions: the Compliance, Research and Development division, the Personnel and General Affair division, the Information and Technology division, the Operation and Administration division, the Treasury division, the Marketing and Credit division and the International Banking division. Headquartered in Jakarta, Indonesia, the Bank is supported by four branch offices, five sub-branch offices and six cash offices and a mobile cash unit nationwide.

Earnings Per Share (Unit IDR)

Quarters	2004	2005	2006
March	9.04	9.13	7.1
June	19.46	10.44	6.08
September	9.31	9.32	19.75
December	7.8	9.01	
Total	45.61	37.9	32.93

Source: Reuters

The initiative taken by the bank is quite encouraging and would add value to BoI's bottomline in long term. Recent RBI's decision to increase CRR (cash reserve ratio) by 50 basis points would impact the bank's bottomline by Rs.500 million (3.8% of FY08 PAT). We rate the stock as an **OUTPERFORMER** with a target price of Rs195 per share.

BULK DEALS ON NSE - 12 Dec 2006

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
VOLTAMP	VOLTAMP TRANSFORMERS LTD	RELIANCE MUTUAL FUND	BUY	110,000	618
FMGOETZE	FEDERAL-MOGUL GOETZE (IND	ABN AMRO BANK N.V. LONDON BRANC	BUY	300,000	405
ORIENTBANK	ORIENTAL BANK OF COMMERCE	DWS INVESTMENT S.A A/C DB FUND	BUY	1,467,883	238
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	BUY	15,261,410	11
GOLDTECH	GOLDSTONETECHNOLOGIES LT	MATRIBHUMI DEALERS PVT LTD	BUY	500,000	32
GOLDTECH	GOLDSTONETECHNOLOGIES LT	D K JAIN.	BUY	83,956	32
INDOTECH	INDOTECH TRANSFORM LTD.	BLACKSTONE ASIA ADVISORS LLC A	BUY	129,144	240
JUNIORBEES	NIFTY JR BENCHMARK ETF	BALDOTA RAHULKUMAR N	BUY	7,087	71
JUNIORBEES	NIFTY JR BENCHMARK ETF	BALDOTA SHRENIKKUMAR N	BUY	7,087	71
GOLDTECH	GOLDSTONETECHNOLOGIES LT	YUMA FINANCIAL SERVICES PVT LTD	BUY	32,165	31
GOLDTECH	GOLDSTONETECHNOLOGIES LT	BHARAT NIHALCHAND SHAH	BUY	62,000	32
ACE	ACTION CONST EQUIP LTD	FIN BRAINS SECURITIES (INDIA) L	BUY	111,196	331
FMGOETZE	FEDERAL-MOGUL GOETZE (IND	BEAR STEARNS & CO	BUY	225,000	415
NEOCURTHER	NEOCURE THERAPEUTICS LTD	PANKAJBAFNA	BUY	72,000	4
NITCO	NITCO TILES LIMITED	GOVERNMENT OF SINGAPORE E	BUY	143,849	237
FMGOETZE	FEDERAL-MOGUL GOETZE (IND	HDFC MUTUAL FUND	SELL	300,000	405
ORIENTBANK	ORIENTAL BANK OF COMMERCE	MERRILL LYNCH CAPITAL MARKETS E	SELL	1,417,883	238
JUNIORBEES	NIFTY JR BENCHMARK ETF	BENCHMARK ASSET MANAGEMENT COMP	SELL	14,740	70
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	SELL	14,875,436	11
FMGOETZE	FEDERAL-MOGUL GOETZE (IND	SPADE FINANCIAL SERVICE LTD	SELL	225,000	415
IFCI	IFCI LTD	SARAVANA STOCKS PRIVATE LIMITED	SELL	5,000,000	11
GOLDTECH	GOLDSTONETECHNOLOGIES LT	YUMA FINANCIAL SERVICES PVT LTD	SELL	57,164	32
LIQIDBEEES	LIQUID BENCHMARK ETS	BENCHMARK MUTUAL FUND	SELL	18,457	1,000
ACE	ACTION CONST EQUIP LTD	FIN BRAINS SECURITIES (INDIA) L	SELL	111,196	331

Source: NSE

BULK DEALS ON BSE - 12 Dec 2006

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
531897	ACCENTTECH	SUNIL G. RAHEJA	B	30,790	62
531897	ACCENTTECH	SUNIL G. RAHEJA	S	25,324	62
523269	ADVANI HOT R	FASTTRACK IMPEX PVT LTD	B	361,150	149
523269	ADVANI HOT R	MEHAK FINPRO PVT LTD	S	103,781	148
523269	ADVANI HOT R	PERFECT HOMFIN PVT LTD	S	80,000	148
523269	ADVANI HOT R	RS CAPITAL SERVICES PVT L	S	70,000	149
517565	ASHCO INDUST	AYODHYAPATI INVESTMENT PV	S	20,004	37
509475	BOMBAY PAINT	MANSI SHARE AND STOCK BRO	B	12,000	47
526917	CHD DEV LTD	JMP SECURITIES PVT. LTD.	B	437,826	16
526917	CHD DEV LTD	JMP SECURITIES PVT. LTD.	S	574,203	16
530457	CINERAD COMM	RADHA TEXTILES PVT LTD	S	30,034	14
523200	CLASS DIAMI	CHAUHAN FINSTOCK	B	43,541	474
500645	DEEPAK FERT	RELIANCE MUTUAL FUND AC R	B	970,284	75
500645	DEEPAK FERT	CARLSON FUND AC CARLSON F	S	1,000,000	75
521151	DHANLAXM FAB	KAILASH CORPORATION	S	35,000	33
532439	GOLDSTN TELE	VIVEK KUMAR RATAKONDA	B	500,000	14
532439	GOLDSTN TELE	R J L INFRASTRUCTURE PRIV	B	1,384,000	16
531439	GOLDSTONTEC	MATRIBHUMI DEALERS PVT LT	B	61,503	32
531439	GOLDSTONTEC	JMP SECURITIES PVT. LTD.	B	155,300	31
531439	GOLDSTONTEC	CONSOLIDATED SECURITIES L	S	500,000	32
531439	GOLDSTONTEC	JMP SECURITIES PVT. LTD.	S	155,300	31
524184	GULSHA SUG C	KAPIL GOEL	B	35,500	58
512185	IOL BROADBAN	PRISM IMPEX PVT LTD	B	135,000	175
532054	KAMLA DIAL D	RAJESH BHATIA	S	40,327	56
532054	KAMLA DIAL D	GIRDHARI BHATIA	S	77,000	56
515093	MADHAV MAR G	VAIBHAV J SHAH	B	50,000	124
515093	MADHAV MAR G	HIMANSHU J SHAH HUF	B	50,000	125
515093	MADHAV MAR G	HIMANSHU J SHAH	B	60,000	124
515093	MADHAV MAR G	NIKIT INVESTMENT	B	50,000	128
515093	MADHAV MAR G	G SAROJA	S	50,000	127
515093	MADHAV MAR G	JAIN ORNA PVT LTD	S	150,000	125
515093	MADHAV MAR G	NIKIT INVESTMENT	S	50,000	125
515093	MADHAV MAR G	G SAROJA	S	50,000	124
523792	MAZDA LTD	SANDESH PAUL MARTIS	S	19,977	144
507621	MILKFOOD	PARAM CAPITAL RESARCH PVT	B	25,000	308
507621	MILKFOOD	VIVEK MEHROTRA	S	25,000	308
513303	MODERN STEEL	GIRISH B SHAH	B	26,675	74
513303	MODERN STEEL	MANOJ GOEL	B	33,144	68
513303	MODERN STEEL	GIRISH B SHAH	S	26,675	65
513303	MODERN STEEL	MANOJ GOEL	S	56,158	71
531453	MOHIT INDUST	DESHANA FINLEASE SERVICES	B	67,383	62
531453	MOHIT INDUST	SRK PROJECTS PVT. LTD.	B	57,671	62
531453	MOHIT INDUST	SRK PROJECTS PVT. LTD.	S	27,010	63
531453	MOHIT INDUST	AJAY SHAND	S	33,249	62
532541	NIIT TECHNO	BIRLA SUNLIFETRUSTEE CO.	B	956,696	244
530605	NOVA PETRO	MIT GOPALBHAI SHAH	S	199,773	16
519097	RITES INTERN	VATICAN COMMERCIAL LTD.	S	49,500	12
526640	ROYALE MHI	AMRABATHI INVESTRA PVT LT	B	247,911	87
526640	ROYALE MHI	JHAVERI TRADING AND INVES	B	200,000	87
524336	SH HARI CHE	SHARON HEMANT GUPTA	B	25,000	16
524336	SH HARI CHE	BCB FINANCE P LTD	S	23,392	16
532323	SHIVA CEMENT	WALL STREET CAPITAL MARKE	B	347,446	7
532323	SHIVA CEMENT	PARAM CAPITAL RESEARCH PV	B	500,000	6
532323	SHIVA CEMENT	DELHI IRON AND STEEL CO P	S	800,000	7
532323	SHIVA CEMENT	AMRIT STEEL P LTD	S	700,000	6
526365	SHYAM STAR	PARASKUMAR N SHAH	S	31,425	14
531645	SOUTHERN ISP	YOGESH SAKHARAM	S	32,497	11
530017	STANDARD IND	KMUK AC ICGQ LTD	B	727,126	64
526133	SUPERTEX IND	SUPER INFINCON PVT LTD.	S	450,000	1
531675	TRICOM INDIA	ITF MAURITIUS DR	S	109,330	116
526953	VENUS REMEDS	YASH SHARES AND STOCK PV	B	60,000	370
632401	VIJAYA BANK	CITIGROUP GLOBAL MARKETS	B	2,500,000	50
632401	VIJAYA BANK	GOLDMAN SACHS INVESTMENTS	S	2,500,000	50
519373	VIMAL OIL FO	PILOT CONSULTANTS LTD	B	25,416	56
519373	VIMAL OIL FO	JMP SECURITIES PVT. LTD.	B	50,492	56
519373	VIMAL OIL FO	JMP SECURITIES PVT. LTD.	S	50,492	55
509055	VISAKA IND L	FINDEAL INVESTMENTS PRIVA	S	65,617	134
532757	VOLTAMPTRAN	RELIANCE MUTUAL FUND	B	55,000	619
524212	WANBURY LTD	RHODES DIVERSIFIED	B	70,000	132
524212	WANBURY LTD	PRISM IMPEX PVT LTD	S	100,000	132
517498	WEBEL SLENE	ABN AMRO BANK NV LONDON	S	60,369	359

Source: BSE

Research Desk (Tel: 91-22-22895000)

Hemindra Hazari

Head of Research

hemindra.hazari@karvy.com

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

Disclaimer

The information and views presented in this report are prepared by Karvy Stock Broking Limited. The information contained herein is based on our analysis and up on sources that we consider reliable. We, however, do not vouch for the accuracy or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred based upon it.

The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither Karvy nor any person connected with any associated companies of Karvy accepts any liability arising from the use of this information and views mentioned in this document.

The author, directors and other employees of Karvy and its affiliates may hold long or short positions in the above-mentioned companies from time to time. Every employee of Karvy and its associated companies are required to disclose their individual stock holdings and details of trades, if any, that they undertake. The team rendering corporate analysis and investment recommendations are restricted in purchasing/selling of shares or other securities till such a time this recommendation has either been displayed or has been forwarded to clients of Karvy. All employees are further restricted to place orders only through Karvy Stock Broking Ltd.

Karvy Stock Broking Limited

Regd Off : 46, Road No 4, Street No 1, Banjara Hills, Hyderabad – 500 034. Tel: 040-23351988, 23354283.
