

House View:

IDBI Bank Ltd.

About the Company: A Development Financial Institution (DFI) transformed into a full-service commercial bank and named as Industrial Development Bank of India Ltd (IDBI). Later in 2005, IDBI Ltd. merged its banking subsidiary 'IDBI Bank' with itself, IDBI is now a universal bank. Bank has been on the path of growth by adopting a strategy of developing a larger client base in the mid-corporate, SME and retail sectors, while nurturing the deep relationships that already exist in the large corporate sector. The employee productivity of state-run IDBI Bank is the highest among all domestic banks in the country in 2008-09, according to a RBI report. In terms of profit per employee also (total profit of the bank divided by the number of employees), IDBI has done well. Recently the bank has entered into an MoU with Chevrolet Sales India Pvt Ltd (CSIPL) for providing auto finance to prospective customers of the latter. The tie-up will benefit both -- IDBI Bank in further strengthening its position in the retail loan space and CSIPL in leveraging the retail financing strength and reach of the bank. On the path of expansion, the bank along with Union Bank is planning to venture into asset management space and have approached the market regulator Sebi for approval. In the coming year, the emphasis on growth in retail business would continue, without compromising your Bank's pre-eminent position in the corporate banking business

Technicals: The counter has been a slow and steady performer and has been witnessing a continuous upside momentum since last couple of months. Counter bottomed out in March 2009 at the level of 40-45 and since then it started to retrace back to its IPO level of 130. Volumes have also seen a considerable rise since March 2009. Recently it has given a breakout of a trading range of 94-115 and is currently trading at 124. Now the next small resistance for the counter is placed at 134-135 level, a breakout above this level will give a boost to the counter for the further upside. As per other technical indicators it is trading well above the crossover of 9 & 18 days WMA and 50 days SMA. This indicates the counter is bullish in medium to long term. 14 Days RSI is trading at 73 level, with upward bias. But according to this the counter is already in over bought zone; therefore we may see some correction in prices in the near term. Overall the trend remains positive for the counter. So any dip in price levels from here will be taken as an opportunity to make fresh long position. It is taking strong support at 105 level. Next target is placed at 160

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	June'09	June'08
Total Income	421891	273912
Total Expenditure	346726	253748
Net Profit	17183	15976
Face Value	Rs 10	Rs 10
Basic EPS	2.37	2.20
Market cap as on Date	Rs 9045.27 cr	



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