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Investor conferences grab brokerages' fancy

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While the country's stock markets are scaling new highs, signs emanating from investor conferences this year are positive.

Indications from the first round of conferences for the current calendar of JM-Morgan Stanley, Edelweiss Securities, DSP-Merrill Lynch and Motilal Oswal Securities, held over the past couple of weeks, show that infrastructure will continue to see good times and select mid-caps still hold potential. But there are concerns over slower credit growth and an expected fall in real estate prices.

"Most of the speakers appeared optimistic of a strong and sustained growth in India, led by rising consumerism and demand for better infrastructure," said an analyst with DSP-Merrill Lynch, which held its investor conference during February 5-9, which was attended by 60 corporates.

"Most banks expect rising interest rates to moderate loan growth to 25 per cent levels (ver-

sus 35 per cent seen so far). They expect to maintain margins by passing on cost increases. This will be positive for banks but negative for auto," the analyst wrote in a note to clients.

"We will have 45-50 companies participating in our investor conference. Conferences of this sort will help investors take better investment decisions, based on their one-to-one interaction with management of companies," said S Mukherjee, managing director and CEO of ICI Securities, which is kicking off its first investor meeting of this calendar year in Singapore on March 5-6. Some participants include large caps ONGC, Infosys and L&T, besides companies from the emerging sectors such as retail, aviation and insurance.

Edelweiss Securities, which held its conference in Mumbai recently, was focusing on the banking, financial services and insurance sectors. Most participants appeared bullish, despite the rate hikes.

"Discussions at this event reaffirm our belief that the buoyant growth in the Indian econ-

omy in the next three-four years will provide strong tailwinds for banks, insurance and other financial services companies. The financial services space will be one of the biggest beneficiaries of the current economic expansion. Bank managements are confident of continued credit growth emanating from strong underlying demand," said Vishal Goyal and Kunal Shah, analysts at Edelweiss Securities.

Participants for the Edelweiss conference were Centurion Bank, Punjab National Bank, Oriental Bank of Commerce, Yes Bank, HDFC, LIC Housing, Allahabad Bank, Indian Overseas Bank, Union Bank, UTI Bank, Federal Bank, Shriram Transport, M&M Financial, IDBI and Canara Bank. Motilal Oswal Securities, which held its investor conference early this month, invited high-potential mid-cap companies. "We are advising clients for a bottom-up approach in selecting companies for investments. Investor conferences and meetings will help our institutional clients have a one-on-one meetings with managements," an official said.