



**Action:**  
**BUY**

**CMP: ₹35.58**

**TGT1/TGT2:**  
**₹40.32/₹44.55**

**Stop Loss:**  
**₹33.81**

**Time frame: 7-8  
WEEKS**

Indian Overseas Bank is a prominent public sector bank in India, established to facilitate foreign exchange and overseas banking operations. It serves a diverse clientele through a comprehensive range of retail, corporate, and social banking services. The bank maintains a significant domestic footprint alongside a strategic international presence in key financial hubs, including Singapore, Hong Kong, Thailand, and Sri Lanka. As a state-controlled entity, it plays a critical role in national financial inclusion initiatives and core sector lending.

**Growth:** Target 14% to 16% overall business growth, driven primarily by the Retail, Agriculture, and MSME segments. **Profitability:** Maintain a baseline Return on Assets above 1.20% and stable Net Interest Margins between 3.30% and 3.35%. **Recoveries & Provisions:** Achieve around Rs 3,600 crores in annual recoveries and front-load the remaining Expected Credit Loss provisions by April 2027 (the bank has already provisioned Rs 1,750 crores out of the estimated Rs 3,000 crore requirement). **Lending & Treasury:** Leverage the new ECLGS 5.0 scheme for Rs 8,000 to Rs 10,000 crores in additional lending, which will help offset muted treasury gains expected over the next two quarters. **Fundraising:** Launch a Qualified Institutional Placement this year to comply with SEBI's 75% minimum public shareholding norm.

Company 5-year revenue increase from ₹16,966Cr(FY21) to ₹31,896Cr(FY26) at 13.46% CAGR. Company YOY revenue increase from ₹28,131 Cr(FY25) to ₹31,896Cr(FY26) at 13.38%. The Company financing margin has been positive at 4% for(FY26). Company Net Profit has increased from ₹3,335Cr(FY25) to ₹5,208Cr(FY26) at 56.16%.

### Key Data

Nifty 50	24085.75
Sector	Public Sector Bank
52 Week H/L(Rs)	41.73/31.18
Market Cap (Rs Cr)	68495.69
Face Value (Rs)	10.00
<b>Daily Oscillator Direction</b>	
20 DEMA	+ve
50 DEMA	-ve
100 DEMA	-ve
200 DEMA	-ve



### TECHNICAL RATIONALE

- The chart is showing a bullish breakout from a long-term downward trendline.
- On sustaining above the breakout zone, next resistance levels are at 40.32-44.55.
- Key support level identified at 33.81.
- RSI is around 53, reflecting firm momentum with room before overbought territory, supporting further upside without signalling exhaustion.
- We recommend to buy at current market price ₹35.58 with short-term targets of ₹ 40.32,-₹ 44.55, and keep a stop-loss at ₹33.81.

## TECHNICAL GLOSSARY:

- **Symmetrical Triangle Breakout:** A chart pattern where the price consolidates within converging trendlines, forming lower highs and higher lows. A breakout above the upper trendline signals bullish momentum, while a breakdown below the lower trendline indicates bearish movement. Volume expansion during the breakout strengthens confirmation.
- **Channel/trendline Breakout:** A technical event where the price moves above the resistance or below the support line of a price channel/trendline, signaling a potential trend continuation or reversal.
- **Retest:** The price action where the stock revisits a previously broken resistance (now acting as support) to confirm the breakout's validity.
- **MACD (Moving Average Convergence Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of the stock price. Used to identify bullish or bearish signals.
- **Positive Crossover (MACD):** Occurs when the MACD line crosses above the signal line, often interpreted as a buy signal or bullish momentum.
- **RSI (Relative Strength Index):** A momentum oscillator that measures the magnitude of recent price changes to evaluate whether a stock is overbought (above 70) or oversold (below 30).
- **DEMA (Daily Exponential Moving Average):** A type of moving average that places a higher weight on recent prices, making it more responsive to recent price changes compared to a simple moving average (SMA). It is widely used in technical analysis to identify trends, support/resistance levels, and momentum.
- **A higher high occurs** when the price reaches a new peak above the previous high, indicating strong buying pressure and an ongoing uptrend in the market.
- **A higher low forms** when the price pulls back but remains above the previous low, signaling sustained buying interest and confirming the continuation of an uptrend.
- **The signal line in technical analysis** is a smoothed moving average of an indicator, such as the MACD, used to generate buy or sell signals by identifying crossovers, confirming trends, and enhancing decision-making for traders and investors.



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