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Rising dollar good news for mid-sized IT firms

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WE are bullish on mid-cap IT stocks. The mid-cap segment has been securing new deals, which may give a boost to their top line growth.

It is difficult to say whether mid-cap IT stocks will outperform the bog boys of the IT industry in the near future. However, we strongly believe the whole IT counter may outperform the

broader market.

The only thing that may hurt market sentiment is the fluctuation in the dollar exchange rate.

Mid-cap IT companies may benefit more than the large-cap IT companies if the dollar appreciates from the present levels or vice-versa.

The mid-cap IT counter had a dream run this year, and going forward, we believe their top line growth will improve and serve as a key driver of these stocks.