

# Contenders outperform amid macro uncertainty



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## Contenders beat the markets

The India Contenders (-13.7%) struggled last month as equity markets retraced amid European crisis and weakening rupee, but still managed to outperform the MSCI India index (-16.0%) by +2.3% and the India Defenders (-23.8%) by +10.0%.

## Implied Sector Allocation favours Discretionary

Our Implied Sector Allocation model is most overweight Consumer Discretionary and Health Care, and most underweight Financials, Materials and Industrials. Last month, the model increased the overweight in Health Care at the expense of Financials. This sector tilts matches with our [new Asia Pac Country-Sector allocation](#) recommendations.

## New India Contenders: Hero Motorcorp, Raymond

The new India Contenders are Hero Motorcorp, and Raymond. The longest standing Contender is Bajaj Auto (16 months). The other India Contenders are Dish TV India, HDFC Bank, LIC Housing Finance, Petronet LNG, Satyam Computer, Tata Consultancy Services, and Titan Industries.

## New India Defenders: JSW Steel, Sesa Goa

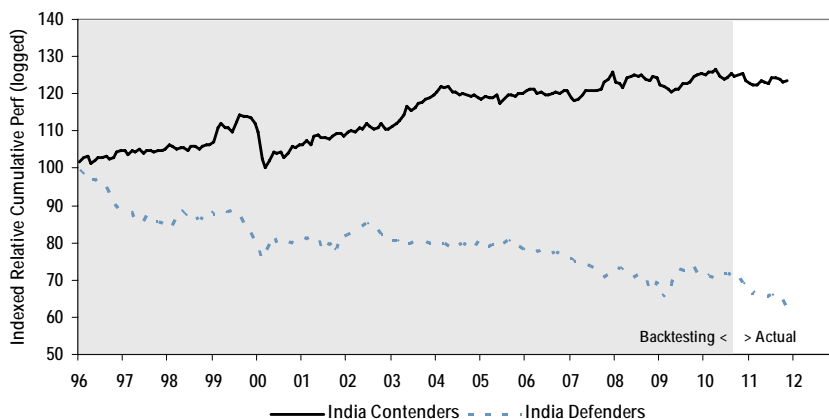
The new India Defenders are JSW Steel, and Sesa Goa. The longest standing Defender is Steel Authority of India (15 months). The other India Defenders are Crompton Greaves, Hindalco Industries, Housing Development & Infrastructure, Reliance Communications, Sterlite Industries (India), Tata Motors, and Unitech.

## Contenders & Defenders Definitions

The India Contenders is a screen of stocks with rising earnings expectations and price momentum.

The India Defenders is a screen of stocks with falling earnings momentum and price momentum.

Chart 1: Relative Cumulative Performance Ending 30-Nov-11: Contenders & Defenders



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. The shaded area shows backtesting results during the period from Jan-96 to Aug-10. The unshaded portion represents actual performance since Sep-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

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Refer to important disclosures on page 46 to 48. Link to Definitions on page 45.

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## India Contenders

The India Contenders are ten stocks with above-average earnings momentum and above-average price momentum.

Relegated India Contenders this month:

Coal India  
Hindustan Petroleum

| Company Name              | Sector            | BofA-ML Fundamental Opinion | Page    |
|---------------------------|-------------------|-----------------------------|---------|
| Bajaj Auto                | Auto/Dur/Services | Underperform                | (Pg 19) |
| Dish TV India             | Media             | Buy                         | (Pg 21) |
| HDFC Bank                 | Banks             | Buy                         | (Pg 23) |
| Hero Motorcorp*           | Auto/Dur/Services | Buy                         | (Pg 23) |
| LIC Housing Finance       | Banks             | Buy                         | (Pg 28) |
| Petronet LNG              | Energy            | Underperform                | (Pg 30) |
| Raymond*                  | Auto/Dur/Services | -                           | (Pg 31) |
| Satyam Computer           | Software          | Underperform                | (Pg 33) |
| Tata Consultancy Services | Software          | Buy                         | (Pg 35) |
| Titan Industries          | Auto/Dur/Services | -                           | (Pg 36) |

\* New Contenders this month

## India Defenders

The India Defenders are ten stocks with below-average earnings momentum and below-average price momentum.

Relegated India Defenders this month:

Lanco Infratech  
Mphasis

| Company Name                         | Sector            | BofA-ML Fundamental Opinion | Page    |
|--------------------------------------|-------------------|-----------------------------|---------|
| Crompton Greaves                     | Industrials       | -                           | (Pg 21) |
| Hindalco Industries                  | Materials         | Neutral                     | (Pg 24) |
| Housing Development & Infrastructure | Div Financials    | Underperform                | (Pg 24) |
| JSW Steel*                           | Materials         | Underperform                | (Pg 27) |
| Reliance Communications              | Telecom           | Underperform                | (Pg 31) |
| Sesa Goa*                            | Materials         | Underperform                | (Pg 33) |
| Steel Authority of India             | Materials         | Underperform                | (Pg 34) |
| Sterlite Industries (India)          | Materials         | Buy                         | (Pg 34) |
| Tata Motors                          | Auto/Dur/Services | Buy                         | (Pg 36) |
| Unitech                              | Div Financials    | Neutral                     | (Pg 37) |

\* New Defenders this month

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## Overview

We have drawn upon our analysis of earnings momentum and price momentum investment strategies in India to create the India Contenders which we expect to outperform the MSCI India Index and the India Defenders, which we expect to underperform the Index. We introduced the India Contenders and Defenders in September 2010.

India stocks with rising earnings expectations have tended to outperform, on average

Stocks with both earnings momentum and price momentum outperformed stocks with just one of those characteristics, on average.

In India, stocks with rising earnings forecasts have tended to subsequently outperform, according to our analysis.

Not all companies with rising earnings estimates outperform, so the challenge is to differentiate between stocks with rising earnings forecasts that will outperform, and stocks with rising earnings expectations that will underperform. By definition, stocks are being de-rated if earnings expectations are rising but the price is falling. That is, the “E” in the PE ratio is going up while the “P” is going down.

To identify stocks with rising earnings expectations that are not being de-rated, we consider stocks that have both above-average earnings momentum and above-average price momentum. Our analysis indicated that stocks with above-average earnings momentum tended to outperform, stocks with above-average price momentum tended to outperform, but stocks with both characteristics tended to perform even better.

The India Contenders are the ten stocks with strong earnings momentum and price momentum that meet the minimum market cap, turnover and coverage requirements of our model (as discussed in the Methodology section). The India Defenders are the ten stocks with falling earnings and falling price momentum with the same market cap, turnover and coverage constraints as the India Contenders.

We intend to publish the India Contenders and Defenders on a monthly basis.

The India Contenders and Defenders screens are not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

**Girish Nair**  
**1 December 2011**

Note: Share prices in this report are as at 30 November 2011 unless otherwise stated.

## Screen Methodology

The universe of large and liquid stocks included in this analysis is selected from the constituents of the MSCI India index that meet our market cap, turnover and coverage requirements (see below). The universe is recalculated every 6 months in line with the six-month rebalancing of the MSCI India Index.

For a stock to be included in the analysis it must be in the largest 85% of stocks from the MSCI India Index by market capitalisation, the largest 65% by average daily turnover in the last 6 months, and it must have a consensus earnings estimate. The universe of stocks in the model for the latest analysis period included 89% of MSCI India Index by free market capitalisation.

The India Contenders and Defenders are determined at the end of each month using month-end data from MSCI, IBES and Ex-share databases. Stocks in the firm's restricted list at the time of the month-end analysis are excluded from the analysis.

Our monthly analysis produces rankings for each eligible security for earnings momentum and price momentum.

An Earnings Revision Rank from 1 (worst) to 100 (best), a percentile rank, is calculated for each stock based on the 3-month change in a rolling forward consensus EPS estimate.

A Price Momentum Rank from 1 (worst) to 100 (best) is also calculated based on the slope of a log-linear regression of daily prices in last 9m.

The Contenders Rank is the average of the Price Momentum Rank and the Earnings Revision Rank.

At inception in September 2010, the India Contenders were the ten stocks with the highest Contenders Rank. In each subsequent month, a stock will drop out of the India Contenders only when either the Earnings Revision Rank falls below average (rank of 50) or the Price Momentum Rank falls below average (rank of 50). When a stock falls out of the Contenders it is replaced by the stock with the highest Contenders Rank that is not already a Contender.

At inception, the India Defenders were the ten stocks with the lowest Contenders Rank. In each subsequent month, a stock will drop out of the India Defenders only when either the Earnings Revision Rank moves above average (rank of 50) or the Price Momentum Rank moves above average (rank of 50). When a stock falls out of the Defenders it is replaced by the stock with the lowest Contenders Rank that is not already a Defender.

The average monthly turnover rate was 22% for the India Contenders and 20% for the India Defenders based on the testing from Jan 1996 to August 2010. In other words, the testing indicates roughly two stocks in the Contenders and two stocks in the Defenders would be expected to change each month, on average.

We publish a report with the new Contenders & Defenders each month.

The India Contenders are stocks that have both high earnings momentum and high price momentum.

The India Defenders are the stocks that have both below-average earnings momentum and below-average price momentum.

## Performance Calculation Methodology

For the Contenders and Defenders, rebalancing and performance calculations are conducted each month-end using data and closing prices corresponding to the market's close on the last business day of each month. The performance of each index is computed on the basis of price return. The performance is presented relative to the market capitalization-weighted MSCI India Index.

The performance results do not reflect transaction costs, tax withholdings or any investment advisory fees. The total return performance calculation assumes that dividends paid on securities in a portfolio are deposited in a cash account on the ex-dividend date, and are not reinvested. The quantitative factors followed here may differ from the MSCI India Index in that they are significantly less diversified, and, as such, the performance is more exposed to specific stock or sector results. Therefore investors following these factors may experience greater volatility in their returns.

The performance results of individuals following the factors presented here will differ from the performance contained in this report for a variety of reasons, including differences related to incurring transaction costs and/or investment advisory fees, as well as differences in the time and price that securities were acquired and disposed of, and differences in the weighting of such securities. The performance results of individuals following these factors will also differ based on differences in treatment of dividends received, including the amount received and whether and when such dividends were reinvested.

This report includes factors for informational or descriptive purposes, and inclusion here is not equivalent to a recommendation of the factor or portfolio.

### Past performance is no guarantee of future results.

A complete performance record is available upon request.

**Table 1: India Contenders & Defenders Performance Ending 30-November-11**

|                  | Last Month | Last 3-Months | Last 6-Months | Last 12-Months | Year-To-Date | Since Inception Sep-10 |
|------------------|------------|---------------|---------------|----------------|--------------|------------------------|
| India Contenders | -13.7%     | -17.1%        | -25.3%        | -34.3%         | -33.5%       | -36.2%                 |
| India Defenders  | -23.8%     | -23.4%        | -37.8%        | -48.0%         | -50.6%       | -54.7%                 |
| MSCI India       | -16.0%     | -14.9%        | -26.4%        | -29.0%         | -34.0%       | -32.7%                 |

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

No transaction costs are included in the return figures. The performance figures are updated on a monthly basis.

Past performance is no guarantee of future results. A complete performance record is available on request.

**Table 2: India Contenders and Defenders Advance Decline Ending 30-November-11**

|                        | India Contenders |         | India Defenders |         |
|------------------------|------------------|---------|-----------------|---------|
|                        | Advance          | Decline | Advance         | Decline |
| Last Month             | 1                | 9       | 0               | 10      |
| Last 3-Months          | 4                | 8       | 4               | 9       |
| Last 6-Months          | 4                | 11      | 5               | 12      |
| Last 12-Months         | 6                | 16      | 4               | 19      |
| Year-To-Date           | 6                | 16      | 2               | 20      |
| Since Inception Sep-10 | 9                | 18      | 7               | 22      |

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

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**Table 3: India Contenders & Defenders Monthly Performance Last 12 months**

|                  | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| India Contenders | -1.2%  | -15.0% | -4.7%  | 11.6%  | 3.6%   | -4.9%  | -0.3%  | 3.7%   | -12.9% | -7.4%  | 3.8%   | -13.7% |
| India Defenders  | 5.2%   | -17.5% | -8.4%  | 16.5%  | -4.5%  | -5.5%  | -0.7%  | -0.4%  | -17.9% | -7.5%  | 8.7%   | -23.8% |
| MSCI India       | 7.6%   | -13.1% | -1.8%  | 11.1%  | -1.1%  | -4.4%  | 1.4%   | -2.5%  | -12.5% | -6.6%  | 8.5%   | -16.0% |

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES, Exshare

**Table 4: Contenders & Defenders Monthly Performance Advance Decline Last 12 months**

|        | India Contenders |         | India Defenders |         |
|--------|------------------|---------|-----------------|---------|
|        | Advance          | Decline | Advance         | Decline |
| Nov-11 | 1                | 9       | 0               | 10      |
| Oct-11 | 7                | 3       | 9               | 1       |
| Sep-11 | 0                | 10      | 2               | 8       |
| Aug-11 | 1                | 9       | 0               | 10      |
| Jul-11 | 4                | 6       | 3               | 7       |
| Jun-11 | 4                | 6       | 3               | 7       |
| May-11 | 9                | 1       | 2               | 8       |
| Apr-11 | 5                | 5       | 7               | 3       |
| Mar-11 | 3                | 7       | 1               | 9       |
| Feb-11 | 4                | 6       | 2               | 8       |
| Jan-11 | 2                | 8       | 5               | 5       |
| Dec-10 | 5                | 5       | 0               | 10      |

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES, Exshare

## Quadrant Analysis

The Quadrant analysis is based on the Ranks described in the Methodology section.

Chart 2: Combination of Earnings Momentum and Price Momentum Characteristics

Not all stocks with rising earnings expectations outperform. Our backtesting showed that stocks with rising earnings expectations, and for which the market is prepared to pay for those rising earnings expectations, tended to subsequently be the best performers (chart 2)

|  |  |  |
|--|--|--|
| Pos. EPS Mom >>><br><br><<< Neg. EPS Mom | De-rated<br>(Earnings rising and price falling)                            | Expected to Outperform<br>(Rising earnings estimates are being reflected in the price) |
|  | Expected to Underperform<br>(Falling earnings estimates and falling price) | Re-rated<br>(Price rising but EPS falling)   |
|  | <<< Negative Price Momentum  | Positive Price Momentum >>>  |

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy

Jan 1996 – Aug 2010

Our backtesting showed that stocks in the top-right quadrant had a 75% chance of being there again in the subsequent month, a 6% chance of moving to the top-left quadrant, 12% chance of moving to the bottom-right quadrant, and a 2% chance of moving to the bottom-left quadrant

Table 5: Probability of a Stock Moving Quadrants\*

|   |     |     |     |    |   |    |     |     |     |
|---|-----|-----|-----|----|---|----|-----|-----|-----|
| <p>Top-Left Quadrant</p> <table border="1"> <tr> <td>59%</td> <td>10%</td> </tr> <tr> <td>22%</td> <td>2%</td> </tr> </table>   | 59% | 10% | 22% | 2% | <p>Top-Right Quadrant</p> <table border="1"> <tr> <td>6%</td> <td>75%</td> </tr> <tr> <td>2%</td> <td>12%</td> </tr> </table>     | 6% | 75% | 2%  | 12% |
| 59%   | 10% |     |     |    |   |    |     |     |     |
| 22%   | 2%  |     |     |    |   |    |     |     |     |
| 6%  | 75% |     |     |    |   |    |     |     |     |
| 2%  | 12% |     |     |    |   |    |     |     |     |
| <p>Bottom-Left Quadrant</p> <table border="1"> <tr> <td>11%</td> <td>2%</td> </tr> <tr> <td>76%</td> <td>5%</td> </tr> </table> | 11% | 2%  | 76% | 5% | <p>Bottom-Right Quadrant</p> <table border="1"> <tr> <td>2%</td> <td>23%</td> </tr> <tr> <td>10%</td> <td>58%</td> </tr> </table> | 2% | 23% | 10% | 58% |
| 11%   | 2%  |     |     |    |   |    |     |     |     |
| 76%   | 5%  |     |     |    |   |    |     |     |     |
| 2%  | 23% |     |     |    |   |    |     |     |     |
| 10%   | 58% |     |     |    |   |    |     |     |     |

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy  
\* Backtesting results

Jan 1996 – Aug 2010

The above chart shows our calculations of the probability a stock will remain in the same quadrant, or move quadrants, in the subsequent month.

There appears to be significant quadrant persistence, especially for the top-right and bottom-left quadrants. In other words, stocks in the top-right and bottom-left quadrants have a high probability of remaining in those quadrants in the following month.

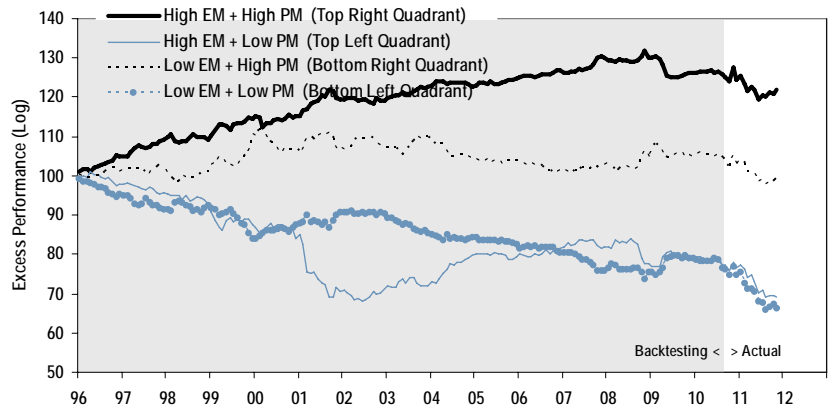


Stocks in the top-right quadrant with rising earnings forecasts and positive price momentum have tended to subsequently be the best performers. For these stocks, the fundamentals are improving and the PE is not being de-rated.

Stocks in the bottom-left quadrant have tended to be the worst performers since falling earnings expectations are being reflected in the stock's share price.

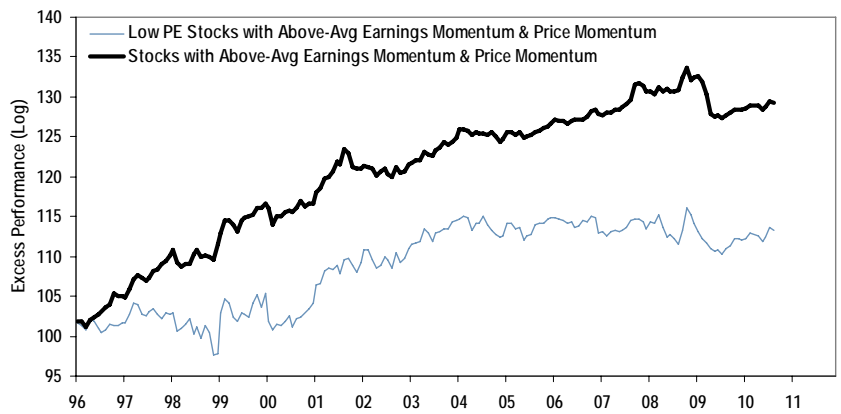
Backtesting showed that Low PE with above-average earnings momentum and above-average price momentum do not add alpha over time and underperformed the stocks selected with just the two characteristics.

**Chart 3: Earnings Momentum and Price Momentum Quadrant Performance**



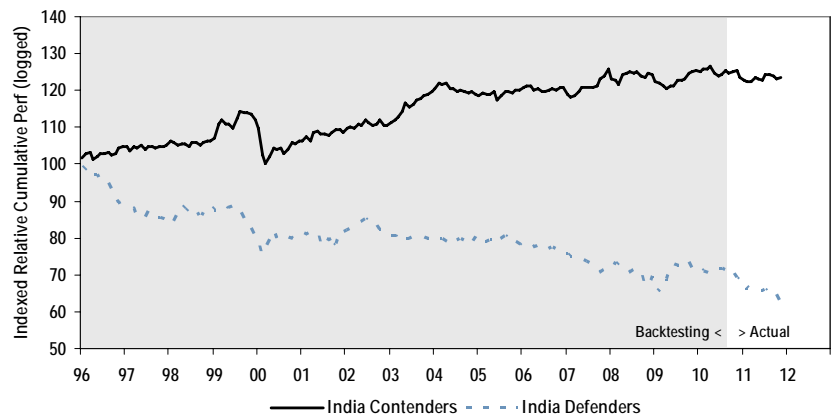
Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. The shaded area shows backtesting results during the period from Jan-96 to Aug-10. The unshaded portion represent actual performance since Sep-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

**Chart 4: Back-testing of Low PE Stocks in Top-Right Quadrant**



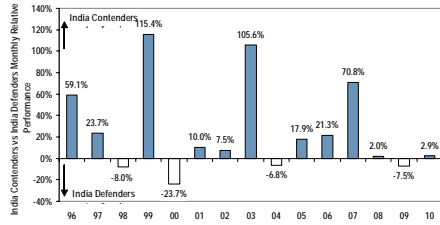
Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. Backtesting during the period from Jan-96 to Aug-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

**Chart 5: Relative Cumulative Performance Ending 30-Nov-11: Contenders & Defenders**



Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. The shaded area shows backtesting results during the period from Jan-96 to Aug-10. The unshaded portion represent actual performance since Sep-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

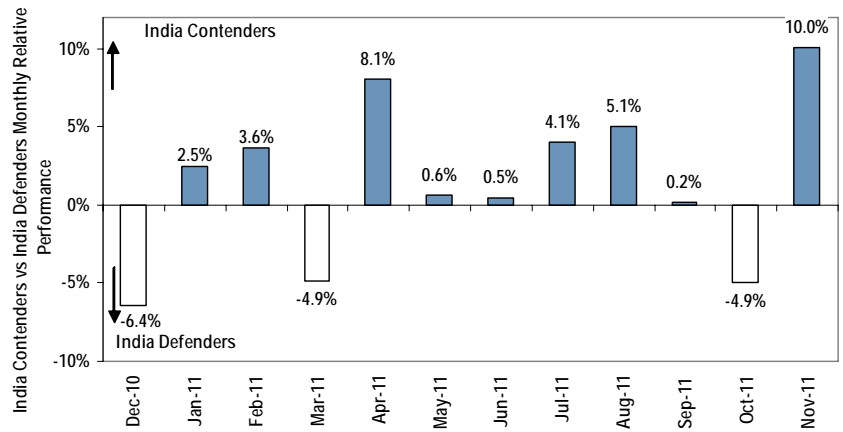
**Chart 7: Back-testing Calendar Year Performance for India Contenders & Defenders**



Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES  
Backtesting for the period from Jan-96 to Aug-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

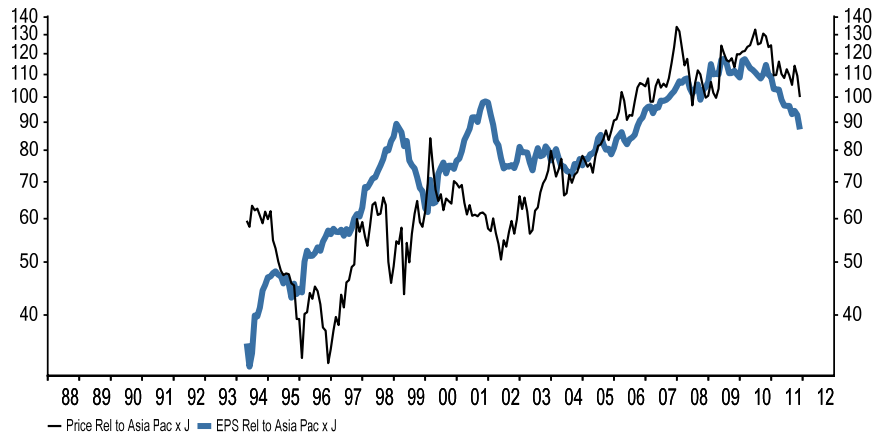
Earnings and Price momentum for India has trended down in recent months and India is trading at a premium to its counterparts in Asia Pac ex Japan region.

**Chart 6: Last 12m: Monthly Performance of India Contenders and Defenders**



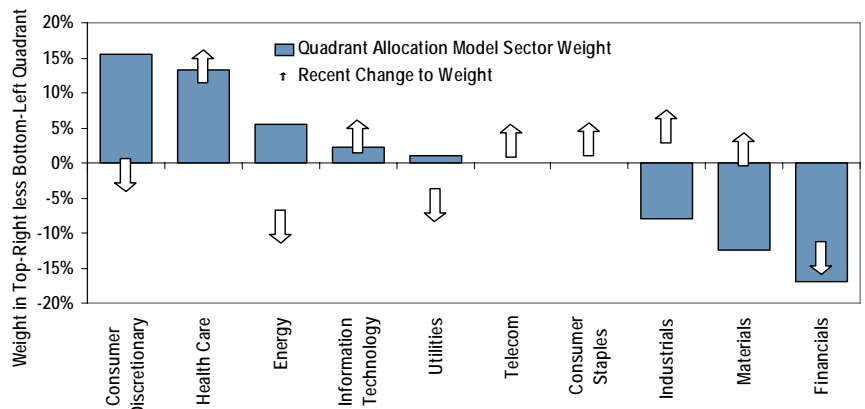
Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 8: Momentum & Value chart of India vs Asia Pac ex Japan**



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 9: Quadrant Analysis – Implied Sector Allocation**

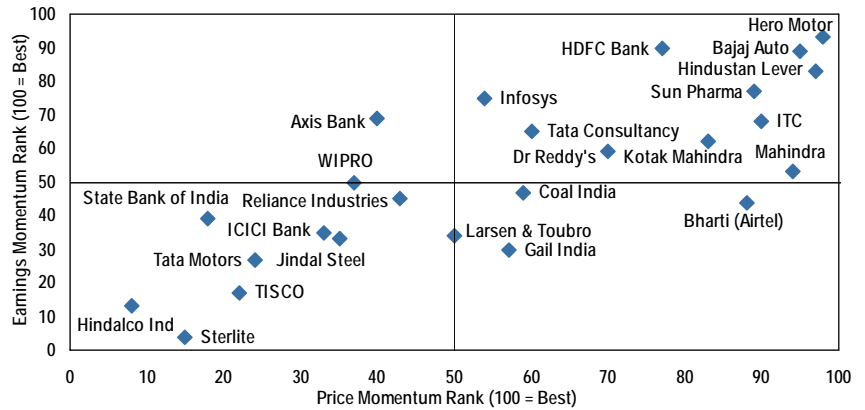


Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

The current earnings momentum and price momentum characteristics of the largest 25 stocks by free market cap in the India universe are combined in this quadrant analysis.

We expect stocks in the top-right quadrant to outperform, while stocks in the bottom-left quadrant we expect to underperform.

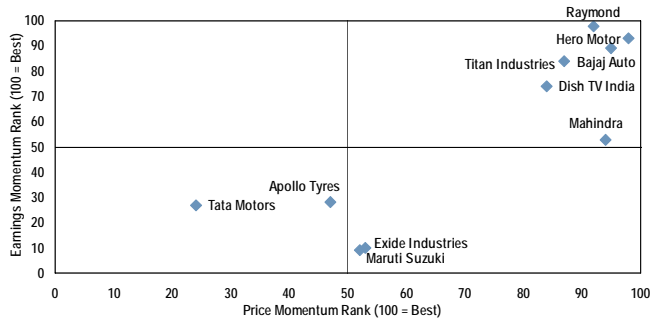
Chart 10: Quadrant Analysis of Largest 25 Indian Stocks



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

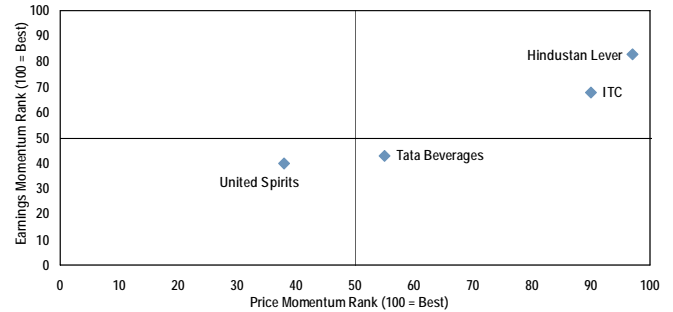
## Quadrant Analysis by Sector

Chart 11: Quadrant Analysis of Consumer Discretionary



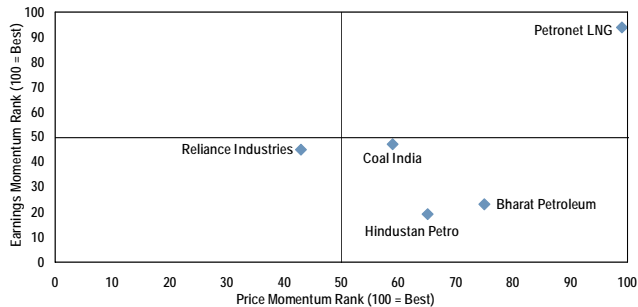
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 12: Quadrant Analysis of Consumer Staples



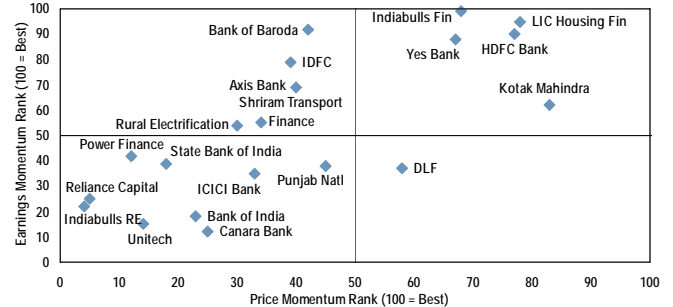
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 13: Quadrant Analysis of Energy



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

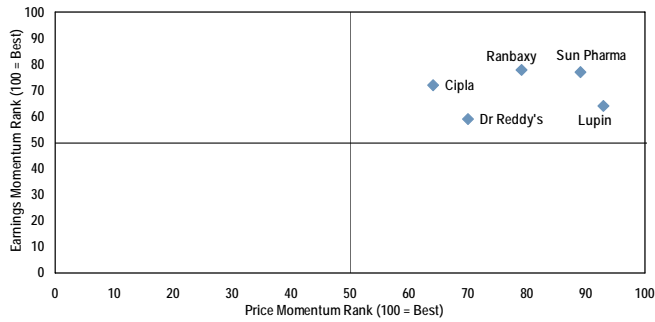
Chart 14: Quadrant Analysis of Financials



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

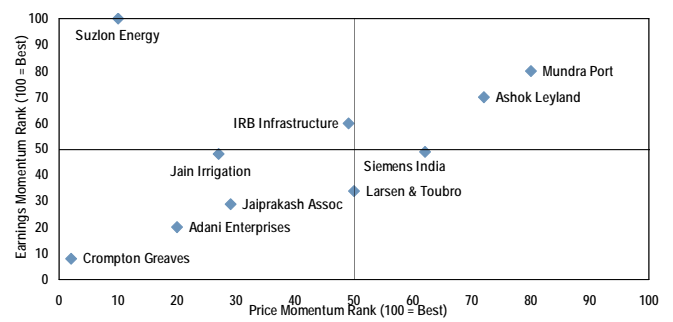
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**Chart 15: Quadrant Analysis of Health Care**



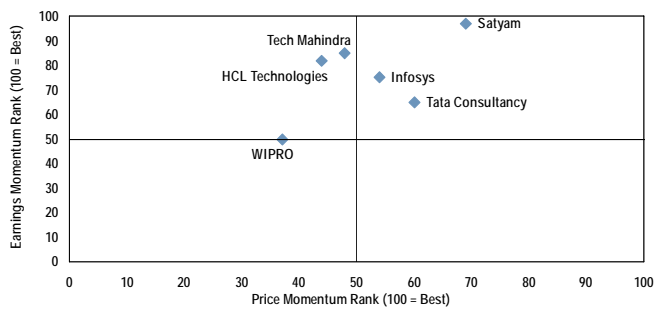
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 16: Quadrant Analysis of Industrials**



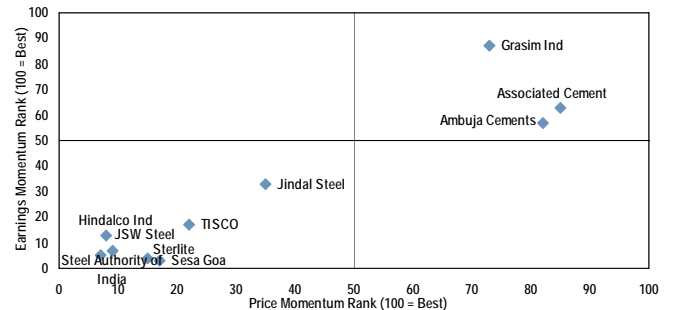
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 17: Quadrant Analysis of Information Technology**



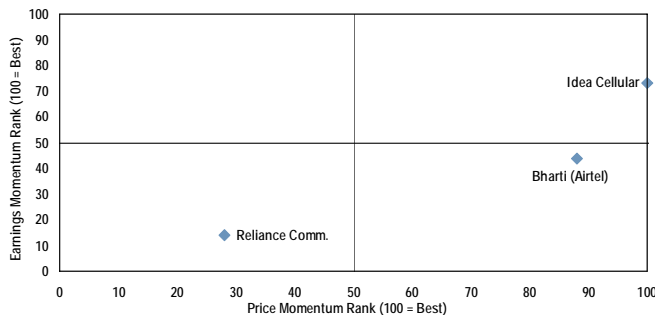
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 18: Quadrant Analysis of Materials**



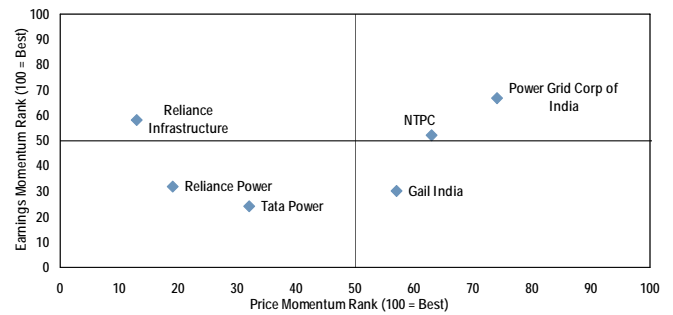
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 19: Quadrant Analysis of Telecom**



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

**Chart 20: Quadrant Analysis of Utilities**



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

## India Contenders Rank

The Contenders Rank is the average of the EPS Revision Rank and the Price Momentum Rank for each stock.

The BofA Merrill Lynch Fundamental analysts' stock and ADR recommendations are included for informational purposes only and are not used in this Quantitative model.

| Rank | Company                  | Bloomberg | Price † | BofA ML Opinion † | ADR Sedol | ADR Opinion * | Page    |
|------|--------------------------|-----------|---------|-------------------|-----------|---------------|---------|
| 100  | Petronet LNG             | PLNG IN   | 164.90  | Underperform      |           |               | Pg (30) |
| 99   | Hero Motor               | HMCL IN   | 2000    | Buy               |           |               | Pg (23) |
| 97   | Raymond                  | RW IN     |         |                   |           |               | Pg (31) |
| 96   | Bajaj Auto               | BJAUT IN  | 1669    | Underperform      | B3CXF6    |               | Pg (19) |
| 95   | Hindustan Lever          | HUVR IN   | 397.15  | Buy               |           |               | Pg (24) |
| 94   | Idea Cellular            | IDEA IN   | 97.95   | Neutral           |           |               | Pg (25) |
| 92   | LIC Housing Fin          | LICHF IN  | 223.40  | Buy               | B02SG5    |               | Pg (28) |
| 91   | Titan Industries         | TTAN IN   |         |                   |           |               | Pg (36) |
| 90   | HDFC Bank                | HDFCB IN  | 442.50  | Buy               | 278164    | Buy           | Pg (23) |
| 89   | Indiabulls Fin           | IBULL IN  | 138.00  | Buy               | B068LN    |               | Pg (25) |
| 87   | Satyam                   | SCS IN    | 65.70   | Underperform      | 275674    | Underperform  | Pg (33) |
| 86   | Sun Pharma               | SUNP IN   | 525.50  | Buy               |           |               | Pg (34) |
| 85   | Grasim Ind               | GRASIM IN | 2341    | Neutral           | 238183    |               | Pg (23) |
| 84   | Mundra Port              | MSEZ IN   | 125.75  | Neutral           |           |               | Pg (29) |
| 82   | Dish TV India            | DITV IN   | 63.50   | Buy               | B4V1DQ    |               | Pg (21) |
| 81   | ITC                      | ITC IN    | 200.70  | Buy               | 245401    |               | Pg (26) |
| 80   | Ranbaxy                  | RBXY IN   | 434.65  | Neutral           | 273361    |               | Pg (31) |
| 78   | Yes Bank                 | YES IN    | 272.20  | Buy               |           |               | Pg (37) |
| 77   | Ashok Leyland            | AL IN     | 24.65   | Underperform      | 204914    |               | Pg (18) |
| 76   | Power Grid Corp of India | PWGR IN   |         |                   |           |               | Pg (30) |
| 75   | Lupin                    | LPC IN    | 474.35  | Buy               |           |               | Pg (28) |
| 73   | Associated Cement        | ACC IN    | 1144    | Underperform      |           |               | Pg (19) |
| 72   | Mahindra                 | MM IN     | 725.20  | Neutral           | 257642    |               | Pg (29) |
| 71   | Kotak Mahindra           | KMB IN    | 466.70  | Underperform      | BOX2QY    |               | Pg (28) |
| 70   | Ambuja Cements           | ACEM IN   | 148.50  | Underperform      | 239748    |               | Pg (18) |
| 68   | Cipla                    | CIPLA IN  |         |                   | B125X2    |               | Pg (21) |
| 67   | Dr Reddy's               | DRRD IN   | 1578    | Buy               | 274888    | Buy           | Pg (22) |
| 66   | Infosys                  | INFO IN   | 2607    | Buy               | 239882    | Buy           | Pg (26) |
| 65   | Tata Consultancy         | TCS IN    | 1116    | Buy               |           |               | Pg (35) |
| 63   | NTPC                     | NTPC IN   | 162.35  | Underperform      |           |               | Pg (29) |
| 62   | Bank of Baroda           | BOB IN    | 700.10  | Neutral           |           |               | Pg (19) |
| 61   | Tech Mahindra            | TECHM IN  | 565.35  | Neutral           |           |               | Pg (36) |
| 59   | HCL Technologies         | HCLT IN   | 383.80  | Buy               |           |               | Pg (23) |
| 58   | IDFC                     | IDFC IN   | 108.70  | Underperform      |           |               | Pg (26) |
| 57   | Suzlon Energy            | SUEL IN   | 23.20   | Buy               | B3LW34    |               | Pg (35) |
| 56   | Axis Bank                | AXSB IN   | 947.65  | Neutral           | B06CDW    | Neutral       | Pg (19) |
| 54   | IRB Infrastructure       | IRB IN    | 147.30  | Buy               |           |               | Pg (26) |
| 53   | Shriram Transport Fin    | SHTF IN   | 499.95  | Buy               |           |               | Pg (33) |
| 52   | Rural Electrification    | RECL IN   | 183.85  | Buy               |           |               | Pg (32) |
| 51   | Reliance Infrastructure  | RELI IN   | 404.35  | Buy               | 212648    |               | Pg (32) |

† Price and BofA Merrill Lynch Fundamental Analyst Recommendations as at 30<sup>th</sup> November 2011

\* BofA Merrill Lynch Recommendation for the associated ADR as at 30<sup>th</sup> November 2011

Note: ADR identifies are included for the investors who are unable to hold the common stock.

## India Contenders Rank (Continued)

| Rank | Company                  | Bloomberg  | BofA ML |              | ADR       |              | Page    |
|------|--------------------------|------------|---------|--------------|-----------|--------------|---------|
|      |                          |            | Price † | Opinion †    | ADR Sedol | Opinion *    |         |
| 49   | Bharti (Airtel)          | BHARTI IN  | 386.10  | Neutral      |           |              | Pg (20) |
| 48   | Siemens India            | SIEM IN    |         |              |           |              | Pg (33) |
| 47   | Coal India               | COAL IN    | 327.15  | Neutral      |           |              | Pg (21) |
| 46   | Bharat Petroleum         | BPCL IN    | 537.95  | Neutral      |           |              | Pg (20) |
| 44   | Tata Beverages           | TGBL IN    |         |              | 260019    |              | Pg (35) |
| 43   | DLF                      | DLFU IN    | 208.05  | Buy          |           |              | Pg (22) |
| 42   | Gail India               | GAIL IN    | 391.65  | Underperform | 323552    | Underperform | Pg (22) |
| 41   | Hindustan Petro          | HPCL IN    | 276.50  | Buy          |           |              | Pg (24) |
| 39   | Exide Industries         | EXID IN    | 116.40  | Buy          |           |              | Pg (22) |
| 38   | Maruti Suzuki            | MSIL IN    | 972.15  | Buy          |           |              | Pg (29) |
| 37   | Reliance Industries      | RIL IN     | 778.25  | Buy          | B01DPW    |              | Pg (32) |
| 35   | WIPRO                    | WPRO IN    | 377.20  | Neutral      | 264612    | Neutral      | Pg (37) |
| 34   | Larsen & Toubro          | LT IN      | 1272    | Neutral      | 250603    |              | Pg (28) |
| 33   | Punjab Natl              | PNB IN     | 882.05  | Buy          |           |              | Pg (30) |
| 32   | United Spirits           | UNSP IN    |         |              | B11Y7X    |              | Pg (37) |
| 30   | Apollo Tyres             | APTY IN    | 66.05   | Buy          |           |              | Pg (18) |
| 29   | Jain Irrigation          | JJ IN      | 116.35  | Neutral      | 443360    |              | Pg (27) |
| 28   | ICICI Bank               | ICICIBC IN | 712.45  | Buy          | 256928    | Buy          | Pg (25) |
| 27   | Jindal Steel             | JSP IN     | 503.35  | Underperform |           |              | Pg (27) |
| 25   | State Bank of India      | SBIN IN    | 1762    | Buy          | B04R29    |              | Pg (34) |
| 24   | Power Finance            | POWF IN    | 161.85  | Buy          |           |              | Pg (30) |
| 23   | Jaiprakash Assoc         | JPA IN     | 62.10   | Buy          |           |              | Pg (27) |
| 22   | Tata Power               | TPWR IN    | 91.75   | Neutral      | 286971    |              | Pg (36) |
| 20   | Reliance Power           | RPWR IN    |         |              | B45V1C    |              | Pg (32) |
| 19   | Tata Motors              | TTMT IN    | 172.80  | Buy          | 288269    |              | Pg (36) |
| 18   | Reliance Comm.           | RCOM IN    | 74.20   | Underperform | B14TDK    |              | Pg (31) |
| 16   | Bank of India            | BOI IN     | 327.25  | Underperform |           |              | Pg (20) |
| 15   | Adani Enterprises        | ADE IN     | 301.40  | Neutral      |           |              | Pg (18) |
| 14   | TISCO                    | TATA IN    | 385.20  | Underperform | B3PPWV    |              | Pg (35) |
| 13   | Canara Bank              | CBK IN     | 431.10  | Underperform |           |              | Pg (20) |
| 11   | Reliance Capital         | RCAPT IN   | 281.70  | Buy          | B1VWK1    |              | Pg (31) |
| 10   | Unitech                  | UT IN      | 23.00   | Neutral      |           |              | Pg (37) |
| 9    | Indiabulls RE            | IBREL IN   | 60.85   | Buy          | B1ZBG4    |              | Pg (25) |
| 8    | Hindalco Ind             | HNDL IN    | 122.95  | Neutral      | 244576    |              | Pg (24) |
| 6    | Sesa Goa                 | SESA IN    | 183.50  | Underperform |           |              | Pg (33) |
| 5    | Sterlite                 | STLT IN    | 99.30   | Buy          | B1YX3G    | Buy          | Pg (34) |
| 4    | JSW Steel                | JSTL IN    | 593.15  | Underperform |           |              | Pg (27) |
| 3    | Steel Authority of India | SAIL IN    | 80.20   | Underperform | 284368    |              | Pg (34) |
| 2    | Crompton Greaves         | CRG IN     |         |              | 509031    |              | Pg (21) |
| 1    | Housing Dev & Inf        | HDIL IN    | 60.25   | Underperform |           |              | Pg (24) |

† Price and BofA Merrill Lynch Fundamental Analyst Recommendations as at 30<sup>th</sup> November 2011

\* BofA Merrill Lynch Recommendation for the associated ADR as at 30<sup>th</sup> November 2011

Note: ADR indentifies are included for the investors who are unable to hold the common stock.

## How To Read The Charts

Backtesting indicates that the Indian Market seems reasonably efficient in that stock prices generally reflect the consensus opinion. Stock prices tend to change when earnings expectations change. This report consists of charts which show graphically how changes to consensus forecasts relate to stock performance. As well as earnings momentum, the charts indicate value in terms of PE relatives (although the model does not use PE in determining attractiveness in India).

### Prospective EPS Relative (earnings line)

The blue Prospective EPS line indicates the direction and magnitude of earnings revisions relative to the MSCI India Index. Revisions to earnings over the last 3 months are ranked from 1 to 100 (1 = biggest downgrade, 100 = biggest upgrade) and this EPS Revision Rank is noted next to each chart.

### Price Relative (price line)

The Price Relative (the solid black line) indicates how the stock has performed relative to the MSCI India Index and is based to 100 at the latest point on the chart.

The relationship between the Price Relative and the Prospective EPS Relative indicates a stock's PE relative to the MSCI India Index. If the Price Relative is above the EPS Relative, the stock is on an above-market PE, while a price line below the earnings line indicates a below-market PE. More specifically, dividing the value of the price line by that of the earnings line results in the PE relative. For example, if the price line is at 100 and the earnings line is at 80, the PE relative is 1.25 (100/80). This enables the reader to see the historical prospective PE of the stock relative to the India market over time.

## The Best Chart

- Prospective EPS Relative is rising (EPS Revision Rank is near 100).
- Price Relative is rising (Price Momentum Rank is near 100).
- A stock with both these characteristics will have a Contenders Rank near 100.

## The Worst Possible Chart

- Prospective EPS Relative is falling (EPS Revision Rank is near 1).
- Price Relative is falling (Price Momentum Rank is near 1).
- A stock with both these characteristics will have a Contenders Rank near 1.

## A Contender Example LIC HOUSING FINANCE

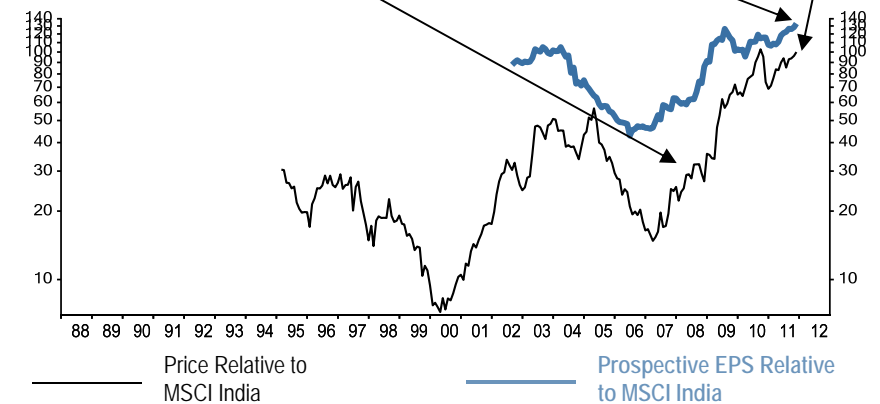
The chart contains information on the price and prospective EPS relative to the region. It illustrates the momentum of these relatives (the slope of the lines) and a measure of value (the ratio of the price line to the EPS line).

The gap between the two lines indicates the magnitude of the PE discount (Price Relative below EPS Relative). At every point in the chart, the size of the gap between the two lines indicates the magnitude of the relative PE at that point in time.

The rising thick EPS Relative line indicates earnings estimates are being revised up at a faster rate than the market.

The rising thin Relative Price line indicates positive price momentum and shows the market is prepared to pay for rising earnings expectations.

Chart 21: LIC HOUSING FINANCE



Contenders Rank: 92  
 EPS Revision Rank: 95  
 Price Momentum Rank: 78

Price (Local): 223.40  
 Market Cap US\$m: 1,219  
 Avg Daily Turnover US\$m: 2.44

Bloomberg Code: LICHF IN

Table 6: Rank Definitions

| Rank                | Rank Description   |
|---------------------|--|
| Contenders Rank     | The stocks have been ranked according to attractiveness based on a combination of earnings momentum, and price momentum.<br>(100 = Lowest PE stock with strong Earning Momentum and Price Momentum, 1 = Highest PE stocks with low Earnings Momentum and Price Momentum) |
| EPS Revision Rank   | The stocks have been ranked according to the size of the change in the consensus EPS forecast in the last 3 months.<br>(100 = Largest EPS Upgrades, 1 = Largest EPS Downgrades)  |
| Price Momentum Rank | The stocks have been ranked according to their Price Momentum, which is the slope of the regression line of daily prices in the last 9 months)<br>(100 = Highest Price Momentum, 1 = Lowest Price Momentum).   |
| Price               | Month End Price.   |

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy



## A Defender Example HINDALCO INDUSTRIES

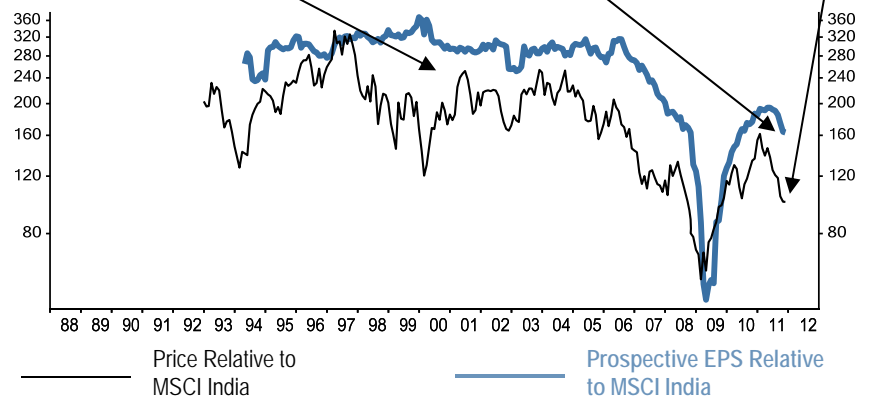
The chart contains information on the price and prospective EPS relative to the region. It illustrates the momentum of these relatives (the slope of the lines) and a measure of value (the ratio of the price line to the EPS line).

The gap between the two lines indicates the magnitude of the PE premium (Price Relative above EPS Relative). At every point in the chart, the size of the gap between the two lines indicates the magnitude of the relative PE at that point in time.

The falling thick EPS Relative line indicates earnings estimates are being revised down at a faster rate than the market.

The falling thin Relative Price line indicates negative price momentum and shows the market is reacting to the negative earnings expectations.

Chart 22: HINDALCO INDUSTRIES



Contenders Rank: 8  
 EPS Revision Rank: 13  
 Price Momentum Rank: 8

Price (Local): 122.65  
 Market Cap US\$m: 2,609  
 Avg Daily Turnover US\$m: 2.83

Bloomberg Code: HNDL IN

Table 7: Rank Definitions

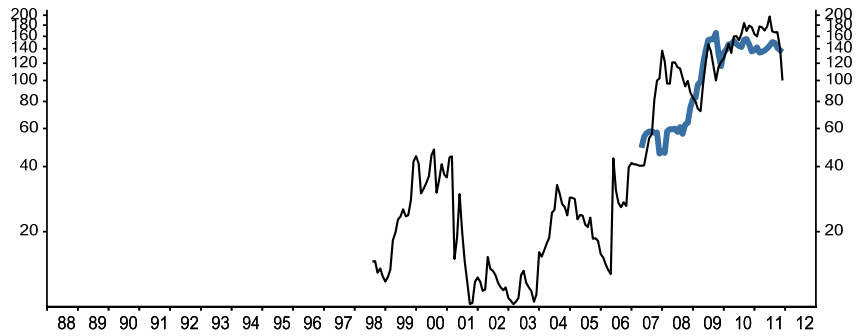
| Rank                | Rank Description   |
|---------------------|--|
| Contenders Rank     | The stocks have been ranked according to attractiveness based on a combination of earnings momentum, and price momentum.<br>(100 = Lowest PE stock with strong Earning Momentum and Price Momentum, 1 = Highest PE stocks with low Earnings Momentum and Price Momentum) |
| EPS Revision Rank   | The stocks have been ranked according to the size of the change in the consensus EPS forecast in the last 3 months.<br>(100 = Largest EPS Upgrades, 1 = Largest EPS Downgrades)  |
| Price Momentum Rank | The stocks have been ranked according to their Price Momentum, which is the slope of the regression line of daily prices in the last 9 months)<br>(100 = Highest Price Momentum, 1 = Lowest Price Momentum).   |
| Price               | Month End Price.   |

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy

**Chart 23: ADANI ENTERPRISES**

Contenders Rank: 15  
 EPS Revision Rank: 20  
 Price Momentum Rank: 20

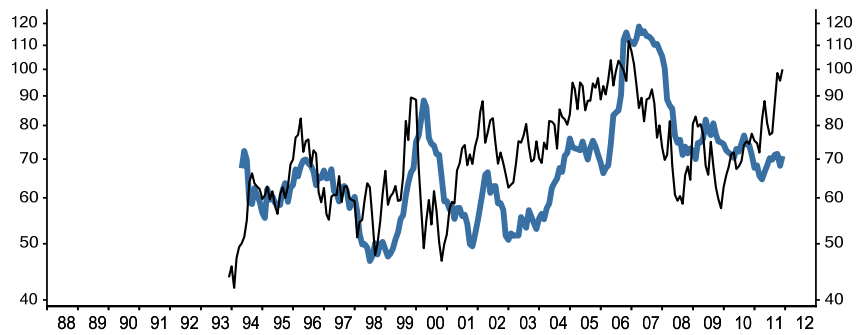
Price (Local): 302.05  
 Market Cap US\$m: 1,273  
 Avg Daily T/o US\$m: 0.41  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: ADE IN



**Chart 24: AMBUJA CEMENTS**

Contenders Rank: 70  
 EPS Revision Rank: 57  
 Price Momentum Rank: 82

Price (Local): 148.40  
 Market Cap US\$m: 1,743  
 Avg Daily T/o US\$m: 0.37  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: ACEM IN



**Chart 25: APOLLO TYRES**

Contenders Rank: 30  
 EPS Revision Rank: 28  
 Price Momentum Rank: 47

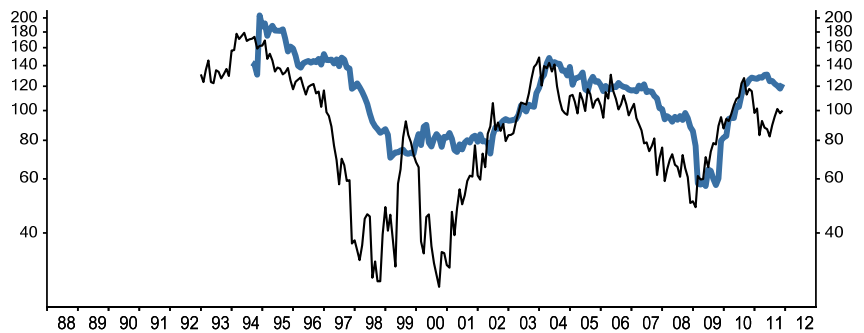
Price (Local): 66.00  
 Market Cap US\$m: 191  
 Avg Daily T/o US\$m: 0.37  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: APTY IN



**Chart 26: ASHOK LEYLAND**

Contenders Rank: 77  
 EPS Revision Rank: 70  
 Price Momentum Rank: 72

Price (Local): 24.60  
 Market Cap US\$m: 439  
 Avg Daily T/o US\$m: 0.35  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: AL IN



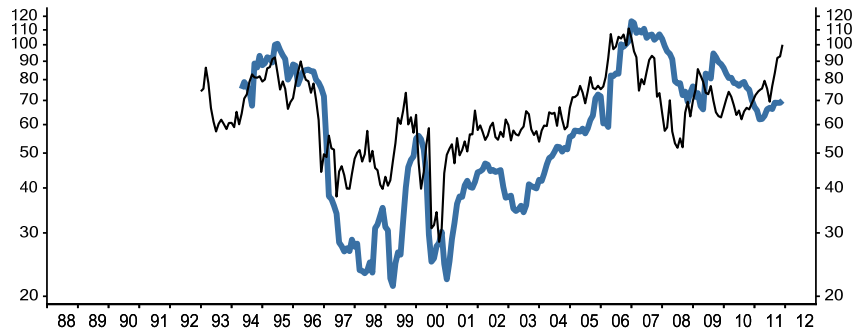
— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

**Chart 27: ASSOCIATED CEMENT COMPANIES**

Contenders Rank: 73  
EPS Revision Rank: 63  
Price Momentum Rank: 85

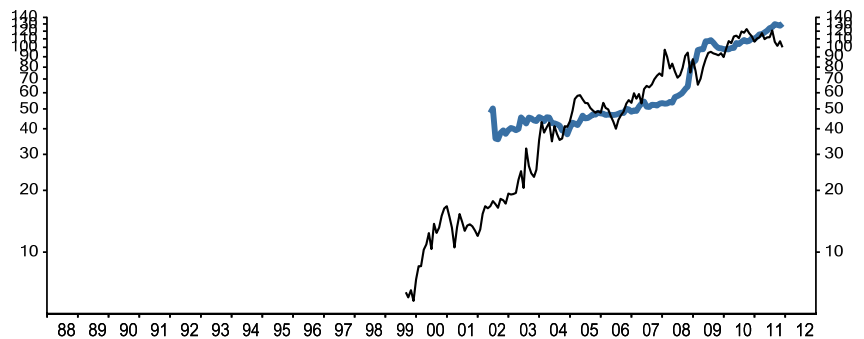
Price (Local): 1145.00  
Market Cap US\$m: 1,153  
Avg Daily T/o US\$m: 0.49  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: ACC IN



**Chart 28: AXIS BANK**

Contenders Rank: 56  
EPS Revision Rank: 69  
Price Momentum Rank: 40

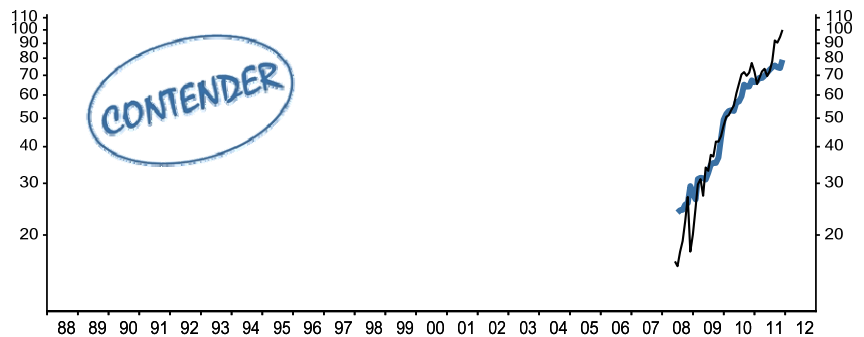
Price (Local): 947.50  
Market Cap US\$m: 4,117  
Avg Daily T/o US\$m: 4.12  
BofA ML Analyst Opinion: Neutral  
Bloomberg Code: AXSB IN



**Chart 29: BAJAJ AUTO**

Contenders Rank: 96  
EPS Revision Rank: 89  
Price Momentum Rank: 95

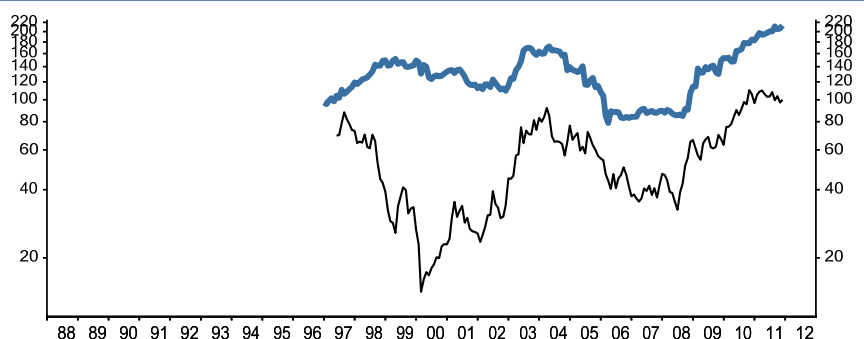
Price (Local): 1673.00  
Market Cap US\$m: 2,782  
Avg Daily T/o US\$m: 1.01  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: BJAUT IN



**Chart 30: BANK OF BARODA**

Contenders Rank: 62  
EPS Revision Rank: 92  
Price Momentum Rank: 42

Price (Local): 700.60  
Market Cap US\$m: 1,051  
Avg Daily T/o US\$m: 0.66  
BofA ML Analyst Opinion: Neutral  
Bloomberg Code: BOB IN



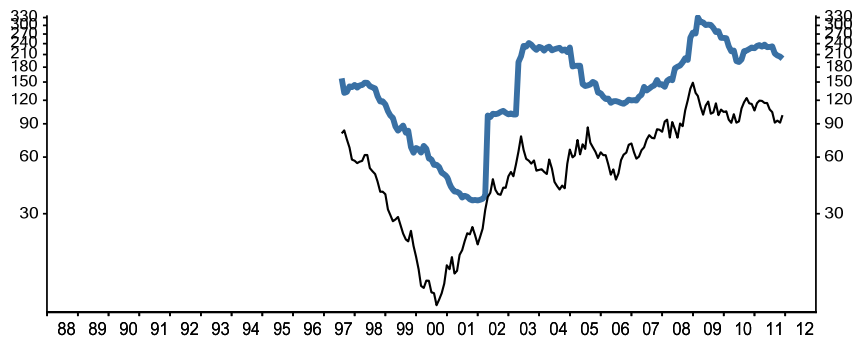
— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

**Chart 31: BANK OF INDIA**

Contenders Rank: 16  
 EPS Revision Rank: 18  
 Price Momentum Rank: 23

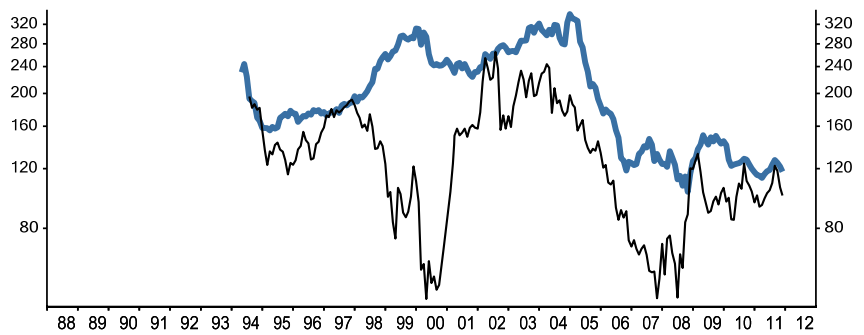
Price (Local): 327.45  
 Market Cap US\$m: 686  
 Avg Daily T/o US\$m: 0.56  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: BOI IN



**Chart 32: BHARAT PETROLEUM CORP**

Contenders Rank: 46  
 EPS Revision Rank: 23  
 Price Momentum Rank: 75

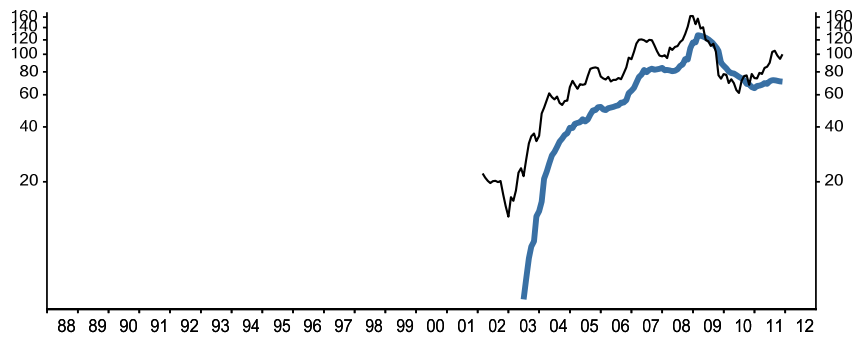
Price (Local): 535.65  
 Market Cap US\$m: 890  
 Avg Daily T/o US\$m: 0.43  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: BPCL IN



**Chart 33: BHARTI TELE-VENTURES (AIRTEL)**

Contenders Rank: 49  
 EPS Revision Rank: 44  
 Price Momentum Rank: 88

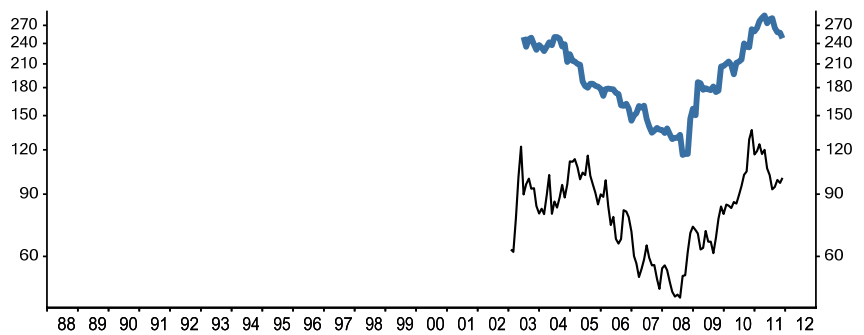
Price (Local): 385.30  
 Market Cap US\$m: 8,408  
 Avg Daily T/o US\$m: 2.25  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: BHARTI IN



**Chart 34: CANARA BANK**

Contenders Rank: 13  
 EPS Revision Rank: 12  
 Price Momentum Rank: 25

Price (Local): 430.10  
 Market Cap US\$m: 730  
 Avg Daily T/o US\$m: 0.37  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: CBK IN



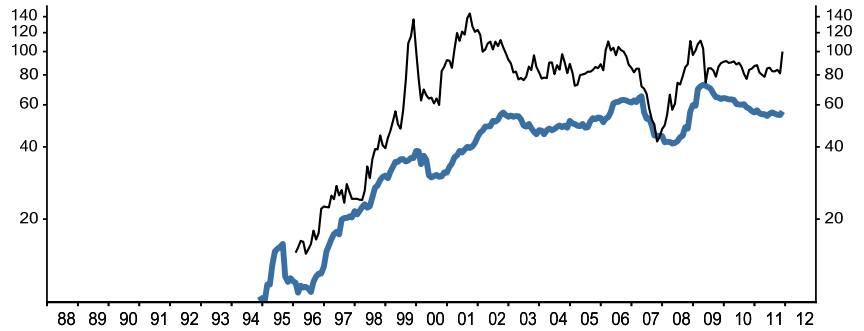
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 35: CIPLA**

Contenders Rank: 68  
 EPS Revision Rank: 72  
 Price Momentum Rank: 64

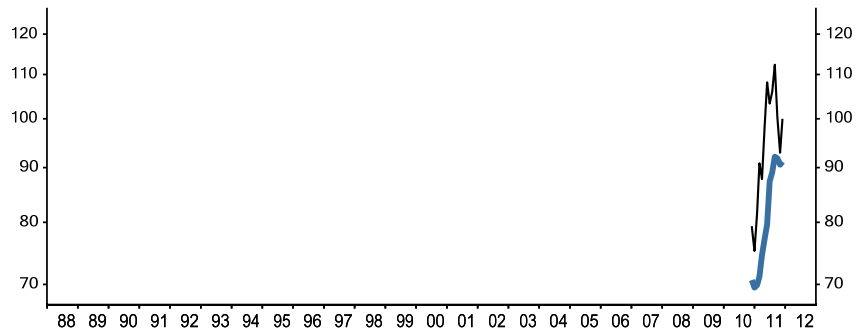
Price (Local): 327.95  
 Market Cap US\$m: 2,068  
 Avg Daily T/o US\$m: 0.55  
 BofA ML Analyst Opinion:  
 Bloomberg Code: CIPLA IN



**Chart 36: COAL INDIA**

Contenders Rank: 47  
 EPS Revision Rank: 47  
 Price Momentum Rank: 59

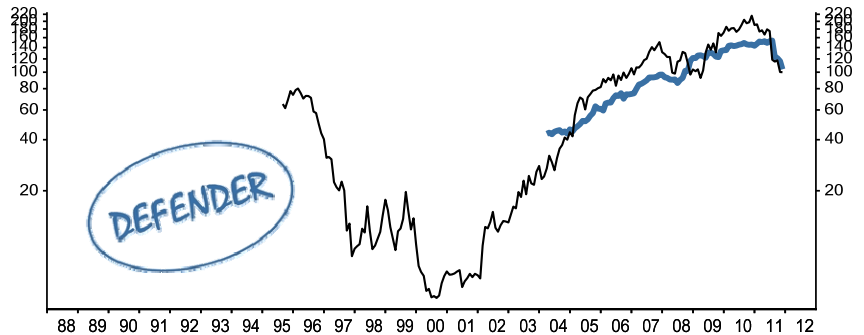
Price (Local): 326.40  
 Market Cap US\$m: 3,159  
 Avg Daily T/o US\$m: 3.88  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: COAL IN



**Chart 37: CROMPTON GREAVES**

Contenders Rank: 2  
 EPS Revision Rank: 8  
 Price Momentum Rank: 2

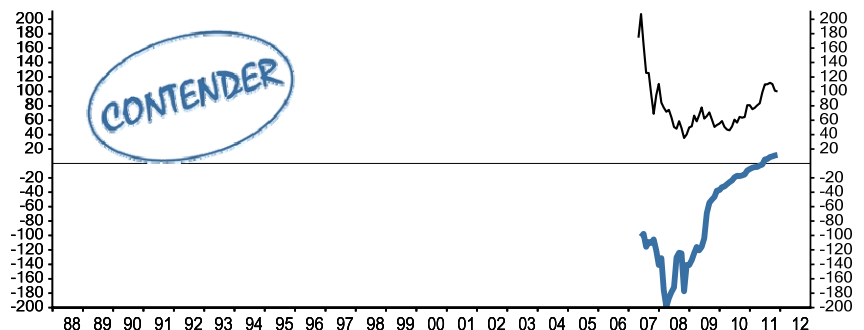
Price (Local): 126.65  
 Market Cap US\$m: 389  
 Avg Daily T/o US\$m: 0.70  
 BofA ML Analyst Opinion:  
 Bloomberg Code: CRG IN



**Chart 38: DISH TV INDIA**

Contenders Rank: 82  
 EPS Revision Rank: 74  
 Price Momentum Rank: 84

Price (Local): 64.15  
 Market Cap US\$m: 458  
 Avg Daily T/o US\$m: 0.65  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: DITV IN



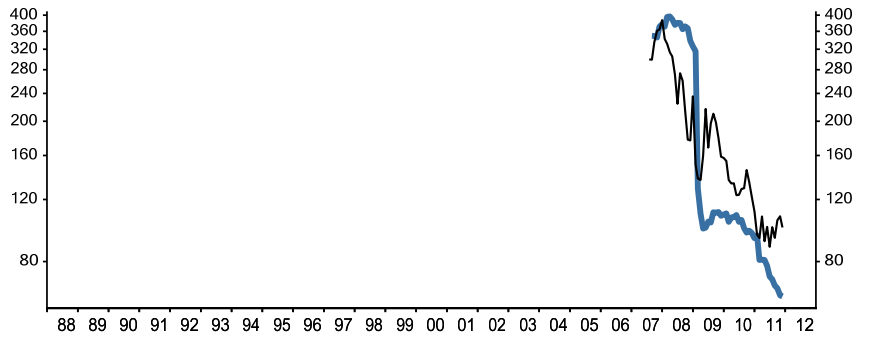
— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

Contenders Rank: 43  
EPS Revision Rank: 37  
Price Momentum Rank: 58

Price (Local): 207.10  
Market Cap US\$m: 1,617  
Avg Daily T/o US\$m: 4.36  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: DLFU IN

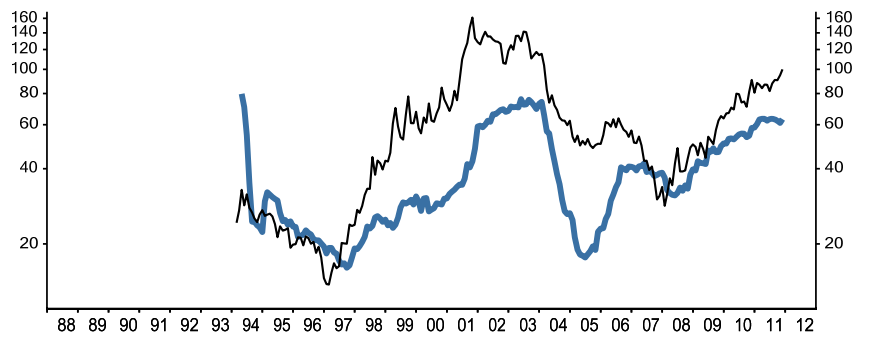
Chart 39: DLF



Contenders Rank: 67  
EPS Revision Rank: 59  
Price Momentum Rank: 70

Price (Local): 1575.00  
Market Cap US\$m: 3,068  
Avg Daily T/o US\$m: 0.45  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: DRRD IN

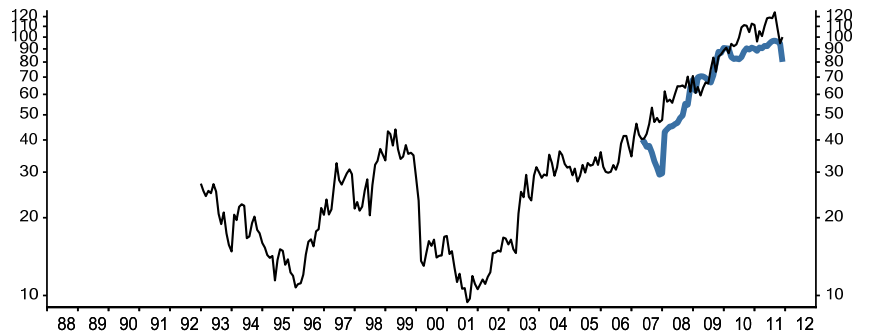
Chart 40: DR REDDY'S LABORATORIES



Contenders Rank: 39  
EPS Revision Rank: 10  
Price Momentum Rank: 53

Price (Local): 116.15  
Market Cap US\$m: 454  
Avg Daily T/o US\$m: 0.50  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: EXID IN

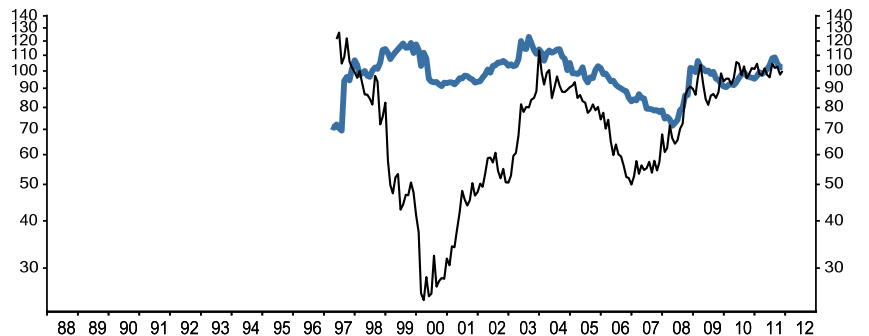
Chart 41: EXIDE INDUSTRIES



Contenders Rank: 42  
EPS Revision Rank: 30  
Price Momentum Rank: 57

Price (Local): 392.30  
Market Cap US\$m: 2,860  
Avg Daily T/o US\$m: 0.43  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: GAIL IN

Chart 42: GAIL INDIA



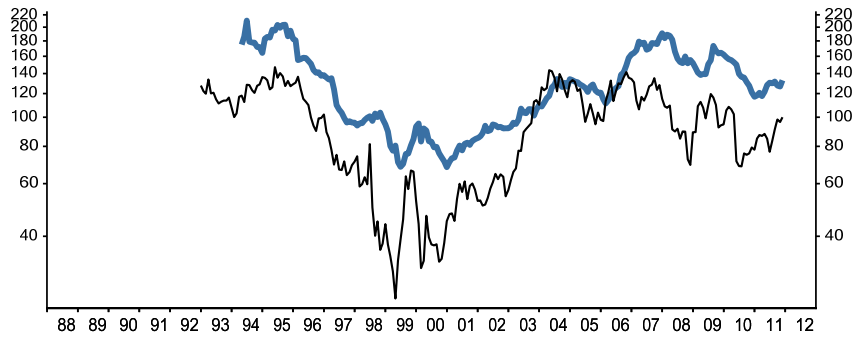
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 43: GRASIM INDUSTRIES**

Contenders Rank: 85  
 EPS Revision Rank: 87  
 Price Momentum Rank: 73

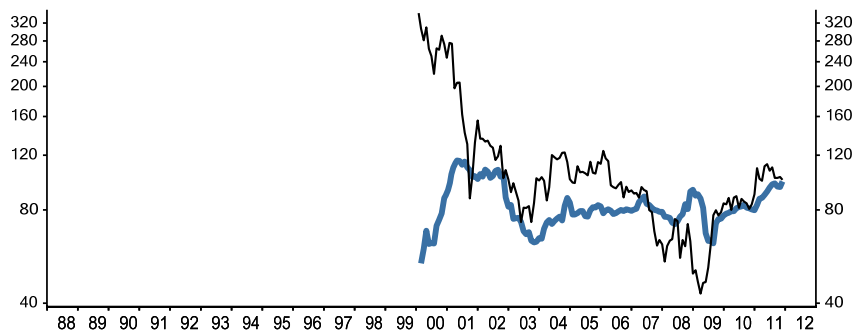
Price (Local): 2338.00  
 Market Cap US\$m: 821  
 Avg Daily T/o US\$m: 0.29  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: GRASIM IN



**Chart 44: HCL TECHNOLOGIES**

Contenders Rank: 59  
 EPS Revision Rank: 82  
 Price Momentum Rank: 44

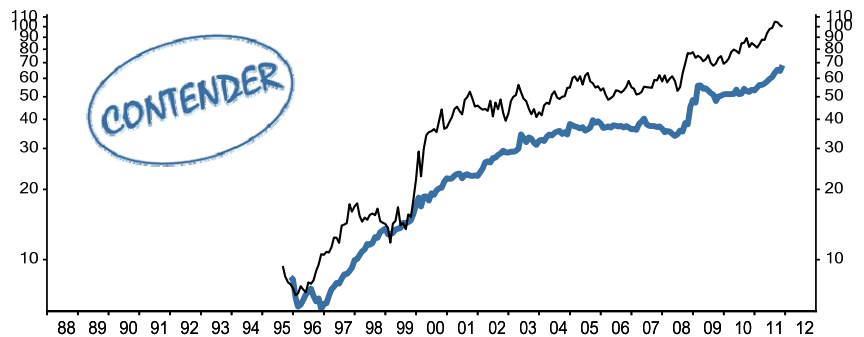
Price (Local): 386.45  
 Market Cap US\$m: 1,226  
 Avg Daily T/o US\$m: 0.62  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: HCLT IN



**Chart 45: HDFC BANK**

Contenders Rank: 90  
 EPS Revision Rank: 90  
 Price Momentum Rank: 77

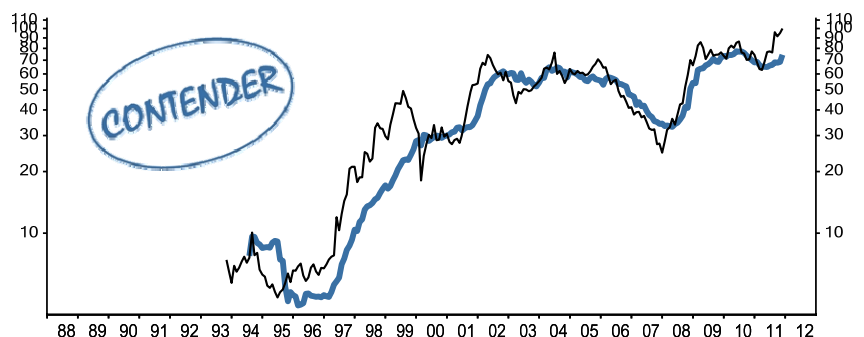
Price (Local): 441.45  
 Market Cap US\$m: 12,857  
 Avg Daily T/o US\$m: 2.00  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: HDFCB IN



**Chart 46: HERO MOTORCORP**

Contenders Rank: 99  
 EPS Revision Rank: 93  
 Price Momentum Rank: 98

Price (Local): 2003.00  
 Market Cap US\$m: 3,065  
 Avg Daily T/o US\$m: 1.82  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: HMCL IN



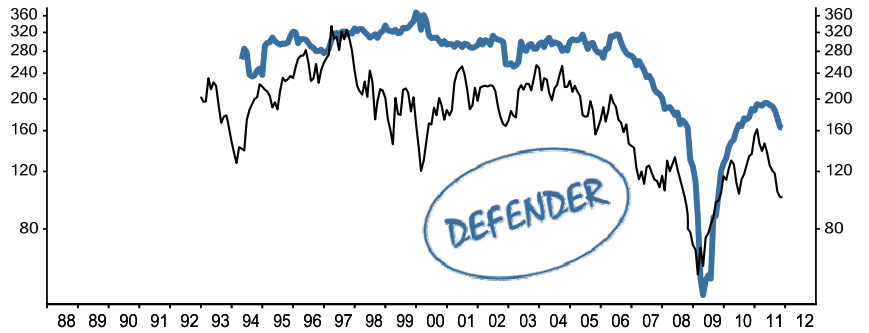
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 47: HINDALCO INDUSTRIES**

Contenders Rank: 8  
 EPS Revision Rank: 13  
 Price Momentum Rank: 8

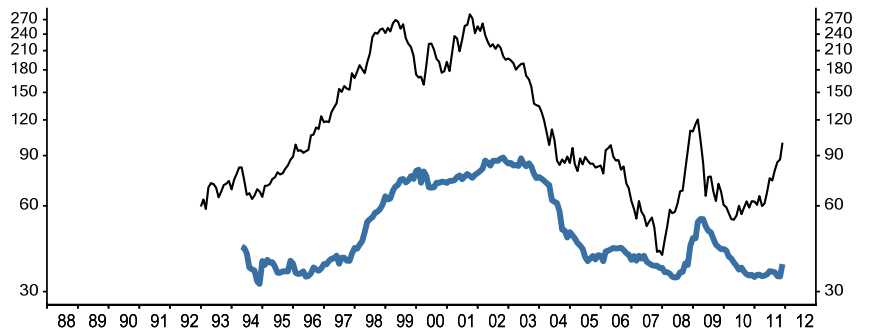
Price (Local): 122.65  
 Market Cap US\$m: 2,609  
 Avg Daily T/o US\$m: 2.83  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: HNDL IN



**Chart 48: HINDUSTAN LEVER**

Contenders Rank: 95  
 EPS Revision Rank: 83  
 Price Momentum Rank: 97

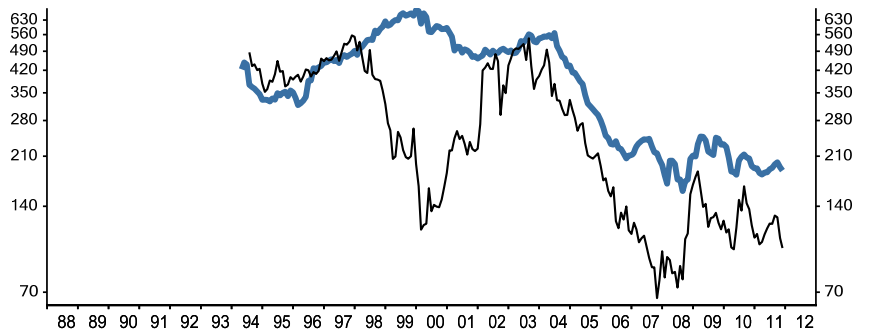
Price (Local): 396.10  
 Market Cap US\$m: 6,558  
 Avg Daily T/o US\$m: 1.02  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: HUVR IN



**Chart 49: HINDUSTAN PETROLEUM CORP**

Contenders Rank: 41  
 EPS Revision Rank: 19  
 Price Momentum Rank: 65

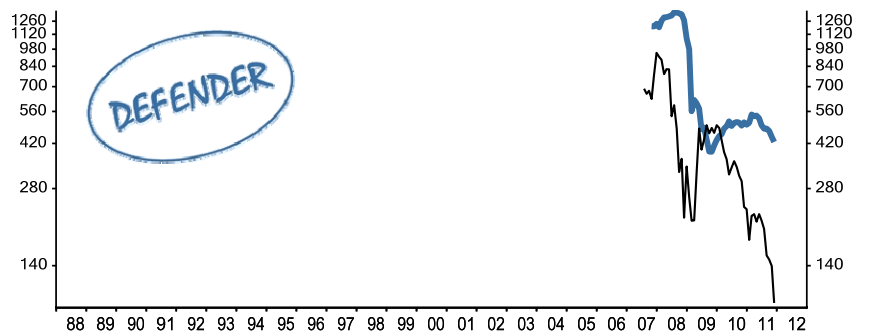
Price (Local): 277.00  
 Market Cap US\$m: 431  
 Avg Daily T/o US\$m: 0.49  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: HPCL IN



**Chart 50: HOUSING DEVELOPMENT & INFRASTRUCTURE**

Contenders Rank: 1  
 EPS Revision Rank: 2  
 Price Momentum Rank: 3

Price (Local): 60.60  
 Market Cap US\$m: 217  
 Avg Daily T/o US\$m: 3.14  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: HDIL IN



— Price Relative to MSCI India

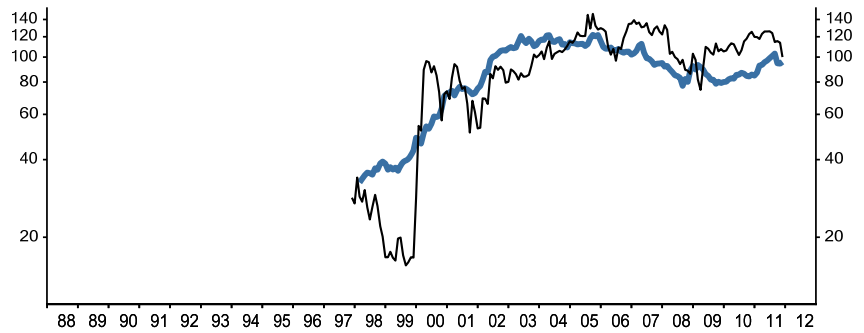
— Prospective EPS Relative to MSCI India



**Chart 51: ICICI BANK**

Contenders Rank: 28  
 EPS Revision Rank: 35  
 Price Momentum Rank: 33

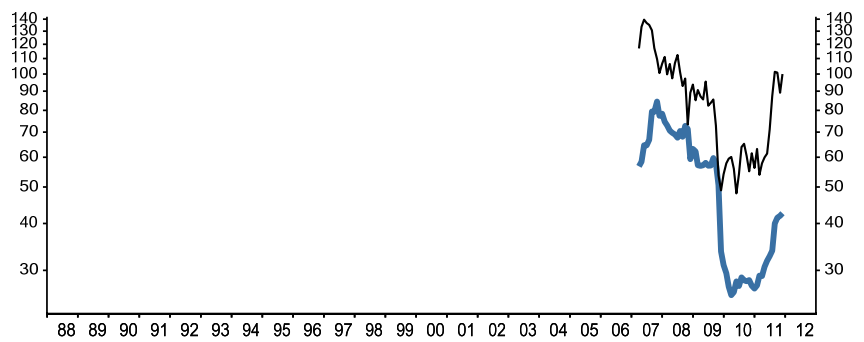
Price (Local): 714.15  
 Market Cap US\$m: 11,036  
 Avg Daily T/o US\$m: 8.08  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: ICICIB IN



**Chart 52: IDEA CELLULAR**

Contenders Rank: 94  
 EPS Revision Rank: 73  
 Price Momentum Rank: 100

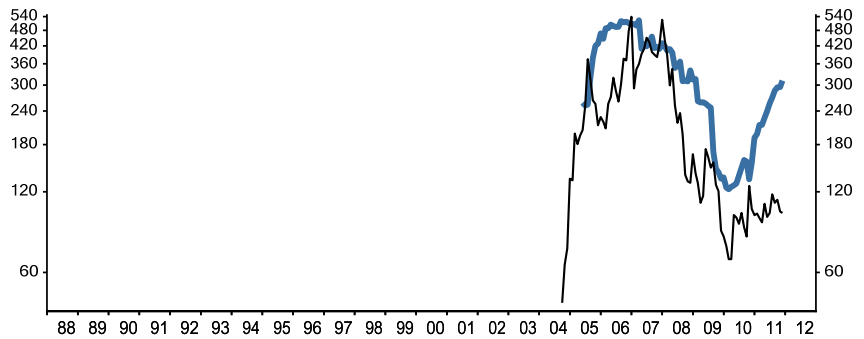
Price (Local): 97.70  
 Market Cap US\$m: 866  
 Avg Daily T/o US\$m: 1.06  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: IDEA IN



**Chart 53: INDIABULLS FINANCIAL SERVICE**

Contenders Rank: 89  
 EPS Revision Rank: 99  
 Price Momentum Rank: 68

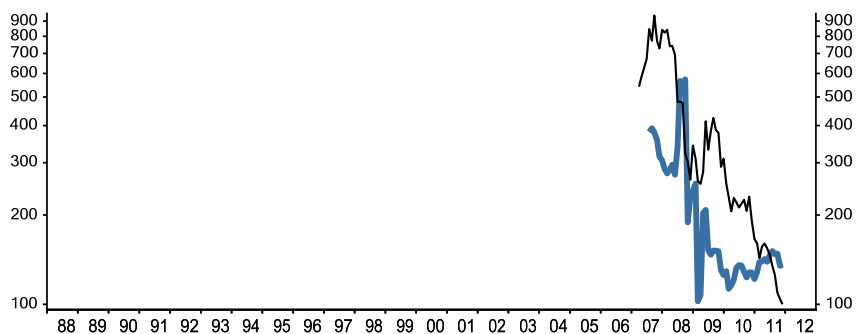
Price (Local): 137.80  
 Market Cap US\$m: 452  
 Avg Daily T/o US\$m: 0.34  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: IBULL IN



**Chart 54: INDIABULLS REAL ESTATE**

Contenders Rank: 9  
 EPS Revision Rank: 22  
 Price Momentum Rank: 4

Price (Local): 61.10  
 Market Cap US\$m: 354  
 Avg Daily T/o US\$m: 1.00  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: IBREL IN



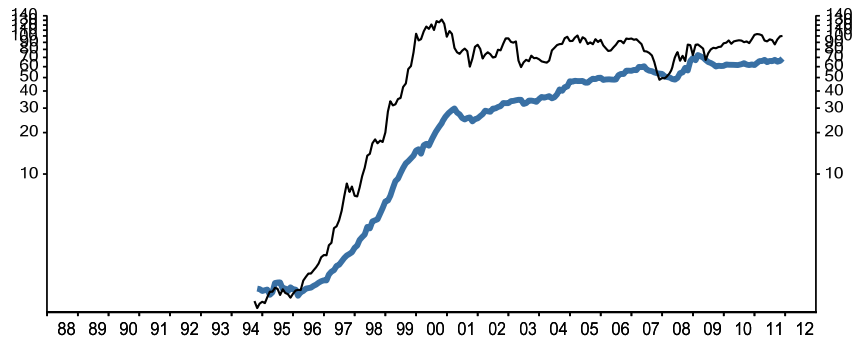
— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

**Chart 55: INFOSYS LTD**

Contenders Rank: 66  
 EPS Revision Rank: 75  
 Price Momentum Rank: 54

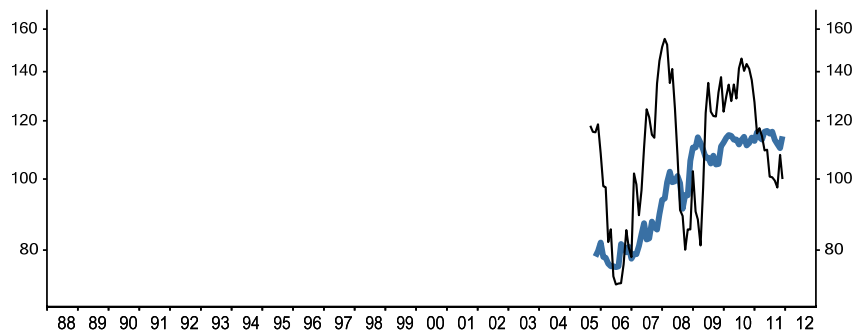
Price (Local): 2608.00  
 Market Cap US\$m: 21,404  
 Avg Daily T/o US\$m: 6.33  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: INFO IN



**Chart 56: INFRASTRUCTURE DEVELOPMENT FINANCE CO.**

Contenders Rank: 58  
 EPS Revision Rank: 79  
 Price Momentum Rank: 39

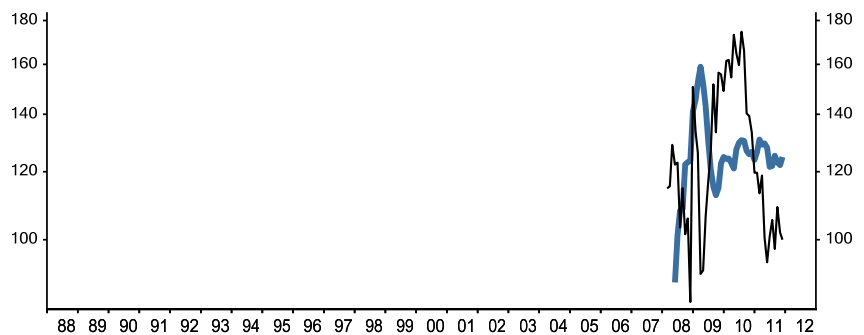
Price (Local): 108.65  
 Market Cap US\$m: 1,980  
 Avg Daily T/o US\$m: 2.28  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: IDFC IN



**Chart 57: IRB INFRASTRUCTURE DEVELOPER**

Contenders Rank: 54  
 EPS Revision Rank: 60  
 Price Momentum Rank: 49

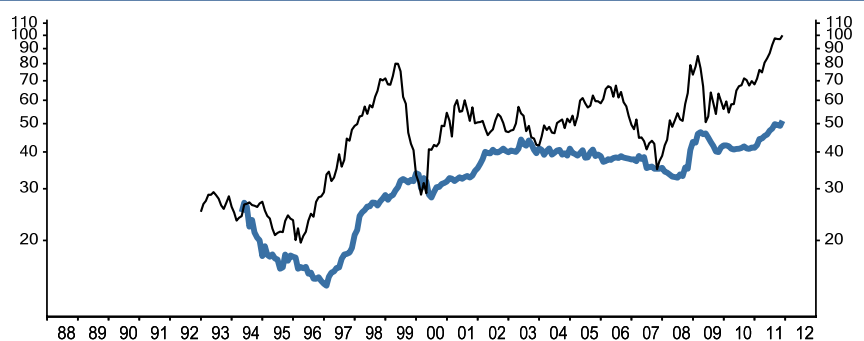
Price (Local): 146.80  
 Market Cap US\$m: 224  
 Avg Daily T/o US\$m: 0.71  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: IRB IN



**Chart 58: ITC LIMITED**

Contenders Rank: 81  
 EPS Revision Rank: 68  
 Price Momentum Rank: 90

Price (Local): 200.70  
 Market Cap US\$m: 8,671  
 Avg Daily T/o US\$m: 1.50  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: ITC IN



Price Relative  
to MSCI India

Prospective EPS Relative  
to MSCI India

**Chart 59: JAIN IRRIGATION SYSTEMS**

Contenders Rank: 29  
 EPS Revision Rank: 48  
 Price Momentum Rank: 27

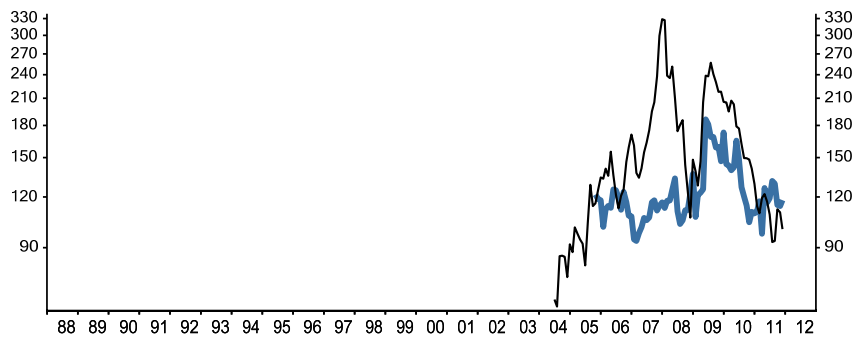
Price (Local): 116.65  
 Market Cap US\$m: 439  
 Avg Daily T/o US\$m: 0.61  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: JI IN



**Chart 60: JAIPRAKASH ASSOCIATES**

Contenders Rank: 23  
 EPS Revision Rank: 29  
 Price Momentum Rank: 29

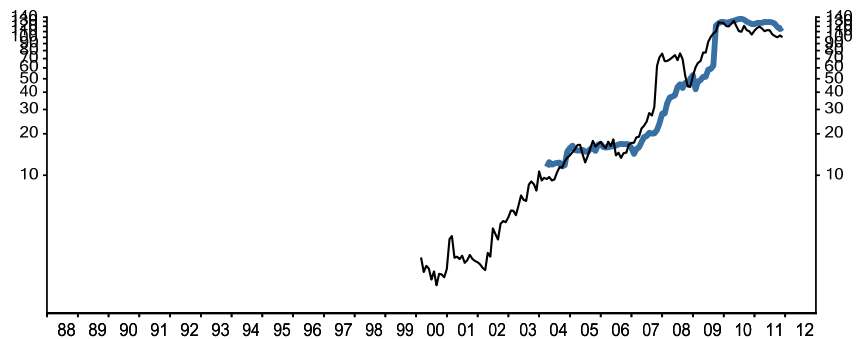
Price (Local): 62.10  
 Market Cap US\$m: 1,138  
 Avg Daily T/o US\$m: 2.71  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: JPA IN



**Chart 61: JINDAL STEEL & POWER**

Contenders Rank: 27  
 EPS Revision Rank: 33  
 Price Momentum Rank: 35

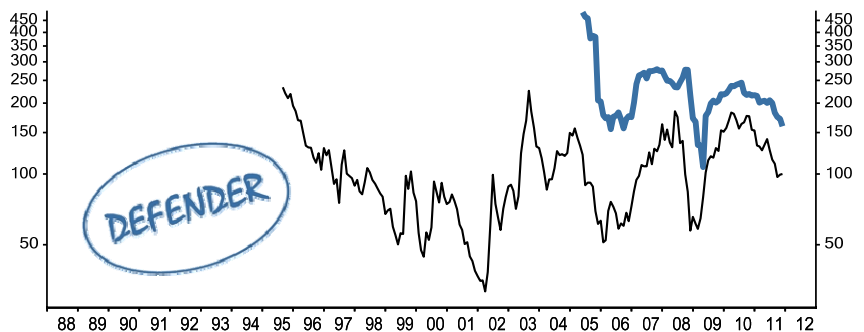
Price (Local): 502.65  
 Market Cap US\$m: 3,599  
 Avg Daily T/o US\$m: 1.37  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: JSP IN



**Chart 62: JSW STEEL**

Contenders Rank: 4  
 EPS Revision Rank: 7  
 Price Momentum Rank: 9

Price (Local): 593.00  
 Market Cap US\$m: 1,014  
 Avg Daily T/o US\$m: 5.16  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: JSTL IN



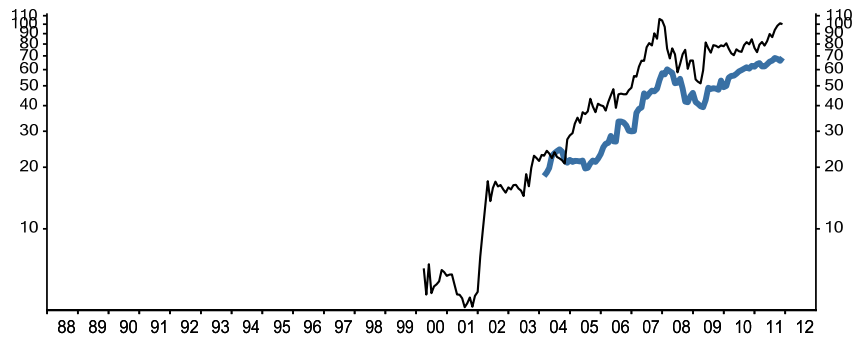
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 63: KOTAK MAHINDRA BANK**

Contenders Rank: 71  
EPS Revision Rank: 62  
Price Momentum Rank: 83

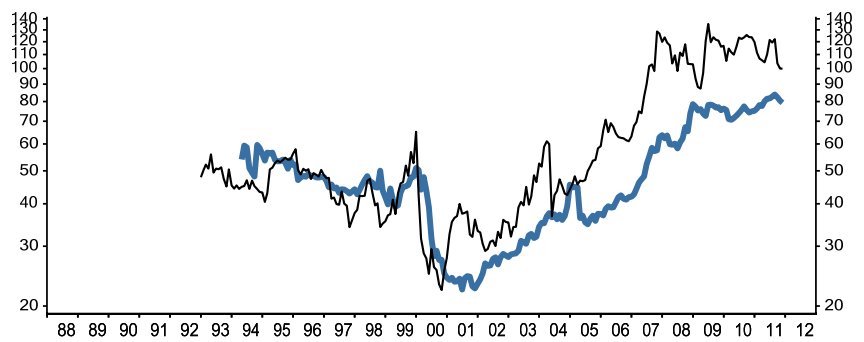
Price (Local): 464.45  
Market Cap US\$m: 2,430  
Avg Daily T/o US\$m: 0.53  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: KMB IN



**Chart 64: LARSEN & TOUBRO**

Contenders Rank: 34  
EPS Revision Rank: 34  
Price Momentum Rank: 50

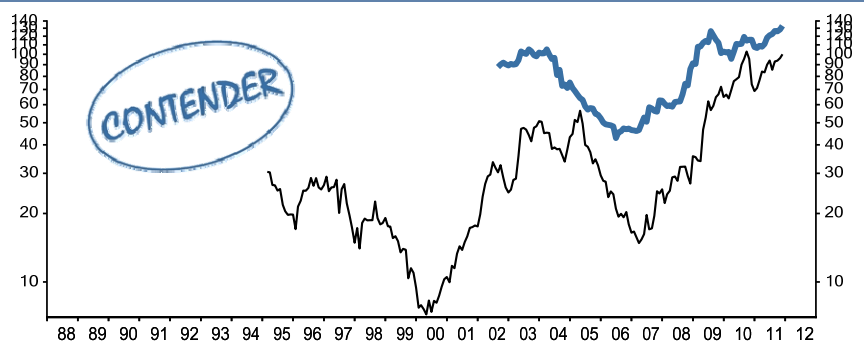
Price (Local): 1269.00  
Market Cap US\$m: 5,056  
Avg Daily T/o US\$m: 7.35  
BofA ML Analyst Opinion: Neutral  
Bloomberg Code: LT IN



**Chart 65: LIC HOUSING FINANCE**

Contenders Rank: 92  
EPS Revision Rank: 95  
Price Momentum Rank: 78

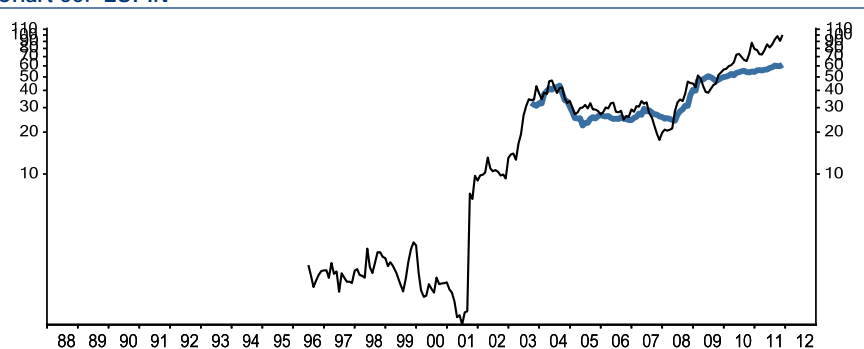
Price (Local): 223.40  
Market Cap US\$m: 1,219  
Avg Daily T/o US\$m: 2.44  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: LICHF IN



**Chart 66: LUPIN**

Contenders Rank: 75  
EPS Revision Rank: 64  
Price Momentum Rank: 93

Price (Local): 472.75  
Market Cap US\$m: 1,334  
Avg Daily T/o US\$m: 0.59  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: LPC IN



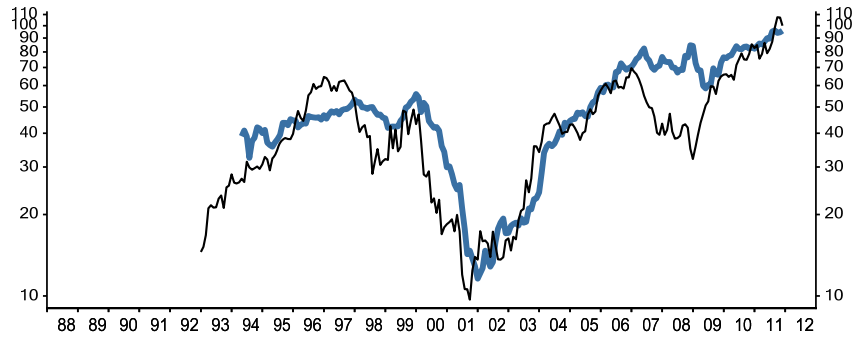
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 67: MAHINDRA & MAHINDRA**

Contenders Rank: 72  
EPS Revision Rank: 53  
Price Momentum Rank: 94

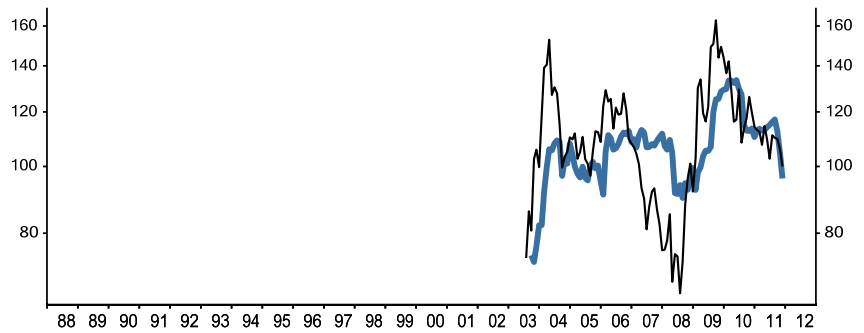
Price (Local): 723.85  
Market Cap US\$m: 4,257  
Avg Daily T/o US\$m: 2.34  
BofA ML Analyst Opinion: Neutral  
Bloomberg Code: MM IN



**Chart 68: MARUTI SUZUKI INDIA**

Contenders Rank: 38  
EPS Revision Rank: 9  
Price Momentum Rank: 52

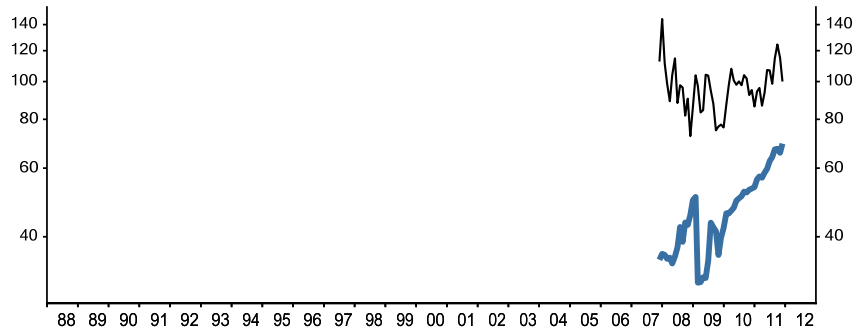
Price (Local): 968.65  
Market Cap US\$m: 1,287  
Avg Daily T/o US\$m: 1.45  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: MSIL IN



**Chart 69: MUNDRA PORT & SEZ**

Contenders Rank: 84  
EPS Revision Rank: 80  
Price Momentum Rank: 80

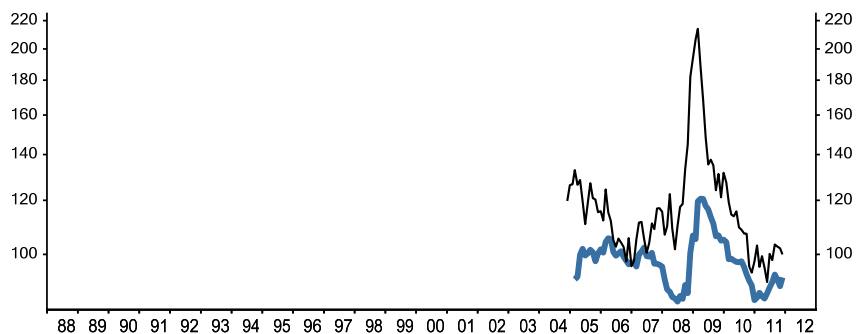
Price (Local): 125.70  
Market Cap US\$m: 965  
Avg Daily T/o US\$m: 0.45  
BofA ML Analyst Opinion: Neutral  
Bloomberg Code: MSEZ IN



**Chart 70: NTPC**

Contenders Rank: 63  
EPS Revision Rank: 52  
Price Momentum Rank: 63

Price (Local): 162.05  
Market Cap US\$m: 1,792  
Avg Daily T/o US\$m: 0.53  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: NTPC IN



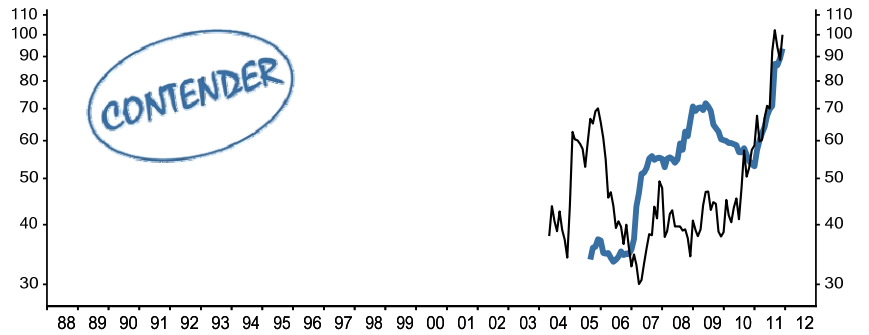
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 71: PETRONET LNG**

Contenders Rank: 100  
 EPS Revision Rank: 94  
 Price Momentum Rank: 99

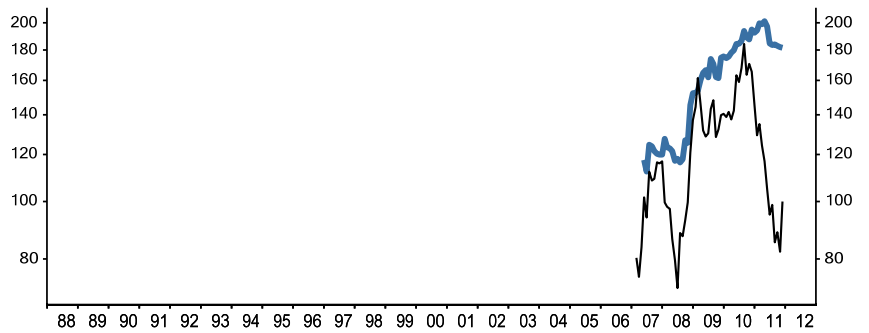
Price (Local): 164.70  
 Market Cap US\$m: 568  
 Avg Daily T/o US\$m: 0.90  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: PLNG IN



**Chart 72: POWER FINANCE CORPORATION**

Contenders Rank: 24  
 EPS Revision Rank: 42  
 Price Momentum Rank: 12

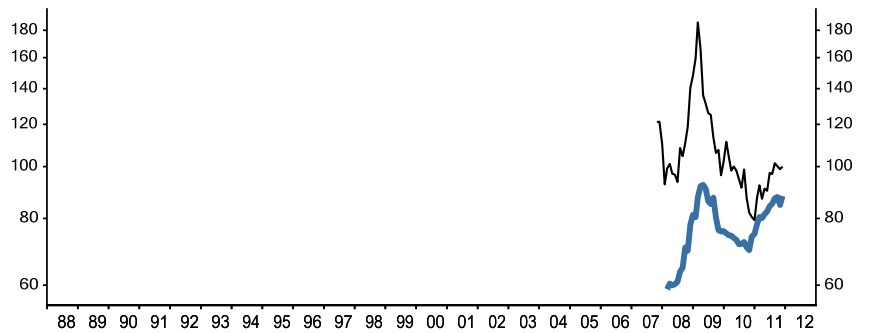
Price (Local): 161.50  
 Market Cap US\$m: 817  
 Avg Daily T/o US\$m: 1.19  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: POWF IN



**Chart 73: POWER GRID CORP OF INDIA**

Contenders Rank: 76  
 EPS Revision Rank: 67  
 Price Momentum Rank: 74

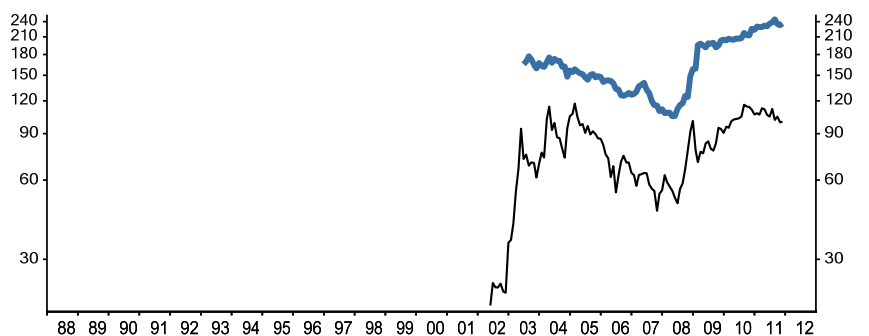
Price (Local): 98.95  
 Market Cap US\$m: 2,106  
 Avg Daily T/o US\$m: 0.49  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: PWGR IN



**Chart 74: PUNJAB NATIONAL BANK**

Contenders Rank: 33  
 EPS Revision Rank: 38  
 Price Momentum Rank: 45

Price (Local): 882.90  
 Market Cap US\$m: 1,072  
 Avg Daily T/o US\$m: 0.59  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: PNB IN



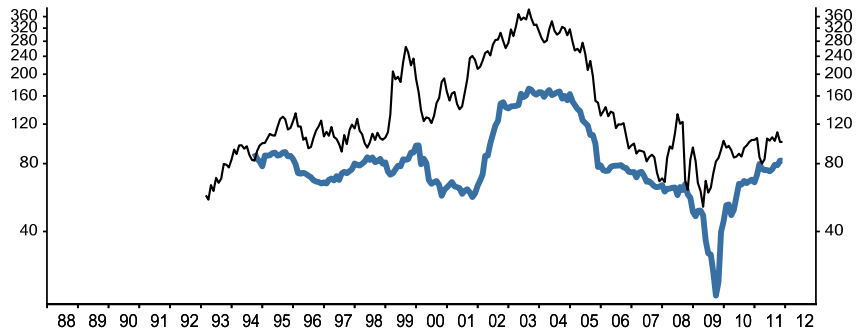
————— Price Relative  
to MSCI India

————— Prospective EPS Relative  
to MSCI India

**Chart 75: RANBAXY LABORATORIES**

Contenders Rank: 80  
 EPS Revision Rank: 78  
 Price Momentum Rank: 79

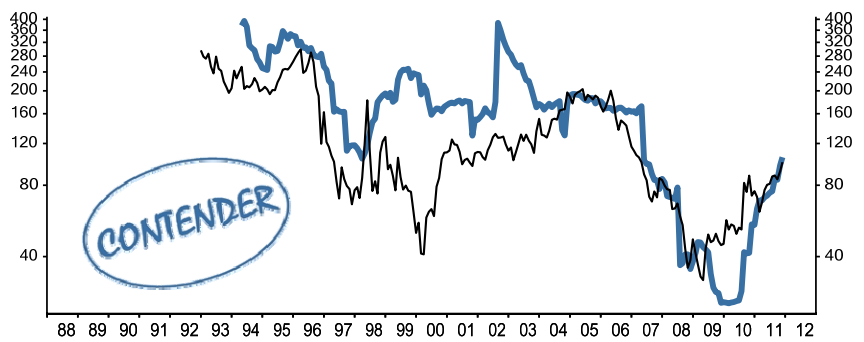
Price (Local): 434.80  
 Market Cap US\$m: 1,054  
 Avg Daily T/o US\$m: 0.68  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: RBXY IN



**Chart 76: RAYMOND**

Contenders Rank: 97  
 EPS Revision Rank: 98  
 Price Momentum Rank: 92

Price (Local): 388.05  
 Market Cap US\$m: 196  
 Avg Daily T/o US\$m: 0.51  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: RW IN



**Chart 77: RELIANCE CAPITAL**

Contenders Rank: 11  
 EPS Revision Rank: 25  
 Price Momentum Rank: 5

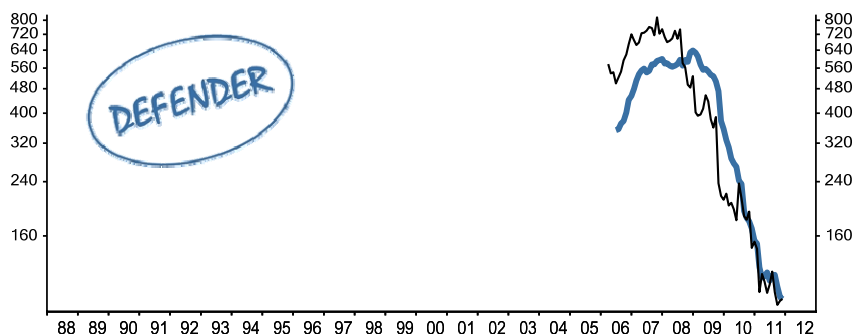
Price (Local): 281.60  
 Market Cap US\$m: 530  
 Avg Daily T/o US\$m: 3.90  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: RCAPT IN



**Chart 78: RELIANCE COMMUNICATIONS**

Contenders Rank: 18  
 EPS Revision Rank: 14  
 Price Momentum Rank: 28

Price (Local): 74.10  
 Market Cap US\$m: 732  
 Avg Daily T/o US\$m: 3.10  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: RCOM IN



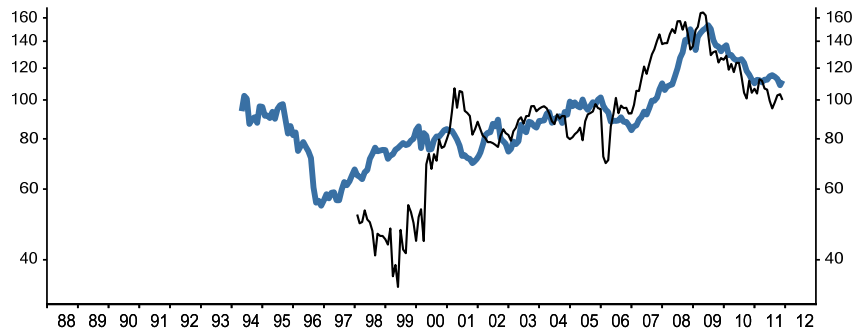
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 79: RELIANCE INDUSTRIES**

Contenders Rank: 37  
 EPS Revision Rank: 45  
 Price Momentum Rank: 43

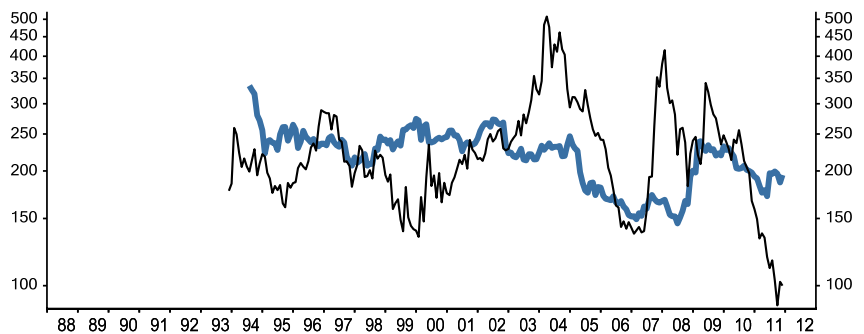
Price (Local): 778.80  
 Market Cap US\$m: 19,540  
 Avg Daily T/o US\$m: 11.95  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: RIL IN



**Chart 80: RELIANCE INFRASTRUCTURE**

Contenders Rank: 51  
 EPS Revision Rank: 58  
 Price Momentum Rank: 13

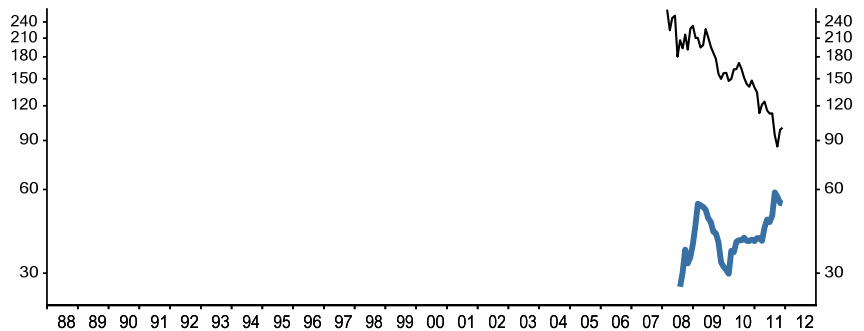
Price (Local): 404.20  
 Market Cap US\$m: 816  
 Avg Daily T/o US\$m: 2.48  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: RELI IN



**Chart 81: RELIANCE POWER**

Contenders Rank: 20  
 EPS Revision Rank: 32  
 Price Momentum Rank: 19

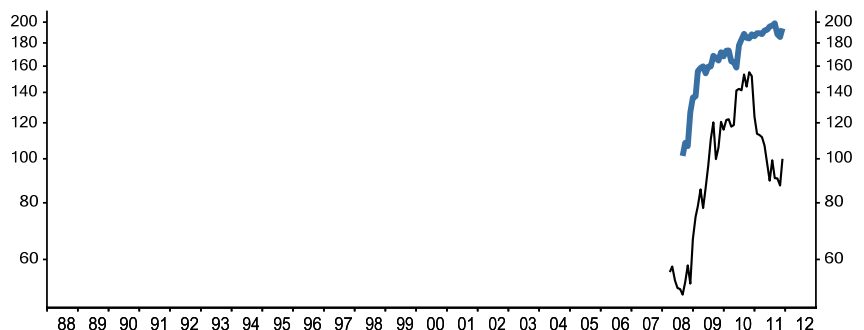
Price (Local): 85.40  
 Market Cap US\$m: 918  
 Avg Daily T/o US\$m: 1.35  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: RPWR IN



**Chart 82: RURAL ELECTRIFICATION CORP**

Contenders Rank: 52  
 EPS Revision Rank: 54  
 Price Momentum Rank: 30

Price (Local): 183.85  
 Market Cap US\$m: 1,043  
 Avg Daily T/o US\$m: 1.19  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: RECL IN



Price Relative to MSCI India

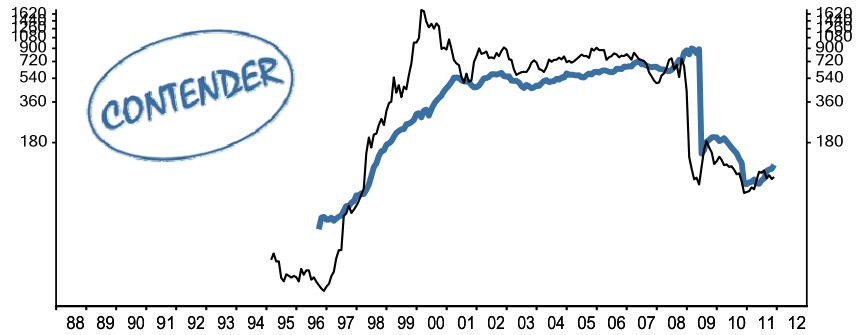
Prospective EPS Relative to MSCI India



**Chart 83: SATYAM COMPUTER**

Contenders Rank: 87  
EPS Revision Rank: 97  
Price Momentum Rank: 69

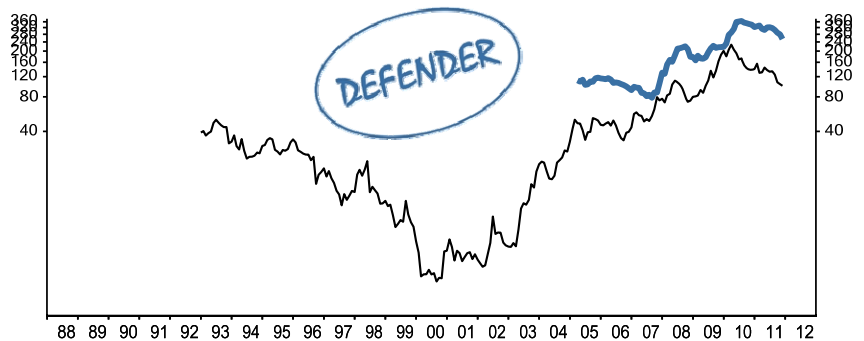
Price (Local): 65.75  
Market Cap US\$m: 741  
Avg Daily T/o US\$m: 1.79  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: SCS IN



**Chart 84: SESA GOA**

Contenders Rank: 6  
EPS Revision Rank: 3  
Price Momentum Rank: 17

Price (Local): 182.75  
Market Cap US\$m: 1,217  
Avg Daily T/o US\$m: 1.99  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: SESA IN



**Chart 85: SHRIRAM TRANSPORT FINANCE CO**

Contenders Rank: 53  
EPS Revision Rank: 55  
Price Momentum Rank: 34

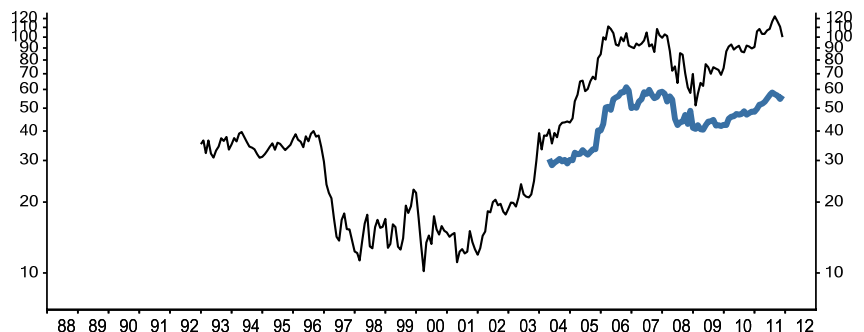
Price (Local): 500.60  
Market Cap US\$m: 1,193  
Avg Daily T/o US\$m: 0.40  
BofA ML Analyst Opinion: Buy  
Bloomberg Code: SHTF IN



**Chart 86: SIEMENS**

Contenders Rank: 48  
EPS Revision Rank: 49  
Price Momentum Rank: 62

Price (Local): 688.55  
Market Cap US\$m: 898  
Avg Daily T/o US\$m: 0.29  
BofA ML Analyst Opinion: Underperform  
Bloomberg Code: SIEM IN



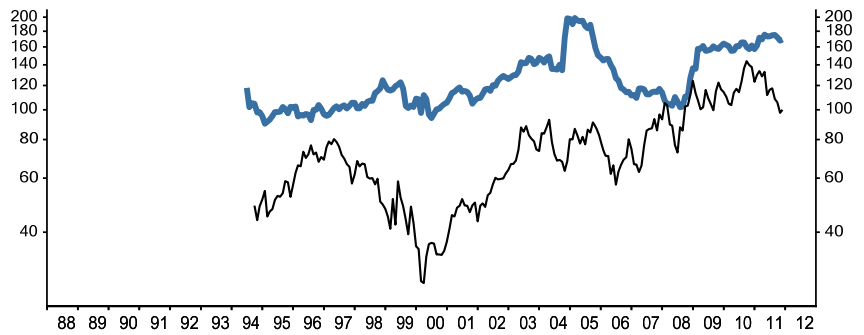
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 87: STATE BANK OF INDIA**

Contenders Rank: 25  
 EPS Revision Rank: 39  
 Price Momentum Rank: 18

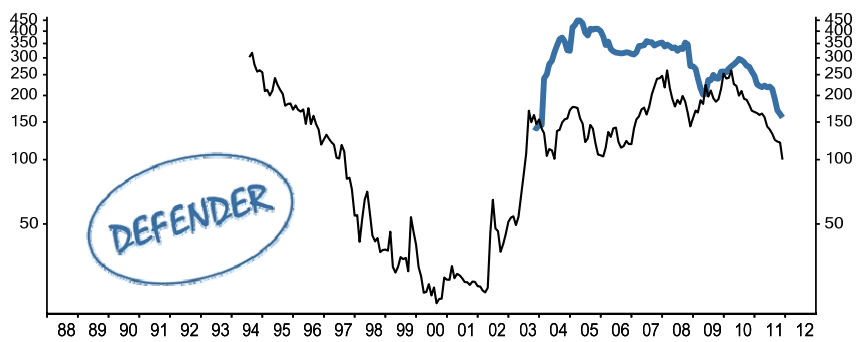
Price (Local): 1763.00  
 Market Cap US\$m: 2,144  
 Avg Daily T/o US\$m: 21.67  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: SBIN IN



**Chart 88: STEEL AUTHORITY OF INDIA**

Contenders Rank: 3  
 EPS Revision Rank: 5  
 Price Momentum Rank: 7

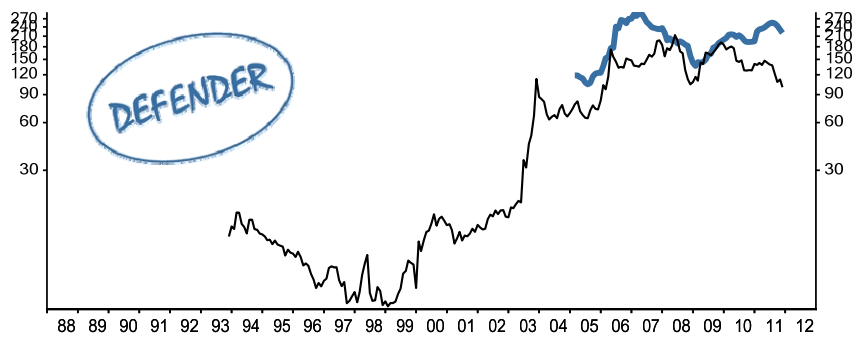
Price (Local): 80.60  
 Market Cap US\$m: 574  
 Avg Daily T/o US\$m: 0.75  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: SAIL IN



**Chart 89: STERLITE INDUSTRIES (INDIA)**

Contenders Rank: 5  
 EPS Revision Rank: 4  
 Price Momentum Rank: 15

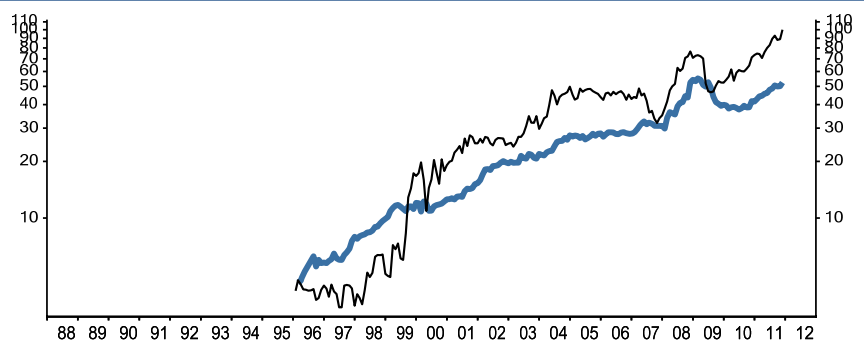
Price (Local): 99.30  
 Market Cap US\$m: 2,557  
 Avg Daily T/o US\$m: 1.89  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: STLT IN



**Chart 90: SUN PHARMACEUTICALS INDUSTRIES**

Contenders Rank: 86  
 EPS Revision Rank: 77  
 Price Momentum Rank: 89

Price (Local): 523.40  
 Market Cap US\$m: 3,115  
 Avg Daily T/o US\$m: 0.49  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: SUNP IN



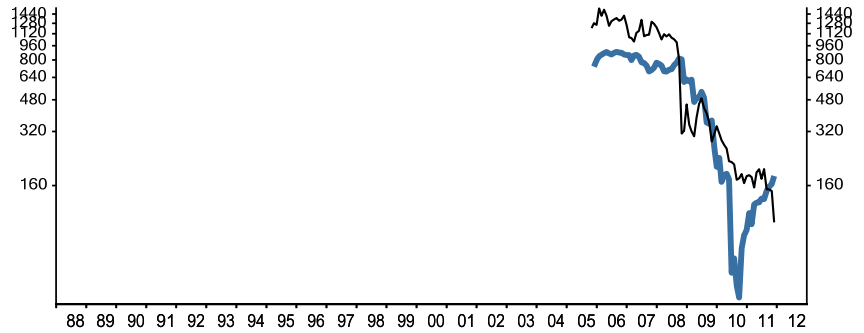
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

**Chart 91: SUZLON ENERGY**

Contenders Rank: 57  
 EPS Revision Rank: 100  
 Price Momentum Rank: 10

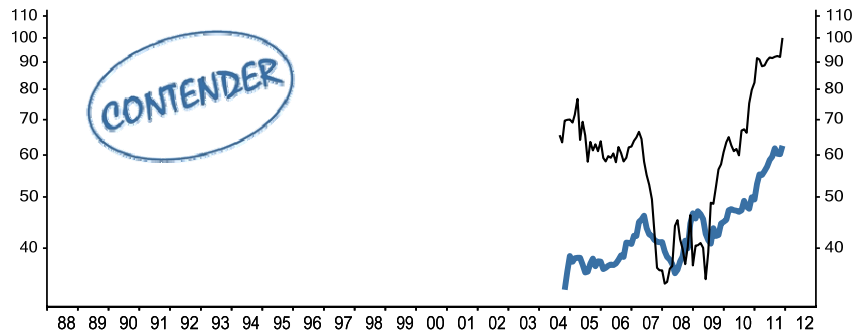
Price (Local): 23.20  
 Market Cap US\$m: 316  
 Avg Daily T/o US\$m: 2.40  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: SUEL IN



**Chart 92: TATA CONSULTANCY SERVICES**

Contenders Rank: 65  
 EPS Revision Rank: 65  
 Price Momentum Rank: 60

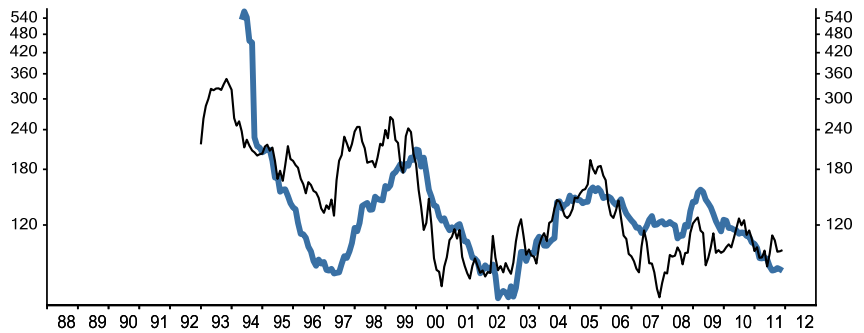
Price (Local): 1113.00  
 Market Cap US\$m: 10,016  
 Avg Daily T/o US\$m: 4.11  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: TCS IN



**Chart 93: TATA GLOBAL BEVERAGES**

Contenders Rank: 44  
 EPS Revision Rank: 43  
 Price Momentum Rank: 55

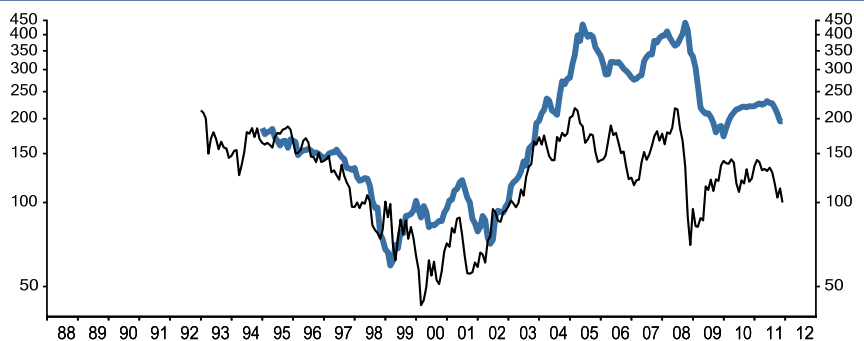
Price (Local): 83.85  
 Market Cap US\$m: 447  
 Avg Daily T/o US\$m: 0.43  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: TGBL IN



**Chart 94: TATA IRON & STEEL COMPANY (TISCO)**

Contenders Rank: 14  
 EPS Revision Rank: 17  
 Price Momentum Rank: 22

Price (Local): 384.90  
 Market Cap US\$m: 2,263  
 Avg Daily T/o US\$m: 8.57  
 BofA ML Analyst Opinion: Underperform  
 Bloomberg Code: TATA IN



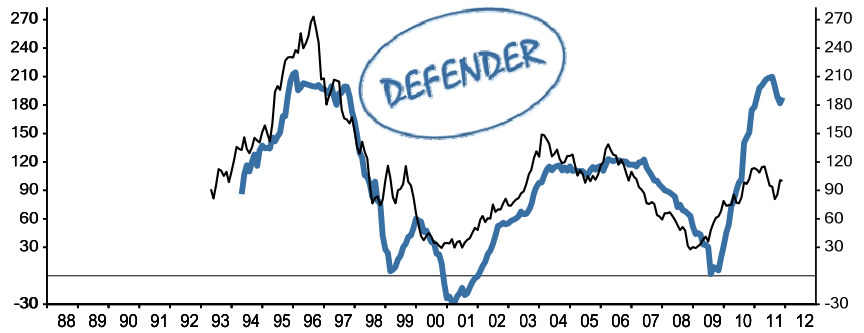
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Contenders Rank: 19  
 EPS Revision Rank: 27  
 Price Momentum Rank: 24

Price (Local): 172.45  
 Market Cap US\$m: 4,979  
 Avg Daily T/o US\$m: 7.61  
 BofA ML Analyst Opinion: Buy  
 Bloomberg Code: TTMT IN

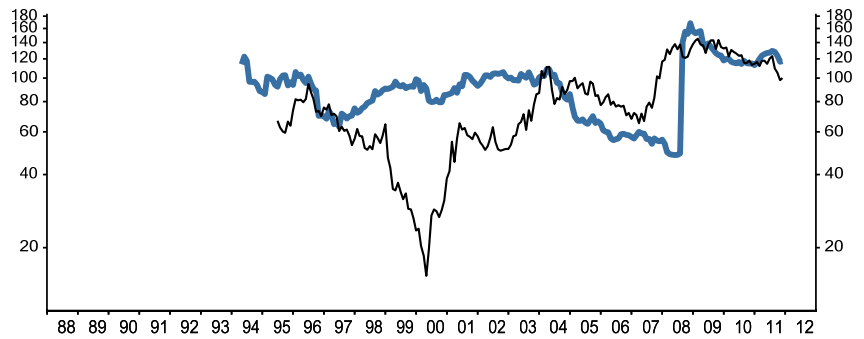
Chart 95: TATA MOTORS



Contenders Rank: 22  
 EPS Revision Rank: 24  
 Price Momentum Rank: 32

Price (Local): 91.65  
 Market Cap US\$m: 1,708  
 Avg Daily T/o US\$m: 0.48  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: TPWR IN

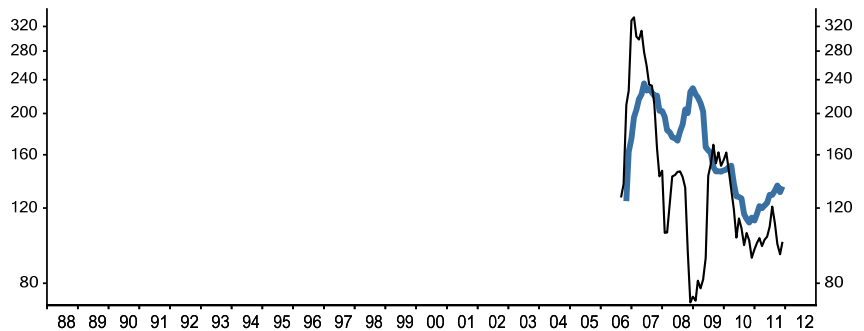
Chart 96: TATA POWER



Contenders Rank: 61  
 EPS Revision Rank: 85  
 Price Momentum Rank: 48

Price (Local): 565.85  
 Market Cap US\$m: 207  
 Avg Daily T/o US\$m: 0.36  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: TECHM IN

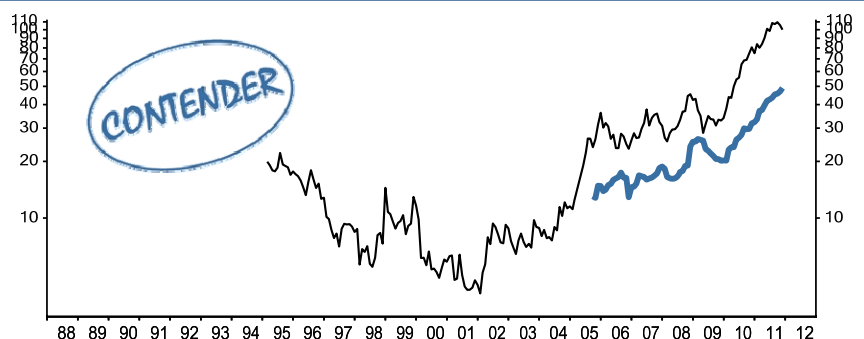
Chart 97: TECH MAHINDRA



Contenders Rank: 91  
 EPS Revision Rank: 84  
 Price Momentum Rank: 87

Price (Local): 177.95  
 Market Cap US\$m: 726  
 Avg Daily T/o US\$m: 2.41  
 BofA ML Analyst Opinion: Neutral  
 Bloomberg Code: TTAN IN

Chart 98: TITAN INDUSTRIES



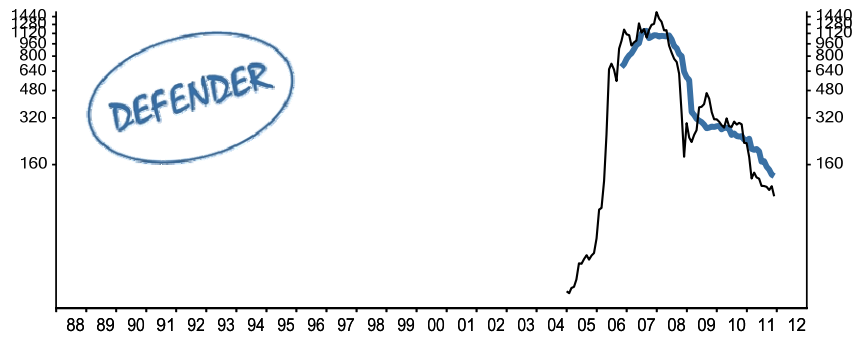
Price Relative  
to MSCI India

Prospective EPS Relative  
to MSCI India

**Chart 99: UNITECH**

Contenders Rank: 10  
EPS Revision Rank: 15  
Price Momentum Rank: 14

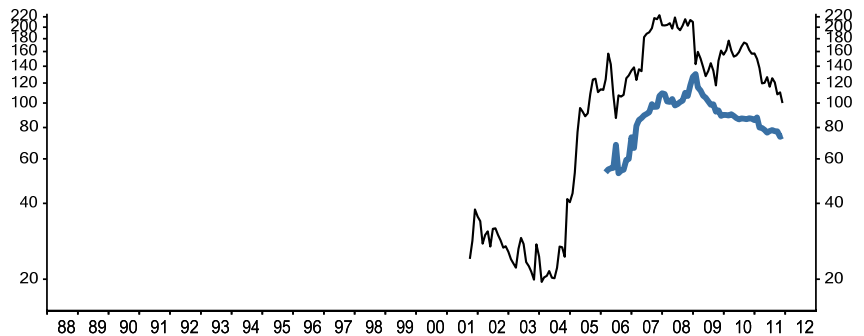
Price (Local): 23.00  
Market Cap US\$m: 576  
Avg Daily T/o US\$m: 1.62  
BoFA ML Analyst Opinion: Neutral  
Bloomberg Code: UT IN



**Chart 100: UNITED SPIRITS**

Contenders Rank: 32  
EPS Revision Rank: 40  
Price Momentum Rank: 38

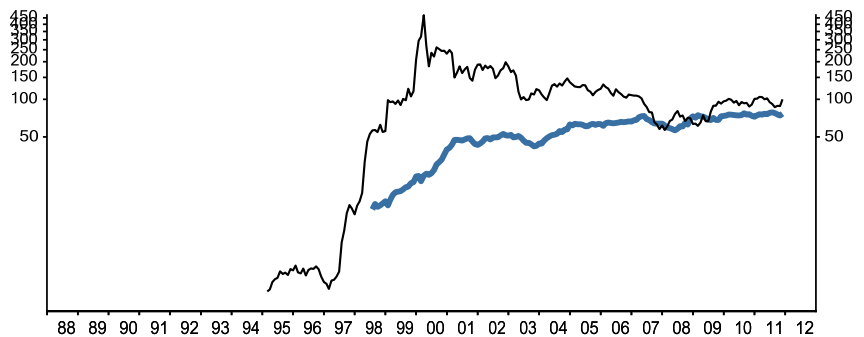
Price (Local): 699.70  
Market Cap US\$m: 1,139  
Avg Daily T/o US\$m: 0.42  
BoFA ML Analyst Opinion: UNSP IN  
Bloomberg Code: UNSP IN



**Chart 101: WIPRO**

Contenders Rank: 35  
EPS Revision Rank: 50  
Price Momentum Rank: 37

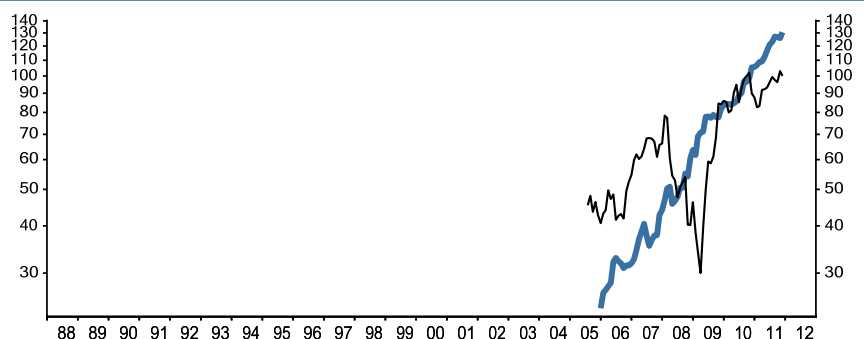
Price (Local): 378.15  
Market Cap US\$m: 3,560  
Avg Daily T/o US\$m: 0.85  
BoFA ML Analyst Opinion: Neutral  
Bloomberg Code: WPRO IN



**Chart 102: YES BANK**

Contenders Rank: 78  
EPS Revision Rank: 88  
Price Momentum Rank: 67

Price (Local): 272.45  
Market Cap US\$m: 898  
Avg Daily T/o US\$m: 1.64  
BoFA ML Analyst Opinion: Buy  
Bloomberg Code: YES IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

## Index

| Company                      | Contenders Rank | Page    | Company                     | Contenders Rank | Page    |
|------------------------------|-----------------|---------|-----------------------------|-----------------|---------|
| Adani Enterprises            | 15              | Pg (18) | Kotak Mahindra Bank         | 71              | Pg (28) |
| Ambuja Cements               | 70              | Pg (18) | Larsen & Toubro             | 34              | Pg (28) |
| Apollo Tyres Limited         | 30              | Pg (18) | LIC Housing Finance         | 92              | Pg (28) |
| Ashok Leyland                | 77              | Pg (18) | Lupin Ltd                   | 75              | Pg (28) |
| Associated Cement            | 73              | Pg (19) | Mahindra & Mahindra         | 72              | Pg (29) |
| Axis Bank                    | 56              | Pg (19) | Maruti Suzuki India         | 38              | Pg (29) |
| Bajaj Auto                   | 96              | Pg (19) | Mundra Port & SEZ           | 84              | Pg (29) |
| Bank of Baroda               | 62              | Pg (19) | NTPC                        | 63              | Pg (29) |
| Bank of India                | 16              | Pg (20) | Petronet LNG                | 100             | Pg (30) |
| Bharat Petroleum Corp        | 46              | Pg (20) | Power Finance               | 24              | Pg (30) |
| Bharti Tele-Ventures         | 49              | Pg (20) | Power Grid Corp of India    | 76              | Pg (30) |
| Canara Bank                  | 13              | Pg (20) | Punjab National Bank        | 33              | Pg (30) |
| Cipla                        | 68              | Pg (21) | Ranbaxy Laboratories        | 80              | Pg (31) |
| Coal India                   | 47              | Pg (21) | Raymond Ltd                 | 97              | Pg (31) |
| Crompton Greaves             | 2               | Pg (21) | Reliance Capital            | 11              | Pg (31) |
| Dish TV India                | 82              | Pg (21) | Reliance Communications     | 18              | Pg (31) |
| DLF                          | 43              | Pg (22) | Reliance Industries         | 37              | Pg (32) |
| Dr Reddy's Laboratories      | 67              | Pg (22) | Reliance Infrastructure     | 51              | Pg (32) |
| Exide Industries             | 39              | Pg (22) | Reliance Power              | 20              | Pg (32) |
| Gail India                   | 42              | Pg (22) | Rural Electrification Corp  | 52              | Pg (32) |
| Grasim Industries            | 85              | Pg (23) | Satyam Computer             | 87              | Pg (33) |
| HCL Technologies             | 59              | Pg (23) | Sesa Goa                    | 6               | Pg (33) |
| HDFC Bank                    | 90              | Pg (23) | Shriram Transport           | 53              | Pg (33) |
| Hero Motorcorp               | 99              | Pg (23) | Siemens Ltd                 | 48              | Pg (33) |
| Hindalco Industries          | 8               | Pg (24) | State Bank of India         | 25              | Pg (34) |
| Hindustan Lever              | 95              | Pg (24) | Steel Authority of India    | 3               | Pg (34) |
| Hindustan Petroleum          | 41              | Pg (24) | Sterlite Industries (India) | 5               | Pg (34) |
| Housing Development &        | 1               | Pg (24) | Sun Pharmaceuticals         | 86              | Pg (34) |
| ICICI Bank                   | 28              | Pg (25) | Suzlon Energy               | 57              | Pg (35) |
| Idea Cellular                | 94              | Pg (25) | Tata Consultancy            | 65              | Pg (35) |
| Indiabulls Financial Service | 89              | Pg (25) | Tata Global Beverages       | 44              | Pg (35) |
| Indiabulls Real Estate       | 9               | Pg (25) | Tata Iron & Steel           | 14              | Pg (35) |
| Infosys Ltd                  | 66              | Pg (26) | Tata Motors                 | 19              | Pg (36) |
| Infrastructure               | 58              | Pg (26) | Tata Power                  | 22              | Pg (36) |
| IRB Infrastructure           | 54              | Pg (26) | Tech Mahindra Ltd           | 61              | Pg (36) |
| ITC Limited                  | 81              | Pg (26) | Titan Industries            | 91              | Pg (36) |
| Jain Irrigation Systems      | 29              | Pg (27) | Unitech                     | 10              | Pg (37) |
| Jaiprakash Associates        | 23              | Pg (27) | United Spirits              | 32              | Pg (37) |
| Jindal Steel & Power         | 27              | Pg (27) | WIPRO                       | 35              | Pg (37) |
| JSW Steel                    | 4               | Pg (27) | Yes Bank                    | 78              | Pg (37) |

## Consumer Discretionary

| Company              | Contenders Rank | Page    | Company             | Contenders Rank | Page    |
|----------------------|-----------------|---------|---------------------|-----------------|---------|
| Apollo Tyres Limited | 30              | Pg (18) | Mahindra & Mahindra | 72              | Pg (29) |
| Bajaj Auto           | 96              | Pg (19) | Maruti Suzuki India | 38              | Pg (29) |
| Dish TV India        | 82              | Pg (21) | Raymond Ltd         | 97              | Pg (31) |
| Exide Industries     | 39              | Pg (22) | Tata Motors         | 19              | Pg (36) |
| Hero Motorcorp       | 99              | Pg (23) | Titan Industries    | 91              | Pg (36) |

## Consumer Staples

| Company         | Contenders Rank | Page    | Company               | Contenders Rank | Page    |
|-----------------|-----------------|---------|-----------------------|-----------------|---------|
| Hindustan Lever | 95              | Pg (24) | Tata Global Beverages | 44              | Pg (35) |
| ITC Limited     | 81              | Pg (26) | United Spirits        | 32              | Pg (37) |

## Energy

| Company               | Contenders Rank | Page    | Company             | Contenders Rank | Page    |
|-----------------------|-----------------|---------|---------------------|-----------------|---------|
| Bharat Petroleum Corp | 46              | Pg (20) | Petronet LNG        | 100             | Pg (30) |
| Coal India            | 47              | Pg (21) | Reliance Industries | 37              | Pg (32) |
| Hindustan Petroleum   | 41              | Pg (24) |                     |                 |         |

## Financials

| Company                              | Contenders Rank | Page    | Company                    | Contenders Rank | Page    |
|--------------------------------------|-----------------|---------|----------------------------|-----------------|---------|
| Axis Bank                            | 56              | Pg (19) | Kotak Mahindra Bank        | 71              | Pg (28) |
| Bank of Baroda                       | 62              | Pg (19) | LIC Housing Finance        | 92              | Pg (28) |
| Bank of India                        | 16              | Pg (20) | Power Finance              | 24              | Pg (30) |
| Canara Bank                          | 13              | Pg (20) | Punjab National Bank       | 33              | Pg (30) |
| DLF                                  | 43              | Pg (22) | Reliance Capital           | 11              | Pg (31) |
| HDFC Bank                            | 90              | Pg (23) | Rural Electrification Corp | 52              | Pg (32) |
| Housing Development & Infrastructure | 1               | Pg (24) | Shriram Transport          | 53              | Pg (33) |
| ICICI Bank                           | 28              | Pg (25) | State Bank of India        | 25              | Pg (34) |
| Indiabulls Financial Service         | 89              | Pg (25) | Unitech                    | 10              | Pg (37) |
| Indiabulls Real Estate               | 9               | Pg (25) | Yes Bank                   | 78              | Pg (37) |
| Infrastructure                       | 58              | Pg (26) |                            |                 |         |

## Health Care

| Company                 | Contenders Rank | Page    | Company              | Contenders Rank | Page    |
|-------------------------|-----------------|---------|----------------------|-----------------|---------|
| Cipla                   | 68              | Pg (21) | Ranbaxy Laboratories | 80              | Pg (31) |
| Dr Reddy's Laboratories | 67              | Pg (22) | Sun Pharmaceuticals  | 86              | Pg (34) |
| Lupin Ltd               | 75              | Pg (28) |                      |                 |         |

## Industrials

| Company                 | Contenders Rank | Page    | Company               | Contenders Rank | Page    |
|-------------------------|-----------------|---------|-----------------------|-----------------|---------|
| Adani Enterprises       | 15              | Pg (18) | Jaiprakash Associates | 23              | Pg (27) |
| Ashok Leyland           | 77              | Pg (18) | Larsen & Toubro       | 34              | Pg (28) |
| Crompton Greaves        | 2               | Pg (21) | Mundra Port & SEZ     | 84              | Pg (29) |
| IRB Infrastructure      | 54              | Pg (26) | Siemens Ltd           | 48              | Pg (33) |
| Jain Irrigation Systems | 29              | Pg (27) | Suzlon Energy         | 57              | Pg (35) |

## Information Technology

| Company          | Contenders Rank | Page    | Company           | Contenders Rank | Page    |
|------------------|-----------------|---------|-------------------|-----------------|---------|
| HCL Technologies | 59              | Pg (23) | Tata Consultancy  | 65              | Pg (35) |
| Infosys Ltd      | 66              | Pg (26) | Tech Mahindra Ltd | 61              | Pg (36) |
| Satyam Computer  | 87              | Pg (33) | WIPRO             | 35              | Pg (37) |

## Materials

| Company              | Contenders Rank | Page    | Company                     | Contenders Rank | Page    |
|----------------------|-----------------|---------|-----------------------------|-----------------|---------|
| Ambuja Cements       | 70              | Pg (18) | JSW Steel                   | 4               | Pg (27) |
| Associated Cement    | 73              | Pg (19) | Sesa Goa                    | 6               | Pg (33) |
| Grasim Industries    | 85              | Pg (23) | Steel Authority of India    | 3               | Pg (34) |
| Hindalco Industries  | 8               | Pg (24) | Sterlite Industries (India) | 5               | Pg (34) |
| Jindal Steel & Power | 27              | Pg (27) | Tata Iron & Steel           | 14              | Pg (35) |

## Telecommunication

| Company              | Contenders Rank | Page    | Company                 | Contenders Rank | Page    |
|----------------------|-----------------|---------|-------------------------|-----------------|---------|
| Bharti Tele-Ventures | 49              | Pg (20) | Reliance Communications | 18              | Pg (31) |
| Idea Cellular        | 94              | Pg (25) |                         |                 |         |



## Utilities

| Company                  | Contenders Rank | Page    | Company                 | Contenders Rank | Page    |
|--------------------------|-----------------|---------|-------------------------|-----------------|---------|
| Gail India               | 42              | Pg (22) | Reliance Infrastructure | 51              | Pg (32) |
| NTPC                     | 63              | Pg (29) | Reliance Power          | 20              | Pg (32) |
| Power Grid Corp of India | 76              | Pg (30) | Tata Power              | 22              | Pg (36) |

## Asia Pacific Quantitative Publications Monthly reports for the Asia Pacific Region.

### ASIA PACIFIC CONTENDERS & DEFENDERS

A report graphically showing how consensus earnings expectations for each stock have changed since 1988 versus the market, and whether recent earnings revisions appear to have been reflected in relative share price performance. Models based on earnings momentum, price momentum and valuation to determine “The Contenders” which back-testing showed are expected to outperform, and “The Defenders” which back-testing showed are expected to underperform. Individual reports are available for Asia Pacific, and Global Emerging Markets (GEM), Europe, and the World.

### ASIA PACIFIC QUANTESSENTIAL STYLE

This is an investment style analysis that relates the performance of seven Quantessential Styles (Value, Growth, Quality, Risk, Momentum, Dividend and Size) to trend in global macro data and back-testing indicates which styles are expected to outperform. Our analysis indicates different style tilts are optimal at various stages of the cycle.

### ASIA PACIFIC QUANT PANORAMA

In this monthly report, we summarize all our views and recent research on regional allocation, country allocation, sector allocation, style allocation, and stock selection for the Asia Pacific region, including Australia.

### FOCUS POINT

Brief comments on topical issues and new research.

### ASIA PACIFIC QUANTITATIVE STRATEGY COMMENTS

“Asia Pacific Quantitative Strategy” comments are typically two-to-four page reports summarizing current research and recommendations. Examples of these reports include:

- **Global Wave** – a monthly update of our proprietary indicator of global economic activity and major troughs and peaks in the cycle.
- **Asia Pacific Earnings Revision Ratio** – shows how earnings expectations are changing at the country & sector level within Asia Pacific.

## Team Page

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| <b>Girish Nair &gt;&gt;</b><br>Quantitative Strategist<br>Merrill Lynch (Hong Kong)<br>girish.nair@baml.com                      | +852 2536 3982  |
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|---|------------------|
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|---|------------------|

## Note to Readers

Consensus EPS forecasts and analysts' opinion are provided by IBES.

IBES default earnings estimates are Reported, IFRS or EBG adjusted as determined by the majority contribution.

The accompanying valuations and screens are useful in assessing comparative valuations and comparative earnings prospects. These indicators should be used in investment decisions only with other factors including financial risk, investment risk, management strategies and operating and financial outlook.

The comments and opinions in this document are those of the Quantitative Strategy department and do not necessarily coincide with the Opinions of BofA Merrill Lynch fundamental analysts.

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## Link to Definitions

### Macro

Click [here](#) for definitions of commonly used terms.

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**FUNDAMENTAL EQUITY OPINION KEY:** Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of a stock's: (i) absolute total return potential and (ii) attractiveness for investment relative to other stocks within its *Coverage Cluster* (defined below). There are three investment ratings: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster* |
|-------------------|---|---|
| Buy               | ≥ 10%   | ≤ 70%   |
| Neutral           | ≥ 0%  | ≤ 30%   |
| Underperform      | N/A   | ≥ 20%   |

\* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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