

June 12, 2009

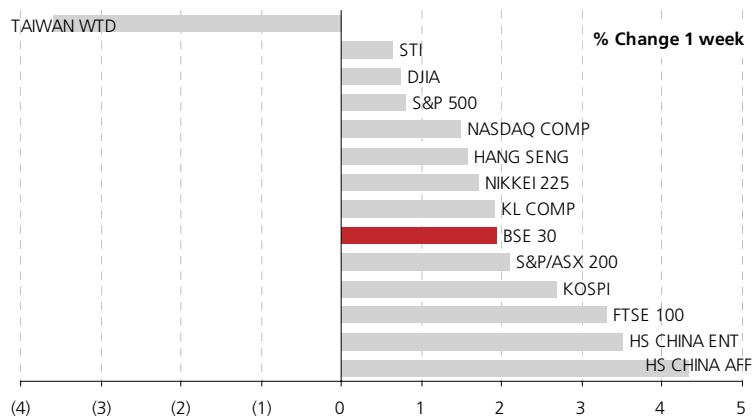
BSE-30: 15,411

**Sustaining momentum.** During the past week, the BSE-30 Index gained 403 points (2.7%) to close at 15,411. The gains were led by Larsen & Toubro, Infosys and HDFC Bank which together contributed 290 points to the Index rise. Sentiments continued to remain positive with (1) optimism in global markets and (2) continued flows from FIIs (invested US\$646 mn in the past five trading sessions). The BSE-30 Index is quoting at 17.3X FY2010E and 14.3X FY2011E. On an ex-energy and commodity basis, it is trading at 19.7X FY2010E and 17.3X FY2011E.

### Market highlights for the week ending Thursday, June 11, 2009

- Largest gainers: Bajaj Hindustan (19%), Sesa Goa (18%), Mahindra & Mahindra (18%)
- Largest losers: DishTV (-22%), Phoenix Mills (-19%), Srei (-16%)

### Relative performance of regional indices (% Change 1 Week)



Source: Bloomberg

### Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$ mn)						
3-Jun-09	245	18	5	117	(68)	318
4-Jun-09	(362)	(24)	6	(15)	142	(253)
5-Jun-09	(94)	74	7	62	301	351
8-Jun-09	(210)	5	4	33	62	(107)
9-Jun-09	(87)	(21)	8	(11)	208	97
<b>Total</b>	<b>(508)</b>	<b>51</b>	<b>30</b>	<b>186</b>	<b>646</b>	<b>406</b>

Source: Bloomberg

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# OUR TOP RECOMMENDATIONS

## Kotak Institutional Equities, Top-10, March fiscal year-ends, 2009-11E

Companies	Sector	Rating	Mkt cap.	CMP	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
			(US\$ mn)	(Rs)	(Rs)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E
State Bank of India	Banking	BUY	22,612	1,694	1,870	143.6	121.1	139.2	11.8	14.0	12.2	—	—	—
Sun Pharmaceuticals	Pharmaceuticals	BUY	5,848	1,343	1,800	87.8	91.5	92.2	15.3	14.7	14.6	11.7	10.2	9.4
ITC	Consumer products	ADD	15,658	198	225	8.7	9.9	11.3	22.8	19.9	17.4	13.8	12.3	10.9
Oil & Natural Gas Corporation	Energy	BUY	50,396	1,121	1,100	100.3	95.3	119.2	11.2	11.8	9.4	4.3	4.2	3.5
Sterlite Industries	Metals	ADD	10,472	703	490	49.2	41.0	50.5	14.3	17.2	13.9	8.7	9.5	7.1
Cairn India	Energy	REDUCE	10,200	256	225	4.3	9.2	31.2	0.0	27.7	8.2	39.3	14.3	5.8
Axis Bank	Banking	BUY	5,485	727	700	50.6	56.1	66.6	14.4	12.9	10.9	—	—	—
Tata Power	Utilities	ADD	5,605	1,198	1,100	56.2	76.6	86.5	21.3	15.6	13.8	11.5	11.9	11.1
Jaiprakash Associates	Diversified	ADD	6,326	214	190	3.0	6.8	9.9	71.4	31.6	21.7	23.8	15.9	14.8
Jindal Steel and Power	Metals	ADD	7,751	2,394	1,820	198.0	172.4	196.2	12.1	13.9	12.2	8.2	8.4	7.1
<b>BSE-30</b>				<b>15,411</b>										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

# OUR MODEL PORTFOLIO

## Kotak Institutional Equities Model Portfolio

Company	11-Jun	Rating	Weightage (%)		Diff. (bps)
	Price (Rs)		BSE-30	KS reco.	
Mahindra & Mahindra	811	ADD	1.2	1.2	—
Maruti Suzuki	1,097	SELL	1.4	1.4	—
Tata Motors	369	SELL	1.1	—	(112)
<b>Automobiles</b>			<b>3.7</b>	<b>2.6</b>	<b>(112)</b>
Punjab National Bank	613	BUY	—	1.5	150
State Bank of India	1,694	BUY	4.4	6.9	250
Union Bank	222	BUY	—	1.5	150
<b>PSU Banking</b>			<b>4.4</b>	<b>9.9</b>	<b>550</b>
Axis Bank	727	BUY	—	3.0	300
HDFC	2,347	REDUCE	5.5	—	(546)
HDFC Bank	1,557	ADD	4.6	2.6	(200)
ICICI Bank	750	REDUCE	7.5	6.5	(100)
Rural Electrification Corp.	158	BUY	—	1.0	100
<b>Pvt. Banking/Financing</b>			<b>17.6</b>	<b>13.1</b>	<b>(446)</b>
ACC	863	REDUCE	0.8	—	(76)
Grasim Industries	2,417	REDUCE	1.5	1.5	—
Jaiprakash Associates	214	ADD	1.4	2.9	150
<b>Cement</b>			<b>3.6</b>	<b>4.4</b>	<b>74</b>
Hindustan Unilever	260	REDUCE	2.8	1.8	(100)
ITC	198	ADD	5.7	5.7	—
<b>Consumers</b>			<b>8.6</b>	<b>7.6</b>	<b>(100)</b>
Cairn India	256	REDUCE	—	4.0	400
Oil & Natural Gas Corporation	1,121	BUY	4.1	5.1	100
Reliance Industries	2,303	REDUCE	15.6	9.8	(576)
<b>Energy</b>			<b>19.7</b>	<b>18.9</b>	<b>(76)</b>
Bharat Heavy Electricals	2,274	REDUCE	3.4	1.4	(200)
IVRCL	351	BUY	—	1.0	100
Larsen & Toubro	1,629	ADD	6.2	6.2	—

Note:

1. Weights are with respect to May 15, 2009 prices.

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Company	11-Jun	Rating	Weightage (%)		Diff. (bps)
	Price (Rs)		BSE-30	KS reco.	
Nagarjuna Construction	136	BUY	—	1.0	100
Punj Lloyd	224	BUY	—	1.0	100
<b>Industrials/Construction</b>			<b>9.6</b>	<b>10.6</b>	<b>100</b>
Hindalco Industries	101	BUY	1.0	—	(101)
Jindal Steel and Power	2,394	ADD	—	2.0	200
Sterlite Industries	703	ADD	1.5	3.5	200
Tata Steel	453	BUY	1.8	1.8	—
<b>Metals</b>			<b>4.4</b>	<b>7.3</b>	<b>299</b>
Ranbaxy Laboratories	301	REDUCE	—	—	(40)
Sun Pharmaceuticals	1,343	BUY	1.3	3.8	250
<b>Pharmaceuticals</b>			<b>1.7</b>	<b>3.8</b>	<b>210</b>
DLF	392	REDUCE	0.8	0.8	—
<b>Real estate</b>			<b>0.8</b>	<b>0.8</b>	<b>—</b>
Infosys Technologies	1,751	BUY	9.1	7.1	(200)
TCS	775	REDUCE	1.8	—	(184)
Wipro	424	ADD	1.3	1.3	—
<b>Technology</b>			<b>12.2</b>	<b>8.3</b>	<b>(384)</b>
Bharti Airtel	854	ADD	6.2	4.2	(200)
Reliance Communications	347	SELL	2.0	—	(196)
<b>Telecom</b>			<b>8.1</b>	<b>4.2</b>	<b>(396)</b>
Lanco Infratech	417	ADD	—	1.0	100
NTPC	226	SELL	2.7	—	(270)
Reliance Infrastructure	1,193	BUY	1.4	2.4	100
Tata Power	1,198	ADD	1.6	5.1	350
<b>Utilities</b>			<b>5.8</b>	<b>8.6</b>	<b>280</b>
<b>BSE-30</b>	<b>15,411</b>		<b>100.0</b>	<b>100.0</b>	<b>—</b>

# SENSEX VALUATION SUMMARY

## Valuation summary of BSE-30 sectors, March fiscal year-ends, 2009-11E

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2008	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2009E	2010E	2009E	2010E
Automobiles	15,513	6.0	(41.1)	29.9	14.0	26.6	20.5	18.0	15.6	11.1	9.7	2.6	2.3	0.9	1.0	9.9	11.3
Banking	68,620	43.9	16.7	(4.2)	16.6	18.7	19.6	16.8	—	—	—	2.6	2.4	1.3	1.3	13.7	12.1
Cement	8,069	25.7	(15.0)	(1.4)	(6.7)	11.8	12.0	12.9	6.4	5.9	6.1	2.4	2.0	1.9	1.9	20.0	17.0
Consumers	27,571	14.9	7.7	13.2	14.1	24.9	22.0	19.3	16.7	13.9	12.1	8.3	7.3	2.5	2.8	33.4	33.3
Diversified	6,326	20.7	(30.8)	126.3	45.5	71.4	31.6	21.7	21.4	14.9	14.2	5.4	4.8	—	—	7.6	15.1
Energy	116,892	13.9	7.5	8.4	29.4	15.0	13.8	10.7	7.4	6.1	4.9	2.4	2.2	1.7	1.9	16.0	15.6
Industrials	43,845	21.3	23.2	26.9	17.4	33.3	26.3	22.4	18.9	15.0	12.8	7.2	5.8	0.7	0.8	21.7	22.2
Metals	22,029	13.0	15.7	(47.0)	57.6	6.9	13.0	8.2	5.0	6.5	5.0	1.0	0.9	1.0	1.0	14.3	7.1
Pharmaceuticals	8,548	82.1	(37.0)	11.4	28.7	27.4	24.6	19.1	19.3	16.1	12.3	3.5	2.8	1.8	1.9	12.6	11.5
Property	14,004	304.9	(36.6)	(44.5)	7.2	13.4	24.1	22.5	12.6	17.6	15.3	2.7	2.5	0.8	0.8	20.3	10.3
Technology	50,111	19.1	15.9	(2.0)	10.5	16.1	16.4	14.8	11.5	10.8	8.9	4.9	4.0	1.4	1.7	30.3	24.5
Telecom	49,161	74.9	15.3	(1.1)	11.4	16.0	16.2	14.5	10.0	9.0	7.7	3.5	2.9	0.4	0.5	22.1	17.9
Utilities	50,416	9.9	12.8	14.1	12.0	22.9	20.1	17.9	13.7	12.9	12.4	2.8	2.6	1.4	1.6	12.2	12.8
<b>BSE-30 Index</b>	<b>481,106</b>	<b>28.7</b>	<b>5.9</b>	<b>(1.6)</b>	<b>20.8</b>	<b>17.1</b>	<b>17.3</b>	<b>14.3</b>	<b>9.8</b>	<b>9.0</b>	<b>7.7</b>	<b>2.9</b>	<b>2.6</b>	<b>1.3</b>	<b>1.4</b>	<b>16.8</b>	<b>14.7</b>
<b>BSE-30 ex-Energy</b>	<b>364,214</b>	<b>35.3</b>	<b>5.3</b>	<b>(5.4)</b>	<b>17.0</b>	<b>17.9</b>	<b>18.9</b>	<b>16.1</b>	<b>11.0</b>	<b>10.8</b>	<b>9.4</b>	<b>3.1</b>	<b>2.7</b>	<b>1.2</b>	<b>1.3</b>	<b>17.1</b>	<b>14.4</b>
<b>BSE-30 ex-Energy, Com.</b>	<b>334,116</b>	<b>40.7</b>	<b>4.5</b>	<b>2.5</b>	<b>13.9</b>	<b>20.2</b>	<b>19.7</b>	<b>17.3</b>	<b>13.4</b>	<b>12.0</b>	<b>10.5</b>	<b>3.6</b>	<b>3.2</b>	<b>1.2</b>	<b>1.3</b>	<b>17.7</b>	<b>16.0</b>
<b>BSE-30 ex-Technology</b>	<b>430,995</b>	<b>29.9</b>	<b>4.7</b>	<b>(1.5)</b>	<b>22.1</b>	<b>17.2</b>	<b>17.4</b>	<b>14.3</b>	<b>9.6</b>	<b>8.9</b>	<b>7.5</b>	<b>2.7</b>	<b>2.5</b>	<b>1.3</b>	<b>1.4</b>	<b>15.9</b>	<b>14.1</b>

Note:

(1) EV/EBITDA excludes banks.

Source: Company, Kotak Institutional Equities estimates

# NIFTY VALUATION SUMMARY

## Valuation summary of Nifty sectors, March fiscal year-ends, 2009-11E

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2008	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2009E	2010E	2009E	2010E
Automobiles	21,701	7.1	(28.6)	30.1	12.3	25.5	19.6	17.4	15.1	10.9	9.5	3.2	2.8	1.0	1.1	12.7	14.3
Banking	78,167	43.5	23.7	(2.3)	16.8	16.7	17.1	14.6	—	—	—	2.5	2.3	1.4	1.4	15.0	13.5
Consumers	27,571	14.9	7.7	13.2	14.1	24.9	22.0	19.3	16.7	13.9	12.1	8.3	7.3	2.5	2.8	33.4	33.3
Cement	11,243	14.7	(12.7)	(2.2)	(10.1)	12.3	12.6	14.0	6.6	6.3	6.7	2.4	2.1	2.2	1.9	19.4	16.6
Energy	151,252	11.1	6.9	19.4	38.3	17.3	14.5	10.5	8.6	6.8	5.3	2.3	2.1	1.4	1.8	13.4	14.5
Industrials	54,829	24.9	16.1	22.4	21.3	31.1	25.4	21.0	17.3	14.2	12.1	6.0	4.9	0.6	0.8	19.3	19.4
Metals	26,898	5.4	11.6	(45.8)	56.7	7.7	14.3	9.1	5.2	6.8	5.2	1.1	1.0	1.0	0.9	14.1	7.1
Property	17,721	193.8	(36.9)	(39.3)	5.7	14.0	23.1	21.8	12.8	16.3	14.6	2.9	2.5	0.6	0.6	20.6	10.8
Pharmaceuticals	12,471	55.8	(26.3)	21.3	22.1	26.3	21.7	17.8	18.6	14.6	11.8	3.7	3.1	1.5	1.7	14.0	14.1
Telecom	58,061	(70.2)	13.4	(0.9)	11.3	17.4	17.5	15.7	10.3	9.2	7.9	3.2	2.7	0.4	0.5	18.3	15.4
Technology	52,985	15.2	15.8	(3.1)	11.3	15.7	16.2	14.6	11.2	10.7	8.8	4.6	3.8	1.6	1.9	29.0	23.6
Utilities	60,143	10.9	14.4	17.0	12.6	26.7	22.8	20.2	15.6	15.3	14.8	2.9	2.7	1.2	1.3	10.8	11.6
<b>NIFTY</b>	<b>573,042</b>	<b>25.3</b>	<b>6.3</b>	<b>1.9</b>	<b>23.6</b>	<b>17.8</b>	<b>17.4</b>	<b>14.1</b>	<b>10.4</b>	<b>9.7</b>	<b>8.1</b>	<b>2.8</b>	<b>2.5</b>	<b>1.2</b>	<b>1.4</b>	<b>15.7</b>	<b>14.3</b>
<b>NIFTY ex-Energy</b>	<b>421,790</b>	<b>31.5</b>	<b>6.0</b>	<b>(4.6)</b>	<b>16.8</b>	<b>17.9</b>	<b>18.8</b>	<b>16.1</b>	<b>11.4</b>	<b>11.6</b>	<b>10.1</b>	<b>3.0</b>	<b>2.7</b>	<b>1.2</b>	<b>1.3</b>	<b>16.8</b>	<b>14.2</b>
<b>NIFTY ex-Energy ex Com</b>	<b>394,892</b>	<b>37.0</b>	<b>5.1</b>	<b>2.6</b>	<b>13.2</b>	<b>19.7</b>	<b>19.2</b>	<b>17.0</b>	<b>13.2</b>	<b>12.6</b>	<b>11.2</b>	<b>3.4</b>	<b>3.0</b>	<b>1.2</b>	<b>1.3</b>	<b>17.4</b>	<b>15.6</b>

Note:

(a) Following companies are excluded: Power Grid, Reliance Capital and SAIL.

Source: Company, Kotak Institutional Equities estimates

# REGIONAL VALUATION SUMMARY

## Valuation summary of regional indices, Calendar year-ends, 2008-10E

Earnings growth (%), P/E (X) and PEG ratio of regional indices

	Index	Earnings growth (%)			P/E (X)		
		2008	2009E	2010E	2008	2009E	2010E
Brazil	MSCI BRAZIL	(7.2)	(9.5)	18.8	11.8	13.1	11.0
China	I/B/E/S CHINA	(19.0)	17.9	20.2	26.2	19.2	16.0
Hong Kong	I/B/E/S HONG KONG	(37.1)	(0.3)	16.2	15.8	14.8	12.7
India	MSCI INDIA	(1.1)	(3.8)	20.0	15.3	16.6	13.9
Korea	MSCI KOREA	(36.7)	6.1	47.9	15.6	14.7	9.9
Malaysia	MSCI MALAYSIA	(14.1)	(19.4)	11.4	12.8	15.8	14.2
Mexico	MSCI MEXICO	12.5	(22.4)	14.2	10.0	12.9	11.3
Russia	MSCI RUSSIA	(3.7)	(38.1)	27.0	5.5	8.9	7.0
Taiwan	MSCI TAIWAN	(68.7)	(17.7)	120.3	33.2	40.2	18.2
Thailand	MSCI THAILAND	56.6	3.0	17.1	11.4	11.1	9.4
<b>Asia - Emerging markets</b>	<b>MSCI EM ASIA</b>	<b>(30.9)</b>	<b>0.2</b>	<b>33.8</b>	<b>16.8</b>	<b>16.8</b>	<b>12.6</b>

Source: Thomson Datastream

# VALUATION SUMMARY OF BRICS SECTORS (1)

## Valuation summary of BRICs sectors, Calendar year-ends, 2008-10E

Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
<b>Banking</b>									
Russia	MSCI Russia Banks Industry Group	(19.4)	(67.0)	123.3	7.1	21.6	9.7	NA	0.2
India	MSCI India Banks Industry Group	10.4	11.2	20.2	18.9	18.3	15.2	1.7	0.9
China	MSCI China Banks Industry Group	30.3	(0.6)	15.2	11.0	11.1	9.6	NA	0.7
<b>Consumers</b>									
Russia	MSCI Russia Consumer Staples Sector	(27.4)	(11.1)	52.6	20.6	23.2	15.2	NA	0.4
India	MSCI India Consumer Discretionary Sector	(14.6)	9.7	23.7	17.2	15.9	12.9	1.8	0.7
China	MSCI China Consumer Discretionary Sector	(29.7)	12.6	14.1	16.6	14.8	12.9	NA	1.0
<b>Energy</b>									
Russia	MSCI Russia Energy Sector	3.6	(36.9)	16.7	4.8	7.6	6.5	NA	0.5
India	MSCI India Energy Sector	(5.7)	3.4	27.9	13.1	15.6	12.2	3.8	0.6
China	MSCI China Energy Sector	(1.3)	(16.3)	23.6	10.8	12.9	10.5	NA	0.5
<b>Industrials</b>									
India	MSCI India Industrials Sector	(17.3)	14.0	29.9	28.2	26.4	20.4	2.0	0.9
China	MSCI China Industrials Sector	(69.8)	54.5	28.7	31.4	20.3	15.8	NA	0.7
<b>Metals</b>									
Russia	MSCI Russia Metals & Mining Industry	(27.3)	(70.1)	25.5	4.7	15.7	12.5	NA	0.6
India	MSCI India Metals & Mining Industry	(7.8)	(38.2)	35.7	7.1	11.8	8.7	NA	0.3
China	MSCI China Metals & Mining Industry	(66.8)	(22.4)	95.2	29.2	37.7	19.3	NA	0.4

Source: Thomson Datastream

# VALUATION SUMMARY OF BRICS SECTORS (2)

## Valuation summary of BRICS sectors, Calendar year-ends, 2008-10E

Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
<b>Property</b>									
India	MSCI India Real Estate Industry Group	(38.8)	(37.1)	21.1	11.6	24.1	19.9	NA	1.1
China	MSCI China Real Estate Industry Group	(9.5)	(5.1)	21.3	16.9	17.8	14.7	NA	0.8
<b>Technology</b>									
India	MSCI India Software & Services Industry Group	20.6	(2.9)	4.8	14.0	14.5	13.8	NA	3.0
China	MSCI China Software & Services Industry Group	64.4	46.5	24.7	44.7	30.5	24.5	NA	1.2
<b>Telecom</b>									
Russia	MSCI Russia Diversified Telecommunications Services Industry	(60.3)	69.8	39.4	28.6	16.8	12.1	0.4	0.4
India	MSCI India Telecommunication Services Sector	9.7	(17.8)	11.9	11.8	14.4	12.8	NA	1.2
China	MSCI China Telecommunication Services Sector	22.3	(1.7)	3.0	11.5	11.7	11.3	NA	3.9
<b>Utilities</b>									
Russia	MSCI Russia Utilities Sector	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Utilities Sector	16.1	(0.3)	9.7	16.1	16.9	15.4	NA	1.7
China	MSCI China Utilities Sector	(90.8)	835.5	28.8	137.8	14.7	11.4	0.2	0.5

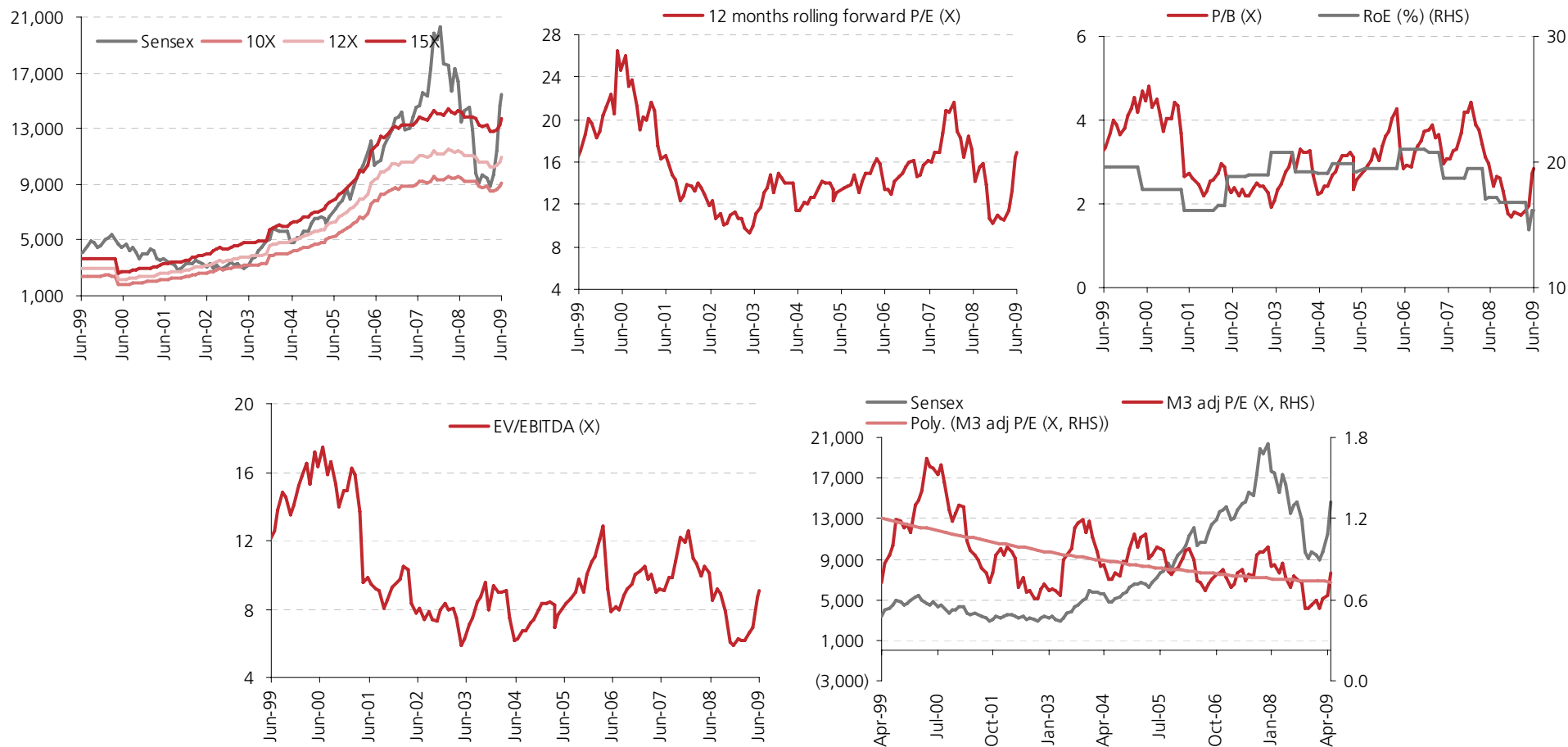
Source: Thomson Datastream



# BSE-SENSEX KEY PARAMETERS

## Key fundamental indicators of BSE-30 Index

BSE-30 Index P/B, EV/EBITDA and 12-month forward rolling P/E, June 1999- current



Source: Bloomberg, RBI, Kotak Institutional Equities

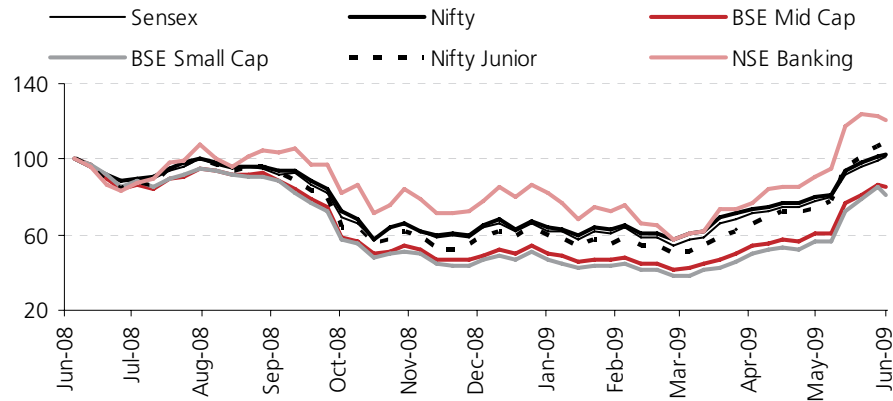
## MARKET PERFORMANCE

- PERFORMANCE OF BENCHMARK INDICES
- PERFORMANCE OF GLOBAL INDICES
- PRICING PERFORMANCE OF SENSEX SECTORS
- TOP GAINERS AND LOSERS (STOCKS UNDER KOTAK COVERAGE)
- TECHNICAL INDICATORS

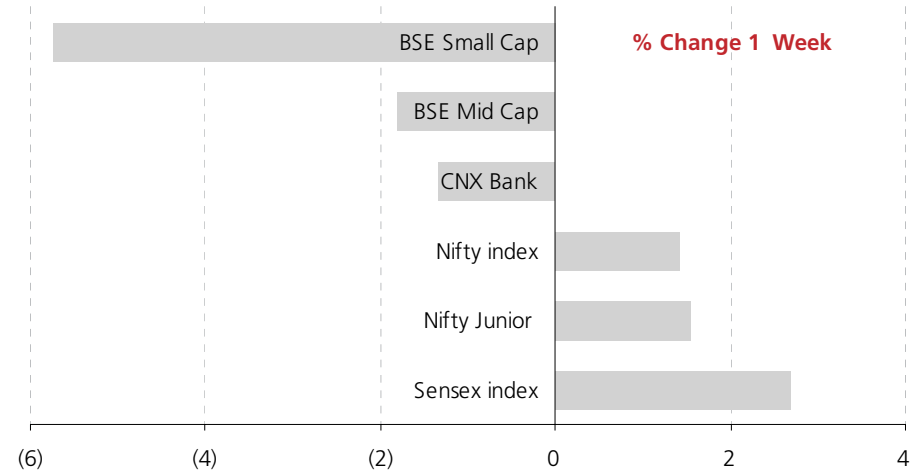
# RELATIVE PERFORMANCE OF INDIAN MARKETS

## Key performance of benchmark indices

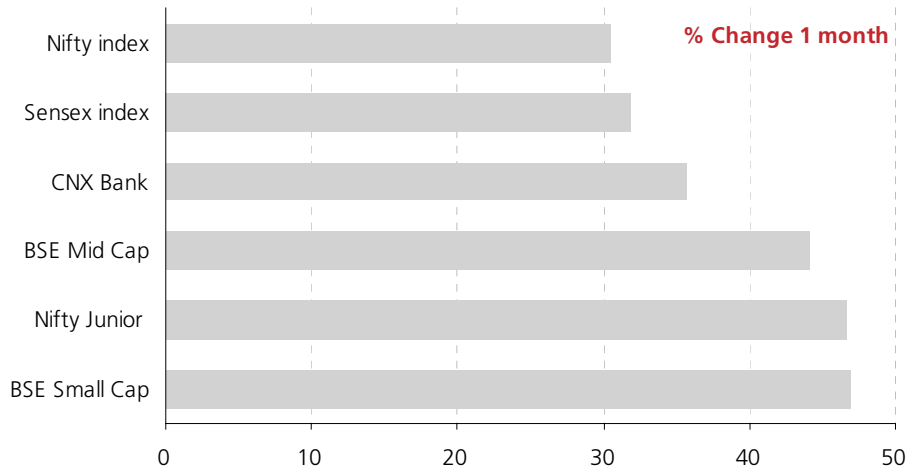
(base 100 as of June, 2008)



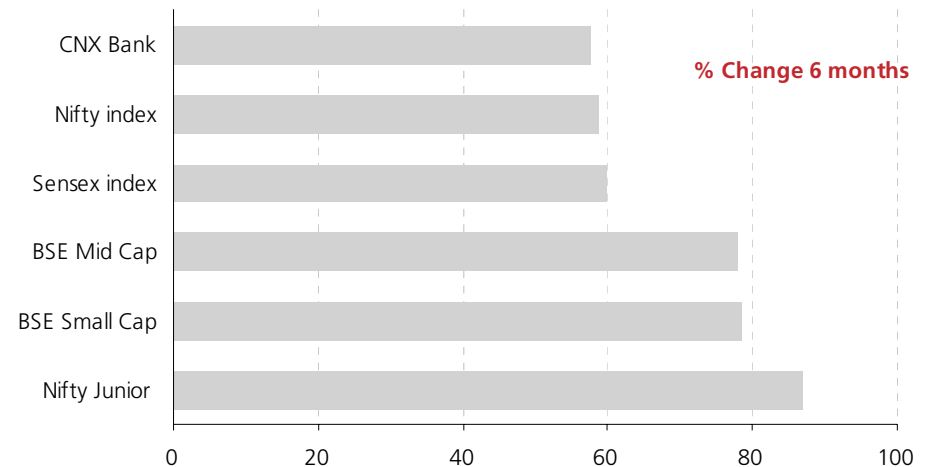
## Weekly performance of the benchmark indices



## 1-month performance of the benchmark indices



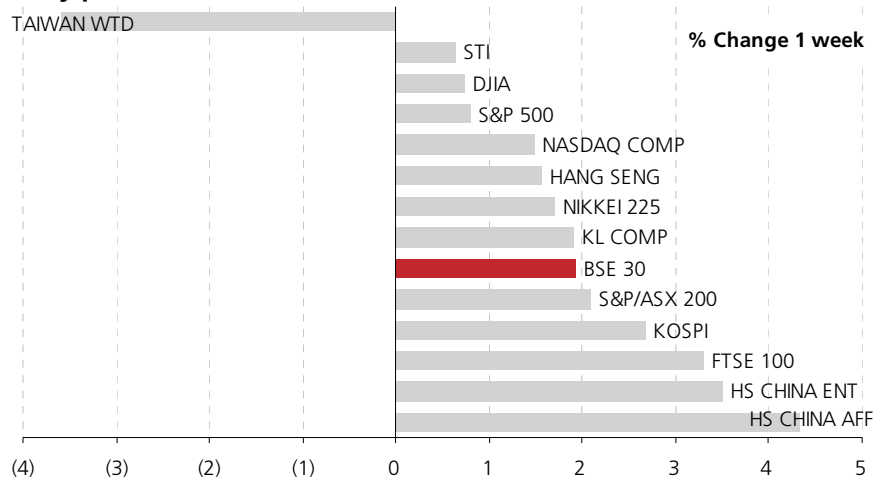
## 6-month performance of the benchmark indices



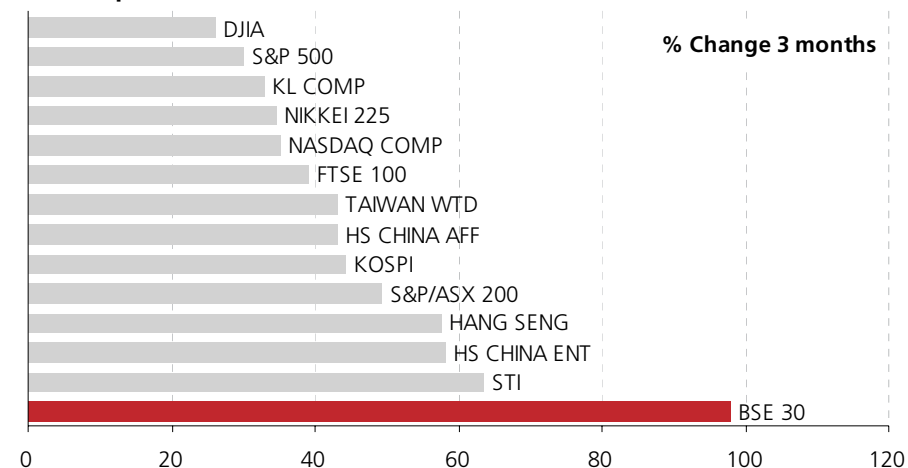
Source: Bloomberg, Kotak Institutional Equities

# BSE-SENSEX VERSUS REGIONAL INDICES

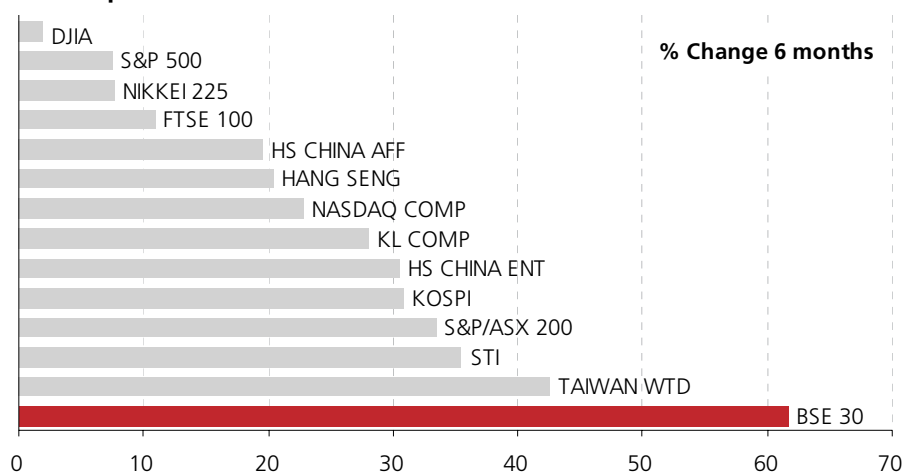
## Weekly performance



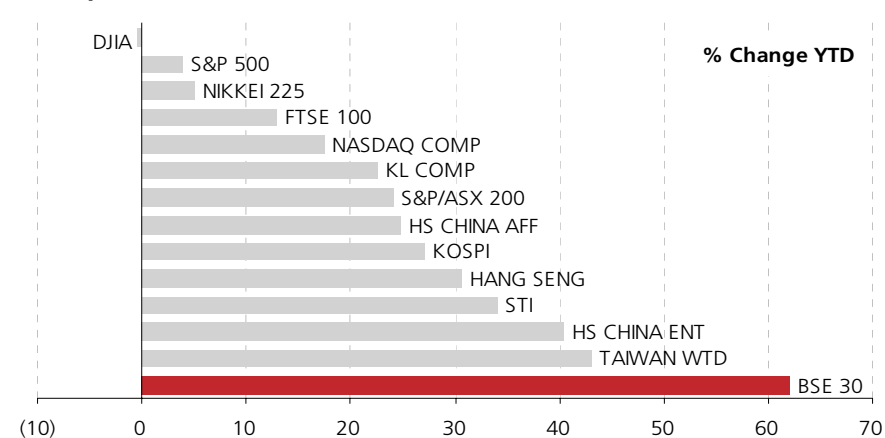
## 3-month performance



## 6-month performance



## CYTD performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities

# SECTORAL PERFORMANCE

## Market performance of Sensex sectors, June 11, 2009

	Mkt cap.	Change (%)				Relative change (%)			
	(US\$ m)	1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	15,513	(16.1)	19.7	102.4	(6.4)	(15.7)	(9.2)	26.7	(7.8)
Banking	68,620	(0.0)	37.5	57.3	16.3	0.3	4.2	(1.6)	14.6
Consumers	27,571	(0.1)	9.0	11.9	4.1	0.3	(17.4)	(30.0)	2.6
Cement	8,069	(2.3)	42.3	100.9	19.8	(1.9)	7.8	25.7	18.0
Diversified	6,326	(4.0)	58.1	159.0	17.0	(3.6)	19.9	62.1	15.3
Energy	116,892	(2.1)	25.3	76.4	13.8	(1.8)	(5.0)	10.4	12.2
Industrials	43,845	(1.8)	53.1	83.0	37.5	(1.4)	16.1	14.5	35.4
Metals	22,029	5.2	53.2	119.4	(31.7)	5.5	16.1	37.3	(32.7)
Pharmaceuticals	8,547	1.1	19.0	28.6	(24.5)	1.5	(9.8)	(19.5)	(25.6)
Property	14,004	(1.1)	71.9	53.5	(23.5)	(0.7)	30.3	(3.9)	(24.6)
Telecom	49,176	1.4	24.8	22.9	(11.8)	1.7	(5.4)	(23.1)	(13.1)
Technology	50,111	(2.1)	20.1	57.5	(10.2)	(1.8)	(9.0)	(1.4)	(11.5)
Utilities	50,416	1.8	24.6	42.9	27.1	2.2	(5.6)	(10.5)	25.2
<b>Sensex sum</b>	<b>481,121</b>	<b>(0.4)</b>	<b>31.9</b>	<b>59.8</b>	<b>1.5</b>				

Source: Bloomberg, Kotak Institutional Equities

# TOP GAINERS AND LOSERS

## Top gainers and losers (stocks in Kotak Institutional Equities universe)

### 1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Bajaj Hindustan	18.6	1 DishTV	(22.3)
2 Sesa Goa	18.0	2 Phoenix Mills	(18.8)
3 Mahindra & Mahindra	17.7	3 SREI	(16.0)
4 Tech Mahindra	15.8	4 Puravankara Projects	(15.7)
5 Dr Reddy's Laboratories	14.8	5 Housing Development & Infrastru	(15.5)
6 Tata Power	14.5	6 Consolidated Construction Co.	(14.9)
7 Shree Cement	13.9	7 PSL	(13.5)
8 HCL Technologies	13.0	8 Future Capital Holdings	(13.3)
9 Hindalco Industries	12.9	9 Canara Bank	(13.1)
10 Balrampur Chini Mills	12.3	10 IVR Prime Urban Developers	(12.9)

### CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Tech Mahindra	212.8	1 Vishal Retail	(9.6)
2 Bajaj Hindustan	199.5	2 Divi's Laboratories	(9.5)
3 Mahindra & Mahindra	195.6	3 Indian Bank	(5.1)
4 India Infoline	181.4		
5 JSW Steel	178.0		
6 Sterlite Industries	170.2		
7 Lanco Infratech	168.2		
8 Bajaj Auto	167.3		
9 Shree Cement	164.1		

### 1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Aban Offshore	126.3	1 Tata communications	(0.3)
2 Tech Mahindra	121.1		
3 IVRCL	115.3		
4 Welspun Gujarat Stahl Rohren	104.3		
5 BGR Energy Systems	101.6		
6 IVR Prime Urban Developers	99.8		
7 Sobha	99.5		
8 Bajaj Hindustan	97.3		
9 Future Capital Holdings	90.9		
10 Lanco Infratech	90.2		

### 1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Suzlon Energy	142.3	1 Vishal Retail	(86.6)
2 Maharashtra Seamless	117.7	2 Aban Offshore	(69.4)
3 Siemens	105.2	3 PSL	(62.6)
4 Bank of Baroda	93.1	4 Consolidated Construction Co.	(61.8)
5 LIC Housing Finance	91.8	5 IVR Prime Urban Developers	(60.1)
6 Hero Honda	81.9	6 Phoenix Mills	(55.7)
7 Union Bank	80.7	7 Puravankara Projects	(53.3)
8 Shree Cement	79.0	8 Unitech	(53.1)
9 PFC	70.6	9 Jubilant organosys	(50.6)
10 Shree Renuka Sugars	62.0	10 Ranbaxy Laboratories	(46.4)

Source: Kotak Institutional Equities

# TECHNICAL INDICATORS

## Volume momentum analysis

### Volume Positive Momentum (5-day volume v/s 30-day volume)

Company	5-day average		Price Change (%)
	volumes	% increase	(1 month basis)
Vishal Retail	745,239	241	74.6
Jyothy Laboratories	281,562	219	57.8
Zee News	7,452,388	193	40.9
GlaxoSmithKline Consumer (a)	198,617	176	12.3
Tech Mahindra	5,893,395	150	121.1
Biocon	3,927,713	140	46.4

### Volume Negative Momentum (5-day volume v/s 30-day volume)

Company	5-day average		Price Change (%)
	volumes	% decrease	(1 month basis)
HT Media	92,617	(80)	56.7
Havells India	195,991	(79)	24.2
Mindtree	204,492	(77)	28.2
J&K Bank	13,984	(74)	47.6
Godrej Consumer Products	89,933	(71)	24.7
Jindal Saw	274,729	(65)	48.8

Date	Sensex	Avg daily value traded	Institutional participation in total turnover	
		(US\$ mn)	FII%	MF%
Jun-08	14,422	4,433	17.8	3.5
Jul-08	14,355	4,497	15.6	3.9
Aug-08	14,565	4,107	14.3	3.3
Sep-08	12,860	4,344	19.6	3.7
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	9,709	3,374	11.8	4.1
Apr-09	11,403	4,624	10.5	3.4
May-09	14,625	5,235	13.3	3.5
Jun-09	15,411	6,951	8.9	3.1

Source: Bloomberg, Kotak Institutional Equities

## EARNINGS MOMENTUM

- UPGRADES/DOWNGRADES IN EARNINGS IN PAST WEEKS
- UPGRADES/DOWNGRADES IN EARNINGS IN PAST MONTH
- TOP CHANGES IN TARGET PRICES IN THE PAST MONTH
- CHANGES IN RATINGS IN THE PAST MONTH



# CHANGES IN EARNINGS ESTIMATES

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## Changes in earnings estimates in the past one week

### FY2010 earnings upgrade (KIE) (1 week)

	Company	% Change
1	Hindalco Industries	47.1

### FY2010 earnings downgrades (KIE) (1 week)

	Company	% Change
1	Jaiprakash Associates	(12.4)
2	Sadbhav Engineering	(5.8)
3	Petronet LNG	(4.4)
4	Phoenix Mills	(1.5)
5	Dr Reddy's Laboratories	(1.5)
6	Divi's laboratories	(0.6)

Source:Kotak Institutional Equities estimates

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# CHANGES IN EARNINGS ESTIMATES

## Changes in earnings estimates in the past one month

### FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 Hindalco Industries	47.1
2 National Aluminium Co.	33.3
3 Sesa Goa	22.8
4 HT Media	21.5
5 Mahindra & Mahindra	16.4
6 Unitech	14.0
7 J&K Bank	11.9
8 Welspun Gujarat Stahl Rohren	7.9
9 Sun Pharmaceuticals	6.8
10 Indian Oil Corporation	6.6
11 IVRCL	6.3
12 Lanco Infratech	6.0
13 Bharat Petroleum	6.0
14 Larsen & Toubro	5.2
15 GAIL (India)	5.1
16 HCL Technologies	4.7
17 Colgate-Palmolive (India)	4.5
18 Bharat Heavy Electricals	3.4
19 Jagran Prakashan	2.7
20 Indian Bank	2.1

### FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 Tata Motors	(20.2)
2 PSL	(15.7)
3 Tata Power	(15.1)
4 Nagarjuna Construction Co.	(14.5)
5 Dishman Pharma & chemicals	(14.5)
6 Jaiprakash Associates	(13.7)
7 Federal Bank	(7.6)
8 Hindustan Petroleum	(6.6)
9 Sadbhav Engineering	(5.8)
10 Infosys Technologies	(4.6)
11 Petronet LNG	(4.4)
12 HDFC	(2.1)
13 Wipro	(2.0)
14 Phoenix Mills	(1.5)
15 Dr Reddy's Laboratories	(1.5)
16 Tata Chemicals	(1.4)
17 HDFC Bank	(1.3)
18 TCS	(1.2)
19 Rural Electrification Corp.	(1.0)
20 Reliance Industries	(0.9)

Source: Kotak Institutional Equities estimates

# CHANGES IN OUR TARGET PRICES

## Changes in target prices in the past one month

### Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Hindalco Industries	145.5	135	55
2	National Aluminium Co.	114.8	290	135
3	Unitech	71.9	55	32
4	DLF	68.4	320	190
5	IVRCL	62.8	350	215
6	Mahindra & Mahindra	48.9	670	450
7	ICICI Bank	44.2	685	475
8	Sadbhav Engineering	40.0	770	550
9	Larsen & Toubro	37.5	1,375	1,000
10	Jaiprakash Associates	35.7	190	140
11	Lanco Infratech	33.3	360	270
12	Jindal Steel and Power	30.0	1,820	1,400
13	Bharat Heavy Electricals	28.8	1,900	1,475
14	TCS	27.5	650	510
15	HDFC Bank	27.0	1,460	1,150
16	Welspun Gujarat Stahl Rohren	25.0	125	100
17	Rural Electrification Corp.	24.0	155	125
18	Wipro	23.1	400	325
19	HCL Technologies	22.7	135	110
20	Shree Cement	21.1	1,150	950
21	Grasim Industries	21.1	2,300	1,900
22	Nagarjuna Construction Co.	20.8	145	120
23	Tata Motors	20.5	235	195
24	HT Media	20.0	120	100
25	Infosys Technologies	20.0	1,800	1,500

### Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	CESC	(10.4)	345	385
2	Divi's Laboratories	(5.2)	1,375	1,450

Source: Kotak Institutional Equities estimates

# CHANGES IN OUR RATINGS

## Changes in ratings over the past one month

Company name		Rating	
		Current	Previous
Aban offshore	Downgraded	SELL	REDUCE
Bajaj Auto	Downgraded	SELL	REDUCE
Cairn India	Downgraded	REDUCE	BUY
CESC	Downgraded	ADD	BUY
HT Media	Downgraded	ADD	BUY
ICICI Bank	Downgraded	REDUCE	ADD
Jindal Steel and Power	Downgraded	ADD	BUY
Lanco Infratech	Downgraded	ADD	BUY
Maruti Suzuki	Downgraded	SELL	REDUCE
NTPC	Downgraded	SELL	REDUCE
Petronet LNG	Downgraded	REDUCE	ADD
PFC	Downgraded	SELL	ADD
Tata Power	Downgraded	ADD	BUY

Company name		Rating	
		Current	Previous
GAIL (India)	Upgraded	REDUCE	SELL
HDFC	Upgraded	REDUCE	SELL
Hindalco Industries	Upgraded	BUY	ADD
Larsen & Toubro	Upgraded	ADD	SELL
Oil & Natural Gas Corporation	Upgraded	BUY	ADD
Punj Lloyd	Upgraded	BUY	ADD
Shriram Transport	Upgraded	ADD	REDUCE

Source: Kotak Institutional Equities estimates

## FLOWS

- TREND IN EQUITY FLOWS
- FII FLOWS IN OTHER EMERGING MARKETS
- IPO ANALYSIS
- BULK DEALS
- DELIVERY POSITION ANALYSIS
- Nifty Delivery

# TREND IN EQUITY FLOWS

## Net investments by mutual funds and FIIs in the cash market (US\$ mn)

	FII	MF
CY2000	1,537	0
CY2001	1,462	(150)
CY2002	2,807	(1,110)
CY2003	751	(685)
CY2004	6,658	118
CY2005	8,382	(217)
CY2006	8,632	2,873
CY2007	17,335	1,389
CY2008	(13,336)	3,312
<b>CY2009</b>	<b>5,097</b>	<b>(5)</b>
Jan	(1,054)	(173)
Feb	(667)	(253)
Mar	101	297
Apr	1,641	8
May	4,253	458
June	822	(343)

## Net foreign flows in the Derivatives market (US\$ mn)

	Index Futures	Stock Futures
CY2004	(91)	(796)
CY2005	(676)	(668)
CY 2006	345	(3,690)
CY2007	(772)	(11,600)
CY2008	3,918	(70)
<b>CY2009</b>	<b>(95)</b>	<b>(1,308)</b>
Jan	(220)	473
Feb	(551)	143
Mar	814	(167)
Apr	326	(162)
May	(640)	(1,000)
June	176	(594)

Source: Bloomberg, Kotak Institutional Equities

# FII FLOWS IN OTHER EMERGING MARKETS

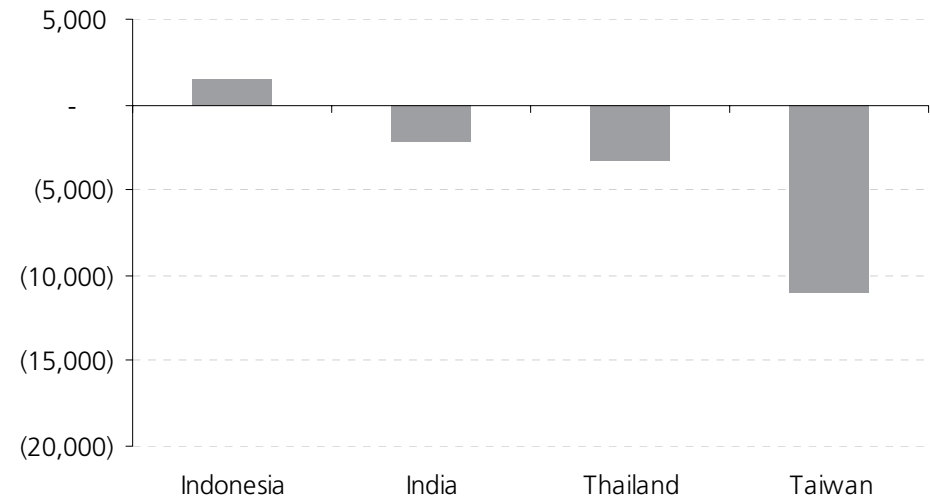
## FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
13-May-09	(290.0)	6.2	(6.8)	47.1	828.0
14-May-09	(364.3)	(40.4)	(2.2)	(30.6)	(69.4)
15-May-09	(91.0)	5.5	(20.6)	5.5	201.9
18-May-09	(70.8)	(29.9)	(9.1)	5.8	11.1
19-May-09	386.9	49.2	(3.1)	62.9	1,062.3
20-May-09	219.8	23.4	0.5	43.7	(49.1)
21-May-09	(14.0)	-	(5.9)	5.5	31.0
22-May-09	(134.4)	3.8	(0.3)	(47.6)	(147.2)
25-May-09	(185.2)	7.8	(0.9)	(7.2)	645.1
26-May-09	113.7	0.0	3.0	15.7	(17.2)
27-May-09	474.5	18.9	(0.8)	17.3	91.7
28-May-09	-	7.1	6.4	18.2	445.1
29-May-09	-	15.1	3.7	3.9	176.4
1-Jun-09	497.9	91.6	1.7	48.3	131.5
2-Jun-09	320.7	73.4	(1.7)	43.9	44.4
3-Jun-09	245.0	17.9	5.0	117.3	(67.5)
4-Jun-09	(361.9)	(24.3)	6.4	(15.3)	142.2
5-Jun-09	(93.7)	73.7	7.3	62.1	301.1
8-Jun-09	(210.3)	4.7	3.5	33.1	62.2
9-Jun-09	(86.8)	(20.7)	7.9	(11.4)	208.2
<b>Total</b>	<b>356</b>	<b>283</b>	<b>(6)</b>	<b>418</b>	<b>4,032</b>

Source: Bloomberg

## Net investments by FIIs in the cash market (US\$ mn) over last 1 year



# IPO ANALYSIS

## Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
EdservSoftsystems	4	60	238	02-Mar-09	138	27	130	(54)
Austral Coke & Projects Ltd	7	196	1,423	04-Sep-08	226	208	15	6
Resurgere Mines & Minerals	4	272	1,210	01-Sep-08	534	400	96	47
Nu Tek India Ltd	5	192	864	27-Aug-08	199	199	4	4
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	13	26	(56)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	465	16	3
Rural electrification	156	105	16,393	11-Mar-08	121	158	15	50
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	178	(11)	(46)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	71	(14)	(60)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	48	2	(65)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	103	(14)	(15)
Reliance Power Ltd	260	203	52,676	11-Feb-08	373	193	84	(5)
Future Capital Holding	6	765	4,913	31-Jan-08	908	271	19	(65)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	49	(8)	(67)
Porwal Auto Components	5	75	375	14-Jan-08	80	13	6	(82)
Aries Agro Limited	5	130	585	11-Jan-08	252	55	94	(58)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	51	5	(68)
BGR	9	480	4,385	03-Jan-08	901	369	88	(23)
Burnpur Cement	22	12	263	03-Jan-08	46	15	286	21
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	319	57	(31)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	85	(3)	(78)
Eclerx Services	3	315	1,010	31-Dec-07	448	268	42	(15)
Jyothy Lab	4	138	611	19-Dec-07	793	102	475	(26)
Kaushalya Infra	9	60	510	14-Dec-07	82	28	37	(54)
Empee Distilleries	5	400	1,920	26-Nov-07	318	94	(21)	(77)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	675	119	53
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	497	83	(40)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	38	10	(75)
Kolte Patil	19	145	2,755	13-Dec-07	181	51	25	(65)
Maytas Infra	9	370	3,275	25-Oct-07	614	91	66	(76)
Consolidated Construction	4	510	1,887	15-Oct-07	791	223	55	(56)
Religare Enterprises	76	185	1,402	21-Nov-07	521	425	182	130
Supreme Infrastructure	35	108	375	18-Oct-07	175	80	62	(26)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	36	5	(88)
Koutons Retail	35	415	1,462	12-Oct-07	590	422	42	2
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	123	92	136
Magnum Ventures	176	30	529	20-Sep-07	49	10	62	(67)
Indowind Energy	125	65	813	14-Sep-07	115	44	76	(32)
Motilal Oswal Financial	30	165	492	11-Sep-07	977	161	492	(3)
Puravankara Projects	215	400	8,587	30-Aug-07	362	100	(10)	(75)
KPR Mill	59	225	1,330	28-Aug-07	174	58	(23)	(74)
TakeSolutions	21	73	153	27-Aug-07	926	38	1,168	(47)
Central Bank of India	800	102	8,160	21-Aug-07	115	78	13	(24)

Source: Bloomberg, Kotak Institutional Equities

## Forthcoming IPO/Follow on offerings

Company Name	Issue
NHPC LTD.	IPO
ADANI POWER LTD.	IPO
OIL INDIA LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
GREAT EASTERN ENERGY CORP.LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
C.MAHENDRA EXPORTS LTD.	IPO
BS TRANSCOMM LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
AMR CONSTRUCTIONS LTD.	IPO
JINDAL COTEX LTD.	IPO
PRADIP OVERSEAS LTD.	IPO
EURO MULTIVISION LTD.	IPO
MAYAJAAL ENTERTAINMENT LTD.	IPO
MBL INFRASTRUCTURES LTD.	IPO
RADIANT INFO SYSTEMS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
EXCEL INFOWAYS LTD.	IPO
ARAVALI INFRAPOWER LTD.	IPO
RAJ OIL MILLS LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
GLOBUS SPIRITS LTD.	IPO
KABIRDASS MOTOR CO.LTD.	IPO
SYNCOM HEALTHCARE LTD.	IPO
TEXMO PIPES & PRODUCTS LTD.	IPO
TRINITY INDIA LTD.	IPO
ASTEC LIFESCIENCES LTD.	IPO
SEA TV NETWORK LTD.	IPO
GINI & JONY LTD.	IPO
MIDVALLEY ENTERTAINMENT LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
USHER ECO POWER LTD.	IPO
RISHABHDEV TECHNOCABLE LTD.	FPO
THINKSOFT GLOBAL SERVICES LTD.	IPO

Source: Primedatabase



# BULK DEALS

## Major bulk deals

Date	Company	Action	Quantity	Price	Value (Rs mn)	Exchange
8-Jun	Aban Offshore Ltd.	SELL	200,000	1,235	247	NSE
10-Jun	Glaxosmithkline Consumer	SELL	808,955	940	760	NSE
10-Jun	Glaxosmithkline Consumer	BUY	620,004	940	583	NSE
4-Jun	Elpro Intern	SELL	21,801	372	8	BSE
3-Jun	Mahindralife	SELL	531,998	302	161	BSE
5-Jun	Shriram Trans Fin Co. Ltd	SELL	2,480,000	285	707	NSE
5-Jun	Shriram Trans Fin Co. Ltd	BUY	2,373,982	285	677	NSE
4-Jun	Zodiac Cloth	BUY	85,305	259	22	BSE
4-Jun	Indiabulls Real Estate Li	SELL	2,600,000	237	617	NSE
3-Jun	Wabco Tvs	BUY	6,795,684	218	1,485	BSE
9-Jun	Himad Chem I	SELL	256,061	210	54	BSE
5-Jun	Kalindee Rail Nirman (Eng	SELL	355,177	203	72	NSE
5-Jun	Bajaj Auto Finance Ltd	SELL	414,631	166	69	NSE
5-Jun	Bajaj Auto Finance Ltd	BUY	493,727	166	82	NSE
3-Jun	Sundaram Clayton Ltd.	SELL	7,430,000	152	1,127	BSE
5-Jun	Yes Bank	BUY	1,500,000	135	203	BSE
9-Jun	Ibn18	SELL	5,000,000	125	625	BSE
9-Jun	Ibn18	BUY	3,000,000	125	375	BSE
5-Jun	Hindustan Construc Co.	BUY	1,305,000	125	163	NSE
5-Jun	Hindus Const	BUY	1,200,000	124	149	BSE
5-Jun	Hindus Const	SELL	1,200,000	124	149	BSE
4-Jun	Arshiya Intl	BUY	540,744	121	66	BSE
4-Jun	Nucleus Software Exports	BUY	178,000	113	20	NSE
8-Jun	Gwalior Chem	SELL	144,000	108	16	BSE

Source: BSE, NSE

# DELIVERY POSITIONS

## Top increase/(decrease) in delivery percentage

### Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Corporation Bank	54	87
Patni Computer Systems Ltd	35	65
Jsw Steel Limited	16	43
Shriram Transport Finance	74	99
Asian Paints Ltd	69	93
Sterlite Industries India Lt	14	36
Mahindra & Mahindra Limited	34	54
Jindal Steel & Power Ltd	35	55
Bank Of Baroda	53	71

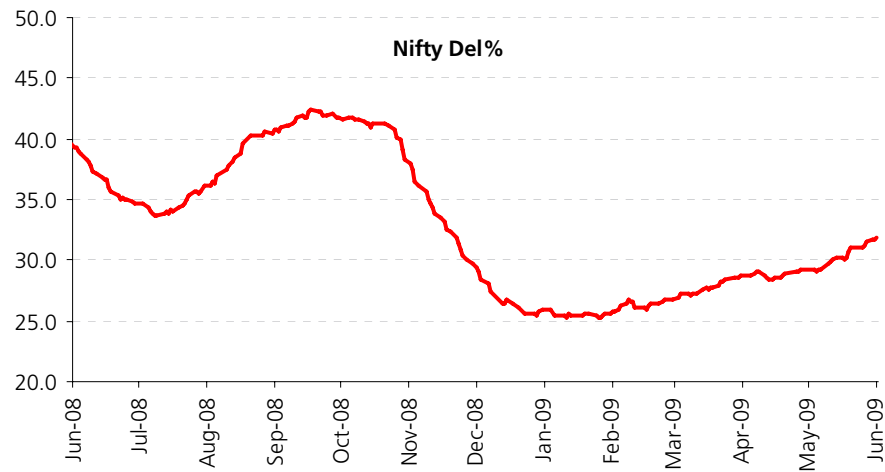
### Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Puravankara Projects Ltd	100	44
Irb Infrastructure Developer	77	33
Jagran Prakashan Limited	95	60
Tata Tea Ltd	72	43
Union Bank Of India	64	35
Piramal Healthcare Limited	86	59
Indian Bank	69	43
Zee Entertainment Enterprise	57	35
Dishman Pharmaceuticals & Ch	52	32

Source: Bloomberg, Kotak Institutional Equities

# NIFTY DELIVERY

Nifty delivery percentage

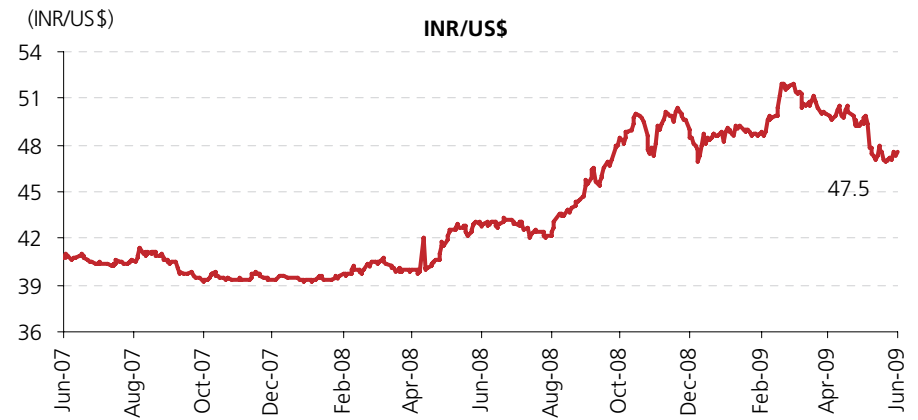
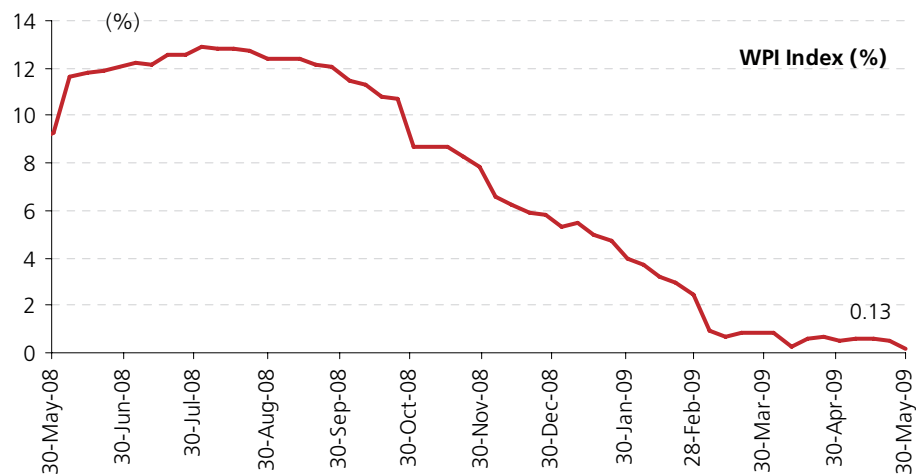
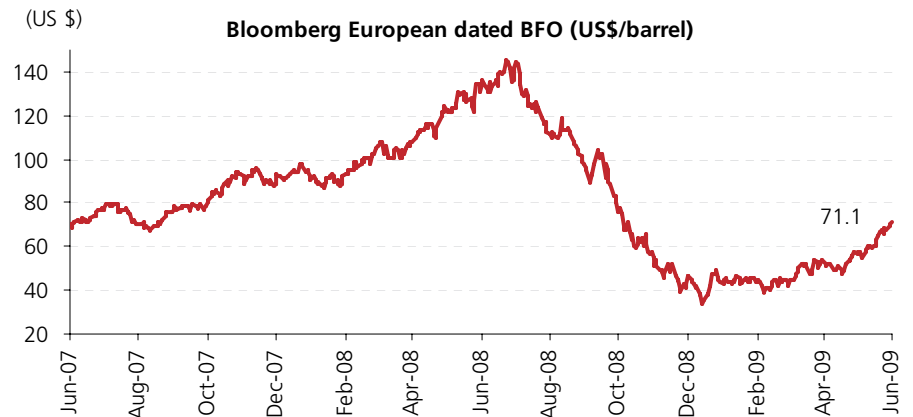
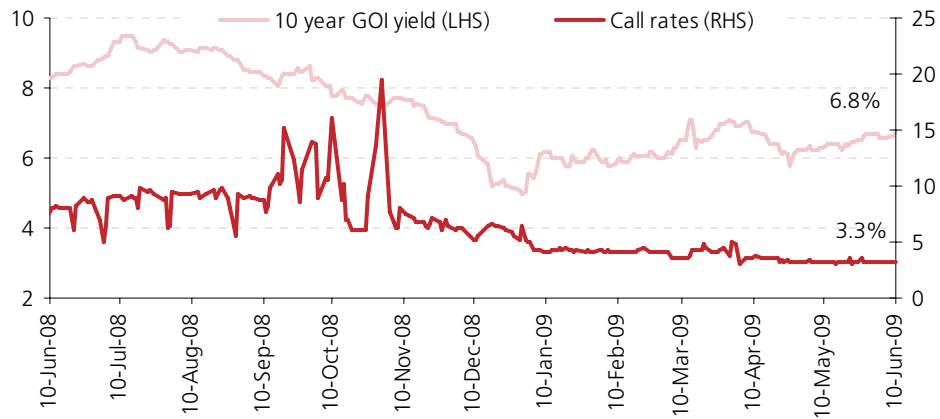


Source: Bloomberg, Kotak Institutional Equities

## ECONOMIC INDICATORS

# ECONOMIC INDICATORS

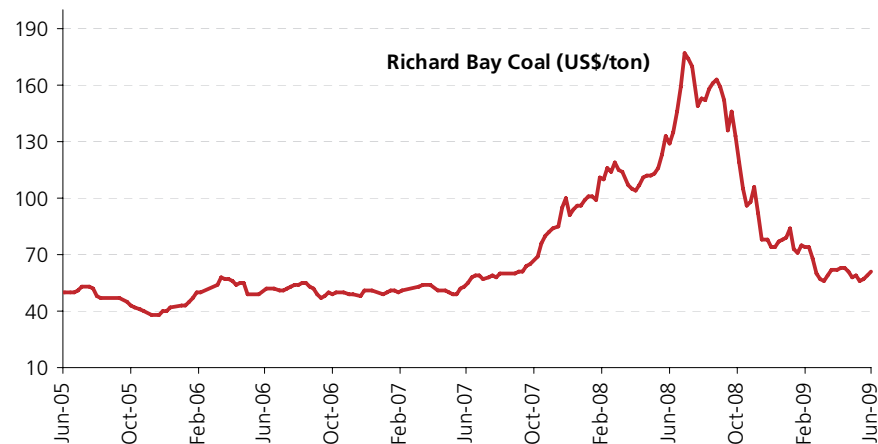
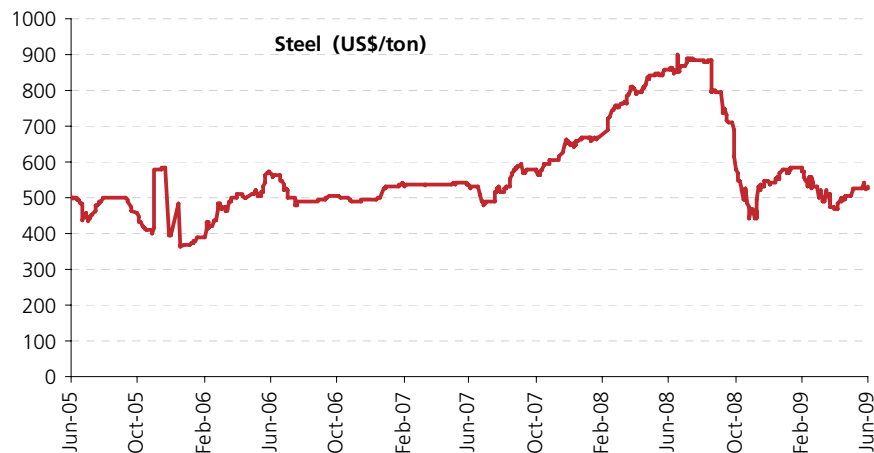
## Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

# COMMODITIES

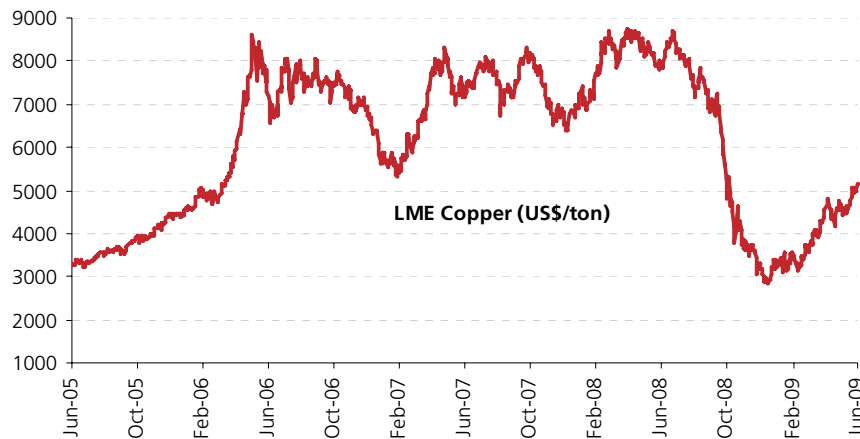
## Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

# COMMODITIES

## Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

## KOTAK VALUATION SUMMARY



# VALUATION SUMMARY

## Kotak Institutional Equities Universe

	11-Jun-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT-	
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	(Rs)	Upside	3mo
																											(%)	(US\$ mn)	
Automobiles																													
Bajaj Auto	1,045	SELL	151,252	3,177	145	48.7	65.3	73.1	(6.7)	34.0	12.0	21.5	16.0	14.3	11.9	9.0	8.9	7.9	6.1	4.8	1.9	1.9	1.9	40.2	42.8	36.8	780	(25.4)	4.8
Hero Honda	1,474	REDUCE	294,318	6,182	200	64.2	83.8	91.2	32.4	30.5	8.8	23.0	17.6	16.2	13.5	10.4	9.1	7.5	5.8	4.6	1.4	1.5	1.5	36.6	37.4	31.9	1,000	(32.1)	18.8
Mahindra & Mahindra	811	ADD	215,226	4,521	265	21.7	40.4	43.6	(42.9)	86.0	8.0	37.4	20.1	18.6	24.1	13.3	12.1	4.5	3.4	2.9	1.1	1.2	1.2	12.3	19.3	17.0	670	(17.4)	18.4
Maruti Suzuki	1,097	SELL	317,163	6,662	289	42.2	58.3	63.4	(29.5)	38.1	8.6	26.0	18.8	17.3	14.9	9.7	8.2	3.3	2.8	2.5	0.3	0.5	0.5	13.3	16.1	15.1	780	(28.9)	26.7
Tata Motors	369	SELL	205,360	4,313	556	20.8	15.2	20.0	(58.3)	(27.0)	32.2	17.8	24.4	18.4	12.9	11.0	9.6	1.5	1.4	1.4	2—	2—	2—	9.0	6.1	—	235	(36.3)	40.4
Automobiles		Cautious	1,183,320	24,854					(26.0)	30.7	12.3	24.9	19.0	17.0	14.6	10.7	9.5	3.5	3.0	2.6	1.1	1.2	1.2	14.1	15.8	15.6			
Banks/Financial Institutions																													
Andhra Bank	90	ADD	43,771	919	485	13.5	11.1	12.6	14.0	(17.9)	13.6	6.7	8.1	7.2	—	—	—	1.3	1.2	1.1	5.0	3.1	3.5	19.0	14.0	14.4	75	(16.9)	1.5
Axis Bank	727	BUY	260,853	5,479	359	50.6	56.1	66.6	56.9	11.0	18.7	14.4	12.9	10.9	—	—	—	2.8	2.4	2.1	1.4	1.5	1.8	19.1	18.3	18.9	700	(3.7)	71.6
Bank of Baroda	441	ADD	161,344	3,389	366	60.9	54.9	58.5	55.1	(9.8)	6.5	7.2	8.0	7.5	—	—	—	1.6	1.5	1.4	2.0	1.8	2.0	18.7	14.9	14.2	370	(16.2)	12.2
Bank of India	325	ADD	170,791	3,587	526	57.2	46.3	53.2	40.7	(19.1)	14.9	5.7	7.0	6.1	—	—	—	1.7	1.6	1.5	2.5	2.0	2.3	29.2	19.0	18.7	310	(4.5)	16.6
Canara Bank	244	REDUCE	100,163	2,104	410	50.5	38.6	41.4	32.4	(23.6)	7.1	4.8	6.3	5.9	—	—	—	1.2	1.1	1.1	3.3	3.3	4.1	18.3	12.4	12.2	220	(9.9)	5.7
Corporation Bank	304	BUY	43,591	916	143	62.2	51.5	55.3	21.4	(17.3)	7.4	4.9	5.9	5.5	—	—	—	0.9	0.8	0.7	4.2	3.5	3.7	19.6	14.3	13.8	310	2.0	1.0
Federal Bank	252	BUY	43,135	906	171	27.8	31.4	38.2	(19.2)	13.1	21.5	9.1	8.0	6.6	—	—	—	1.0	1.0	0.9	2.0	2.3	2.8	11.5	11.8	13.0	280	11.0	3.3
Future Capital Holdings	271	BUY	17,159	360	63	4.5	28.8	NA	(198.6)	546.1	(100.0)	61.0	9.4	NA	—	—	—	2.3	1.8	NA	—	—	—	3.8	21.4	NA	440	62.1	1.5
HDFC	2,347	REDUCE	667,462	14,019	284	80.2	91.5	103.6	(6.5)	14.0	13.3	29.2	25.7	22.7	—	—	—	5.1	4.5	4.1	1.3	1.4	1.5	18.2	18.3	18.3	2,025	(13.7)	71.1
HDFC Bank	1,557	ADD	685,489	14,398	440	55.4	63.2	75.1	20.4	14.2	18.8	28.1	24.6	20.7	—	—	—	4.6	3.2	2.9	0.6	0.8	0.9	16.9	15.4	15.0	1,460	(6.2)	56.2
ICICI Bank	750	REDUCE	835,084	17,540	1,113	33.8	32.3	38.5	(15.4)	(4.4)	19.2	22.2	23.2	19.5	—	—	—	1.7	1.6	1.5	1.5	1.2	1.3	7.8	7.1	8.0	685	(8.7)	208.4
IDFC	145	ADD	187,285	3,934	1,294	5.8	7.0	8.0	2.3	21.0	13.3	24.9	20.6	18.2	—	—	—	3.0	2.7	2.4	0.7	0.8	0.9	12.9	14.1	14.2	85	(41.3)	37.7
India Infoline	143	ADD	44,610	937	311	5.0	5.8	6.5	(10.0)	15.5	12.3	28.4	24.6	21.9	—	—	—	3.5	3.1	2.8	1.9	2.3	2.8	11.7	13.5	14.6	90	(37.2)	10.3
Indian Bank	130	BUY	55,827	1,173	430	28.1	26.6	30.6	24.7	(5.3)	15.0	4.6	4.9	4.2	—	—	—	1.0	1.0	0.9	3.2	3.1	3.5	22.7	18.3	18.1	165	27.0	3.1
Indian Overseas Bank	86	BUY	47,071	989	545	24.3	16.6	22.2	10.3	(31.9)	33.8	3.6	5.2	3.9	—	—	—	0.8	0.7	0.6	6.1	4.3	4.8	24.7	14.5	17.0	110	27.3	4.6
J&K Bank	505	ADD	24,467	514	48	84.5	80.8	95.4	13.8	(4.3)	18.0	6.0	6.2	5.3	—	—	—	1.0	1.0	0.9	3.3	3.2	3.8	16.7	14.1	14.9	510	1.1	0.4
LIC Housing Finance	596	BUY	50,683	1,065	85	62.5	68.8	80.3	37.3	10.0	16.8	9.5	8.7	7.4	—	—	—	2.1	1.8	1.5	2.3	2.5	3.0	26.2	23.9	23.4	390	(34.6)	11.2
Mahindra & Mahindra Financial	287	ADD	27,475	577	96	22.4	27.5	30.0	7.5	22.9	8.7	12.8	10.4	9.6	—	—	—	2.0	1.7	1.5	1.9	2.4	2.6	15.4	16.9	16.3	240	(16.4)	1.0
Oriental Bank of Commerce	176	ADD	44,208	929	251	36.1	27.3	34.6	51.4	(24.5)	26.7	4.9	6.5	5.1	—	—	—	0.8	0.8	0.8	4.1	3.1	3.9	14.8	10.2	11.8	150	(15.0)	3.5
PFC	201	SELL	230,988	4,852	1,148	13.0	16.5	19.3	14.3	26.7	17.6	15.5	12.2	10.4	—	—	—	2.1	1.9	1.7	1.3	2.5	2.2	13.8	15.8	16.7	160	(20.5)	6.1
Punjab National Bank	613	BUY	193,170	4,057	315	98.0	98.5	115.1	50.9	0.5	16.8	6.3	6.2	5.3	—	—	—	1.6	1.4	1.2	3.2	3.2	3.8	23.0	19.9	20.1	760	24.1	22.9
Rural Electrification Corp.	158	BUY	135,487	2,846	859	16.5	17.5	20.8	50.7	6.5	18.8	9.6	9.0	7.6	—	—	—	1.9	1.7	1.4	1.3	2.0	2.4	21.2	19.6	20.3	155	(1.8)	3.7
Shriram Transport	290	ADD	61,389	1,289	212	30.1	32.5	36.9	56.8	7.9	13.7	9.6	8.9	7.9	—	—	—	2.8	2.4	2.0	3.0	3.4	3.8	29.6	27.0	25.8	300	3.4	2.9
SREI	70	ADD	8,105	170	116	7.7	6.9	8.2	(32.8)	(10.1)	18.6	9.1	10.1	8.5	—	—	—	0.7	0.7	0.7	3.3	4.0	4.6	14.0	11.5	13.0	50	(28.3)	3.1
State Bank of India	1,694	BUY	1,075,373	22,587	635	143.6	121.1	139.2	34.8	(15.7)	14.9	11.8	14.0	12.2	—	—	—	2.2	2.2	1.9	1.7	1.8	1.9	17.1	12.7	13.3	1,870	10.4	122.5
Union Bank	222	BUY	112,086	2,354	505	34.2	29.6	35.5	24.5	(13.5)	19.9	6.5	7.5	6.3	—	—	—	1.3	1.1	1.0	2.3	2.0	2.4	27.2	19.5	19.9	220	(0.9)	6.8
Banks/Financial Institutions		Attractive	5,327,066	111,890					28.0	(4.6)	15.7	12.5	13.1	11.3	—	—	—	2.1	1.9	1.8	1.7	1.7	1.9	16.9	14.8	15.4			
Cement																													
ACC	863	REDUCE	162,140	3,406	188	56.3	55.2	42.2	(12.2)	(1.9)	(23.6)	15.3	15.6	20.5	7.7	7.8	9.0	3.1	2.7	2.5	2.7	2.7	2.7	24.7	21.3	15.1	725	(16.0)	12.9
Ambuja Cements	99	REDUCE	150,944	3,170	1,522	7.2	6.8	5.4	(5.0)	(4.7)	(20.5)	13.8	14.5	18.2	7.4	7.6	9.1	2.5	2.2	2.1	3.0	1.9	2.2	19.7	16.6	12.0	80	(19.3)	5.6
Grasim Industries	2,417	REDUCE	221,587	4,654	92	238.5	235.7	239.1	(16.2)	(1.2)	1.4	10.1	10.3	10.1	5.8	5.2	5.0	2.0	1.7	1.5	1.4	1.4	1.4	21.7	18.2	16.0	2,300	(4.8)	10.6
India Cements	165	ADD	46,381	974	282	22.7	19.8	17.5	n/a	(12.8)	(11.2)	7.3	8.3	9.4	4.9	5.1	5.3	1.2	1.1	1.0	1.3	1.3	1.9	15.7	14.7	11.7	155	(5.8)	8.6
Shree Cement	1,219	BUY	42,468	892	35	174.7	91.6	86.2	93.7	(47.6)	(5.9)	7.0	13.3	14.1	4.8	5.2	5.6	3.5	2.9	2.5	0.9	0.9	0.9	65.7	24.0	18.9	1,150	(5.7)	0.7
UltraTech Cement	732	ADD	91,709	1,926	125	78.0	70.5	49.3	(4.1)	(9.7)	(30.0)	9.4	10.4	14.8	6.0	5.7	7.1	2.1	1.8	1.6	1.1	1.1	1.1	31.2	22.3	13.4	725	(1.0)	5.4
Cement		Cautious	715,230	15,023					(5.1)	(9.5)	(12.9)	10.8	11.9	13.7	6.2	6.0	6.5	2.3	2.0	1.8	2.0	1.7	1.8	21.0	16.4	12.9			
Consumer products																													
Asian Paints	1,178	ADD	112,965	2,373	96	38.4	49.1	57.5	(2.2)	27.9	17.1	30.7	24.0	20.5	17.8	14.0	11.8	9.9	8.1	6.7	1.5	1.7	1.9	36.3	38.5	36.8	1,000	(15.1)	0.9
Colgate-Palmolive (India)	569	ADD	77,366	1,625	136	21.6	24.4	25.7	26.3	12.9	5.4	26.4	23.4	22.1	21.2	18.9	16.5	36.1	29.8	28.2	2.6	3.2	3.7	156.1	140.2	131.1	520	(8.6)	2.4
GlaxoSmithkline Consumer (a)	927	ADD	38,973	819	42	44.8	56.1	63.6	15.8	25.2	13.5	20.7	16.5	14.6	11.5	9.3	8.2	5.1	4.3	3.8	1.6	2.2	3.2	26.8	28.5	28.0	900	(2.9)	0.8
Godrej Consumer Products	178	ADD	45,827	963	258	6.8	8.7	9.8	(3.9)	27.8	12.8	26.2	20.5	18.2	22.8	16.7	13.8	6.9	6.0	5.1	2.3	2.3	2.3	42.7	42.7	33.1	160	(9.9)	0.7
Hindustan Unilever	260	REDUCE	566,551	11,900	2,179	9.2	10.2	11.6	12.9	11.5	13.6	28.3	25.4	22.4	22.7	19.4	17.1	36.6	34.0	31.4	3.3	3.7	4.2	134.3	139.0	146.1	235	(9.6)	25.7
ITC	198	ADD	744,677	15,641	3,769	8.7	9.9	11.3	4.8	14.2	14.4	22.8	19.9	17.4	13.8	12.3	10.9	5.2	4.6	4.0	1.9	2.0	2.3	25.4	25.4	25—	225	13.9	31.8
Jyothy Laboratories	102	ADD	7,406	156	73	7.2	10.6	13.0	10.2	47.3	22.1	1																	

# VALUATION SUMMARY

## Kotak Institutional Equities Universe

	11-Jun-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT-
Company	136.1	BUY	(Rs mn)	(US\$ mn)	shares (mn)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	(Rs)	Upside (%)	3mo (US\$ mn)
Energy																													
Bharat Petroleum	426	SELL	139,587	2,932	328	20—	32.1	41.8	(50.7)	58	NA	21	NA	10.2	4.9	4.9	4.5	1.0	1.0	0.9	2—	3.1	4.0	5.2	7.7	9.4	475	11.6	10.4
Cairn India	256	REDUCE	485,073	10,188	1,897	4.3	9.2	31.2	(3,703)	115	238.0	60	28	8.2	39.3	14.3	5.8	1.4	1.4	1.3	—	—	9.8	2.5	5.1	16.5	225	(12.0)	35.4
Castrol India (a)	334	BUY	41,290	867	124	21.3	25.5	26.6	20.8	19.5	4.3	15.7	13.1	12.6	8.8	7.5	7.2	9.2	8.3	7.8	4.5	5.4	6.0	61.2	66.5	63.7	390	16.8	0.6
GAIL (India)	286	REDUCE	362,974	7,624	1,268	23.4	20.6	21.8	14.7	(11.8)	5.7	12.2	13.9	13.1	6.7	7.9	8.2	2.2	2.0	1.8	2.6	2.3	2.3	18.4	14.5	14.0	270	(5.6)	14.4
GSPL	58	REDUCE	32,614	685	563	1.9	2.5	3.7	4.4	30.5	52.6	30.8	23.6	15.5	10.2	6.5	5.5	2.5	2.2	2.2	0.9	1.2	6.5	8.2	9.8	14.4	45	(22.3)	5.4
Hindustan Petroleum	307	SELL	103,924	2,183	339	17.0	16.7	34.9	(49.3)	(1.6)	109.2	18.1	18.4	8.8	5.9	5.9	NA	0.8	0.8	NA	2—	3.9	8.2	4.4	3.9	7.8	350	14.2	12.4
Indian Oil Corporation	554	REDUCE	653,166	13,719	1,179	18.9	44.3	43.1	(69.1)	133.8	(2.6)	29.2	12.5	12.8	10.5	5.6	5.5	1.4	1.3	1.2	1—	3.3	3.2	4.6	10.2	9.3	550	(0.7)	7.4
Oil & Natural Gas Corporation	1,121	BUY	2,396,730	50,341	2,139	100.3	95.3	119.2	8.1	(5.0)	25.1	11.2	11.8	9.4	4.3	4.2	3.5	2.1	1.9	1.7	3.0	3.6	3.7	18.9	15.9	18.2	1,100	(1.8)	50.4
Petronet LNG	76	REDUCE	57,263	1,203	750	6.9	7.3	8.5	—	5.9	16.8	11.0	10.4	8.9	7.8	6.7	6.0	2.5	2.1	1.8	2.3	2.6	2.9	23.9	21.1	20.5	57	(25.3)	6.5
Reliance Industries	2,303	REDUCE	3,162,362	66,422	1,373	103.4	126.5	169.4	(1.5)	22.4	33.9	22.3	18.2	13.6	13.1	8.3	6.4	2.7	2.4	2.1	0.6	0.7	0.9	15.1	15.8	18.6	1,750	(24.0)	236.8
Reliance Petroleum	144	NR	646,425	13,578	4,500	—	8.3	13.8	n/a	n/a	n/a	n/a	n/a	10.4	n/a	n/a	8.5	4.8	4.0	3.0	—	1.4	1.4	0.6	25.1	33.0	—	—	26.4
Energy		Neutral	8,081,407	169,742					(5.5)	25.2	34.8	17.9	14.3	10.6	8.7	6.6	5.3	2.2	2.0	1.8	1.5	2.0	2.8	12.1	13.8	16.7			
Industrials																													
ABB	758	REDUCE	160,574	3,373	212	25.8	24.9	29.6	11.3	(3.6)	18.7	29.3	30.4	25.6	17.4	17.2	14.1	7.6	6.3	5.2	0.3	0.4	0.4	29.2	22.6	22.1	500	(34.0)	8.4
BGR Energy Systems	369	REDUCE	26,575	558	72	15.3	20.7	24.3	26.1	35.4	17.5	24.1	17.8	15.2	13.2	10.5	8.9	4.7	3.9	3.2	0.7	0.9	1.1	21.3	23.9	23.2	165	(55.3)	1.6
Bharat Electronics	1,336	REDUCE	106,864	2,245	80	101.9	111.1	119.0	(0.0)	9.0	7.1	13.1	12.0	11.2	5.6	5.0	4.4	2.7	2.3	2.0	1.9	1.9	1.9	22.4	20.9	19.2	1,025	(23.3)	2.0
Bharat Heavy Electricals	2,274	REDUCE	1,113,144	23,380	490	64.1	92.0	106.8	9.8	43.5	16.1	35.5	24.7	21.3	19.4	13.8	11.7	8.6	6.8	5.5	0.7	0.9	1.0	26.4	30.7	28.6	1,900	(16.4)	64.5
Crompton Greaves	297	ADD	108,729	2,284	367	15.3	17.0	20.0	37.3	11.0	17.5	19.3	17.4	14.8	10.8	9.7	8.4	6.1	4.7	3.7	0.7	0.7	0.8	36.5	30.5	27.9	300	1.1	7.5
Larsen & Toubro	1,629	ADD	972,024	20,416	597	52.6	57.5	68.2	38.6	9.4	18.5	31.0	28.3	23.9	18.5	16.2	13.9	6.1	5.0	4.2	0.6	0.7	0.7	22.5	19.4	19.1	1,375	(15.6)	98.3
Maharashtra Seamless	305	BUY	21,494	451	71	35.9	33.0	39.6	22.2	(8.1)	20.3	8.5	9.2	7.7	5.8	6.0	4.6	1.6	1.4	1.2	1.8	1.6	2.3	20.3	16.0	16.8	225	(26.2)	1.3
Siemens	509	REDUCE	171,480	3,602	337	14.2	19.8	21.1	(22.2)	39.7	6.4	35.9	25.7	24.1	17.1	14.8	14.1	7.6	6.4	5.3	0.6	1.3	0.8	23.3	27.1	24.2	360	(29.2)	8.0
Suzlon Energy	121	ADD	190,290	3,997	1,571	7.0	7.1	11.4	6.0	2.1	59.7	17.4	17.0	10.7	11.2	10.0	8.0	1.9	1.6	1.4	0.4	0.4	0.8	11.3	10.1	13.9	90	(25.7)	109.3
Industrials		Cautious	2,871,174	60,306					15.5	20.1	20.0	28.4	23.6	19.7	15.9	13.3	11.3	5.6	4.6	3.9	0.7	0.8	0.9	19.8	19.6	19.6			
Infrastructure																													
IRB Infrastructure	147	ADD	48,790	1,025	332	5.6	10.4	10.8	63.5	85.5	3.9	26.2	14.1	13.6	14.1	7.8	7.0	2.6	2.2	1.8	—	—	—	10.6	16.8	14.5	135	(8.0)	7.9
Media																													
DishTV	44	REDUCE	41,593	874	946	(7.3)	(4.1)	(3.2)	n/a	(44.4)	(22.6)	(6.0)	(10.8)	(13.9)	(25.9)	(159.2)	50.3	(6.4)	(20.5)	(8.3)	—	—	—	86.1	91.1	NA	22	(49.9)	12.1
HT Media	104	ADD	24,257	509	234	0.8	4.2	6.3	(80.4)	399.4	49.2	121.9	24.4	16.4	25.1	10.4	8.2	2.9	2.7	2.4	0.4	0.8	2.4	2.3	11.3	15.6	120	15.9	0.5
Jagran Prakashan	78	BUY	23,371	491	301	2.9	4.2	5.5	(12.1)	47.2	29.6	27.1	18.4	14.2	15.2	10.2	8.1	4.2	3.9	3.6	2.6	3.3	3.9	15.8	22.1	26.5	90	16.0	0.2
Sun TV Network	256	REDUCE	100,766	2,116	394	9.3	11.1	12.8	11.8	19.2	15.8	27.6	23.1	20.0	17.2	15.3	13.4	5.9	5.4	5.1	1.6	2.3	3.1	23.5	25.1	26.7	200	(21.8)	1.5
Zee Entertainment Enterprises	188	REDUCE	81,337	1,708	434	8.1	9.3	11.2	(9.0)	15.5	20.0	23.2	20.1	16.8	16.1	13.9	11.5	2.4	2.3	2.1	1.2	1.5	1.7	11.6	12.2	13.7	145	(22.7)	8.9
Zee News	46	ADD	10,945	230	240	1.9	2.1	2.5	20.4	11.1	18.8	24.5	22.1	18.6	12.5	10.5	9.2	4.4	3.8	3.3	0.9	0.9	1.3	20.0	19.0	19.5	40	(12.4)	1.5
Media		Neutral	282,269	5,929					(48.7)	145.4	55.5	140.0	57.1	36.7	23.3	16.0	12.8	4.7	4.0	3.9	1.2	1.6	2.2	3.3	7.1	10.6			
Metals																													
Hindalco Industries	101	BUY	177,715	3,733	1,753	9.0	3.5	11.4	(33.9)	(61.4)	227.6	11.3	29.2	8.9	6.4	8.6	6.7	0.5	0.5	0.5	—	—	—	10.3	5.2	6.7	135	33.1	21.5
National Aluminium Co.	359	SELL	231,533	4,863	644	19.7	13.7	20.4	(22.0)	(30.6)	48.8	18.2	26.2	17.6	9.4	10.0	6.9	2.2	2.1	1.9	1.0	0.6	0.6	12.7	8.1	11.1	290	(19.3)	3.4
Jindal Steel and Power	2,394	ADD	368,630	7,743	154	198.0	172.4	196.2	139.3	(12.9)	13.8	12.1	13.9	12.2	8.2	8.4	7.1	5.1	3.7	2.8	—	0.3	0.3	53.1	31.0	26.4	1,820	(24.0)	31.1
JSW Steel	637	SELL	119,141	2,502	187	13.1	24.1	53.5	(84.7)	83.3	121.8	48.4	26.4	11.9	9.6	9.6	7.4	1.2	1.0	0.9	0.2	0.8	0.8	11.0	4.3	8.3	340	(46.6)	40.2
Hindustan Zinc	618	BUY	261,251	5,487	423	64.6	62.9	80.9	(38.0)	(2.6)	28.7	9.6	9.8	7.6	5.7	5.1	3.2	1.7	1.5	1.2	0.6	0.8	0.8	20.1	16.5	17.9	610	(1.3)	3.8
Sesa Goa	192	BUY	151,268	3,177	787	24.8	25.5	34.2																					
Sesa Goa	192	BUY	151,268	3,177	787	24.8	25.5	34.2																					
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Sesa Goa	192	BUY	151,268	3,177	787	24.8	25.5	34.2																					
Sesa Goa	192	BUY	151,268	3,177	787	24.8	25.5	34.2																					
Sesa Goa	192																												

# VALUATION SUMMARY

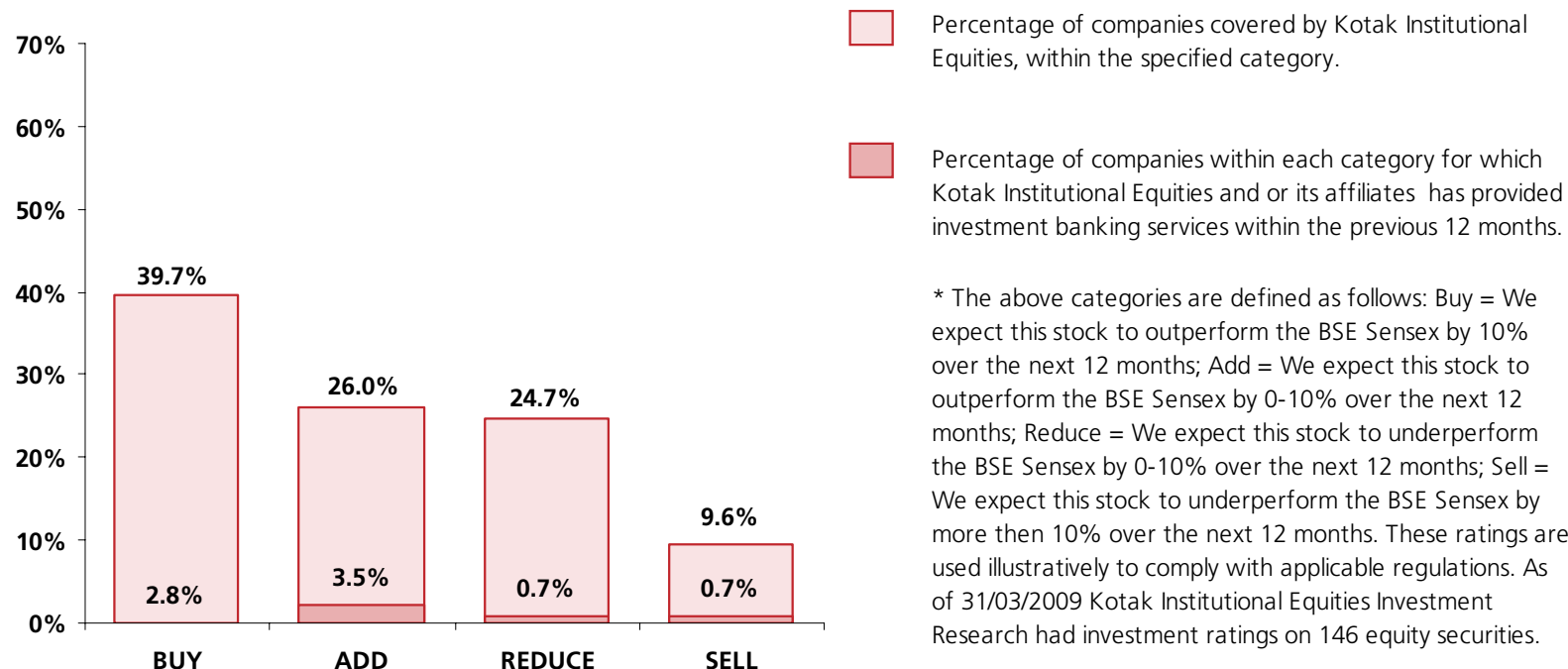
## Kotak Institutional Equities Universe

	11-Jun-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT- 3mo
Company	44.0	REDUCE	(Rs mn)	(US\$ mn)		2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	(Rs)	(%)	
<b>Retail</b>																													
Titan Industries	1,208	REDUCE	53,616	1,126	44	45.9	50.1	56.9	30.8	9.2	13.7	26.3	24.1	21.2	16.9	14.7	12.7	9.3	7.2	5.7	0.8	0.9	1.0	38.9	33.6	29.9	850	(29.6)	3.5
<b>Retail</b>		<b>Neutral</b>	<b>53,616</b>	<b>1,126</b>					<b>30.8</b>	<b>9.2</b>	<b>13.7</b>	<b>26.3</b>	<b>24.1</b>	<b>21.2</b>	<b>16.9</b>	<b>14.7</b>	<b>12.7</b>	<b>9.3</b>	<b>7.2</b>	<b>5.7</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>35.3</b>	<b>29.7</b>	<b>26.8</b>			
<b>Technology</b>																													
HCL Technologies	197	REDUCE	136,672	2,871	695	16.2	13.1	17.0	6.0	(19.0)	29.5	12.1	15.0	11.6	6.8	6.7	6.4	2.2	2.1	2.0	6.1	6.1	6.1	18.6	14.4	17.7	135	(31.4)	6.3
Infosys Technologies	1,751	BUY	1,005,045	21,110	574	102.4	99.3	111.9	29.6	(3.1)	12.7	17.1	17.6	15.6	12.4	12.6	10.4	5.5	4.5	3.7	1.3	1.4	1.6	36.7	28.1	26.1	1,800	2.8	65.4
Mphasis BFL	354	REDUCE	73,816	1,550	208	14.2	38.8	30.3	15.7	173.5	(21.9)	25.0	9.1	11.7	19.0	6.5	6.4	5.1	3.5	2.8	1.1	1.3	1.4	22.8	45.3	26.4	240	(32.2)	2.9
Mindtree	452	BUY	18,619	391	41	13.2	44.0	50.7	(50.5)	232.5	15.1	34.2	10.3	8.9	5.9	5.9	5.0	3.4	2.5	2.0	0.4	—	1.1	5.5	20.4	18.4	400	(11.6)	4.8
Patni Computer Systems	250	REDUCE	32,079	674	129	26.8	23.5	26.1	(19.3)	(12.4)	11.1	9.3	10.6	9.6	3.6	3.0	2.8	1.3	1.0	0.9	0.7	1.9	2.1	16.2	10.0	10.3	150	(39.9)	2.1
Polaris Software Lab	108	SELL	10,645	224	99	13.1	13.3	12.1	76.0	1.7	(8.9)	8.2	8.1	8.9	3.1	3.7	3.8	1.4	1.2	1.1	2.5	1.9	1.9	18.1	15.9	12.9	50	(53.6)	3.9
TCS	775	REDUCE	758,521	15,932	979	52.9	50.7	54.8	3.1	(4.1)	8.1	14.7	15.3	14.1	10.2	10.7	9.2	4.8	4.0	3.5	1.8	2.0	2.8	36.9	28.7	26.4	650	(16.1)	32.1
Wipro	424	ADD	619,596	13,014	1,462	25.7	26.4	29.2	15.8	2.6	10.3	16.5	16.0	14.5	12.1	11.1	9.3	4.1	3.4	2.9	0.9	1.7	2.0	26.9	23.3	21.6	400	(5.6)	15.0
<b>Technology</b>		<b>Cautious</b>	<b>2,761,960</b>	<b>58,012</b>					<b>15.0</b>	<b>(1.9)</b>	<b>9.2</b>	<b>15.5</b>	<b>15.8</b>	<b>14.4</b>	<b>10.7</b>	<b>10.5</b>	<b>9.1</b>	<b>4.4</b>	<b>3.6</b>	<b>3.1</b>	<b>1.6</b>	<b>1.8</b>	<b>2.2</b>	<b>28.2</b>	<b>23.0</b>	<b>21.6</b>			
<b>Telecom</b>																													
Bharti Airtel	854	ADD	1,622,078	34,070	1,899	44.6	52.2	59.8	26.4	17.0	14.6	19.1	16.4	14.3	11.2	9.5	8.2	5.2	3.9	3.0	0.5	0.7	0.9	31.4	27.0	23.8	775	(9.3)	102.9
IDEA	87	REDUCE	270,035	5,672	3,104	2.9	2.9	3.2	(26.5)	(0.1)	10.9	30.0	30.0	27.0	10.9	9.7	8.1	2.0	1.9	1.7	—	—	—	10.4	6.4	6.8	65	(25.3)	18.7
MTNL	116	SELL	73,080	1,535	630	4.0	4.1	4.6	(44.3)	2.6	11.8	29.1	28.4	25.4	18.0	13.3	9.1	0.6	0.6	0.6	5.2	5.2	5.2	1.6	1.6	1.9	50	(56.9)	3.8
Reliance Communications	347	SELL	716,628	15,052	2,064	27.7	20.3	21.1	4.7	(26.6)	3.9	12.5	17.1	16.4	10.3	9.7	7.6	2.1	1.8	1.6	0.2	—	—	18.6	11.7	10.9	180	(48.2)	78.6
Tata Communications	538	REDUCE	153,230	3,218	285	13.6	14.0	15.2	24.0	3.2	8.2	39.6	38.4	35.5	16.8	15.3	14.2	2.2	2.2	2.1	0.9	1.2	1.4	5.4	5.2	5.5	400	(25.6)	7.1
<b>Telecom</b>		<b>Cautious</b>	<b>2,835,052</b>	<b>59,547</b>					<b>11.5</b>	<b>(0.5)</b>	<b>11.3</b>	<b>17.6</b>	<b>17.7</b>	<b>15.9</b>	<b>11.1</b>	<b>9.8</b>	<b>8.2</b>	<b>2.9</b>	<b>2.5</b>	<b>2.2</b>	<b>0.5</b>	<b>0.6</b>	<b>0.7</b>	<b>16.3</b>	<b>14.0</b>	<b>13.6</b>			
<b>Transportation</b>																													
Container Corporation	994	ADD	129,213	2,714	130	64.4	71.4	83.3	11.6	10.8	16.6	15.4	13.9	11.9	11.1	9.3	7.8	3.4	2.9	2.5	1.4	1.6	1.9	24.0	22.5	22.2	850	(14.5)	1.2
<b>Transportation</b>		<b>Cautious</b>	<b>129,213</b>	<b>2,714</b>					<b>11.6</b>	<b>10.8</b>	<b>16.6</b>	<b>15.4</b>	<b>13.9</b>	<b>11.9</b>	<b>11.1</b>	<b>9.3</b>	<b>7.8</b>	<b>3.4</b>	<b>2.9</b>	<b>2.5</b>	<b>1.4</b>	<b>1.6</b>	<b>1.9</b>	<b>22.1</b>	<b>20.8</b>	<b>20.5</b>			
<b>Utilities</b>																													
CESC	325	ADD	40,654	854	125	31.2	38.0	42.1	12.3	21.8	10.8	10.4	8.6	7.7	5.6	6.4	6.8	1.1	1.0	0.9	1.4	1.7	1.9	11.4	12.2	11.9	345	6.0	1.7
Lanco Infratech	417	ADD	92,621	1,945	222	14.5	18.1	33.8	(2.5)	25.1	86.9	28.8	23.0	12.3	24.2	18.4	8.6	4.3	3.5	2.7	—	—	—	16.1	16.9	25.0	360	(13.6)	19.3
NTPC	226	SELL	1,861,001	39,088	8,245	9.4	10.8	12.2	1.1	14.7	12.6	23.9	20.9	18.5	18.1	15.3	14.4	3.1	2.9	2.7	1.6	1.8	2.0	13.7	14.5	15.0	180	(20.2)	39.2
Reliance Infrastructure	1,193	BUY	270,110	5,673	226	64.1	58.8	62.9	70.5	(8.2)	6.9	18.6	20.3	19.0	20.0	20.4	15.8	1.6	1.5	1.4	0.6	0.7	0.8	6.3	7.0	9.0	970	(18.7)	118.3
Reliance Power	193	REDUCE	462,573	9,716	2,397	1.0	2.5	3.1	—	140.3	25.3	189.2	78.7	62.8	—	—	—	3.4	3.2	3.1	—	—	—	1.8	4.2	5.0	120	(37.8)	30.8
Tata Power	1,198	ADD	266,570	5,599	223	56.2	76.6	86.5	76.6	36.2	12.9	21.3	15.6	13.8	11.5	11.9	11.1	2.6	2.3	2.0	1.0	1.0	1.2	13.4	15.8	15.7	1,100	(8.1)	14.4
<b>Utilities</b>		<b>Attractive</b>	<b>2,993,530</b>	<b>62,876</b>					<b>14.0</b>	<b>17.4</b>	<b>14.8</b>	<b>26.2</b>	<b>22.3</b>	<b>19.4</b>	<b>18.7</b>	<b>17.7</b>	<b>15.6</b>	<b>2.8</b>	<b>2.6</b>	<b>2.4</b>	<b>1.1</b>	<b>1.3</b>	<b>1.4</b>	<b>10.8</b>	<b>11.7</b>	<b>12.3</b>			
<b>Others</b>																													
Aban Offshore	1,048	SELL	39,692	834	38	87.8	148.2	277.7	21	68.8	87.4	11.9	7.1	3.8	9.3	7.4	5.8	2.9	2.1	1.4	0.4	0.5	0.5	33.7	36.9	41.2	300	(71.4)	64.4
Havells India	294	REDUCE	17,814	374	61	(1.0)	10.3	14.7	(104)	NA	43.0	NA	28.7	20.0	11.1	9.6	8.6	2.5	2.4	2.2	1.1	1.4	1.7	(0.9)	8.5	11.4	120	(59.2)	2.5
Jaiprakash Associates	214	ADD	300,832	6,319	1,403	3.0	6.8	9.9	(39)	126.3	45.5	71.4	31.6	21.7	23.8	15.9	14.8	5.4	4.8	4.0	0.0	0.0	0.0	8.0	16.1	20.0	190	(11.4)	91.5
Jindal Saw	412	BUY	22,624	475	55	64.3	47.8	41.7	(1)	(25.6)	(12.8)	6.4	8.6	9.9	4.2	4.3	4.1	0.7	0.6	0.6	1.2	1.0	1.0	10.8	7.4	6.2	300	(27.2)	3.5
PSL	132	BUY	5,746	121	44	22.0	36.8	30.0	4	67.4	(18.5)	6.0	3.6	4.4	5.9	4.9	4.2	0.7	0.6	0.5	7.0	6.8	6.8	10.2	13.4	11.1	160	21.4	0.9
Sintex	242	BUY	32,984	693	136	23.8	24.8	27.3	22	4.1	10.2	10.1	9.8	8.8	7.2	6.6	5.5	1.7	1.4	1.2	0.5	0.5	0.5	16.6	14.8	14.1	175	(27.6)	4.5
Tata Chemicals	261	ADD	61,450	1,291	235	27.6	23.1	27.2	(30)	(16.4)	17.9	9.5	11.3	9.6	5.9	4.9	4.2	1.3	1.2	1.1	3.5	3.4	3.4	17.9	12.9	13.7	200	(23.5)	4.7
Welspun Gujarat Stahl Rohren	222	REDUCE	41,936	881	189	17.3	23.4	17.3	(16)	35.0	(25.7)	12.8	9.5	12.8	7.8	5.6	6.6	2.3	1.8	1.6	0.9	0.7	0.7	17.6	20.8	12.9	125	(43.7)	19.4
United Phosphorus	169	BUY	77,916	1,637	462	10.7	13.5	18.0	28	25.7	33.9	15.8	12.5	9.4	10.4	7.6	5.9	2.6	2.2	1.8	0.7	0.9	1.2	18.1	18.2	20.5	140	(17.0)	5.0
<b>Others</b>			<b>600,994</b>	<b>12,623</b>					<b>(12.1)</b>	<b>32.1</b>	<b>28.1</b>	<b>20.0</b>	<b>15.1</b>	<b>11.8</b>	<b>10.9</b>	<b>8.8</b>	<b>8.2</b>	<b>2.6</b>	<b>2.3</b>	<b>1.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>12.9</b>	<b>14.9</b>	<b>16.3</b>			
<b>KS universe (b)</b>			<b>34,199,260</b>	<b>718,321</b>					<b>3.8</b>	<b>3.8</b>	<b>21.8</b>	<b>17</b>	<b>16.1</b>	<b>13.2</b>	<b>10.7</b>	<b>9.5</b>	<b>8.0</b>	<b>2.6</b>											

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## Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of March 31, 2009

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**BUY:** We expect this stock to outperform the BSE Sensex by 10% over the next 12 months.

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**REDUCE:** We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

**SELL:** We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months

## Old rating system

**OP** = Outperform. We expect this stock to outperform the BSE Sensex over the next 12 months.

**IL** = In-Line. We expect this stock to perform in line with the BSE Sensex over the next 12 months.

**U** = Underperform. We expect this stock to underperform the BSE Sensex over the next 12 months.

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