

WEEKLY | FUNDAMENTAL



OUR REPORTS

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Sector Report
Theme Based Report

Daily & Weekly

Fundamental Market Update
Technical Market Update
Derivative Market Update
Currency Report
Debt Mutual Fund Report

Monthly

India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly

India and Global Strategy Report
India Economy Report
Company Result Expectation
Company Result Analysis

Others

Event Based Report
RBI Monetary Review Report
Annual Budget Expectation Report
Annual Budget Review Report

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WEEKLY CHART OF SENSEX



OUTLOOK

Volatility is likely to continue next week due to F&O expiry on November 24, 2011. Shares of exporters and IT firms may edge higher and those of importers may edge lower, with the rupee hitting 32-month low below 51 against the dollar. On the other hand, aviation shares may remain in focus on reports that the Union Cabinet will soon again discuss a proposal to permit foreign carriers to buy stakes in local airlines, a step that will likely help Indian carriers raise money. Under heavy pressure from corporate for the policy paralysis in the country, it seems likely that the Indian government may accelerate the pace of decision making towards FDI and consider passing pending bills during the Winter session of parliament. **BUY Hindustan Lever, SBI.**

GLOBAL MARKET DURING LAST 5 DAYS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH	1Y % CH	Current P/E	FY12 EST P/E	Current P/B	FY12 EST P/B
DOW JONES	11796.16	(2.94)	(0.11)	9.05	5.29	12.14	12.06	2.50	2.41
NASDAQ	2572.50	(3.97)	(2.46)	9.85	2.16	22.16	15.45	2.59	2.47
S&P 500	1215.65	(3.81)	(1.83)	8.20	1.33	12.78	12.26	1.97	1.91
FTSE 100	5362.94	(3.29)	(2.29)	6.39	(6.45)	9.77	9.61	1.58	1.51
CAC 40	2997.01	(4.84)	(5.50)	(0.66)	(22.36)	8.75	8.64	1.02	0.96
DAX	5800.24	(4.24)	(2.86)	5.84	(15.25)	9.50	9.57	1.20	1.14
NIKKEI 225	8374.91	(1.64)	(3.50)	(3.95)	(16.44)	16.28	15.46	1.08	1.05
HANG SENG	18491.23	(3.38)	2.58	(4.68)	(21.67)	8.29	10.05	1.31	1.28
STRAITS TIMES	2730.34	(2.17)	0.66	(0.12)	(14.61)	6.68	12.88	1.31	1.30
TAIWAN TAIEX	7233.78	(1.81)	(0.29)	(1.49)	(12.91)	15.69	14.84	1.57	1.62
KOSPI	1839.17	(1.30)	0.04	5.40	(5.24)	12.01	9.58	1.06	1.18
BRAZIL BOVESPA	56731.34	(1.03)	2.67	8.17	(19.98)	9.43	10.18	1.29	1.14
RUSSIAN RTS	1494.92	(2.11)	2.62	(5.10)	(6.62)	5.36	4.79	0.97	0.81
SHANGHAI SE COMPOSIT	2416.56	(2.60)	4.28	(4.65)	(16.34)	12.65	11.40	1.96	1.73
BSE SENSEX	16371.51	(4.78)	(2.47)	1.42	(16.41)	15.00	14.20	2.64	2.27
NSE S&P CNX NIFTY	4905.80	(5.09)	(2.85)	1.24	(16.71)	14.44	13.91	2.44	2.15

WEEK IN RETROSPECT

Indian stock market witnessed a sharp fall during this week on the back of ongoing euro crisis and domestic growth issues. Realty and Consumer Goods led the broad based fall in the market. It saw red on all five trading days of the week. Despite leadership changes at Greece and Italy, the fears of debt contagion spreading to euro area weighed on the sentiment. Spain's bond 10-year bond yields soared to record highs reflecting fears the euro zone's debt crisis was spiraling out of control.

India's Inflation stood at 9.73 percent in October 2011 against its September level of 9.72 percent. However, India's weekly Food Inflation eased to 10.63 percent for the week ended November 05, 2011 against 11.81 percent in the previous week.

On the global front, Italy's Prime Minister Mario Monti won an overwhelming vote of confidence Friday. His government of technocrats brought in to tackle the debt crisis is now fully empowered. The 630-seat lower house voted 556 to 61 in favor of Monti's new administration, following the Senate's approval Thursday. Monti has outlined to parliament a broad raft of painful reforms to shore up public finances.

The Japanese economy grew by 6 percent YoY and 1.5 percent QoQ rate in Q3 of 2011, as strong rebounds in exports and consumption helped fuel a recovery from the massive dislocations caused by the March 2011 earthquake and tsunami. German and French economic growth rebounded in Q3 of 2011. GDP in Germany grew 0.5 percent from Q2 of 2011, when it increased 0.3 percent. The French GDP expanded 0.4 percent QoQ after contracting 0.1 percent in the previous period. China's House Prices fell in October 2011 with 33 of the 70 cities reporting price declines from the previous month.

MSCI INDICES				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
MSCI WORLD	1157.50	(3.98)	(3.08)	2.28
MSCI AC WORLD	294.67	(3.96)	(2.51)	1.46
MSCI AC ASIA PACIFIC	114.20	(2.69)	(1.53)	(4.46)
MSCI EM	934.08	(3.82)	1.52	(3.72)

VOLATILITY INDICES				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
CBOE SPX VOLATILITY	32.00	(2.47)	2.17	(25.67)
INDIA NSE VOLATILITY	26.58	7.44	1.06	(8.94)

10 YERS BOND MARKETS				
NAME	YIELD	5D % CH	1M % CH	3M % CH
US Generic Govt 10 Year Yield	2.01	(2.24)	(7.62)	(2.52)
UK Govt Bonds 10 Year Note Gen	2.25	(1.57)	(7.44)	(2.59)
Brazil Government Generic Bond	3.97	(0.58)	(0.43)	(12.70)
Japan Govt Bond Year to maturity	0.95	(2.27)	(7.51)	(4.81)
Australia Govt Bonds Generic M	3.99	(3.48)	(10.65)	(8.46)
India Govt Bond Generic Bid Yi	8.84	(1.07)	0.99	6.91

FOREX MARKET				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
DOLLAR INDEX SPOT	78.02	1.40	1.15	5.09
EUR-USD X-RATE	1.35	(1.64)	(1.65)	(5.64)
USD-GBP X-RATE	0.63	1.69	(0.58)	4.51
USD-BRL X-RATE	1.79	(2.41)	(1.80)	(10.49)
USD-JPY X-RATE	76.91	0.38	(0.12)	(0.43)
USD- X-RATE	51.34	(2.38)	(3.97)	(10.88)
USD-CNY X-RATE	6.36	(0.20)	0.39	0.52
USD-KRW X-RATE	1139.13	(1.10)	0.57	(5.72)

MONEY MARKETS				
NAME	LAST	5D % CH	1M % CH	3M % CH
BBA LIBOR USD 3M	0.49	6.68	19.21	63.81
MIBOR Offer Market 3M	1.47	0.68	(6.96)	(4.55)
India Indicative Call Rate	8.70	1.40	4.82	8.07

INDUSTRIAL METALS & ENERGY MARKETS				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
COPPER (USD/T)	7525.00	(1.49)	1.03	(14.20)
ALUMINUM (USD/T)	2110.00	(2.41)	(4.44)	(9.75)
ZINC (USD/T)	1965.00	2.34	4.41	(9.78)
LEAD (USD/T)	2059.00	3.21	6.96	(10.52)
OIL (USD/BBL)	97.67	(1.33)	10.56	18.56
NATURAL GAS (USD/MMBTU)	3.32	(7.48)	(12.46)	(22.36)

PRECIOUS METALS				
NAME	LAST	5D % CH	1M % CH	3M % CH
GOLD (USD/OZ)	1723.95	(3.62)	3.99	(5.47)
SILVER (USD/OZ)	32.36	(6.70)	0.98	(20.31)

INDUSTRY INDICES				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
BALTIC DRY INDEX	1895.00	3.27	(11.28)	34.02
BBG WORLD IRON INDEX	206.59	(5.39)	(1.42)	(11.19)

AGRO MARKET				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
COFFEE (USD/IB)	238.85	0.65	1.79	(11.77)
COTTON (USD/IB)	93.27	(4.87)	(5.03)	(10.15)
SUGAR (USD/IB)	23.97	(4.12)	(13.93)	(15.30)
WHEAT (USD/BU)	614.75	(4.84)	(6.32)	(20.19)
SOYBEAN (USD/BU)	1168.25	(0.62)	(7.00)	(14.84)

INSTITUTIONAL FLOW IN Cr (14/11-18/11)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	9725.25	11369.11	(1643.86)
DII	5750.66	4524.23	1226.43
MUTUAL FUND (14/11-15/11)	739.60	814.80	(75.20)

FII DERIVATIVE SEGMENT IN Cr (14/11-18/11)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	12371.06	15325.66	(2954.59)
INDEX OPTION	102096.64	99272.66	2823.97
STOCK FUTURE	14326.31	14499.10	(172.79)
STOCK OPTION	2710.97	2751.00	(40.03)

Tata Motors

Tata Motors announced its Q2 FY12 results on 14 Nov 2011. The company's Net Sales increased by 26 percent YOY and by 8 percent QOQ to INR35938 crore while its EBITDA increased by 13 percent YOY and 6 percent QOQ to INR4504 crore. EBITDA Margin of the company decreased from 13.9 percent to 12.4 percent YOY. PAT after adjusting forex gain/loss increased by 11 percent YOY and 13 percent QOQ to INR2316 crore. Result was better than expectation. PAT including Forex Gain/ Loss declined by 16 percent YOY and 6 percent QOQ.

DESCRIPTION	Sep-11	Jun-11	Sep-10	QOQ	YOY
Net Sales	35938	33392	28573	8%	26%
Other operating income	259	181	209		
Total Income	36198	33572	28782	8%	26%
Total Expenditure	31694	29337	24781		
PBIDT (Excl OI)	4504	4236	4001	6%	13%
EBITDA (%)	12.4%	12.6%	13.9%		
Other Income	345	313	210		
Operating Profit	4849	4549	4212		
Interest	810	1003	722		
PBDT	4040	3546	3490		
Depreciation	1331	1143	1095		
PBT	2709	2403	2395		
Tax	363	352	313		
Profit After Tax	2346	2051	2082		
Minority Interest	-34	-4	-11		
Shares of Associates	4	10	25		
Consolidated Net Profit	2316	2057	2095	13%	11%
PAT (%)	6.4%	6.1%	7.3%		
EO- Forex	-439	-57	128		
PAT including EO Forex	1877	2000	2223	-6%	-16%
Equity Capital	634.75	634.75	570.60		
Face Value (In Rs)	2	2.00	2.00		
No. of shares	317.38	317.38	285.30		
EPS adjusted Forex	7.30	6.48	7.34	13%	-1%

- ◆ **Bharat Heavy Electricals (BHEL)** posted a net profit of INR 14.12 billion for the quarter ended Sept. 30, 2011 as compared to INR 11.42 billion for the quarter ended Sept. 30, 2010, representing an increase of 23.62 percent. Net sales has increased 23.66 percent from INR 83.28 billion for the quarter ended Sept. 30, 2010 to INR 102.99 billion for the quarter ended Sept. 30, 2011.
- ◆ **Mahindra & Mahindra (M&M)** posted net profit of INR 7.37 billion for the quarter ended Sept. 30, 2011 as compared to INR 7.58 billion for the quarter ended Sept. 30, 2010, representing a decrease of 2.78 percent. Total income has increased 35.45 percent from INR 54.34 billion for the quarter ended Sept. 30, 2010 to INR 73.60 billion for the quarter ended Sept. 30, 2011.
- ◆ **Oil India** posted net profit of INR 11.38 billion for the quarter ended Sept. 30, 2011 as compared to INR 9.16 billion for the quarter ended Sept. 30, 2010, representing an increase of 24.24 percent. Total income has increased 50.09 percent from INR 26.33 billion for the quarter ended September 30, 2010 to INR 39.52 billion for the quarter ended September 30, 2011.
- ◆ **Sun Pharmaceutical Industries** posted consolidated net profit of INR 5.98 billion for the quarter ended Sept. 30, 2011 as compared to INR 5.04 billion for the quarter ended Sept. 30, 2010, representing an increase of 18.65 percent. Total consolidated income is INR 19.71 billion for the quarter ended Sept. 30, 2011 where as the same was at INR 13.87 billion for the quarter ended Sept. 30, 2010, representing an increase of 42.11 percent.
- ◆ **Cipla** posted net profit of INR 3.09 billion for the quarter ended Sept. 30, 2011 as compared to INR 2.63 billion for the quarter ended Sept. 30, 2010, representing an increase of 17.47 percent. Total income has increased 8.79 percent from INR 16.34 billion for the quarter ended Sept. 30, 2010 to INR 17.78 billion for the quarter ended Sept. 30, 2011.
- ◆ **JSW Steel** posted consolidated net loss of INR 6.69 billion for the quarter ended Sept. 30, 2011 as compared to profit of INR 3.73 billion for the quarter ended Sept. 30, 2010. Total consolidated income has increased 36.37 percent from INR 59.72 billion for the quarter ended Sept. 30, 2010 to INR 81.44 billion for the quarter ended Sept. 30, 2011.
- ◆ **Kingfisher Airlines** posted a net loss of INR 4.68 billion for the quarter ended Sept. 30, 2011 as compared to net loss of INR 2.30 billion for the quarter ended Sept. 30, 2010. Income from services has increased 10.56 percent from INR 13.82 billion for the quarter ended Sept. 30, 2010 to INR 15.28 billion for the quarter ended Sept. 30, 2011. The airline has requested to banks to hike working capital limit and reduce interest cost.
- ◆ **Jaiprakash Associates** posted net profit of INR 1.29 billion for the quarter ended Sept. 30, 2011 as compared to INR 1.16 billion for the quarter ended Sept. 30, 2010, representing an increase of 11.21 percent. Total income has increased 3.67 percent from INR 30.75 billion for the quarter ended Sept. 30, 2010 to INR 31.88 billion for the quarter ended Sept. 30, 2011.
- ◆ **Hindustan Petroleum Corporation (HPCL)** entered into a MoU with Greater Calcutta Gas Supply Corporation (GCGSCL) and Gas Authority of India (GAIL). The MoU is to carry out natural gas business in the city of Kolkata and its adjoining districts.
- ◆ **IVRCL's** mining and water divisions have bagged orders worth of INR 18.67 billion. Hindustan Copper, a Govt of India enterprise issued a letter of intent to IVRCL Consortium for the work of "Development of an Underground Mine for 5 Million tonne per annum capacity at Malanjkhand Copper Project, Balaghat, Madhya Pradesh, India", of the value of INR 11.76 billion. The completion period of the contract is 5 years.
- ◆ **BGR Energy Systems** secured an EPC contract for setting up 2x300 MW coal based thermal power project by TRN Energy, New Delhi. The contract is valued at INR 16.98 billion. The turn key contract completion schedule will be 29 months for unit I and 32 months for unit II. The proposed project is located at Nawapara Village, Chhattisgarh. Project has forest and environmental clearances. Coal linkage is tied-up with South Eastern Coal. Land and water for the project are available.
- ◆ **Areva T&D India** secured INR 2 billion worth order from PowerGrid for the supply, erection and commissioning of a 765 KV Extra high Voltage substation including transformers, at Bareilly, Uttar Pradesh. a 765 kV substation and transformers at Bareilly, Uttar Pradesh.
- ◆ **Hexaware Technologies** signed a contract estimated at USD250 million, with an existing client headquartered in United Kingdom for an additional 5 years starting January 1, 2012. The value of the contract, projected at a quarter of a billion, is the single largest agreement signed by Hexaware till date.

November 21, 2011

- ◆ The U.S. Chicago Fed Nat Activity Index for October 2011.
- ◆ The U.S. Existing Home Sales data for October 2011.
- ◆ Japan's Exports-Imports data for October 2011.
- ◆ France Sovereign Bond Auctions.

November 22, 2011

- ◆ The U.S. GDP data for Q3 of 2011.
- ◆ The U.S. Personal Consumption data for Q3 of 2011.
- ◆ The U.S. CPI Richmond Fed Manufacturing Index data for November 2011.
- ◆ Spain Sovereign Bond Auctions.
- ◆ Greece Current Account Deficit data for September 2011.

November 23, 2011

- ◆ The U.S. Minutes of FOMC Meeting.
- ◆ The U.S. Joint Select Committee on Deficit Reduction to propose a 10-year USD1.5 trillion deficit reduction program.
- ◆ The U.S. Initial Jobless Claims data for the week ended November 19, 2011.
- ◆ The U.S. Bloomberg Consumer Comfort data for the week ended November 20, 2011.
- ◆ The U.S. MBA Mortgage Application data for the week ended November 18, 2011.
- ◆ The U.S. Durable Goods Orders data for October 2011.
- ◆ The U.S. Personal Income and Personal Spending data for October 2011.
- ◆ Euro Zone PMI Manufacturing and PMI Services data for November 2011.
- ◆ Germany PMI Manufacturing and PMI Services data for November 2011.
- ◆ China's HSBC Flash Manufacturing data for November 2011.

November 24, 2011

- ◆ India's Weekly Food and Fuel Inflation data for the week ended November 12, 2011.
- ◆ Germany GDP data for Q3 of 2011.
- ◆ Germany Exports-Imports, Domestic Demand, Capital Investment, Government Spending and Construction Investment data for Q3 of 2011.
- ◆ The U.K. GDP data for Q3 of 2011.
- ◆ Germany Exports-Imports, Domestic Demand, Capital Investment, Government Spending and Construction Investment data for Q3 of 2011.

November 25, 2011

- ◆ Japan's CPI data for October 2011.
- ◆ Germany Imports Price Index data for October 2011.
- ◆ Italy Sovereign Bond Auctions.
- ◆ Italy Retail Sales data for September 2011.
- ◆ France Consumer Confidence data for November 2011.

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