INDIA

18 May 2009

CENTRUM

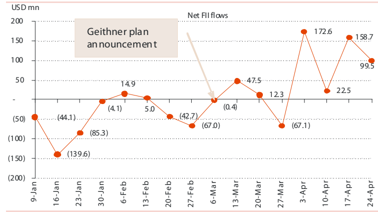
India Strategy

Update

Premature extrapolation!

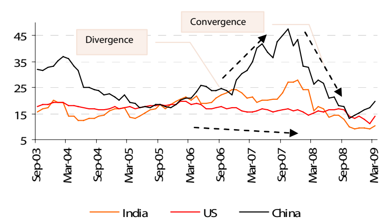
- **India Elections verdict: No succour for near-term pain:** A stable government is welcome and the biggest sentiment booster that the market needed. However, it would be hazardous to presume that markets are likely to move one way up and break new highs on this event as it was not THE event driving the market. Initial exuberance will likely be stemmed as markets ground itself to reality. It would be prudent to rein in expectations at this juncture.
- **Headwinds have eased…:** The money multiplier has turned up at 5.3x from the January low of 4.8 (60-year low). Also the LEI index, which blipped lower in March, showed a good 46% of index components (by weight) having a positive increment for the month. However, we view the uptick as quite modest but not convincing enough to flag off a recovery.
- **…But don't confuse a slower downslide with recovery:** Geithner's $1trn plan to buy back asset backed mortgage securities and treasuries was the biggest trigger for the recent rally. While the market response is understandable, the recent exuberance may be overshooting the underlying scenario, in our view.
- **Rally lead by commodities & cyclicals:** The current rally has been led by Metals (3m – 37%), Auto (39%), Oil & Gas (29%) and on expectations of an early recovery in commodities, led by crude and higher metal prices. We are underweight commodities and do not expect commodities to stage a comeback given that earlier busts had recovery cycles lasting a minimum of 4 years. Stock-specific gains have been bigger in some A group and B group stocks, but we would conclude that to be only a bear market pullback given the strains in business.
- **Maintain 15,000 Sensex target for FY10; rein in expectations:** Our Sensex target of 15,000 was built on strong conviction that EMs are likely to make a dramatic comeback and the India story would be driven by P/E expansion. However, we are now circumspect and cagey about the leaders of the current rally and would like to see more 'real' performers to deliver.
- **Investment theme:** Our portfolio allocation remains unchanged and continues to Overweight FMCG, Telecom and Power. We undertake tactical inclusions and deletions in our picks. We continue to underweight Metals and are neutral on Auto and Oil & Gas. We do not see an uptick in the investment cycle and refrain from going overweight in capital goods. Any upticks in the PE, and we would be aggressively paring positions.
- **Our preferred bets** are Bharti Airtel, HUL, SBI, PNB and Reliance Power. Within mid-caps we like and Sun TV, Bata India, Idea Cellular, Godrej Industries and PTC India. Our top Sells are ACC, India Cements, Mahindra & Mahindra and Wipro.

FII flows: The Geithner effect



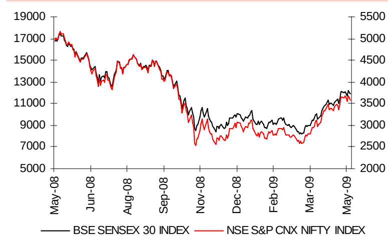
Source: Bloomberg, Centrum Research

EM P/Es to expand again



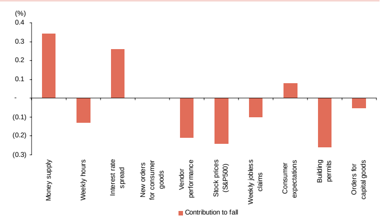
Source: Bloomberg, Centrum Research

Sensex Vs Nifty Price Performance



Source: Bloomberg, Centrum Research

US LEI



Source: Conference board, Centrum Research

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We reiterate our year end Sensex target of 15,000. However, in light of the sharp rally since Mar mid and our assessment of the delta on macro and credit markets, we believe the markets have rallied a little too far. We note market participants have been using the rally in the recent days to swap mid-caps and small caps, which have also shown significant performance along with the large caps. Hence, we recommend profit booking at these levels especially in the cyclical stocks. Our portfolio allocation remains unchanged and continues to Overweight FMCG, Telecom and Power. We continue to underweight Metals and are neutral on Auto and Oil & Gas. We do not see an uptick in the investment cycle for now and refrain from going overweight. Any upticks in the PE, and we would be aggressively paring positions.

Maintain Sensex target at 15,000 for FY10; rein in expectations

Our Sensex target of 15,000 was built on a strong conviction that EMs are likely to make a dramatic comeback and the India story would be driven by P/E expansion, backed by a strong Re (45-47 by FY10E) and resurgence in foreign inflows. *(Refer to our report, 'Endure the Bear; Prepare for the Bull 12 Feb 2009)*. While this view has gained credence, we would like to rein in our expectations, given that the current rally has been driven by commodities and cyclicals, which makes us cagey and circumspect about the sustenance of the same.

India Elections verdict: No succour for near-term pain: A stable government is welcome and the biggest sentiment booster that the market needed. However, it would be hazardous to presume that markets are likely to move one way up and break new highs on this event as it was not THE event driving the market. Initial exuberance will likely be stemmed as markets ground itself to reality. It would be prudent to rein in expectations at this juncture.

Unfettered by the communists, expectations are that the UPA will usher in further liberalization of the insurance, pension and banking sectors. Divestment is increasingly looking more probable. However, the uphill task to lift growth amid a global slump and contracting domestic demand remains. The UPA had already outlined the need for stimulus through higher government spending, although borrowing is already bloated for 2009/10. This plus the temptation to build on the success of a rural jobs guarantee scheme, higher subsidies for the poor, including cheaper staples, cheaper farm loans, crop insurance and a wider health insurance cover could push the fiscal deficit beyond the present consolidated deficit of around 10 percent. So it is early days yet…

Confusing a slower downslide with a quick recovery?

The recent exuberance on the bourses may be overshooting the underlying scenario, as markets are confusing a slower downslide with a quick recovery, in our view. Scores of US macro data and credit market indicators are showing some improvement. However, incremental gains are very modest and indicate continued growth contraction ahead following two quarters of de-growth in GDP of -6.4% (QoQ) and -6.1% (QoQ) during Q42008 and Q12009 respectively.

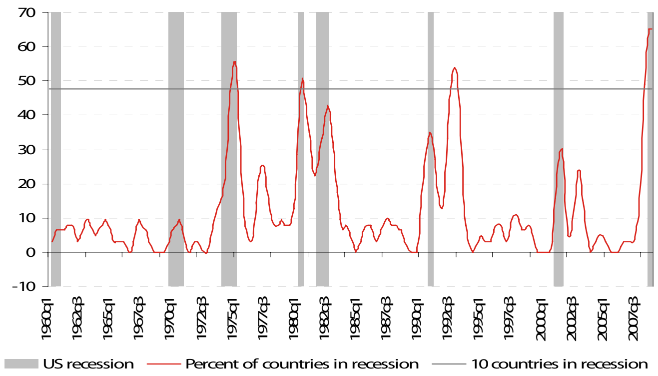
While the financial stress conditions have eased following the announcement of the Geithner Plan, credit conditions continue to remain tight despite the recent improvements. The demonstration effect of the legacy loan plan, incremental improvement in expectation surveys and stress rest results have been touted as big gains at the policy levels and have been used by officials to induce psychological boost for the equity markets. A combination of these factors along with large liquidity created the backdrop for a rally across high risk markets viz, commodities and equities.

Anemic growth may short-circuit a market loaded on expectations

The risk of pricing in a quick recovery, as reflected in a bounce back of valuations to the historical averages across markets, emanates from the fact that macro and credit may take much longer to pull back to normal levels. IMF's recent analysis of past global recessions has highlighted that recessions caused by financial dislocations and are globally synchronous are typically longer. Hence, in our view, failing expectations regarding financial stability, growth recovery, sluggish earnings growth and continuation of gradual deleveraging embeds the underlying risk to equity markets.

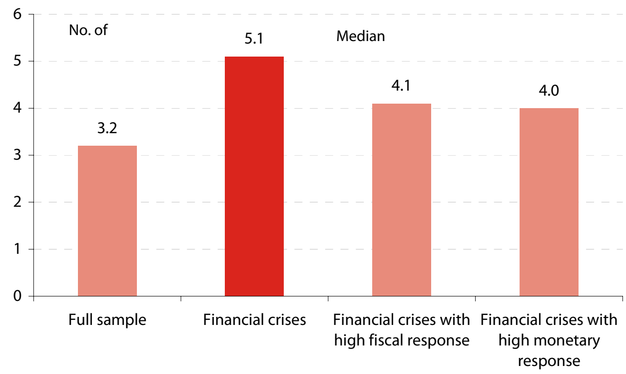
- IMF's latest World Economic Outlook (16 April), which is a comprehensive analysis on recessions since 1960s (From Recession to Recovery: How Soon and How Strong?), suggests that recessions caused by financial disruptions typically last longer (5-6 quarters on average) and are likely to be even longer this time due to simultaneity of crisis across most economies.

Exhibit 1: Synchronized recessions are rare but are preceded by or coincide with a US recession



Source: IMF WEO, Apr 2009, Centrum Research

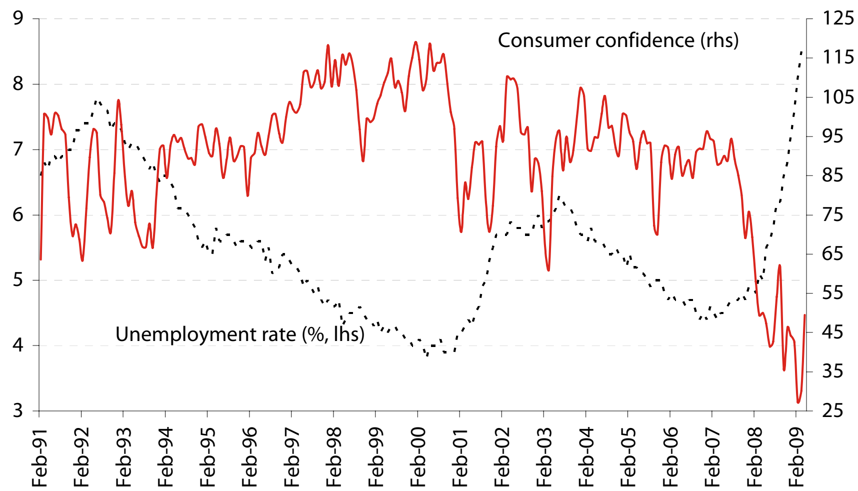
Exhibit 2: Average duration of global recession



Source: IMF WEO, Apr 2009, Centrum Research

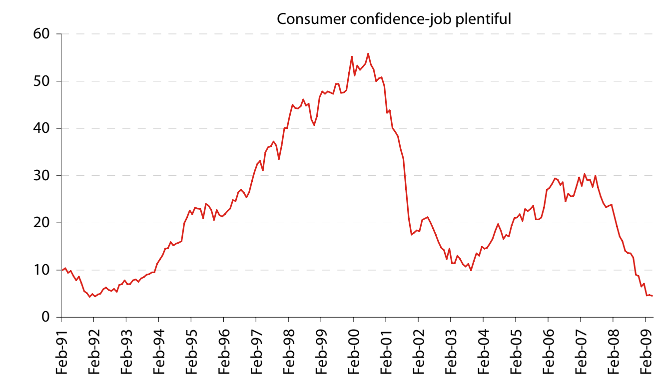
- US GDP growth contracted 6.1% during Q12009 and the **forward looking indicators still point towards continued but slower contraction.** Hence, the coming quarters will continue to see negative growth. **Despite the incremental improvements ISM survey continues to remain in the contraction zone** and much lower than the bottom seen during 1999-2003. Also Consumer confidence index still remaining close to historical lows.
- **Labor market conditions continue to remain worrisome** and are unlikely to improve meaningfully before several quarters. The high level of unemployment rate at 8.9% (Mar 09) is likely shoot up further to 10% and will take several years for it to come down to normal level of 4%. The prospects of getting jobs continue to remain very bleak according to consumer confidence survey.
- In our view, **sustained hardening of commodities prices runs the risk of nipping the green shoots currently emerging in the real economy**. Lack of pricing power in the manufacturing sector along with demand side vulnerability can hurt prospects for profit expansion.

Exhibit 3: Rising unemployment rate will keep consumer confidence feeble



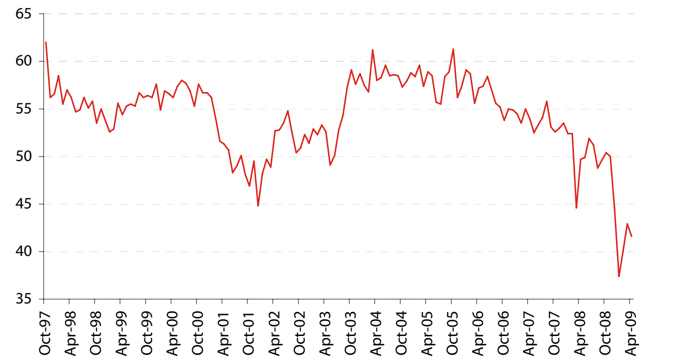
Source: Bloomberg, Centrum Research

Exhibit 4: Bleak prospects of gaining employment



Source: Bloomberg, Centrum Research

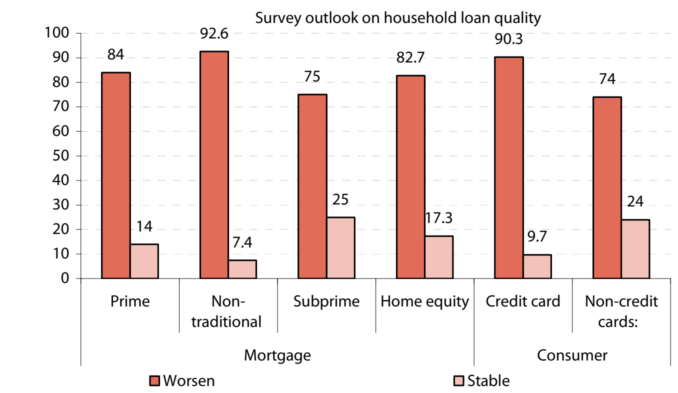
Exhibit 5: ISM non-manufacturing-Still in contraction zone



Level below 50 indicates contraction
Source: Bloomberg, Centrum Research

- While credit market sentiments have improved modestly, it has not translated into actual credit inflows. In our assessment, credit conditions remain adverse, with banks still very cautious, rendering weak private demand, in our view. Increased willingness to lend is constrained by fears of deterioration in credit quality and tight credits standards.

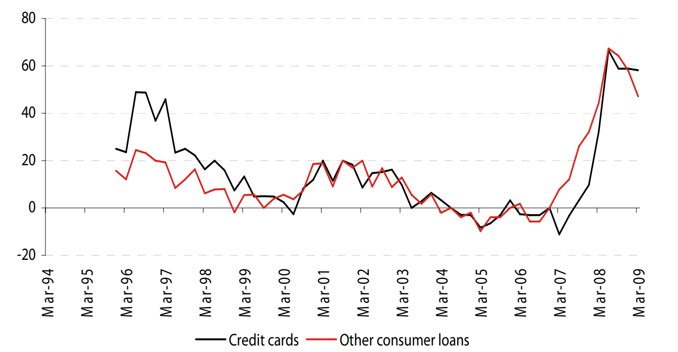
Exhibit 6: Credit quality perception remains adverse



Note: Pertains to survey done in April 2009; Loan quality perception for 2009
Source: Loan officer opinion survey, Federal Reserve, Centrum Research

Exhibit 7: Reflecting in continued tightness in credit conditions

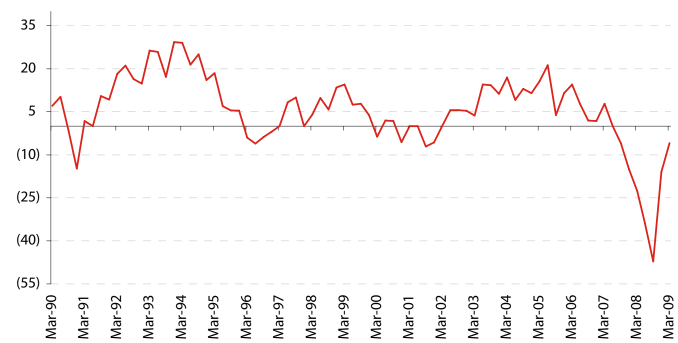
% of bankers tightening standards for consumer loans



Source: Loan officer opinion survey, Federal Reserve, Centrum Research

Exhibit 8: Even as willingness to lend has improved

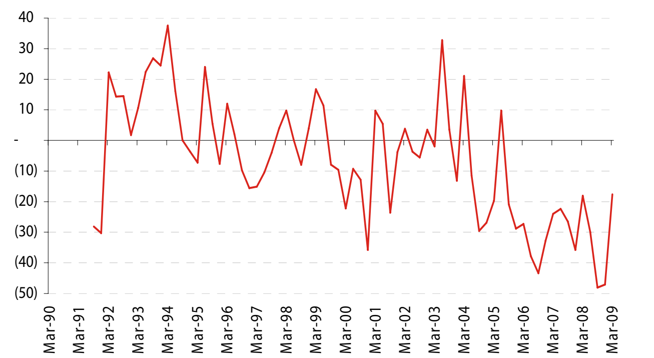
% bankers reporting increased willingness to make consumer installment loans



Source: Loan officer opinion survey, Federal Reserve, Centrum Research

Exhibit 9: Credit demand continues to contract

% of respondents reporting stronger demand for consumer loans

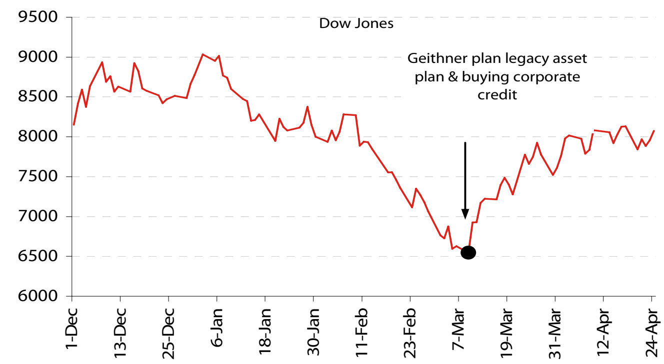


Source: Loan officer opinion survey, Federal Reserve, Centrum Research

Rally driven by liquidity

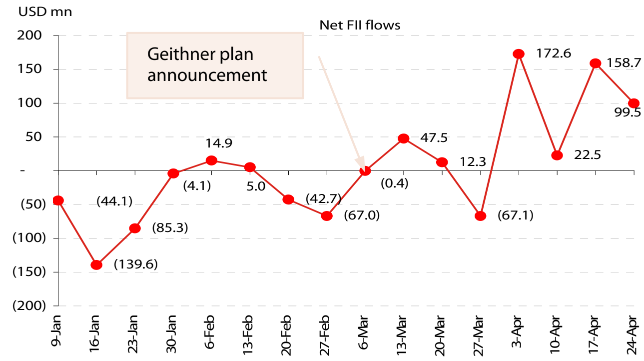
Geithner's legacy asset plan and Fed's decision to buy corporate credit were the biggest triggers for the recent equity rally. The proposal has brought up some concrete solutions to address the frigid credit markets. Earlier to this announcement in March 2009, equities continued to tank as markets were still skeptical about the effectiveness of any plan in this direction.

Exhibit 10: Market pullback after Geithner's announcement



Source: Bloomberg, Centrum Research

Exhibit 11: FII flows: The Geithner effect

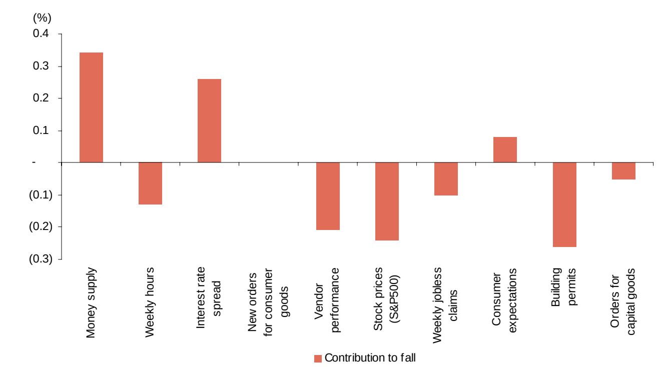


Source: Bloomberg, Centrum Research

Headwinds have eased at the margin, but still tentative

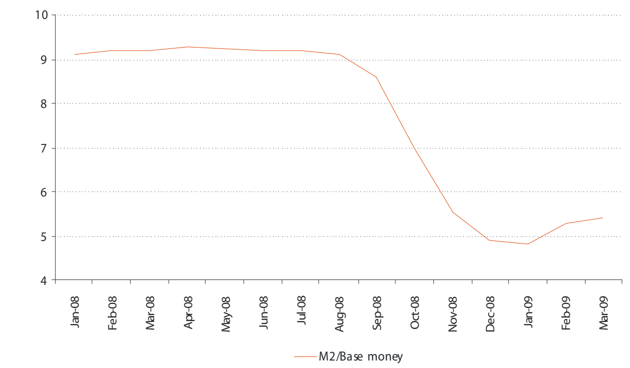
Incrementally, US data has been somewhat better than expectations although not convincing enough to flag off a speedy recovery. The money multiplier has turned up at 5.3x from the January low of 4.8, which was at a 60 year low. Leading Economic Index for March, while has continue to decline (-0.3% MoM, vs -0.2% in Feb), components like real money supply and rate spread showed upticks. However, larger portion of the index continued to show downticks. These include, beginning with the largest negative contributor, building permits, stock prices, index of supplier deliveries, average weekly manufacturing hours, average weekly initial claims for unemployment insurance, and manufacturers' new orders for non-defense capital goods. Consumer credit also continued to contract in March (-5.16% MoM, annualized). So by an large, the policy measures seems to have calmed the disturbances in the financial markets with the fundamental macro conditions yet to see as material improvement. CDS spreads for EMs have eased significantly since March 09 and reflects the improved appetite for EM equities.

Exhibit 12: Upticks on the LEI feeble; downticks severe



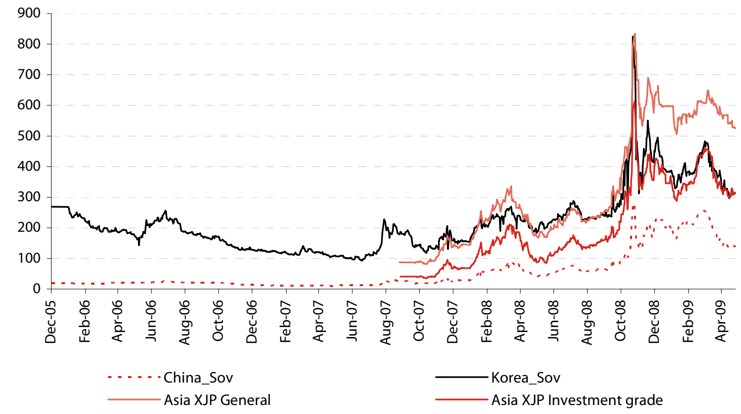
Source: Conference board, Centrum Research

Exhibit 13: Increasing money multiplier - a positive



Source: Bloomberg, Centrum Research

Exhibit 14: CDS spreads have eased – But still a long way to go



Source: Bloomberg, Centrum Research

Emerging markets outperform

Global investors are coming around the view that EM economies will do better in the recovery phase. This, coupled with improving sentiments in the global markets has resulted in EM out-performance in the last leg of the rally. EMs performed comparatively better given the large PE compression they underwent during the October-December crash.

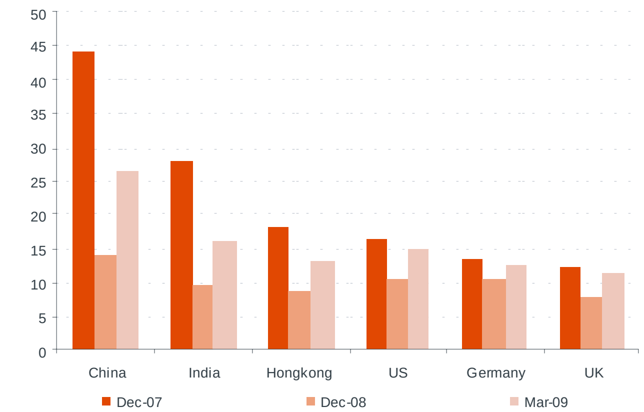
Exhibit 15: Better EM Macro data relative to G3 driving decoupling theory

	GDP(YoY)		Industrial Production (YoY)			CPI (YoY)		
	Jul-Sep08	**Oct-Dec08**	**Nov-08**	**Dec-08**	**Jan-09**	**Dec-08**	**Jan-09**	**Feb-09**
India	7.6	5.3	2.5	(0.6)	0.4	9.7	10.5	9.7
China	9.0	6.8	5.4	5.7	NA	(3.1)*	(4.2)*	(6.0)*
Japan	(0.2)	(4.3)	(16.6)	(20.8)	(31.0)	0.4	0.0	(0.1)
US	(0.5)	(6.3)	(1.2)	(2.2)	(2.1)	0.1	0.0	0.2
UK	0.4	(2.0)	(7.9)	(9.3)	(11.5)	3.1	3.0	3.2
France	0.6	(0.9)	(8.9)	(10.4)	(14.5)	1.0	0.7	0.9
Germany	0.8	(1.7)	(6.9)	(11.3)	(17.9)	1.1	0.9	1.0

*Note: *WPI*

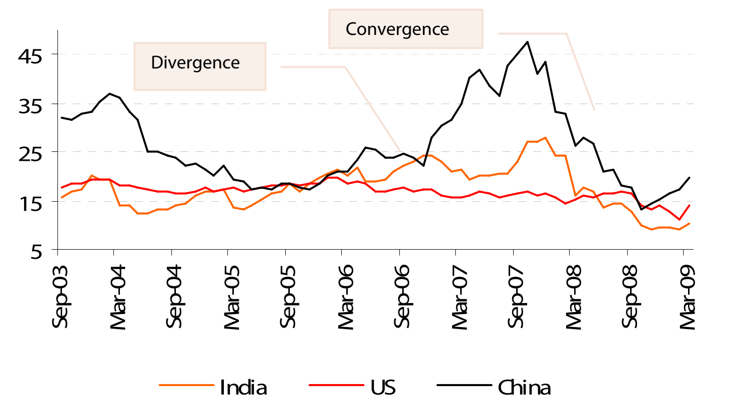
Source: Bloomberg, Centrum Research

Exhibit 16: EM P/Es contract faster than G3



Source: Bloomberg, Centrum Research

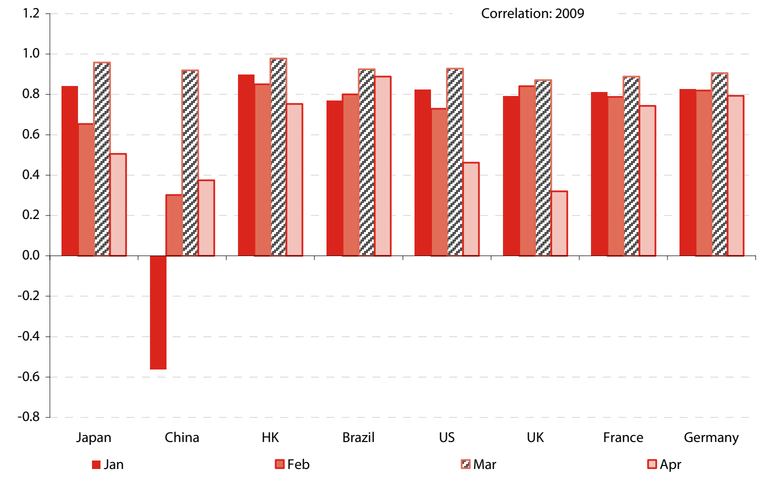
Exhibit 17: EM P/Es to expand again



Source: Bloomberg, Centrum Research

India, along with other EMs has out-performed the G3 markets with the latter unable to cross the Jan 09 levels despite the bounce back from March 09 lows. EMs has given returns in excess of 20% compared to G3. While we do believe in the long-term PE divergence view, we do not think the underlying de-coupling has been as strong and as soon as has been priced in the markets. The loss in momentum in the G7 markets will gradually filter into emerging markets. The fall in correlation with April 09 is likely to reverse as the initial exuberance flattens out.

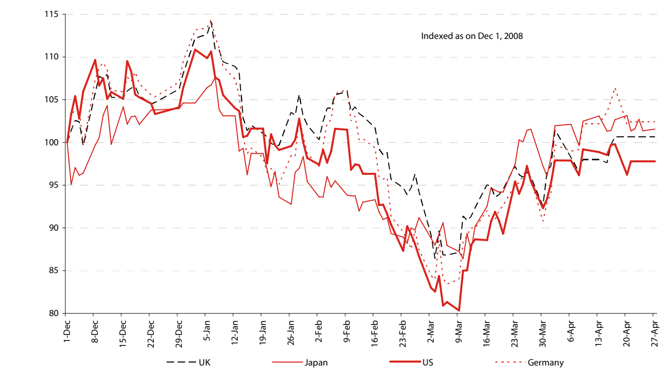
Exhibit 18: India equities correlation with developed markets fallen but, likely to reverse



Note: Correlation with respect to BSE sensex; others included are Japan- Nikkei, China-Shanghai comp; HK- HSI , Brazil-IBOV; US-DJIA; UK- FTSE, France-CAC; Germany-DAX

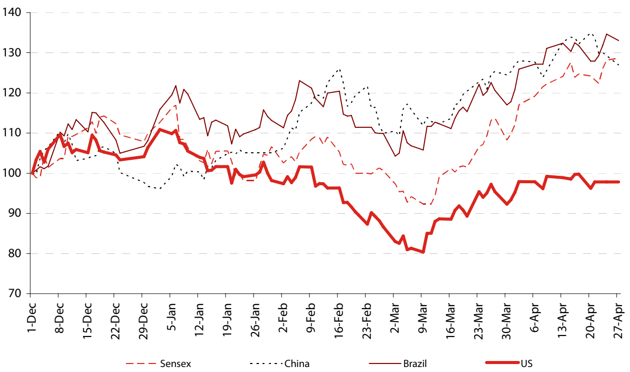
Source: Bloomberg, Centrum Research

Exhibit 19: G3 move in tandem and losing momentum



Source: Bloomberg, Centrum Research

Exhibit 20: EMs out performed, exuberance could be slowing



Source: Bloomberg, Centrum Research

Is the rally driven by cyclicals and commodities unsustainable?

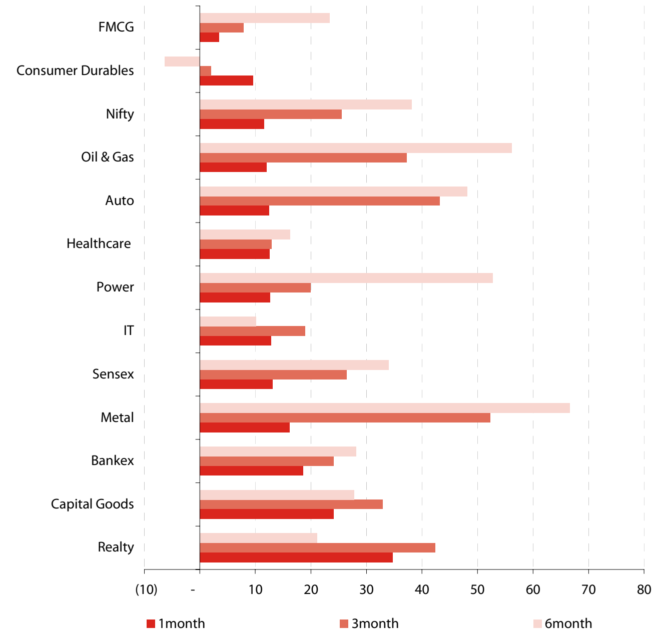
The flag bearers of the current rally have been metals, oil & gas, auto and real estate. Based on our Q4FY09 estimates we believe metals, auto and real estate would post the biggest YoY declines in PAT. Moreover we believe a sustained rally in commodity stocks is unlikely, as the underlying fundamentals in commodities continue to be vulnerable. Commodity prices are biased downwards, given our expectation that the sector will continue to see weak demand. Exhibit 27 demonstrates that historically commodity prices have taken considerable time to revive after a bust. We continue to Underweight commodity stocks.

Exhibit 21: Flag bearers of the rally are likely worst performers in Q4 earnings

Month\ Rank	1	2	3	4	5	6	7	8	9	10	Best Performer
Jan	FMCG	Oil & Gas	Auto	Power	Metals	Healthcare	IT	Banks	Capital Goods	Real Estate	**FMCG**
% Return	2.0	1.5	(0.8)	(4.8)	(7.7)	(9.3)	(9.5)	(12.3)	(13.6)	(25.6)	2
Feb	Auto	Power	FMCG	Oil & Gas	IT	Metal	Capital Goods	Healthcare	Real Estate	Banks	**Auto**
% Return	8.8	1.4	1.2	0.1	(1.5)	(2.8)	(3.1)	(3.2)	(5.5)	(8.8)	8.8
Mar	Metals	Oil & Gas	Auto	Real Estate	Capital Goods	Banks	Healthcare	IT	Power	FMCG	**Metal**
% Return	29.1	19.8	15.3	13.1	12.9	11.3	9.4	9.1	8.5	2.2	29.1
April	Real Estate	Banks	Capital Goods	Metal	IT	Power	Auto	Oil & Gas	Healthcare	FMCG	**Real Estate**
% Return	29.5	23.5	22.4	18.2	15.2	13.8	13.5	12.1	9.2	3.1	29.5

Source: Bloomberg, Centrum Research

Exhibit 22: Out performance led by metals and realty, which still face vulnerable fundamentals



Source: Bloomberg, Centrum Research

Hardening in commodity prices could be self correcting

Commodity stocks have reacted strongly to the early stability reached by the commodity markets. The recovery in crude prices since March 2009 to USD 50-60/bbl from the bottom of USD 30/bbl was also accompanied by stability in other commodities. But copper recorded the sharpest gain after a prolonged bearish cycle.

Using crude as proxy, we believe the underlying conditions in the commodity space have not been fundamentally as strong as the prices in the equity markets.

Following reflect the rise in prices:

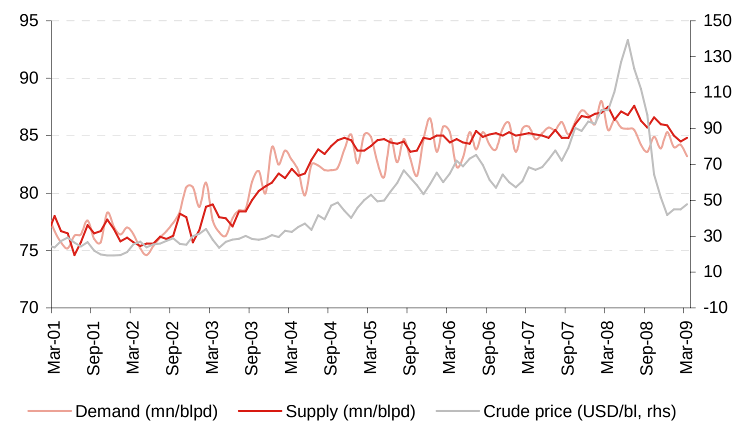
- Higher OPEC compliance with target output during Feb. As per IEA, global oil supply in February is estimated at 83.9 mb/d (IEA), down 1.0 mb/d MoM and 3.4 mb/d YoY. OPEC crude supply, at 28.0 mb/d, was down 1.1 mb/d over January.
- The demand conditions remain weak and global crude demand is forecast to contract by 1.5% in 2009 (IEA). The aggregated use of oil for the world's 12 largest consumers, which collectively account for roughly 70% of global demand, has fallen continuously since mid-2008.

- Other factors that have contributed towards the upswing in commodity prices is the cyclical weakening in dollar and easing of market risk perception. However, noting the declining correlation of other commodities with crude during 2009 we believe the underlying relationship between USD and crude and with other commodities may be weakening.

In our view, attempts to sustain the rise in crude oil price, through supply restrictions, can be self defeating as the price rise would hurt demand further. With global economic growth likely to remain anemic, as the real economy is expected to respond slower than the markets, a bull phase for commodities looks unlikely. **Historical data suggests that it takes considerable time, minimum four years, for the commodity bull cycle to emerge after a bust**. In our strategy note, 'Endure the bear; Prepare for the bull' dated 12 Feb 2009 we had taken a view that recession in the industrialized world and hard landing in emerging markets are likely to keep commodity markets bearish for most of 2009 within the US$30-50/bl band. We did see some bounce back after a sharp 78% fall in crude prices but maintained that it would be difficult to imagine that the rallies could sustain into a bullish trend. While we reiterate our view, the actual situation would depend on how much the counter-cyclical policy measures taken across countries would be able to prop up growth and demand. IMF's latest projections estimate a 1.3% contraction in world GDP growth in 2009 (revised down from expansion of 0.5% in Jan 09) with a contraction of -3.8% in developed economies (0.9% in 2008) and a considerable slowdown in emerging economies growth to 1.6% (6.1% in 2008).

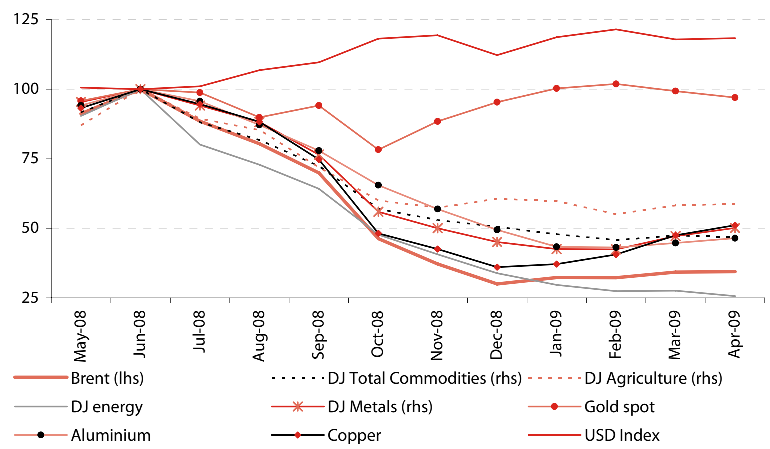
In our view, **sustained hardening of commodities prices,** including crude, metals and agriculture commodities on the back of large liquidity, easing of risk perception and dollar depreciation **runs the risk of nipping the green shoots currently emerging in the real economy**. Given that demand side is still quite vulnerable, the negative real income impact of rising commodity prices can stymie reversal in endogenous demand. Also, the lack of pricing power in the manufacturing sector along with demand side vulnerability can hurt prospects for profit expansion. **In sum, steep rising in commodity prices can potentially short-circuit growth recovery, thereby creating the backdrop of self correction.**

Exhibit 23: Curtailed supply supports crude prices



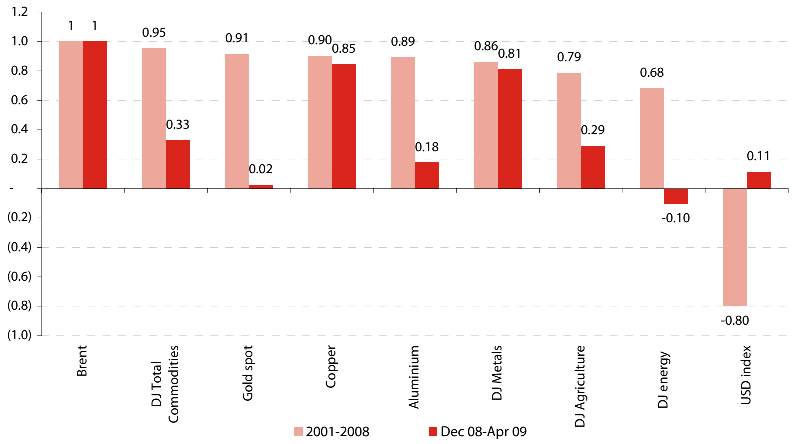
Source: Bloomberg, Centrum Research

Exhibit 24: Commodity prices stabilizing but bounce back not visible



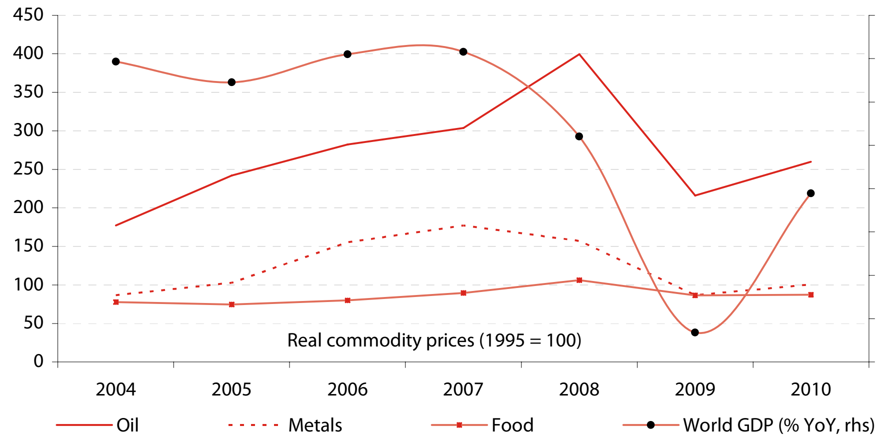
Source: Bloomberg, Centrum Research

Exhibit 25: Correlation of other commodities with crude price has declined in 2009



Source: Bloomberg, Centrum Research

Exhibit 26: Weak global growth unlikely to help create a commodity bull cycle



Source: IMF WEO Apr 09, Centrum Research

Revival in commodity prices takes considerable time after a bust

Exhibit 27: Principal characteristics of major commodity booms

Common features	1915–17	1950–57	1973–74	2003–08
Rapid global real growth (average annual percent)	—	4.8	4.0	3.5
Major conflict and geopolitical uncertainty	World War I	Korean War	Yom Kippur War, Vietnam War	Iraq conflict
Inflation	Widespread	Limited	Widespread	Limited second round effects
Period of significant infrastructure investment	World War I	Postwar rebuilding in Europe and Japan	Not a period of significant investment	Rapid buildup of infrastructure in China
Centered in which major commodity groups	Metals, agriculture	Metals, agriculture	Oil, agriculture	Oil, metals, agriculture
Initial rise observed in prices of	Metals, agriculture	Metals	Oil	Oil
Preceded by extended period of low prices or investment	No	World War II destroyed much capacity	Low prices and a supply shock	Extended period of low prices
Percent increase in prices (previous trough to peak)	34	47	59	131
Years of rising prices prior to peak	4	3	2	5
Years of declining prices prior to trough	4	11	19	—

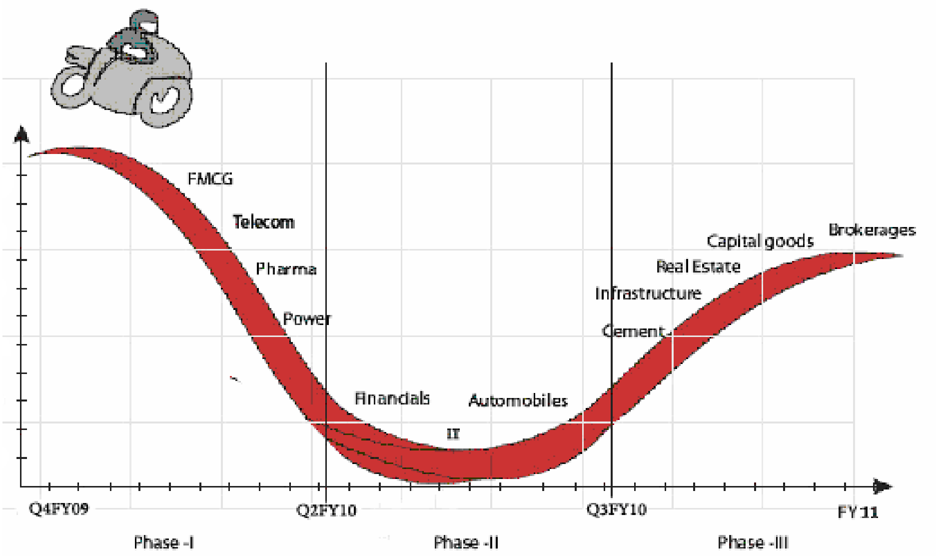
Source: World Bank. — Not available

Investment theme: Ride the cycle

Consistent with our cyclical theme, we stack up our strategy around sectoral rotation, which switches portfolio based on expected economic cycle. A reformist and stable government is likely to give strength to the cycle. However, our investment strategy remains unchanged and we would wait and watch on possible policy moves before changing the strategic allocation of the portfolio. Our portfolio allocation unchanged and continues to Overweight FMCG, Telecom and Power. We continue to underweight Metals and are neutral on Auto and Oil & Gas. We do not see an uptick in the investment cycle and refrain from going overweight. Any upticks in the PE, and we would be aggressively paring positions.

Our preferred bets are Bharti Airtel, HUL, SBI, PNB and Reliance Power. Within mid-caps we like and Sun TV, Bata India, Idea Cellular, and PTC India. Our top Sells are ACC, India Cements, Mahindra & Mahindra & Wipro.

Exhibit 28: Ride the cycle



Phase I

We are currently slightly ahead in the first half of the slowdown phase (Phase I), where some signs of the peak expansionary phase still linger. The macro environment will continue to remain uncertain due to slower demand. Bond markets will continue to do well

Phase II

The second half of the slowdown phase will be attained in the next 6 months. Growth down cycle is expected to reach a trough around Q3FY10. An expected bounce back in the US economy in H2 should be viewed as a good entry point.

Phase III

Expect a recovery around the beginning of CY10 with a pick-up in demand, in response to the decline in inflation and reduction in interest rates.

Source: Centrum Research

Model portfolio

Sector/ Companies	Sector Mcap in Nifty (US $ mn)	FF based Nifty weightages %	Recommended weightage %	Change in weightage	Sector weight	CMP	Return %
Auto	**9,947**	**2.9**	**3.0**	**(0.8)**			**40%**
Hero Honda	4,928	1.0	1.0	-	Under Weight	1219	37.7
Bajaj Auto	1,990	-	0.5	(0.3)		677	47.6
Maruti	4,867	0.9	1.0	-		839	41.0
Ashok Leyland	603		0.5	0.5		22	53.1
Banking	**45,987**	**13.2**	**13.5**	**(1.5)**			**17%**
SBI	16,134	4.3	6.0	-	Equal Weight	1370	19.3
Axis Bank	4,499	-	2.5	(0.5)		625	47.9
PNB	3,325	0.7	1.5	-		525	29.6
Union Bank	1,611	-	1.0	(0.5)		159	7.0
HDFC Bank	9,829	2.2	2.5	(0.5)		1176	(21.2)
Cement	**6,507**	**1.9**	**1.5**	**-**			**30%**
Grasim	3,204	0.7	0.8	(0.1)	Under Weight	1776	25.2
Ultratech	1,405	-	0.8	(0.1)		560	35.5
Mis	**8,081**	**2.3**	**2.8**	**1.3**			**30%**
Godrej Industries	624	-	0.7	(0.8)		100	45.5
Onmobile	400	-	0.6	0.6		325	42.5
Balrampur Chini	403	-	1.5	-		77	29.5
Electrical equipments	**26,836**	**7.7**	**7.5**	**-**			**32%**
L&T	11,402	2.2	3.0	-	Equal Weight	988	46.4
BHEL	15,887	3.7	4.5	-		1710	22.9
FMCG	**23,947**	**6.9**	**8.5**	**-**			**-4%**
HUL	10,001	3.1	4.5	-	Over Weight	231	(11.3)
ITC	14,328	3.8	4.0	-		190	4.0
IT	**33,329**	**9.6**	**8.5**	**-**			**28%**
Infosys	17,559	4.1	5.0	-	Under Weight	1553	18.3
Wipro	10,338	1.8	1.5	-		382	68.7
TCS	12,161	2.8	2.0	-		632	22.7
Media	**1,113**	**0.3**	**0.8**	**0.3**			**34%**
Sun TV	1,631	-	0.8	0.3	Equal Weight	221	33.6
Metals	**16,840**	**4.8**	**3.0**	**-**			**44%**
Jindal Steel & Power	4,887	-	1.0	-	Under Weight	1673	52.9
SAIL	10,024	2.0	2.0	-		126	39.6
Oil gas	**84,812**	**24.4**	**22.0**	**-**			**31%**
ONGC	38,004	8.5	8.5	-	Under Weight	891	23.0
Gail	6,683	1.4	2.0	-		261	26.0
Reliance Industries	59,176	12.0	11.5	-		1915	37.8
Pharma	**9,373**	**2.7**	**3.5**	**-**			**18%**
Cipla	3,427	0.8	1.5	-	Over Weight	231	19.9
Sun Pharma	5,380	1.2	2.0	-		1295	17.4
Power	**44,855**	**12.9**	**14.0**	**0.5**			**11%**
Tata Power	4,046	0.9	2.0	-	Over Weight	911	17.1
Power Grid	8,276	2.0	2.0	-		97	12.6
ReliancePower	6,204	1.4	1.5	-		136	32.1
NTPC	31,318	8.3	8.0	-		192	4.9
PTC	335	-	0.5	0.5		74	8.9
Telecom	**36,110**	**10.4**	**12.0**	**-**			**25%**
Bharti Airtel	28,704	6.9	8.0	-	Over Weight	783	17.5
Reliance Communication	9,149	1.9	2.5	-		240	44.1
Idea Cellular	3,604	0.8	1.5	-		60	33.3
Cash			**-**				
Total	**347,737**	**100**	**100**				**22.6%**

SENSEX	**29.0%**
NIFTY	**29.9%**

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