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22 June, 2011

Morning meeting notes

Major indices movements

Major indices	Clsg	1d (%)	3m (%)	6m (%)
BSE Sensex	17,560	0.3	(2.4)	(12.3)
Nifty	5,276	0.3	(2.5)	(11.8)
Dow	12,190	0.9	1.4	5.5
Nikkei	9,583	1.3	(0.3)	(7.4)
Hang Seng	21,994	0.7	(3.8)	(4.6)
Brasil Bovespa	61,424	0.4	(9.1)	(10.3)
Mexico Bolsa	35,277	0.5	(1.8)	(7.6)

Turnover

Value Traded (Rs bn)	21 June 2011	% Chg	52 Wk Hi	52 Wk Lo
Cash BSE	23.5	(16.9)	128.3	19.1
Cash NSE	95.9	(20.7)	298.5	42.2
Total	**119.4**			
Del.(%)	39.9			
F&O	1150.6	(32.4)	2772.8	226.0
Total Trade	**1270.0**			

Fund Activity

Net Inflows (Rs bn)	Purch	Sales	Net	YTD
20 June 2011				
FII's	25.9	(30.2)	(4.3)	233.4
Domestic Funds	6.8	(3.5)	3.4	98.8
21 June 2011				
Cash Provisional			(1.3)	
F&O - Index	91.0	(83.3)	7.7	(27.6)
F&O - Stock	25.2	(22.0)	3.1	(11.6)

Advances/declines BSECash

21 June 2011	A	B1	B2	Total
Advance	87	894	143	1,124
Decline	115	1324	228	1,667

Commodity Prices

Commodity	22 June 2011	1d (%)	3m (%)	6m (%)
Crude (USD/Bbl)	111.8	0.6	(3.5)	19.6
Copper(usd/t)	9,080	0.8	(3.4)	(3.0)
Aluminum H.G.(usd/t)	2,541	0.4	(1.1)	4.4
Zinc(usd/t)	2,212	1.8	(3.0)	(5.1)

Debt/Forex Mkt	Clsg	1d (%)	3m (%)	6m (%)
Re/USD	44.85	0.4	0.4	0.8
10 yr Gsec Yield	8.22	0.2	2.7	3.6

Contents

News clippings

- After the CAG, the high-level Ashok Chawla Committee has criticised the system of Production Sharing Contracts like the one **Reliance Industries** signed for the gas-rich KG-D6 block. The panel alleged that these contracts are designed to benefit private players at the government's expense.
- The US health regulator has approved the first generic version of anti-biotic Levofloxacin used for treating bacterial infections to be sold in the American market.The move will enable 12 firms, including India`s **Aurobindo Pharma, Dr Reddy`s Laboratories, Glenmark Generics, Lupin and Wockhardt,** to sell their copies in the US and tap a market for the drug which stood at USD 1.45 billion for 12 months ending September, 2010.
- **KEC International** has announced that it has won new orders to the tune of Rs 10.44 billion. These include turnkey transmission line orders (from Saudi Arabia, Kuwait and Ghana), tower supply orders (from North America and South America), additional orders for existing projects (from Saudi Arabia and Abu Dhabl), turnkey substations and distribution lines order (from India), cables supply orders (from India) and turnkey orders in water and railway business (from India).
- The power Transmission & Distribution IC, part of **Larsen & Tourbo`s** division has gabbed major EPC orders from GCC countries aggregating to Rs 13.66 billion**.**
- Europe's second largest car maker Renault today said its proposed ultra low cost (ULC) car with **Bajaj Auto** for the Indian market has the least priority till 2012, the year scheduled for its launch.
- The Government has resumed talks with Mauritius for re-negotiation of the Double Taxation Avoidance Agreement (DTAA), a 30-year-old treaty which has been used by investors to save taxes.
- The government is likely to permit foreign direct investment (FDI) in multi-brand retailing only in the six big metros. The emerging consensus in the government is that the recommendation of the Department of Commerce & Industry to allow such stores in cities with over one million population is premature.

Emkay®

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Dish TV

Revolution in a box

Initiating Coverage

21 June 2011

Rating

Accumulate

CMP	**Target Price**
Rs79	Rs93

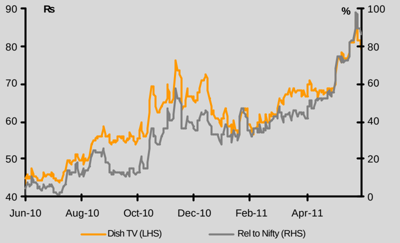
EPS Chg FY12E/FY13E (%)	NA
Target Price change (%)	NA
Nifty	5,366
Sensex	17,871

Price Performance

(%)	1M	3M	6M	12M
Absolute	20	32	24	90
Rel. to Sensex	23	33	39	88

Source: *Bloomberg*

Relative price chart



Source: Bloomberg

Stock Details

Sector	Entertainment
Bloomberg	DITV IB
Equity Capital (Rs mn)	1064
Face Value(Rs)	1
No of shares o/s (mn)	1063
52 Week H/L	87/ 42
Market Cap (Rs bn/USD mn)	87/1935
Daily Avg Volume (No of sh)	3271161
Daily Avg Turnover (US$mn)	5.3

Shareholding Pattern (%)

	Mar-11	Dec-10	Sep-10
Promoters	64.8	64.8	64.8
FII/NRI	9.0	8.3	8.1
Institutions	15.4	14.5	14.2
Private Corp	4.3	4.8	3.9
Public	6.4	6.2	6.1

Source: Bloomberg

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- DTH industry estimated to grow at 23% CAGR over FY11-14E, with subscriber base growing from 33.7mn in FY11 to 63.3mn in FY14E
- Dish TV to maintain its leadership with 29% subscriber market share and 24% share in incremental net adds by FY13E
- We estimate 34.7% & 73.6% revenue and EBITDA CAGR over FY11-13E respectively, owing to strong operating leverage on increasing scalability of business
- Premium to global peers justified given Dish TV's growth trajectory. Initiate coverage on Dish TV with an ACCUMULATE rating and a DCF based TP of Rs 93

DTH, 'Flavor of the digital platform' to grow at 23% CAGR over FY11-14E

DTH is one of the biggest contributors to the Indian digitization story and is expected to make the broadcasting distribution business more structured and transparent. The last 3 years have seen DTH surpass its anticipated subscriber addition by growing from 5.2 mn subscribers in FY08 to ~33.7mn at the end of FY11. We estimate the DTH subscriber base to further grow to 63.3mn by FY14E, implying a 23% CAGR (FY11-14E).

Dish TV – Industry leader and multifold EBITDA growth story

Dish TV, with its first mover advantage in the fast growing DTH segment, has the ability to grow in line with the market and maintain its leadership position in this intensely competitive space. Dish TV has maintained its leadership in subscriber market share and incremental net adds. We expect by FY13E Dish TV's share in net adds and subscriber market at ~24% and 29% respectively. Driven by hefty subscriber base and improving ARPU, revenue and EBITDA is expected to grow 34.7% and 73.6% CAGR (FY11-13E) respectively.

Funding in place and Free cash-flow positive from FY13E

In the last one and half years, Dish TV raised Rs 16.7bn via GDR and rights issue, funding its unprecedented subscriber addition during last two years. We estimate Rs2.0bn debt raising coupled with Rs10.3bn of cash profit generation in the next two years and cash balance in sheet would fund the subscriber addition for same period. Dish TV is expected to turn FCF positive from FY13E, thereby enabling future growth through internal accruals and de-leveraging of balance sheet.

DCF based valuation provide upside of 17%

We have valued Dish TV on DCF. Assuming revenue CAGR of 17.1% over FY11–FY21E and terminal growth of 4% thereon, we have arrived at DCF target price of Rs93/share, implying an upside of 17%. We initiate coverage with ACCUMULATE rating on the stock. It is trading at premium to its global peers but we believe premium is justified given the revenue visibility and multifold EBITDA growth of 73.6% CAGR (FY11-13E).

Financial Snapshot (Consolidated) **(Rs mn)**

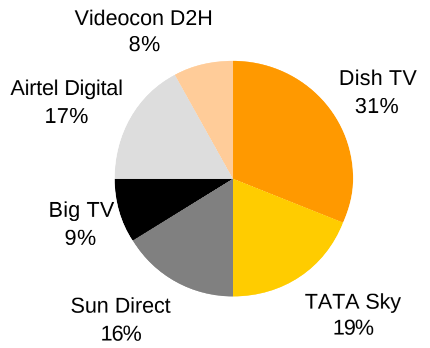
YE-Mar	Net Sales	EBITDA (Core)	EBITDA (%)	APAT	EPS (Rs)	EPS % chg	RoE (%)	P/E	EV/ EBITDA	P/BV
FY10A	10,850	1,117	10.3	-2,622	-2.5	0.0	NA	NA	78.5	22.2
FY11E	14,367	2,401	16.7	-1,978	-1.9	0.0	NA	NA	37.8	46.6
FY12E	20,772	5,196	25.0	-255	-0.2	0.0	NA	NA	17.9	54.3
FY13E	26,049	7,233	27.8	824	0.8	0.0	NA	NA	12.8	35.4

Company Background

Dish TV is India's first direct to home (DTH) entertainment service that has digitized Indian entertainment by bringing home the best in television viewing through the latest in digital technology. Dish TV takes television viewing to the next level as it supports various futuristic features like electronic programme guide, capacity up to 400 channels, games, interactive TV, movie on demand, etc. Dish TV currently operates in a hypercompetitive market with six players that include Dish TV, Airtel, TATA Sky, Big TV, Videocon D2H and Sun Direct. It is the largest DTH player in the industry with 10.4mn subscribers at the end of FY11 with market share of ~31%. The company has the highest transponder capacity with ability to deliver 270SD and 35HD channels.

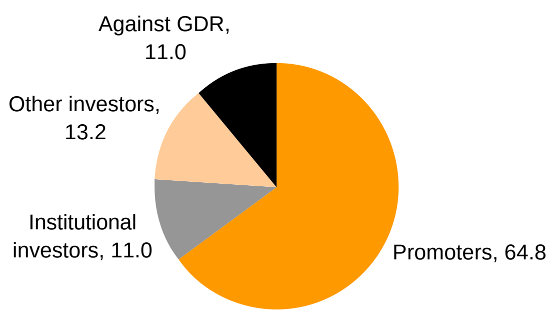
The company has a strong distribution network, which includes 1,400 distributors and ~55,000 dealers across 6,600 towns with 8 zonal and 19 regional offices. The company also has 350 customer care centers and service franchisees providing installation and after sale-service.

Dish TV – Market leader in DTH industry



Source: Company, Emkay Research

Shareholding pattern %



Source: Company, Emkay Research

Dish TV is promoted by the Essel group, which has global presence in broadcasting, distribution and programming. The company's management also comes with vast experience in media and entertainment industry.

Key Management personnel	Designation
Jawaharlal Goel	Managing Director
RC Venkatesh	CEO
Rajeev Dalmia	CFO
Salil Kapoor	COO

Source: Company, Emkay Research

Investment Rationale

DTH 'Flavor of the digital platform' to grow at 23% CAGR over FY11-14E

DTH is one of the biggest contributors to the Indian digitization story and is expected to make the broadcasting distribution business more structured and transparent. It has recently gained momentum in the domestic market, witnessing unprecedented growth in the last 2-3 years. Presently, DTH is the most preferred distribution platform in the digital space. DTH, as a platform, is favored by both the broadcaster (to enhance the transparency in the sector) and consumer (for its better delivery platform). As a result, DTH has added better than anticipated subscribers during the last 3 years, from 5.2 mn subscribers in FY08 to ~33.7mn at the end of FY11. Given its increasing acceptance as a preferred platform coupled with various positive factors like the government's aggressive digitization targets, possibility of relaxation in taxes and fading last mile concerns, we expect the DTH subscriber base to continue its growth trajectory. (Refer Annexure: DTH-The reigning digital platform). We estimate DTH subscriber base at 63.3mn by FY14E from 33.7mn in FY11, a CAGR (FY11-14E) of 23.4%.

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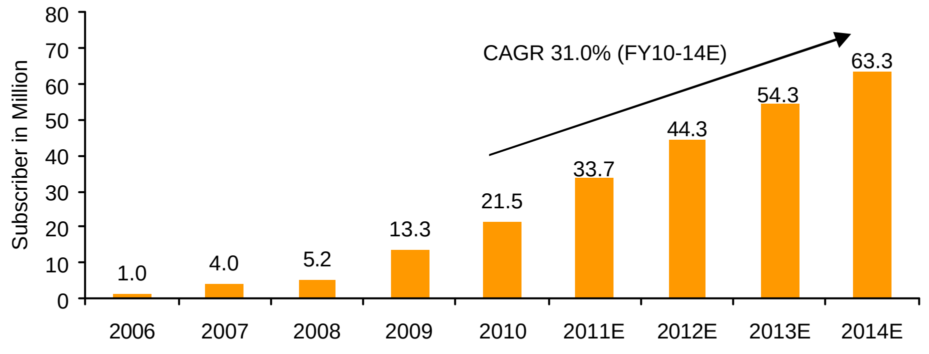
Fast growing DTH Industry



Source: Company, Emkay Research

Dish TV – To maintain its leadership

Dish TV pioneered the DTH platform in the domestic market in the year 2005. It remained the sole player in the industry till TATA Sky entered the market during FY06. By the time TATA Sky launched its services, Dish TV already had a subscriber base of >1 mn. Despite the entry of 6 formidable players in the DTH space and the subsequent intensely competitive environment, Dish TV has been able to maintain its leadership position.

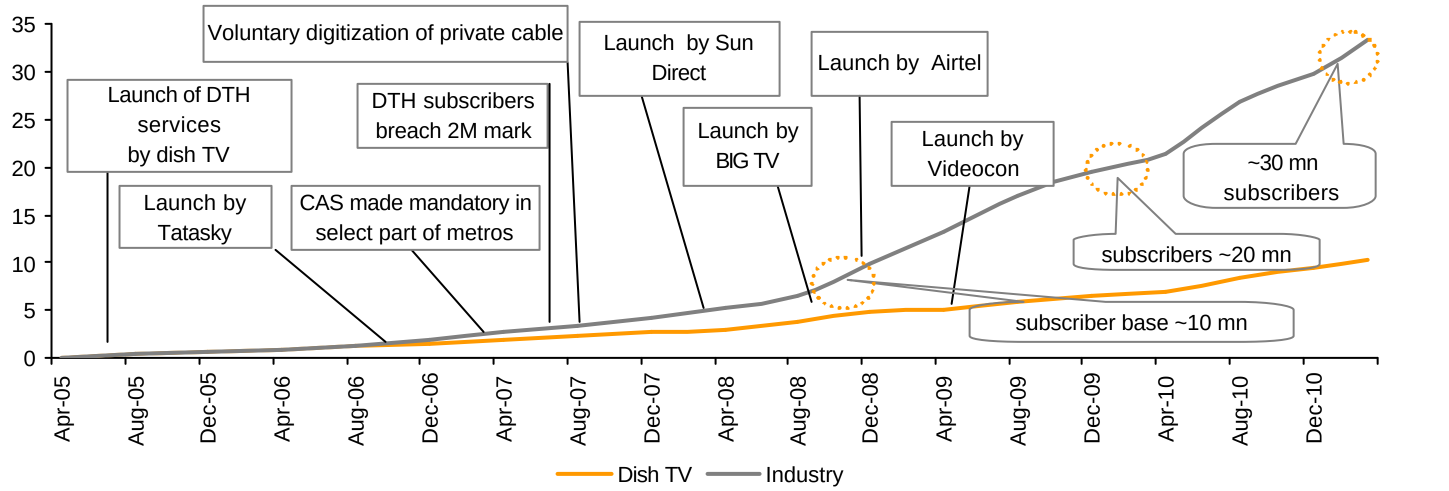
We expect Dish TV to add 2.7mn and 2.4mn subscribers in FY12E and FY13E, respectively. With Subscriber market share and share in net adds at 29% and 24%, respectively.

Being a first entrant and a market leader, we expect Dish TV to gain the most from the fast growing DTH industry. It has the highest number of channel offerings (270SD+30HD channels) with strong brand and also a vast distribution reach (pan-India presence through 1,400 distributors & ~55,000 dealers across 6,600 towns).

We estimate Dish TV to add 4.4mn subscribers over the next two years to reach a gross subscriber base of 15.8mn and net active subscriber base of 13.0mn by FY13E.

Dish TV has been a major beneficiary of the increasing acceptance of the DTH platform. Its subscriber base has grown from ~1.8mn in FY07 to 10.4mn subscribers at the end of FY11, implying 54.5% CAGR (FY07-FY11). However, the entry of new players has diluted its market share from 56% in FY08 to ~32% in FY09. Share in net adds is also expected to fall a bit as the competitors would also gain from the current boom in the industry. Nevertheless, we expect Dish TV to retain its leadership position in the industry.

Fast growing DTH Industry

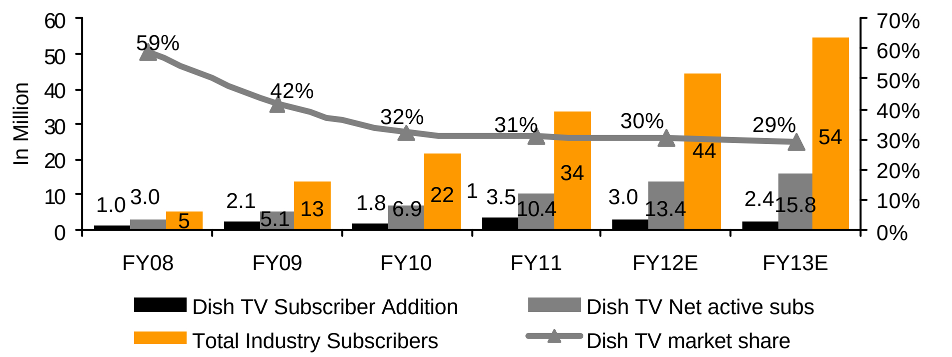


Source: Company, Emkay Research

Despite of 6 players industry, we expect Dish TV to maintain its leadership position in DTH industry.

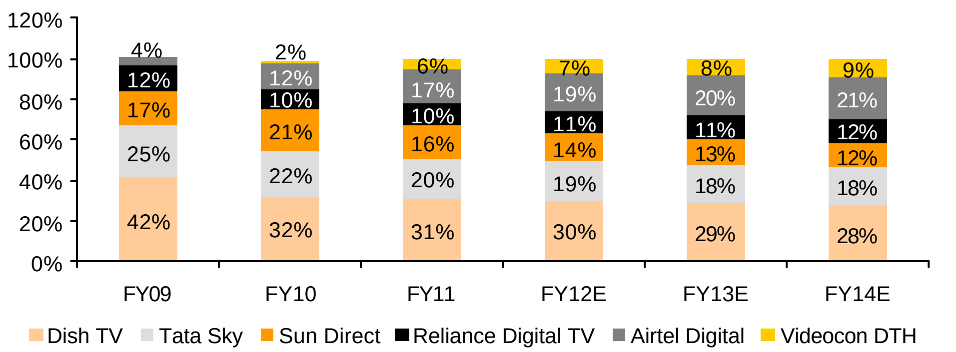
Dish TV's first mover advantage and strong market leadership position gives it the much needed competitive edge against peers. Dish TV has maintained its leadership in both subscriber market and net adds. We expect the company to add 2.7mn and 2.4mn subscribers in FY12E and FY13E, respectively. We expect Dish TV's share in net adds at ~24% and that of overall subscriber market at 29% by FY13E.

DTH subscriber base



Source: Company, Emkay Research

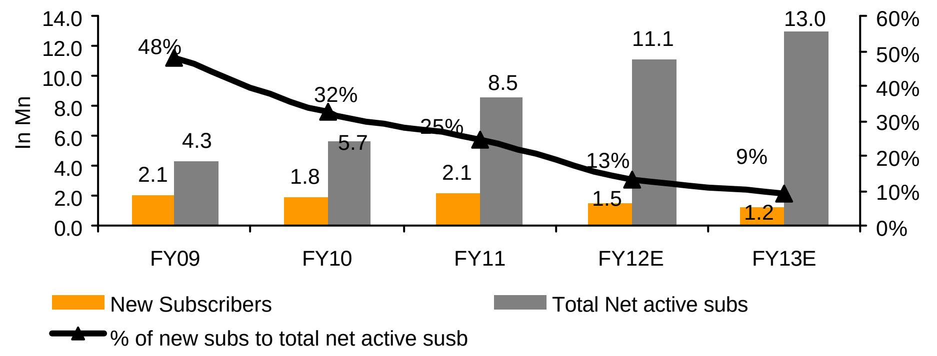
Player wise market share



Source: Company, Emkay Research

As the first entrant in the industry, Dish TV has higher number of subscribers with higher proportion of old subscribers (subscribed within last 6 months) in the subscriber base. Our estimates suggest that as it moves ahead, we expect the proportion of old subscribers to shoot significantly. The company has reduced free subscription on inaugural pack to 1-3 months from 6months-1 year earlier, which would support the improvement in overall ARPU. The new subscriber ARPU is low at ~Rs80-100. High proportion of older subscribers in bouquet augurs well for improvement in ARPU and generation of higher incremental EBITDA.

Proportion of new subscribers to decline, going forward



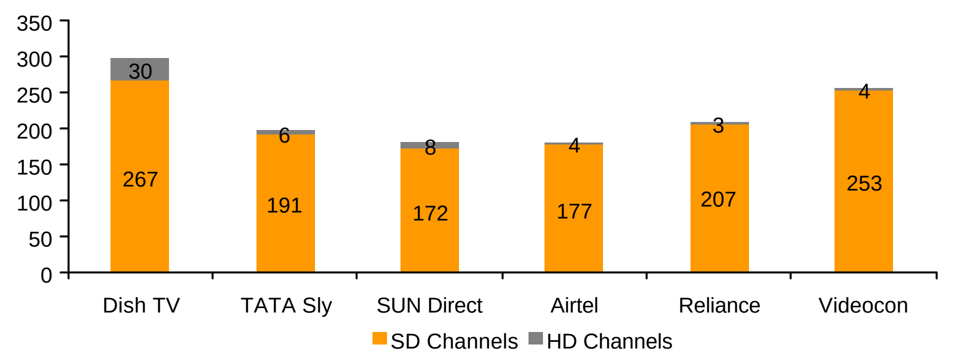
Source: Emkay Research

Highest transponder capacity to deliver more

Dish TV has recently increased its transponder capacity to 17, the highest in the industry. It has contracted additional 5 Ku-band transponders close to its existing satellite. With higher transponder capacity, Dish TV will be able to increase its SD channels by 100 or it can offer 30HD channels. Dish TV offers 270SD channels with 30HD channels (highest in the industry). Higher transponder capacity would help Dish TV garner higher carriage fee from broadcasters for providing high-end HD services.

With higher transponder capacity, Dish TV will be able to increase its SD channels by 100 or it can offer 30HD channels. Dish TV offers 270SD channels with 30HD channels (highest in the industry).

Operator wise channels offered



Source: Company, Emkay Research

Operator wise details

	Subs (Mn)*	Channel	Content Strategy	Schemes
Dish TV	10.4	228+ 30HD	All major entertainment & niche regional channels to provide unparalleled content. Give the subscriber maximum entertainment at the best value tailor made add-on packages to enhance ARPU	Platinum - Rs 350 Gold - Rs 285 Glod Cricket - Rs 225 Silver Saver - Rs 165 South Gold Hindi - Rs 199
Tata Sky	6	176+6HD	All major entertainment channels + value added services eg. VAS (showcase), DVR, la-carte Top up	State Pack -Rs 185 South Sports - Rs 150 Supreme sports - Rs 240 Grand Sports - Rs 380
Sun Direct	6	170+8HD	Provide basic & regional channels at a low price to capture the low end customer. English & other channels for evolved customer are very expensive	Value Pack - Rs 1339 for 3 months Indi pack - Rs 1430 for 3 months Tamil value pack (south) - Rs 1990 for 10 months
Big TV	3.5	176+3HD	Offers more content at acquisition & has different reduced packs on renewal Focusing on VAS	Value pack- Rs 127 Bronze pack Rs - 158 Platinum pack - Rs 347 Diamond pack Rs - 298
Digital TV	5.6	189+4HD	Carries world space satellite Radio Variety of Active services	Economy Sport Pack - Rs 220 Mega pack - Rs 290 Ultra Pack - Rs 360 South Value pack- Rs 165
Videocon	3	267+4HD	HD_DVR with 3D services State-wise active services Games and religious & spiritual active services	New Gold- Rs 150 New Gold Sport - Rs 215 Diamond -Rs 265 Platinum pack- Rs 340

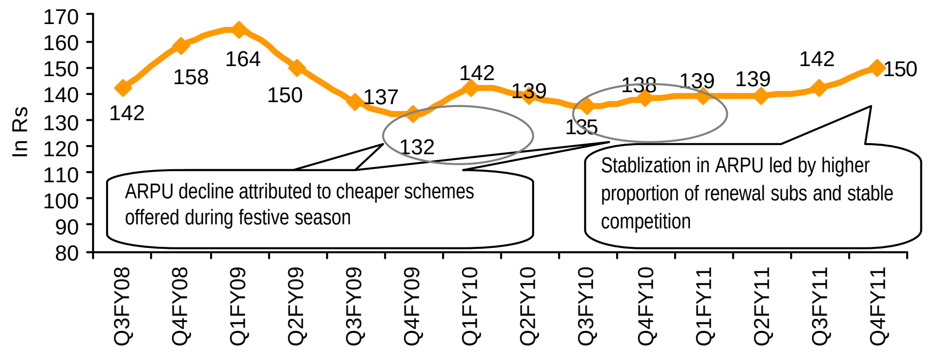
Source: Company websites, Emkay Research

ARPU to trend upwards

In the past, entry of players like Airtel, Reliance Big TV, Sun Direct had led to intense competition in the industry, leading to contraction in ARPU. These players have flooded the market with free-bees and promotional offers, giving the required push to the industry. Sun Direct's launch in 2008, led to an intense price war, where Dish TV and TATA Sky had to cut prices for start-up packages and ARPU to sustain the fierce competition. ARPU for Dish TV declined significantly from Rs164 in Q1FY09 to Rs135 in Q3FY10. Driven by attractive promotional offers, Sun TV added 1mn subscribers in just 200 days of launch.

Dish TV, being a market leader, has reported stable ARPU from Q4FY10 to Q2FY11 and an improvement in both Q3FY11 and Q4FY11.

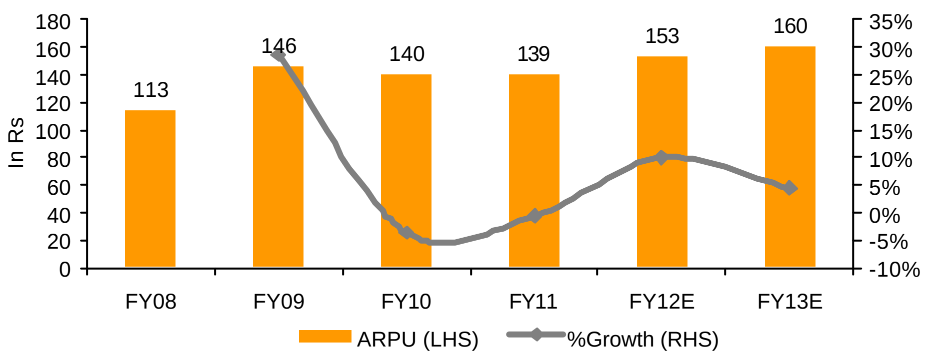
Historic quarterly ARPU trend of Dish TV



Source: Company, Emkay Research

Nevertheless, ARPU has seen a stable trend in the last few quarters due to stable competition. Dish TV, being a market leader, has reported stable ARPU from Q4FY10 to Q2FY11 and an improvement in both Q3FY11 and Q4FY11. This signifies that the competitive intensity has reduced and players across the sector are now concentrating on stabilization of ARPU.

APRU estimates



Source: Company, Emkay Research

We believe that from here on, ARPU is likely to consolidate at current levels and inch up going forward. On the back price hike in Q4FY11 and May, 2011, ARPU for FY12E is expected to improve to Rs156 from Rs139 in FY11. However, we remain conservative on ARPU growth as against management indication for Rs165 for FY12E. FICCI has also forecasted 10% CAGR growth in DTH ARPU over FY10-FY15E. We believe following reasons justify our assumptions on the uptick in ARPU, going forward:

- Free subscription on initial start up packs to be kept for lesser months
- Rise in demand for VAS services
- Better product mix and gradual growth in renewal ARPU
- Churn to remain at current levels
- Higher ARPU from HD segment

ARPU	2010	2011E	2012E	2013E	2014E	2015E	% CAGR (FY10-FY15E)
Analog	160	165	165	170	170	171	1
Digital	160	170	180	201	226	253	10
DTH	160	170	180	201	226	253	10
IPTV	160	170	180	201	226	253	10

Source: FICCI KPMG report 2011, Emkay Research

ARPU for DTH services in India remains at the lowest levels, similar to telecom. Indian DTH ARPU stands at $3-4 as compared to $60 in Asia region and $60-80 in US, UK. Increasing household income in India leaves huge scope for ARPU to increase from customer spending point of view.

Funding in place for the next phase of growth

In the last one and half years, Dish TV has raised Rs 16.7bn via GDR and rights issue. It has utilized ~Rs14.7bn of rights issue proceeds during FY10-11 for subscriber acquisition. The company has unutilized proceeds from rights issue to the tune of Rs2.0bn. We estimate Rs2.0bn debt raising coupled with Rs10.3bn of cash profit generation in the next two years and cash balance in sheet would fund the subscriber addition for same period. We estimate it to turn FCF positive from FY13E, thereby enabling future growth through internal accruals and de-leveraging of balance sheet.

FCF positive by FY13E

Uptick in ARPU leading to higher revenue realization coupled with multifold improvement in EBITDA (driven by fixed content cost) in the next few years is likely to start paying off for the investments made in past. The company has added record high 3.25mn subscribers in FY11 and we expect it to add 4.4mn subscribers in the next two years leading to lower capex. Higher revenue realization coupled with stable capex requirement is likely to lead to positive FCF from FY13E. Post FY13E, we could see de-leveraging of balance sheet.

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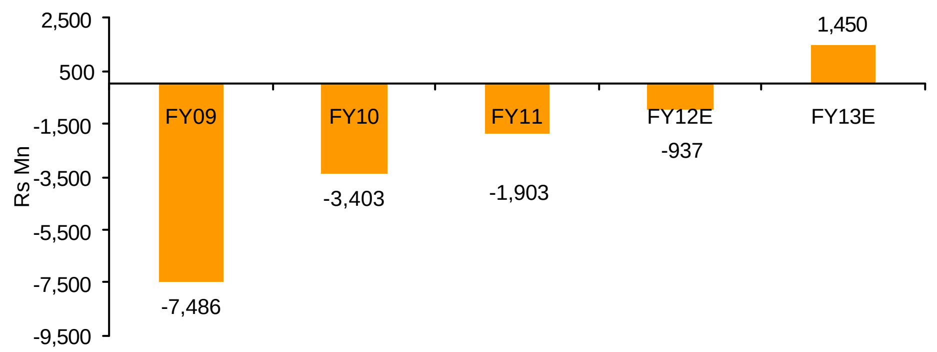
Dish TV to turn FCF positive from FY13E



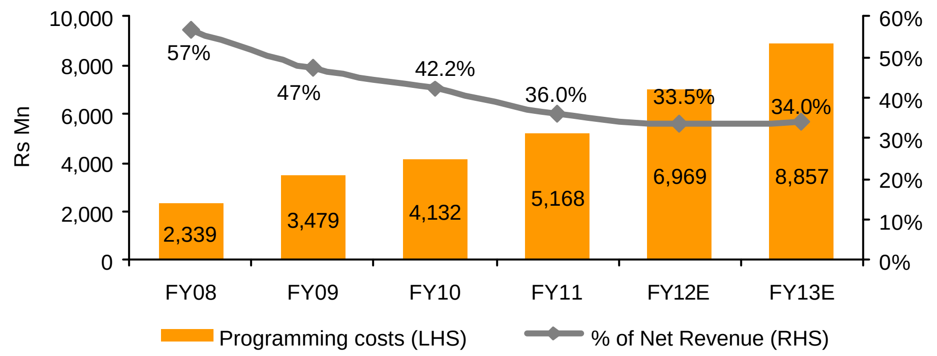
Source: Company, Emkay Research

Fixed programming cost - Improving operational performance

Dish TV has entered into a fixed content cost contract with the broadcasters during FY09, which has led to significant improvement in EBITDA. As a result, content cost has come down from 57% of net sales in FY08 to 35% in FY11E. Content cost accounts for ~42% of the total expenditure. Currently, 90% of Dish TV's content cost is fixed in nature and we expect it remain at similar levels, going forward. We believe Dish TV with highest subscriber base in the industry, would be favored by broadcasters on fixed content cost contract. Broadcaster's rejection for fixed content cost would be a loss for broadcaster as it would not reach more than 10mn viewers. We believe strong subscriber addition would surpass the cost escalation in renewal of fixed cost contract.

Led by fixed content cost, Dish TV's EBITDA loss of Rs 2.1bn in FY08 turned to a profit of Rs 946mn in FY10. We expect EBITDA to expand multifold during the next couple of years. We estimate EBITDA of Rs 7.2Bn in FY13E from Rs 2.4bn in FY11, implying a CAGR growth (FY11E-FY13E) of 73.6%.

Fixed programming cost to support margins



Source: Company, Emkay Research

Subscriber acquisition cost (SAC) to remain stable

In the wake of intense competition, DTH operators have to subsidize the set top box (STB) for the acquisition of subscribers. In the DTH industry, operators generally subsidize subscribers on the set top box to the extent of approximately Rs1,400–1,600, which has reduced from Rs1700-1800 in the past. The other related cost includes distributor commission on customer acquisition and advertisement expense (the company allocates 80% of the total spend on brand awareness to SAC).

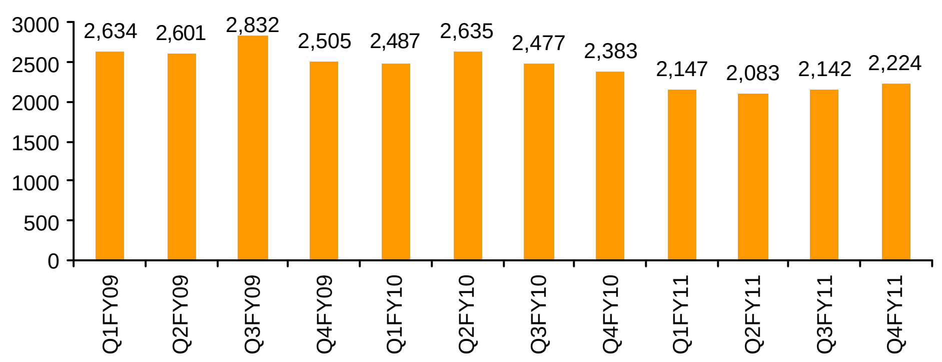
In line with the compression in ARPU during the launch by new players, SAC also saw significant increase during FY09-10. We expect SAC to decline from Rs 2,550 in FY10 to Rs 2,377 in FY13E on account of lower subsidies, However, marketing & advertisement expenditure would inch up going forward. Considering these cost trends and the high competitive scenario in the industry, we estimate a marginal increase in SAC by FY13E.

SAC quarterly trend

(Rs per subscriber)	FY09	FY10	FY11E	FY12E	FY13E
Set top box	1,700	1,700	1,600	1,600	1,600
Marketing cost	357	336	161	220	277
Commission to dealers	546	514	453	500	500
Subscriber acquisition cost	**2,603**	**2,550**	**2,214**	**2,320**	**2,377**

Source: Company, Emkay Research

SAC quarterly trend



Source: Company, Emkay Research

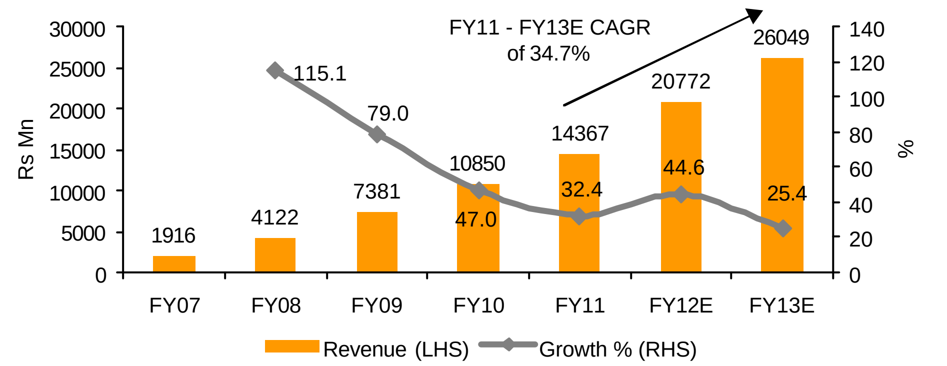
Financials

Estimate 35.9% revenue CAGR over FY11-13E

On the back of healthy subscriber addition, the company has reported strong set of revenues during FY09 and FY10. Revenue for FY09 and FY10 stood at Rs 7.4bn and 10.8bn, implying yoy growth of 79% and 47%, respectively. During the same period, its subscriber base has grown by 69% (5.1mn) and 36% (6.9mn). We expect Dish TV to register a 34.7%, revenue CAGR (FY11-FY13E) to Rs26.0bn, primarily on the back of a growing subscriber base coupled with improvement in ARPU. We expect its subscriber base to grow at a 23% CAGR from 10.4mn in FY11 to 15.8mn by FY13E.

We expect Dish TV to register a 34.7%, revenue CAGR (FY11-FY13E) to Rs26.0bn, primarily on the back of a growing subscriber base coupled with improvement in ARPU.

Revenues to maintain the growth momentum



Source: Company, Emkay Research

EBITDA to grow multifold

Dish TV has managed to keep its operational costs under control, which has reduced the losses in the past and would lead to healthy growth in EBITDA, going forward. Dish TV reported an EBITDA loss of Rs 2.0bn in FY08 which reduced to Rs 1.2bn in FY09, led by cost control and fixed content cost contract coming into force at end of FY09. Driven by fixed content cost coupled with higher revenue realisation, we estimate EBITDA to grow at an 73.6% CAGR (FY11-13E). We expect EBITDA margins to improve from 16.7% in FY11 to 27.8% by FY13E.

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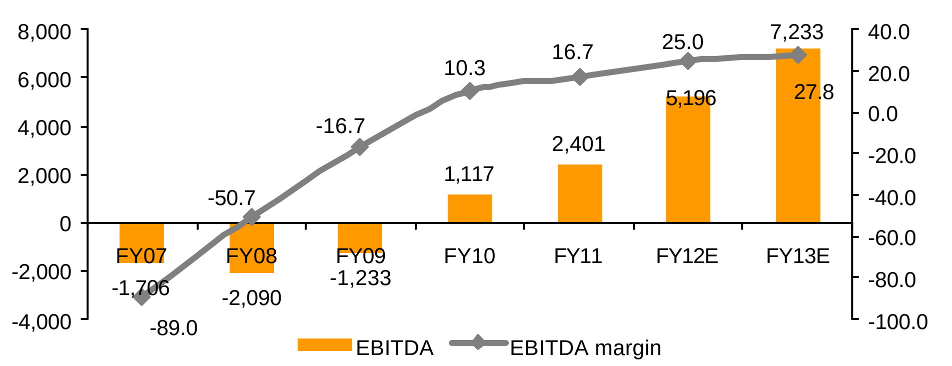
Significant improvement in EBITDA margins by FY13E

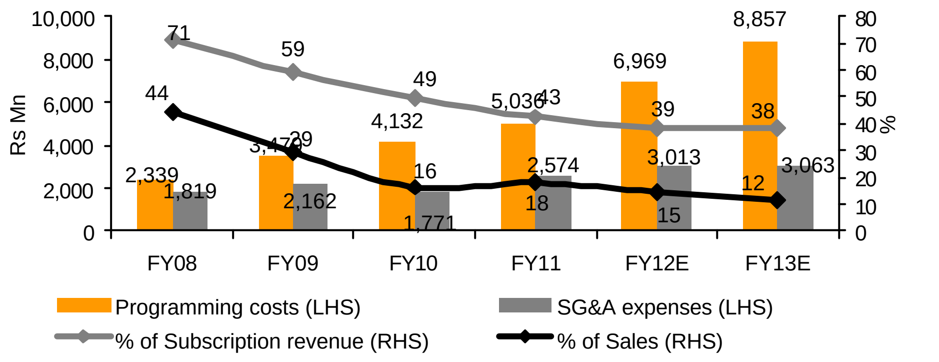


Source: Company, Emkay Research

In the past, susbcriber linked programming cost had remained the key reason for high EBITDA losses. Programming cost for Dish TV was as high as 83% of gross revenues. With fixed content cost contract, it has come down to 35% at the end of FY11 and it would further decline to 34% of sales going forward. Similarly, management has kept its selling and distribution expenditure under control. S&D expenses came down from 29.9% of sales in FY09 to 17.9% in FY11 and we expect it to further fall to 11.8% of sales by FY13E.

With fixed content cost contract and controlled operational costs, Dish TV is expected to scale up its EBITDA to Rs7.2bn by FY13E, impyling an 73.6% CAGR (FY11-13E).

Fixed programming cost to boost EBITDA



Source: Company, Emkay Research

To turn PAT positive by end of FY12E

Due to the capital intensive nature of the business, the company has been bleeding since its inception. However, with the improving operational performance coupled with higher revenue realization and strong subscriber aditions, we expect Dish TV to turn PAT positive by end of FY12E. With fast growing EBITDA, company will be able to service its interest cost easily, leading to early profits. Currently, the management's key focus remains the profitability of the company. We estimate Dish TV to report net loss of Rs 255mn in FY12E and PAT of Rs824mn for FY13E as against a loss of Rs1.9bn in FY11.

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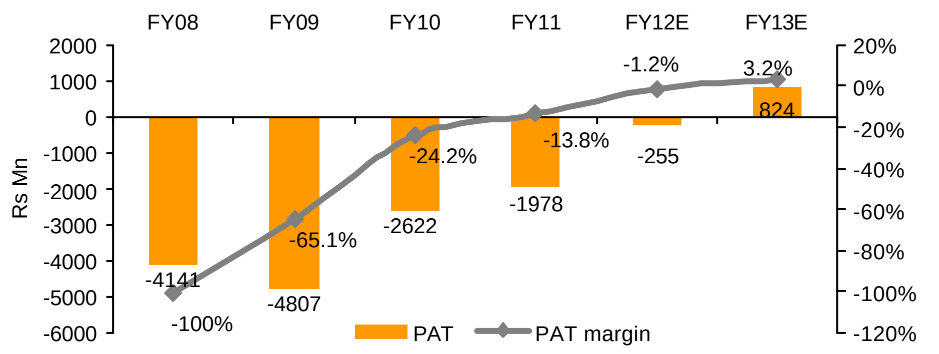
PAT positive by end of FY12E



Source: Company, Emkay Research

Key Risks

Intense competition leading to price cut

DTH has grown from a single player market in 2007 to six players in 2010. All the players in the industry have a well funded parentage. Entry of new players (during FY07-09) has led to multifold growth for the industry and still leaves ample scope for all to grow. While the current competitive pricing scenario has been stable and Dish TV has taken two price hikes in last 6 months, any kind of aggressive pricing by a competitor would negatively impact Dish TV's ARPU and could impact our revenue estimates negatively.

Cancellation of fixed content fee contract

As mentioned earlier, Dish TV has entered into a fixed content cost contract with almost all the big broadcasters. Any kind of increase in cost or tweaking of contract with higher cost would negatively impact the EBITDA of Dish TV and further delay the profitability of the company. Dish TV has one contract renewal during Q2FY12E.

Fresh issue of equity

During the last fiscal, Dish TV has raised funds via rights issue to maintain its momentum in the fast growing DTH industry. Currently, the company has enough funds for subscriber addition for the next few years. However, if the subscriber addition is higher than our estimates or outgo towards SAC is higher it could lead to new equity issuance.

Adverse regulatory changes

DTH industry is already under the pressure of high taxes and subsidies for STBs. Any further increase in taxes by government or stiffer prices from regulator could have an adverse impact on earnings and valuations.

Valuation and Recommendation

DCF-based target price of Rs 93/share

Dish TV, in terms of valuation, is trading at par or premium to some of its global peers. We believe the premium is justified as Dish TV's target market is still in the growth stage unlike global players who operate in a saturated market. We have valued Dish TV on DCF basis. Assuming revenue CAGR of 17.1% over FY11–FY21E and terminal growth of 4% thereon, we have arrived at a target price of Rs 98/share. On EV/EBITDA basis, it trades at 17.9x and 12.8x v/s global average of 7.0x and 6.5x for FY12E and FY13E, respectively. We believe the premium to global players is justified as Dish TV is expected to register strong revenue growth and multifold EBITDA growth over FY11-13E.

The stock is currently trading at Rs79. Our DCF target price implies an upside potential of 17.0%. We are initiating coverage on Dish TV with an ACCUMULATE rating and a target price of Rs93.

DCF assumptions

Rs mn	FY11	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E	FY18E	FY19E	FY20E	FY21E
EBITDA	2,401	5,196	7,233	9,161	11,289	13,394	15,009	16,688	18,701	20,747	23,462
Depreciation	3,869	4,402	5,368	6,042	5,558	4,369	3,806	3,600	3,380	3,155	2,967
Tax	(3)	-	83	312	573	903	1,120	1,963	2,298	2,639	6,763
NOPAT	(1,465)	793	1,782	2,807	5,158	8,123	10,083	11,125	13,023	14,953	13,732
Capital Expenditure	8,957	7,260	6,841	6,416	5,714	4,480	4,009	3,809	3,809	3,809	3,170
Change in Working Capital	4,650	1,127	1,140	1,222	1,435	1,622	1,799	1,992	2,204	2,438	2,695
Free Cash Flow	**(1,903)**	**(937)**	**1,450**	**3,655**	**6,436**	**9,634**	**11,679**	**12,908**	**14,798**	**16,736**	**16,225**

Source: Company, Emkay Research

DCF Valuation	Rs mn
PV of firm	105,167
Less: Current Debt	12,758
Add: Cash & cash equivalents	5,944
Number of Equity Shares outstanding (Cr)	98,353
DCF - Target price (Rs)	**93**

Assumptions	%
Revenue CAGR (FY10E-20E)	17.1
WACC	12.3

DCF assumptions

Rs mn	
WACC	12.3%
Revenue CAGR over FY11E-21E	17.1%
Present Value of Cash Flow till FY20E	40,830
Terminal Growth	4.0%
Present Value of terminal cash flow	64,337
PV of firm	105,167
Less: Current Debt	12,758
Add: Cash & cash equivalents	5,944
Total present value of the Equity	98,353
Number of Equity Shares outstanding (Mn)	1063
DCF - Target price (Rs)	**93**

Sensitivity analysis

		WACC %				
		11.6%	**12.1%**	**12.6%**	**13.1%**	**13.6%**
Terminal Growth Rate %	3.0%	100	92	86	79	74
	3.5%	105	96	89	82	76
	4.0%	110	101	**93**	86	79
	4.5%	116	106	97	89	82
	5.0%	123	111	102	93	86

		WACC %				
		11.6%	**12.1%**	**12.6%**	**13.1%**	**13.6%**
ARPU	-1%	99	91	**83**	77	71
	base case	110	101	**93**	86	79
	1%	124	114	**105**	97	90

		WACC %				
		11.6%	**12.1%**	**12.6%**	**13.1%**	**13.6%**
License fee %	10	110	101	**93**	86	79
	6	126	116	**107**	99	92

Global Peers	**P/E**		**EV/EBITDA**	
	CY12E	**CY13E**	**CY12E**	**CY13E**
Austar United Communications	23.2	17.1	8.6	7.9
British Sky Broadcasting	17.4	15.1	9.9	9.0
Comcast Corp	12.5	10.5	6.1	5.8
Directv	11.2	9.1	5.9	5.4
Dish Network	9.9	9.8	4.4	4.5
Sky Network Television Ltd	15.5	13.9	6.9	6.6

Source: Bloomberg

Annexure: The reigning digital platform

DTH has witnessed unprecedented growth in the last four years, clocking in 86.4% CAGR (FY08-11) from a subscriber base of 5.2mn in FY08 to 33.7mn in FY11. Aggressive marketing and creating awareness among the masses by DTH players along with its superior delivery platform have paved the way for DTH to become the platform of choice of the masses. We have given below a few reasons that have led to such widespread acceptance of DTH among the masses.

Better delivery platform

In our view, DTH has been gaining traction at a faster pace as compared to the other digital platform (HITS- Headend in the Sky) as well as analogue cable owing to its superior deliverables like high number of channels, VAS and strong distribution network. Analogue and Digital cable lags behind in-terms of the quality of deliverables. Recently, broadcasters have also aggressively started promoting DTH owing to its better delivery platform and wider acceptance. Despite MSOs like Den and Hathway raising money and aggressively expanding, we believe that by the time digital cable scales up, DTH would have further grown in size. Going forward, we expect DTH to maintain its leading edge and remain the most preferred digital platform.

Instrumental in higher acceptance of CAS

Despite government's continuous attempts to compulsorily implement CAS (Conditional access system), the metros did not see any kind of significant traction. Adoption rate in CAS mandated areas were as low as 38%. Nevertheless, the entry of DTH players led by aggressive ad campaigns, strong distribution network (especially in rural areas) has given a required push towards digitization. In addition, heavily subsidized set top boxes supported DTH growth. Going forward too Going forward too, DTH operators are expected to remain aggressive in terms of subscriber acquisition. We also expect DTH to gain most from the government's aggressive targets for digitization as better deliverables on DTH would attract higher households than digital cable.

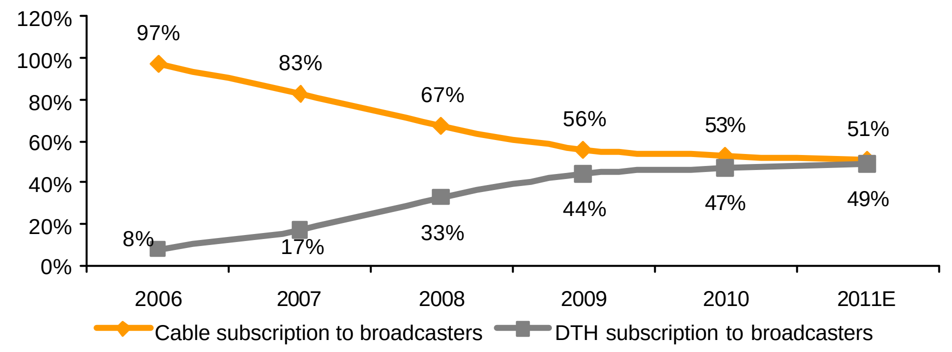
Revenue leakages in 'last mile' – Fading away

The Indian C&S market was dominated by analogue cable (last mile), which led to huge under-declaration of subscribers by LCOs. The Indian C&S market has close to 40,000 LCOs and to keep a track for under reporting remains an impossible task for both MSOs and broadcasters. As subscription revenue remains a significant part of the broadcasting industry, increasing acceptability of digital platform and increasing transparency in the distribution system would lead to better than expected growth in the subscription revenue.

As per KPMG-FICCI report, it is estimated that the LCO keeps 79% of the total subscription revenues of the industry and leaves just about 17% for the broadcasters. The residual 4% is retained by the Multi System Operator (MSO).

With continuously increasing acceptability for DTH, share of subscription revenue from digital is on an uptrend for the last few years. From a near monopoly, accounting for 97% of the total industry's subscription revenue in 2006, the analogue platform is likely to account for just 51% in FY11E. The trend in the graph below indicates lesser leakages led by increasing DTH penetration. Going forward, we expect the upward trend in subscription revenues from DTH to continue. Hence, the broadcasters also favors DHT and it has started promoting DTH as the preferred digital platform.

DTH subscription revenue to benefit broadcasters



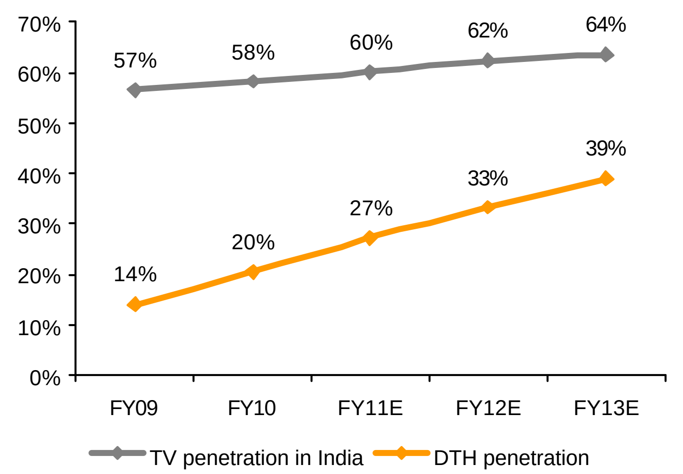
Source: Company presentation, Emkay Research

Rising DTH penetration

We believe with the government's initiative for rise in rural electrification, rising income and the consumption patterns, people demanding for quality products which would work as an impetus to growth in Tier II & Tier III cities and rural areas also. This is resulting into faster adoption of DTH and is likely to continue, going forward.

DTH penetration in pay TV market is expected to reach 26% by FY11E and 37% by FY13E. On the other hand, analogue penetration and digital cable is expected to decline to 63% by FY13E from 80% in FY10. Rising income levels coupled with strong demand and deeper reach (in rural India) of the DTH platform would take the total DTH penetration to 37% by FY13E.

TV penetration v/s DTH penetration



DTH gaining foothold in TV households

	FY10	FY11E	FY12E	FY13E	FY14E
No. of HHs in India (Mn)	**235**	**238**	**242**	**247**	**252**
Growth Rate %	2%	1%	2%	2%	2%
No. of TV HHs (Mn)	**137**	**143**	**151**	**157**	**163**
Growth Rate %	5%	4%	6%	4%	4%
TV penetration in India	**58%**	**60%**	**62%**	**64%**	**65%**
No. of C&S HHs (Mn)	**105**	**121**	**133**	**139**	**145**
Growth Rate %	24%	15%	10%	5%	4%
C&S penetration	**77%**	**85%**	**88%**	**89%**	**89%**
Analogue & Digital Cable (Mn)	**84**	**88**	**90**	**88**	**86**
Growth Rate %	15%	5%	2%	-2%	-2%
Analogue & Digital Penetration	**80%**	**73%**	**68%**	**63%**	**59%**
No. of DTH TV Sets (Mn)	**22**	**33**	**44**	**54**	**63**
Growth Rate %	79%	53%	34%	23%	17%
DTH Penetration	**20%**	**27%**	**33%**	**39%**	**44%**

Source: Industry, Emkay Research

The number of TV households are expected to grow from 130mn in FY10 to 157mn in FY13E. TV penetration is expected to increase from 58% in FY10 to 64% in FY13E. Penetration for Cable & Satellite (C&S) households is likely to increase to 89% by FY13E v/s 77% in 2010. The overall growth in C&S households is primarily driven by strong susbcriber addition from the DTH segment, which is estimated to grow from 21 mn in FY10 to 52mn in FY13E and 61mn by FY14E.

Intense competition but growth for all

The DTH industry has become a six player industry from a single player in FY07. All the players come with strong parentage and healthy brand value. The DTH industry has registered whopping growth in the last 4 years (especially in the last two years), with subscribers growing from just 4mn in FY07 to >33mn at the end of FY11, implying a 69% CAGR (FY07-FY11). DTH is highly preferred by broadcasters, primarily to ensure transparency in the sector and lower dependency on last mile. Out of the total TV households of 137 mn (FY10) in India, DTH still has a low penetration of just 20%, which is expected to increase to 37.0% by FY13E. Regardless of the highly competitive scenario, the industry offers scope for all the operators to grow and capture incremental subscriber addition. We estimate DTH subscriber base to reach 63.3mn by FY14E, implying a 31.0% CAGR (FY10-14E).

Future growth triggers

Aggressive digitization targets by government – further push to DTH

The Information and Broadcasting ministry had set aggressive targets for digitization with a sunset date of 31st December, 2014 on a pan India basis. Recently, the ministry has revised the timeline from 31st March 2015 to 31st December 2014, in a phased manner. Final recommendation on the revised draft is still awaiting cabinet approval. If this aggressive plan of TRAI is implemented then it would be a forceful act on analogue subscribers to convert to digital platform. This could lead to higher incremental subscriber addition and an upward bias to our DTH subscriber estimates of 52.6 mn subscribers by FY13E. However, the final timeline from the cabinet is awaited.

Sun set date by government for digitization

Phase	Areas	TRAI's initial recos 6th Aug 2010	MIB's response 28th Jan 2011	TRAI's revised view 22nd Feb 2011	MIB's revised view 13th Apr 2011
I	Metros (Delhi, Mumbai, Kolkata & Chennai)	31-Mar-11	31-Mar-12	31-Dec-11	31-Mar-12
II	Cities with population > 1m	31-Dec-11	31-Mar-13	31-Dec-12	31-Mar-13
III	Other Urban areas	31-Dec-12	30-Nov-14	31-Dec-13	30-Sep-14
IV	Rest of India	31-Dec-13	31-Mar-15	31-Dec-13	31-Dec-14

Source: TRAI, Emkay Research

Relaxation in taxes- could lead to re-rating

DTH industry is burdened with high tax liability, charged at both centre and state level. Industry has tax outgo towards entertainment tax (2-10% varies state wise), service tax on subscription (10.3%), license fee (10%), and import duty on STB (5%). Industry has been continuously demanding for a reduction in license fees to 6% from the current 10%. Reduction in excise duty on STB would reduce SAC (Subscriber acquisition cost) for the operators and could lead to a re-rating for the sector. In order to boost expansion in rural India, the industry is in continuous discussion with the government for reduction in duties and taxes.

Recently, the Rajasthan government abolished entertainment tax on DTH industry, which came out as a positive. If it is followed by other states, then it could lead to better EBITDA margins, going forward. Currently, DTH is charged a license fee on gross revenue, which industry has been demanding to be charged on AGR (Adjusted gross revenue). Acceptance of this will boost EBITDA and healthy profitability.

Key Financials (Consolidated)

Income statement

Y/E Mar (Rsmn)	FY10A	FY11	FY12E	FY13E
Net Sales	**10,850**	**14,367**	**20,772**	**26,049**
Growth (%)	*47*	*32*	*45*	*25*
Expenditure	**9,733**	**11,966**	**15,577**	**18,816**
Materials Consumed	6,926	7,858	10,549	13,343
Employee Cost	516	761	872	1,042
Other Exp	2,292	3,346	4,156	4,430
EBITDA	**1,117**	**2,401**	**5,196**	**7,233**
Growth (%)	*0*	*115*	*116*	*42*
EBITDA margin (%)	***10***	***17***	***25***	***28***
Depreciation	3,227	3,869	4,402	5,368
EBIT	**-2,111**	**-1,468**	**793**	**1,865**
EBIT margin (%)	***-19***	***-10***	***4***	***7***
Other Income	65	1,021	100	100
Interest expenses	583	1,534	1,148	1,058
PBT	**-2,628**	**-1,981**	**-255**	**907**
Tax	**-6**	**-3**	**0**	**83**
Effective tax rate (%)	*0*	*0*	*0*	*9*
Adjusted PAT	**-2,622**	**-1,978**	**-255**	**824**

Balance Sheet

Y/E Mar (Rsmn)	FY10A	FY11E	FY12E	FY13E
Equity share capital	1,063	1,063	1,063	1,063
Reserves & surplus	2,715	736	481	1,305
Net worth	**3,777**	**1,798**	**1,544**	**2,368**
Secured Loans	3,628	5,028	5,028	5,028
Unsecured Loans	5,729	5,729	7,729	6,729
Loan Funds	**9,358**	**10,758**	**12,758**	**11,758**
Net deferred tax liability	0	0	0	0
Total Liabilities	**13,135**	**12,556**	**14,302**	**14,126**
Gross Block	18,344	25,877	33,098	39,899
Less: Depreciation	7,298	10,190	14,458	19,687
Net block	**11,046**	**15,687**	**18,639**	**20,212**
Capital work in progress	3,541	4,141	4,141	4,141
Investment	**1,561**	**2,001**	**2,001**	**2,001**
Current Assets	**12,906**	**6,813**	**7,068**	**6,658**
Inventories	28	63	90	113
Sundry debtors	359	271	412	587
Cash & bank balance	5,553	3,943	3,865	3,257
Loans & advances	6,966	2,537	2,700	2,700
Other current assets	0	0	0	0
Current liab & Prov	**15,919**	**16,086**	**17,547**	**18,885**
Current liabilities	15,854	16,015	17,464	18,792
Provisions	65	71	82	93
Net current assets	**-3,013**	**-9,273**	**-10,479**	**-12,228**
Misc. exp	0	0	0	0
Total Assets	**13,135**	**12,556**	**14,302**	**14,126**

Cash Flow

Y/E Mar (Rsmn)	FY10A	FY11E	FY12E	FY13E
PBT (Ex-Other income)	**-2,628**	**-1,981**	**-255**	**907**
Depreciation	3,227	3,869	4,402	5,368
Interest Provided	583	1,534	1,148	1,058
Other Non-Cash items	0	0	0	0
Chg in working cap	-592	4,650	1,127	1,140
Tax paid	6	3	0	-83
Operating Cashflow	**596**	**8,074**	**6,423**	**8,391**
Capital expenditure	-4,469	-9,110	-7,354	-6,941
Free Cash Flow	**-3,873**	**-1,036**	**-931**	**1,450**
Other income	0	0	0	0
Investments	-1,561	-440	0	0
Investing Cashflow	**-6,030**	**-9,550**	**-7,354**	**-6,941**
Equity Capital Raised	375	0	1	0
Loans Taken / (Repaid)	-2,134	1,400	2,000	-1,000
Interest Paid	-583	-1,534	-1,148	-1,058
Others	12,498	0	0	0
Financing Cashflow	**10,157**	**-134**	**853**	**-2,058**
Net chg in cash	**4,723**	**-1,610**	**-79**	**-608**
Opening cash position	831	5,553	3,943	3,865
Closing cash position	**5,553**	**3,943**	**3,865**	**3,257**

Key Ratios

Y/E Mar	FY10A	FY11E	FY12E	FY13E
Profitability (%)				
EBITDA Margin	10.3	16.7	25.0	27.8
Net Margin	-24.2	-13.8	-1.2	3.2
ROCE	-22.5	-3.5	6.7	13.8
ROE	NA	NA	NA	44.3
RoIC	NA	NA	NA	41.3
Per Share Data (Rs)				
EPS	-2.5	-1.9	-0.2	0.8
CEPS	0.6	1.8	3.8	5.8
BVPS	3.6	1.7	1.4	2.1
DPS	0.0	0.0	0.0	0.0
Valuations (x)				
PER	NA	NA	NA	NA
P/CEPS	138.6	44.4	20.2	13.5
P/BV	22.2	46.6	54.3	35.4
EV / Sales	8.1	6.3	4.5	3.5
EV / EBITDA	78.5	37.8	17.9	12.8
Gearing Ratio (x)				
Net Debt/ Equity	1.0	3.8	5.8	3.6
Net Debt/EBIDTA	3.4	2.8	1.7	1.2
Working Cap Cycle (days)	-288.2	-335.8	-252.0	-217.0

Emkay
Your success is our success

Emkaynomics

Fortnightly round up of key banking and economic indicators

Economy

June 22, 2011

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- The growth in non food credit during the fortnight ended June 03, 2011 moderated to 20.6% levels. Deposit growth, on the other hand, was up 18.2% yoy and 3.3% YTD
- As at June 03, 2011, CD ratio moderated to 74%. With deposit growth gaining pace, TTM CD too moderated to 83.1% levels
- Growth in money supply improved to 18.0% yoy levels; reserve money growth remained steady at 17.3% yoy levels. The money multiplier was stable at 4.9x
- Liquidity continues to remain in deficit mode. The net shortage of liquidity in the system had eased to Rs407bn as at June 03, 2011
- Call money rates continue to hover at 7%+ levels for past few weeks. Call money rate as on June 17, 2011 had spiked to 7.43% levels, albeit had a negative spread with repurchase rate
- The spread between the long and short end OIS has moved into a negative trajectory
- RBI in its mid-quarter monetary policy, raised repo rate by 25bps to 7.50% and accordingly the reverse repo stands adjusted at 6.5% and MSF (Marginal Standing Facility) at 8.5%

Econometer

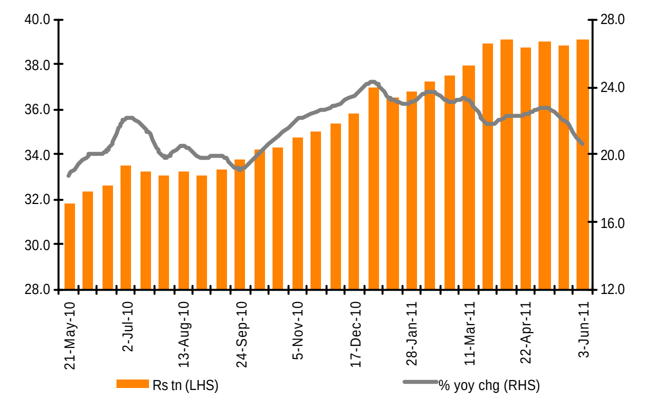
	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10	Dec-09	Sep-09	Jun-09
GDP# (% yoy chg)	7.80	8.19	8.87	8.85	8.57	7.33	8.64	6.32
IIP (% yoy chg)	8.84	1.60	4.90	7.17	15.55	17.95	8.22	8.61
Trade Balance (US$ bn)	(28.28)	(21.30)	(35.08)	(32.27)	(27.15)	(28.63)	(22.14)	(15.50)
Current account balance (US$ bn)	NA	NA	(15.80)	(12.10)	(13.00)	(12.03)	(12.60)	(5.80)
Fiscal balance (US$ bn)	(44.36)	(8.41)	(20.23)	(8.63)	(22.49)	(24.06)	(15.18)	(25.54)
Inflation (%)	9.38	8.43	8.93	10.28	9.45	4.50	-0.62	0.48
10-year bond yield (%)	7.99	7.92	7.85	7.55	7.83	7.14	7.14	6.60
INR/$ (avg)	45.26	45.16	46.01	46.57	45.50	46.63	48.41	48.67
INR/$ (quarter end)	44.59	44.86	44.93	45.63	45.14	46.20	47.98	47.87

Base: 2004-2005

	India	USA	UK	Euro zone	Japan
20-June-11			Rightmove House Prices (MoM)	Euro-Zone Labour Costs (YoY)	Merchnds Trade Balance Total
21-June-11		Existing Home Sales MoM	Public Sector Net Borrowing		All Industry Activity Index (MoM)
22-June-11		House Price Index MoM , FOMC Rate Decision	Bank of England Minutes	Industrial New Orders NSA (YoY), Euro-Zone Consumer Confidence	
23-June-11	Food Articles WPI YoY	Initial Jobless Claims , New Home Sales MoM	BBA Loans for House Purchase	PMI Manufacturing	Japan Buying Foreign Bonds
24-June-11		GDP QoQ (Annualized), Core PCE QoQ			Corp Service Price Index (YoY)

Source: Bloomberg

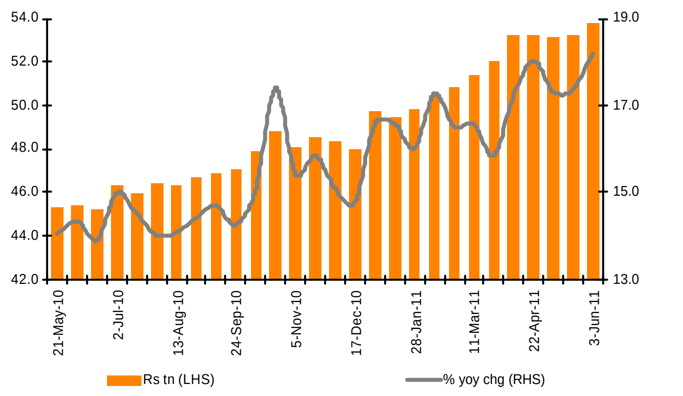
Non food credit



- The growth in non food credit for the fortnight ended June 3, 2011 moderated further to 20.6% vis-à-vis 22.1% in the previous fortnight.

Source: RBI, Emkay Research

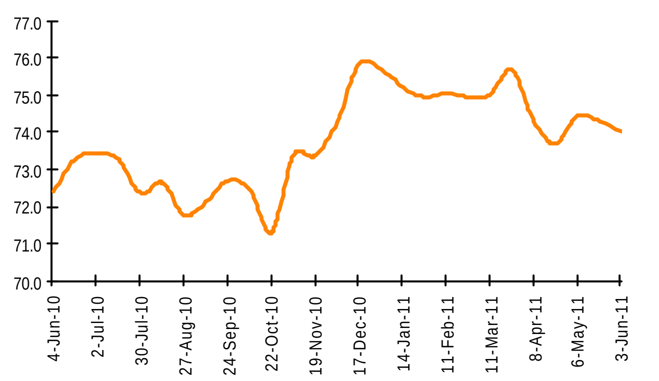
Deposits



- Deposit growth, on the other hand, improved to 18.2% yoy and 3.3% YTD.

Source: RBI, Emkay Research

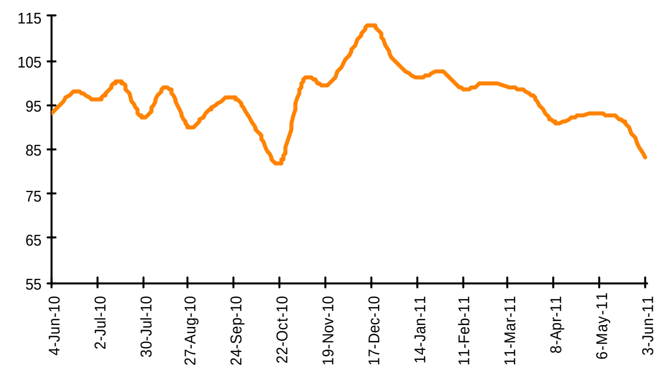
CD Ratio (%)



- The CD ratio for the week ended June 03, 2011 was at 74% levels.

Source: RBI, Emkay Research

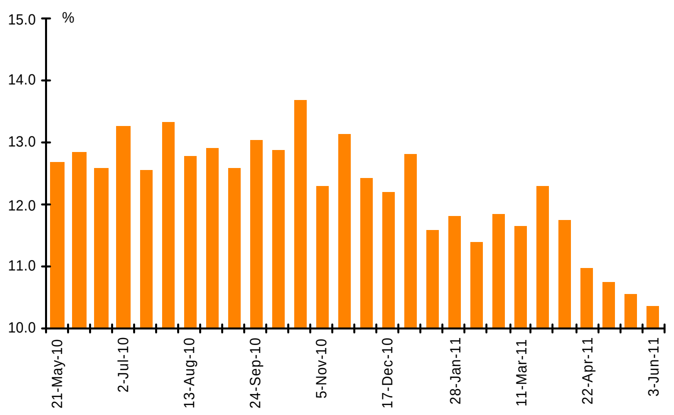
TTM CD Ratio (%)



- With deposit growth gaining pace, TTM CD eased further to 83.1% levels. (91.4% levels in the previous fortnight).

Source: RBI, Emkay Research

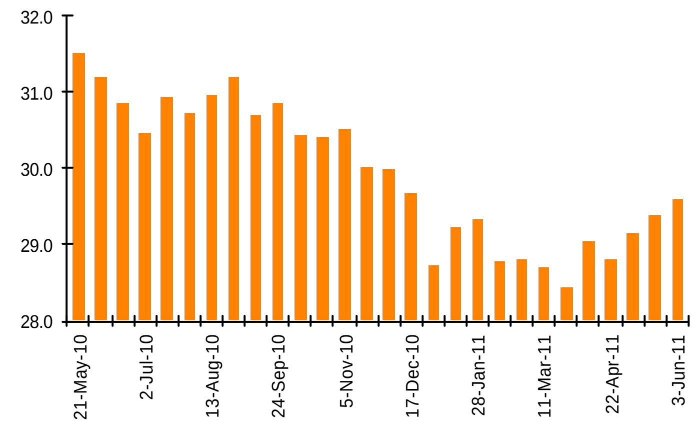
CASA as % of total



- Demand deposits were down 4.4% yoy and constituted 10.4% of total system deposits.

Source: RBI, Emkay Research

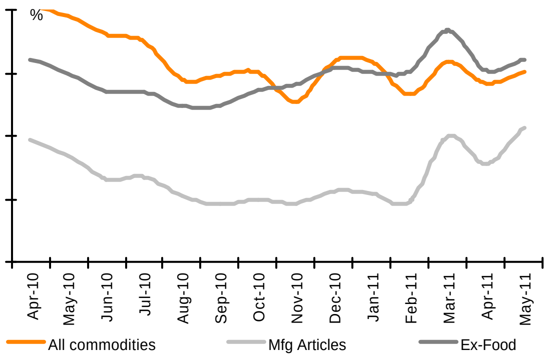
SLR as % of NDTL



- SLR continues to remain at healthy 29%+ mark for the week ended June 03, 2011

Source: RBI, Emkay Research

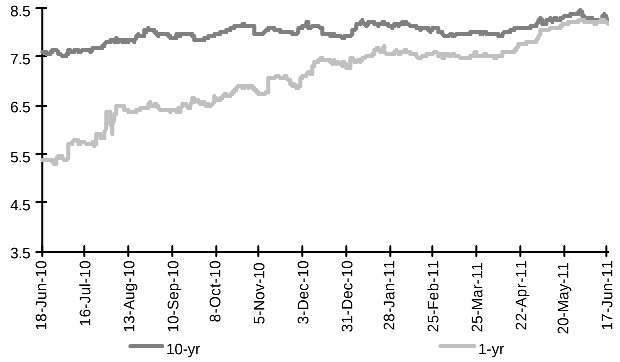
Inflation (%)



- Inflation rose to 9.1% led by rise in core inflation (manufacturing ex food).
- The inflation in manufactured products and in manufactured products excluding food products was one of the highest on mom and yoy basis.

Source: RBI, Emkay Research

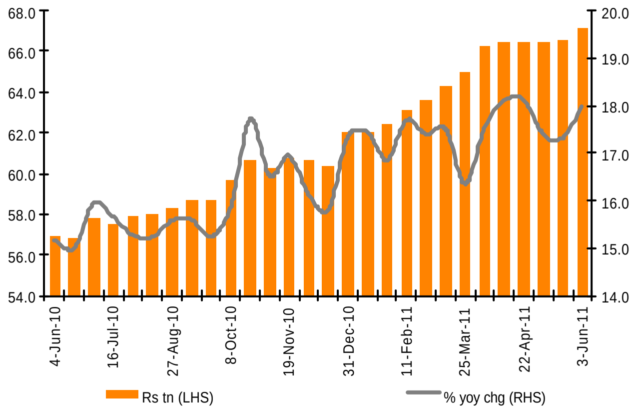
Government bond yields (%)



- High inflation and sharp surge in commodity prices have kept the bond yields at elevated levels.
- The 10 year bond yield were stable at 8.26% as on June 3, 2011, while 1 year bond yield was at 8.17%.

Source: RBI, Emkay Research

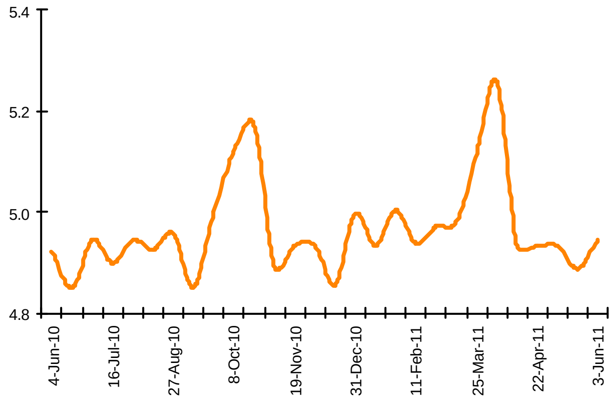
M3



- Growth in money supply improved to 18.0% yoy levels; reserve money growth remained steady at 17.3% yoy levels.

Source: RBI, Emkay Research

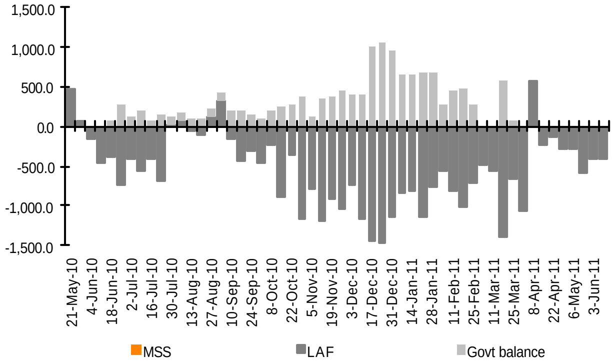
Money multiplier (x)



- Money multiplier was at stable 4.9x for week ended June 03, 2011.

Source: RBI, Emkay Research

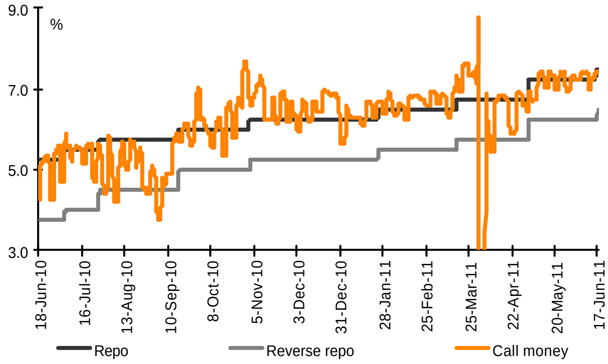
Excess liquidity (Rs bn)



- Liquidity continues to remain in deficit mode. The net shortage of liquidity in the system currently was at Rs407bn.

Source: RBI, Emkay Research

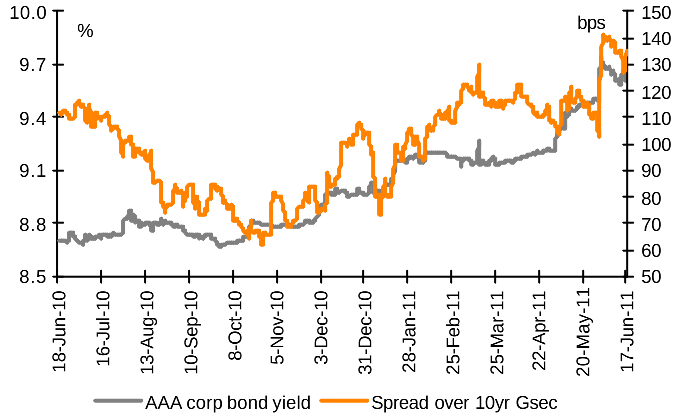
Call money borrowing rate (%)



- Call money rate as on June 3, 2011 was at 7.24%.
- As at June 17, 2011, call money rates had spiked to 7.43%, albeit, had a negative spread with repurchase rate.

Source: RBI, Emkay Research

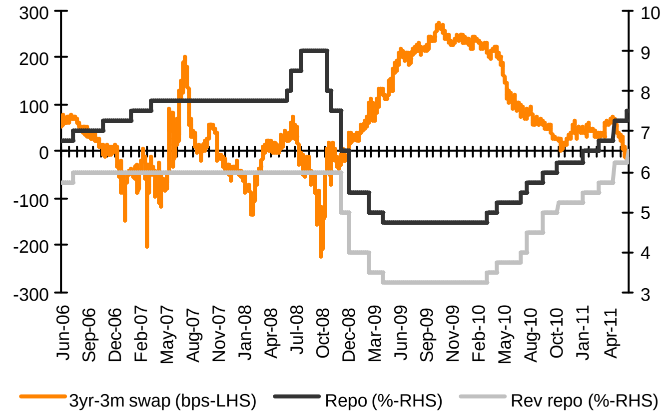
10-year AAA corporate bond yield



- The spread between yield on 10-year AAA corporate bonds and similar tenure GSec continues to remain at elevated levels and currently hovers at 120bps+ as on June 17, 2011.

Source: Bloomberg, Emkay Re8earch

3 year – 3 month swap spread



- The spread between the long and short end OIS has moved into a negative trajectory.

Source: Bloomberg, Emkay Research

Indices

Indices	Today's close	% chg
Sensex	17,560.30	0.31
Nifty	5,275.85	0.34
S&P CNX 500	4,268.35	0.12
BSE 500	6,867.30	0.12
BSE Mid-Cap	6,583.97	-0.21
BSE Small-Cap	7,874.14	-0.43
BSE Auto	8,283.60	0.33
BSE Health	6,199.97	0.44
BSE FMCG	3,760.51	-0.61
BSE IT	5,739.25	1.16
BSE PSU	8,167.86	-0.60
BSE Bankex	11,945.98	-0.20
BSE Oil & Gas	8,746.29	0.90
BSE Metal	14,150.87	0.18
BSE Cons Dur	6,644.63	0.00
BSE Cap Good	12,856.26	-0.67
BSE Realty	1,980.62	-1.78
BSE Power	2,478.28	-0.49

Levels to watch

	Sensex	Nifty
Day's High	17,714	5,322
Day's Low	17,504	5,257
20 DSMA	18,220	5,463
50 DSMA	18,607	5,570

Nifty Intraday levels to watch

	Support	Resistance
Nifty	5,195/5,248	5,323/5,380

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Tech*Check*

Nifty

After a choppy session, Nifty ended with minor gains of 17 points at 5275. Since, the long term trend has been disrupted, downsides all the way to 5000-level is still the most favorable alternate. But as the daily stochastic indicator has given a positive crossover a short term bounce, upto 5352-5400, if at all comes in; it should be used for adding fresh shorts.

Home

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