

India Strategy: Increase beta



August 13, 2009

Strictly confidential

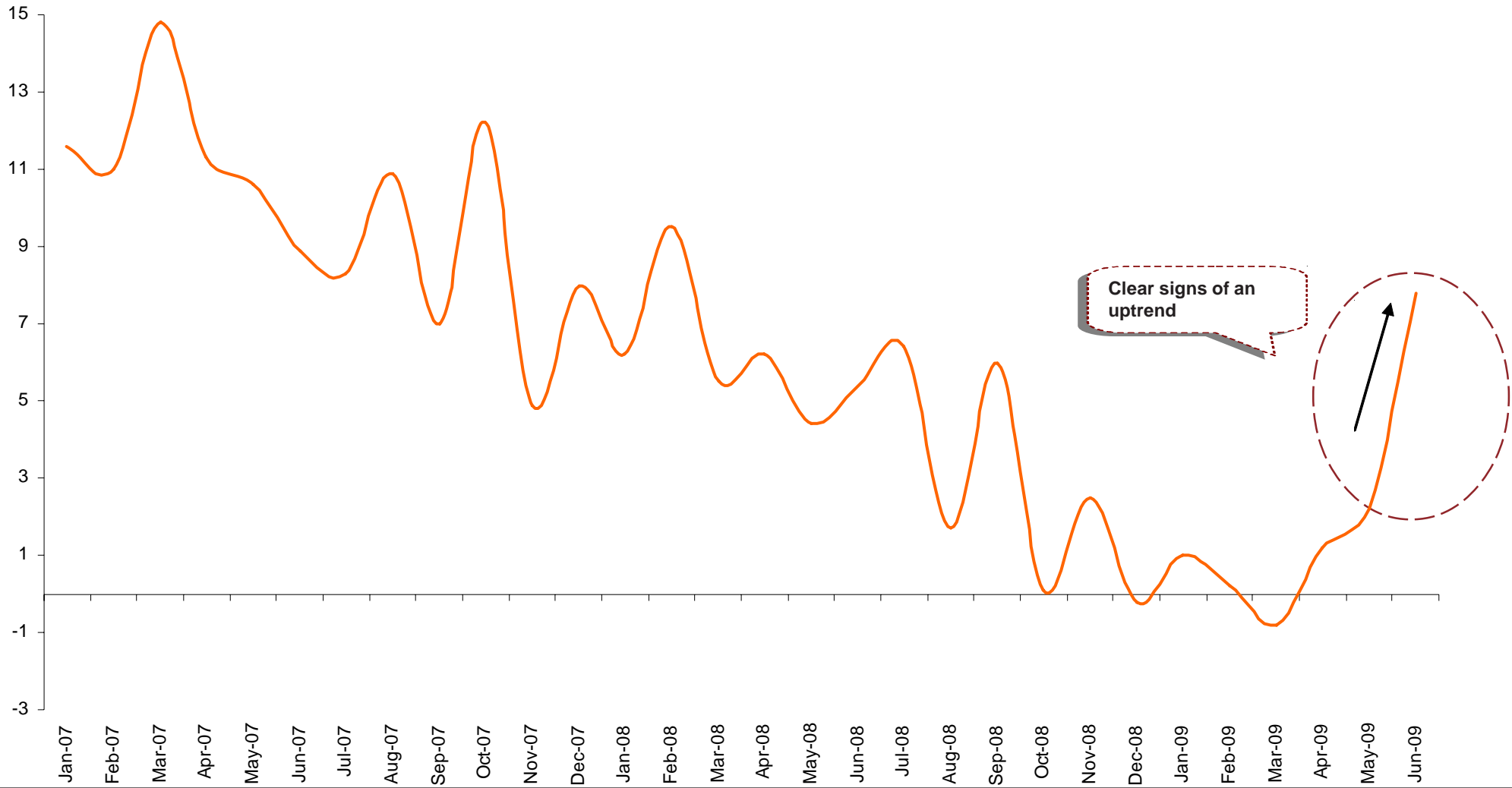
Growth momentum improving

- 3QFY09 was bottom in fundamental performance
- Most fundamental factors showing clear signs of improvement, others bottoming out
- Leading indicators at 2009 peak
- Increase risk in portfolios



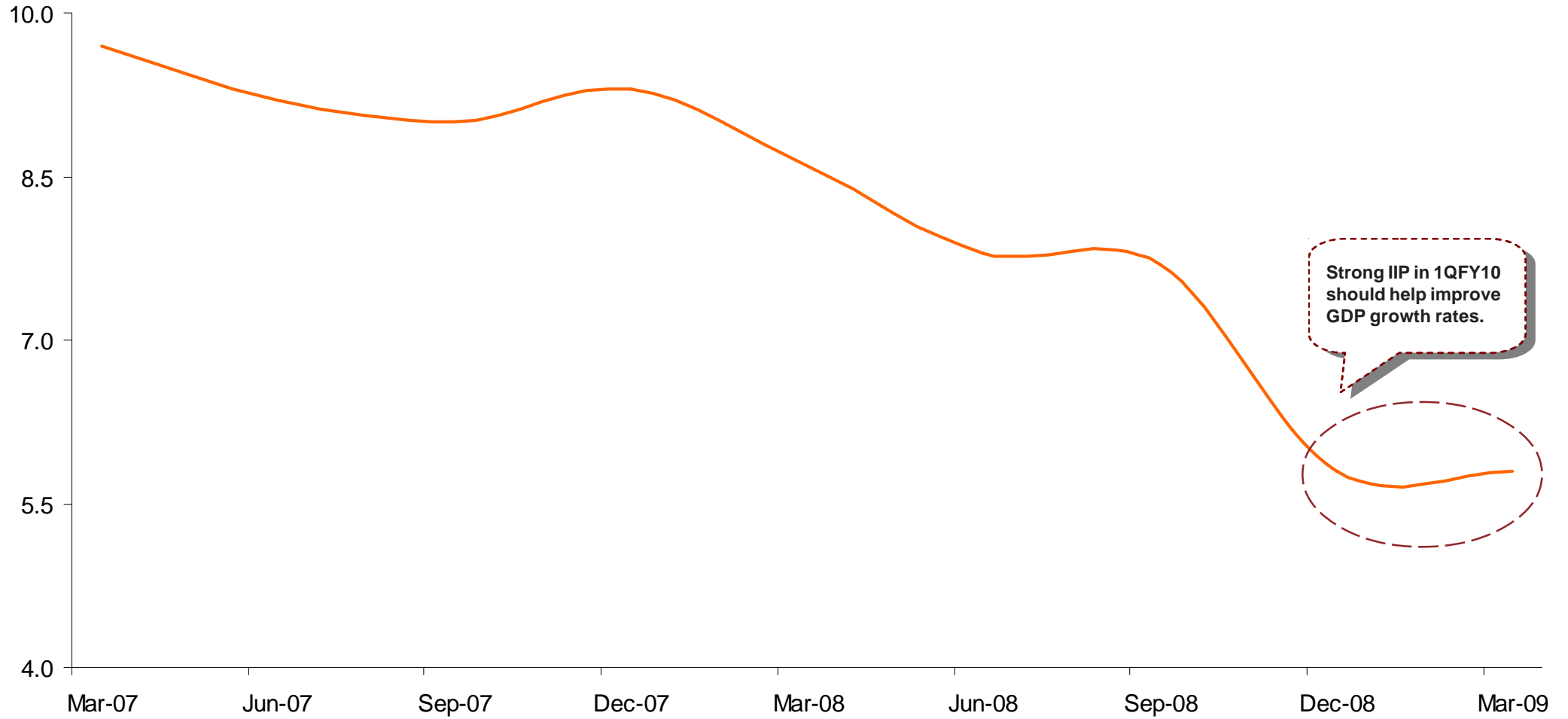
IIP- Bottomed out in 4QCY08

Index of Industrial Production (% Chg YoY)



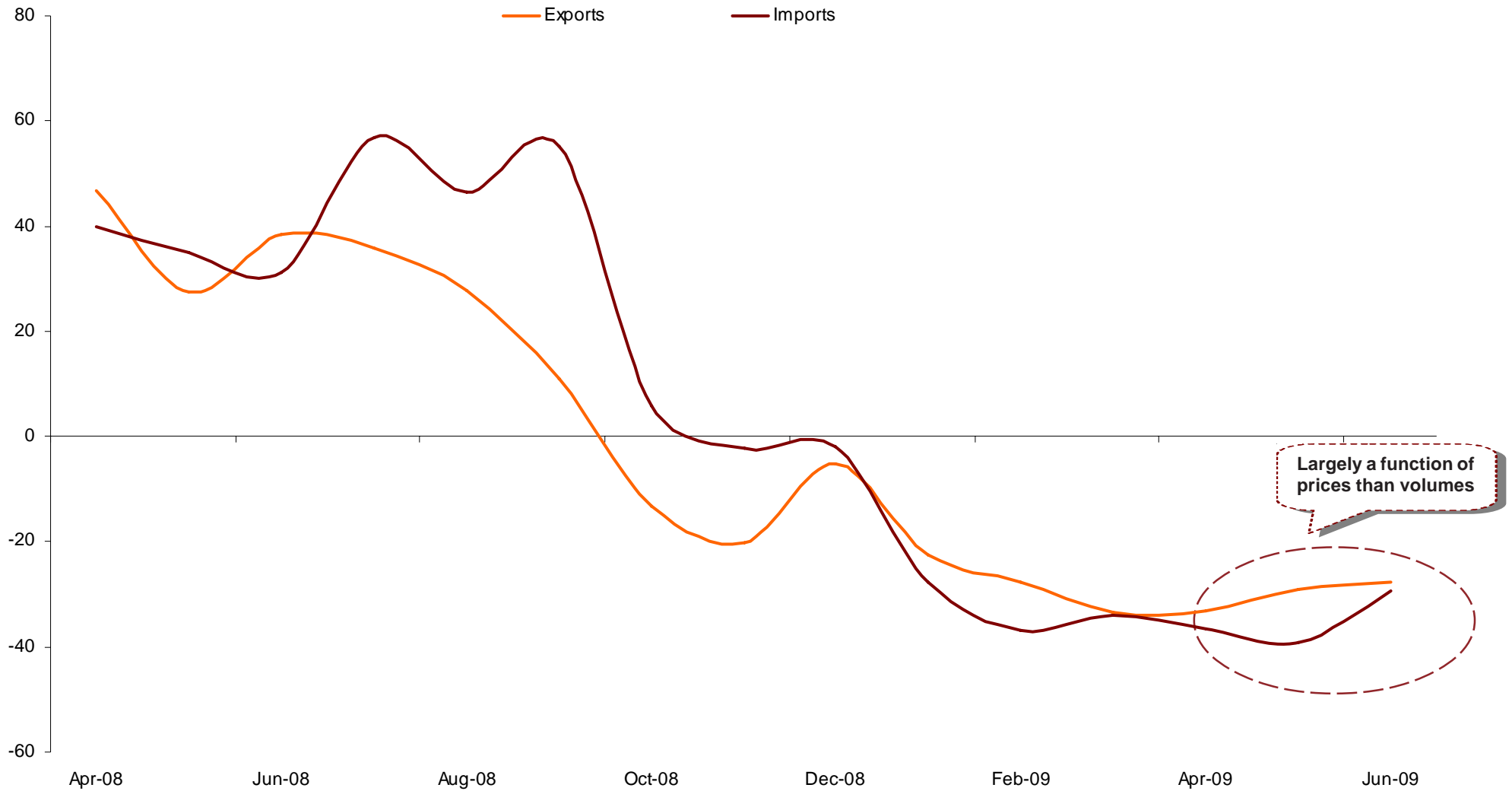
GDP is showing signs of bottoming

Quarterly Real GDP Growth (%)



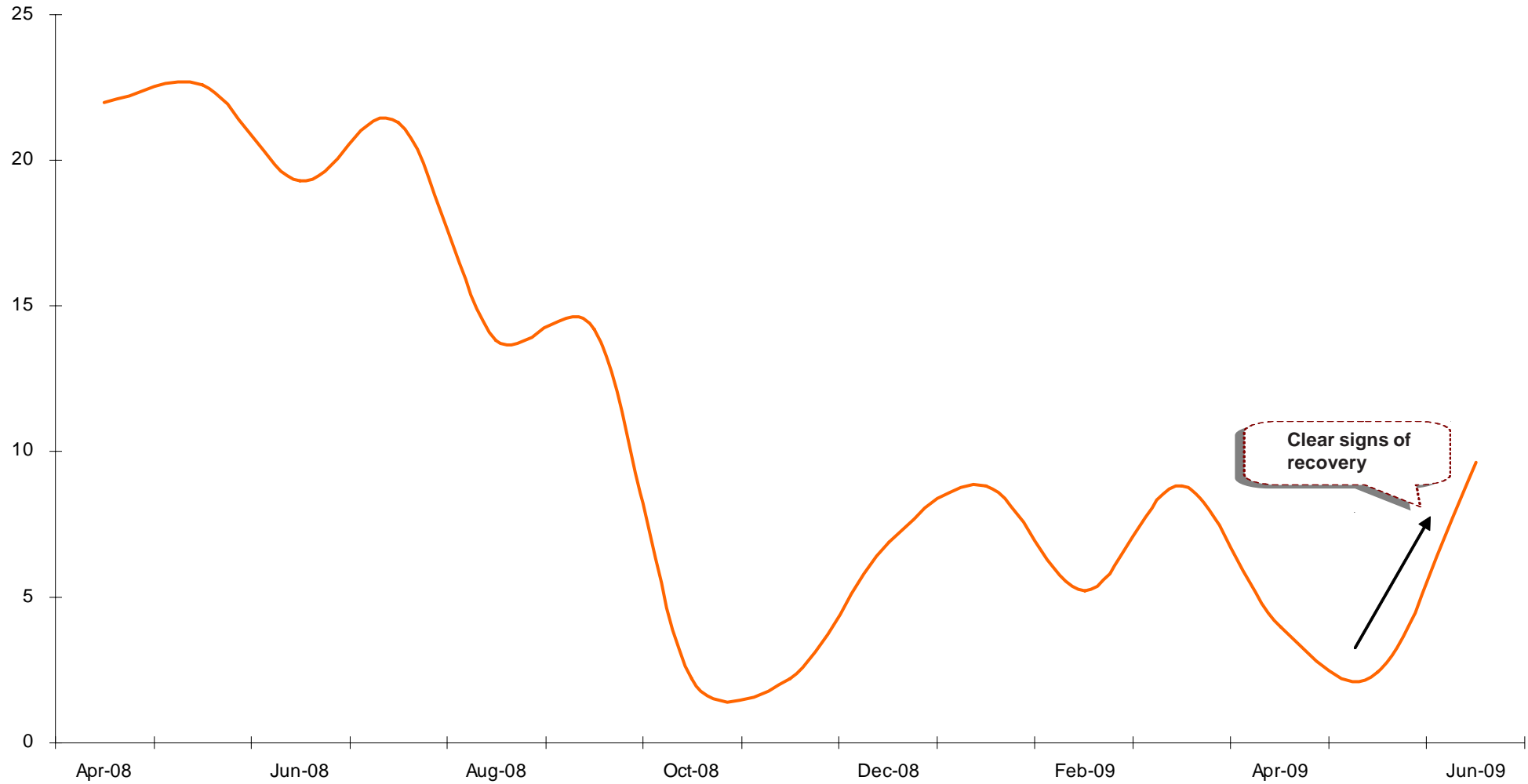
Exports / Imports – Showing signs of bottoming

Export / Imports (% Chg YoY)



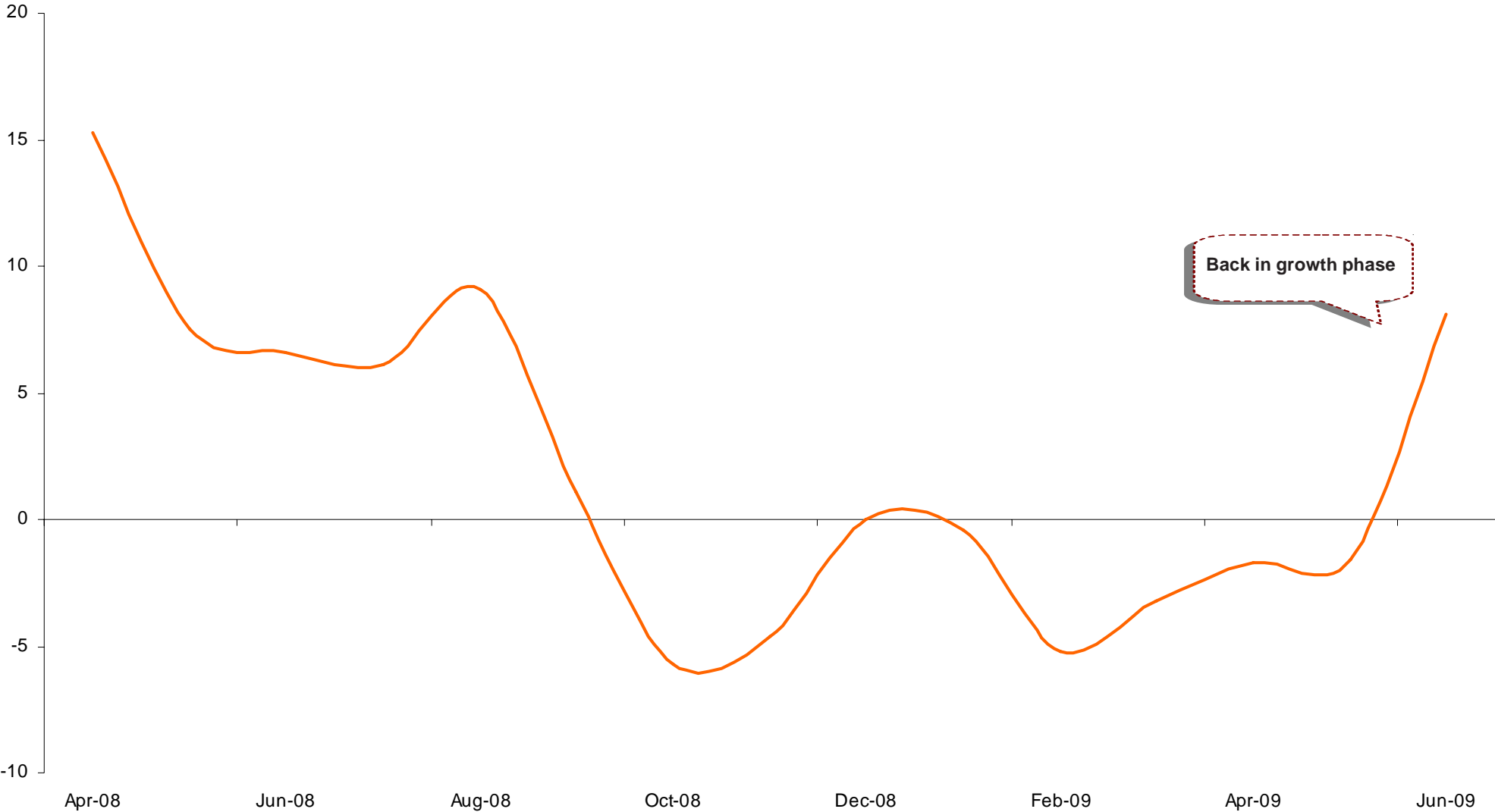
Railway Freight traffic - Initial signs of a recovery

Railway Freight Traffic Volumes (% Chg YoY)



Port Cargo Traffic - Back in growth phase

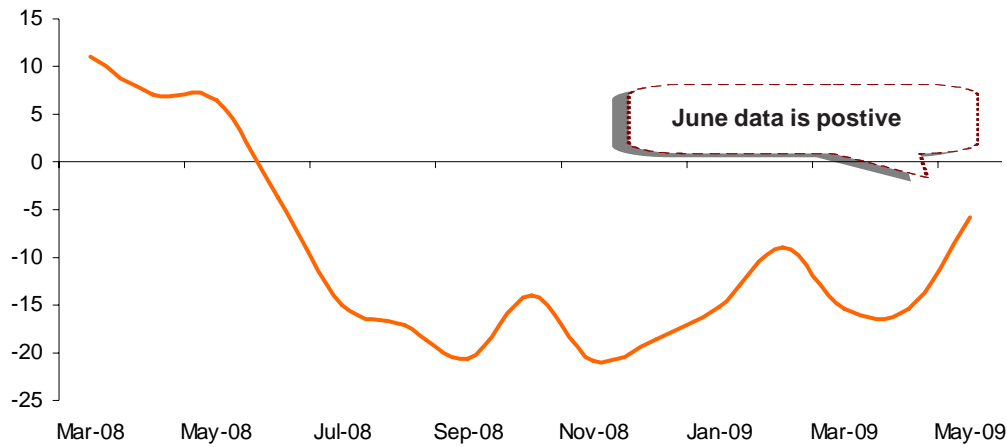
Port Cargo Traffic (% Chg YoY)



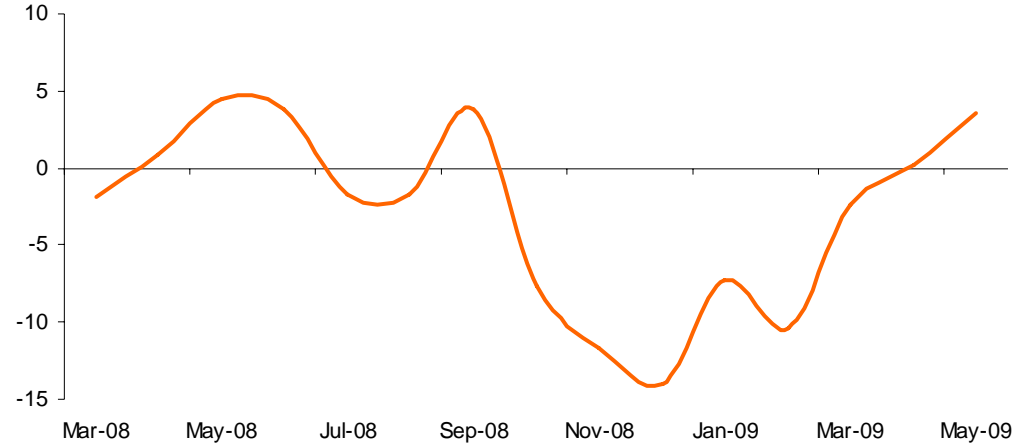


Air Traffic - Initial signs of improvement

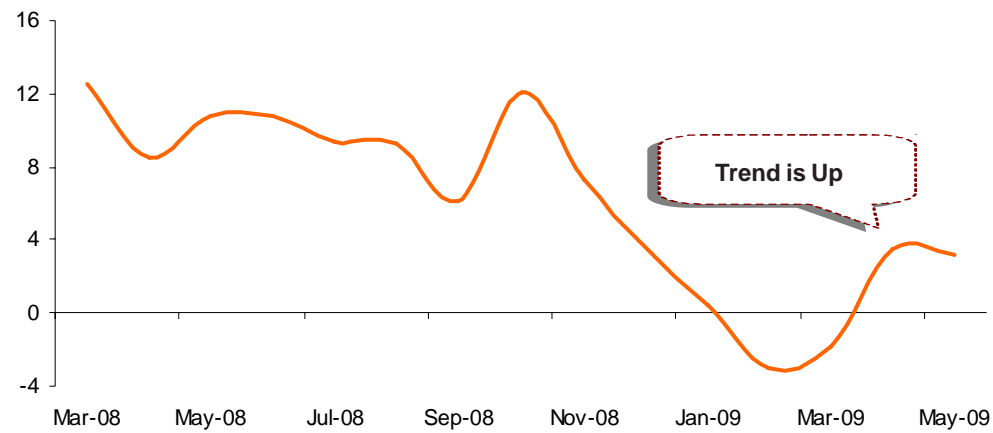
Air Passengers Traffic - Domestic (% Chg YoY)



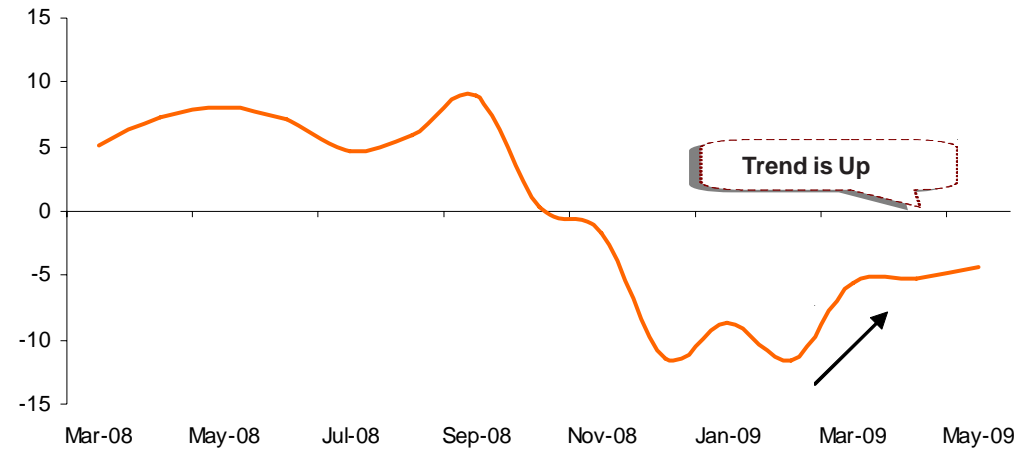
Air Cargo Traffic Domestic (% Chg YoY)



Air Passengers Traffic - International (% Chg YoY)

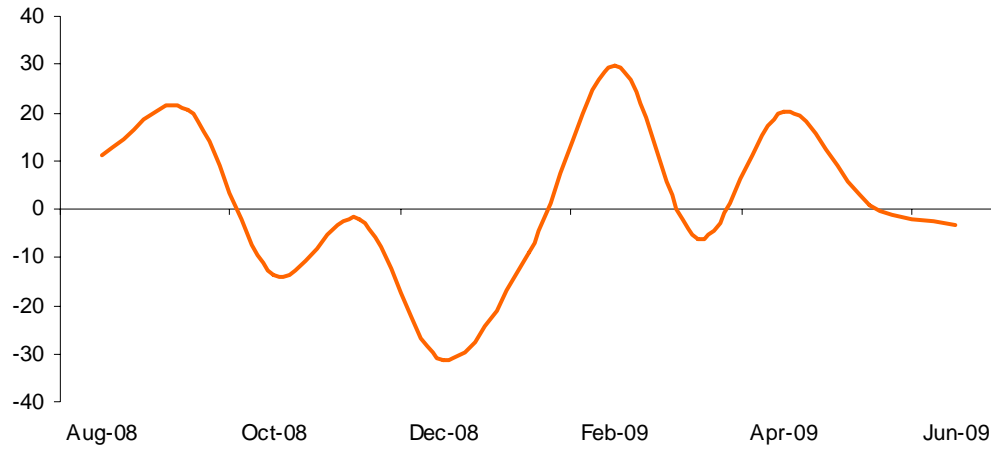


Air Cargo Traffic International (% Chg YoY)

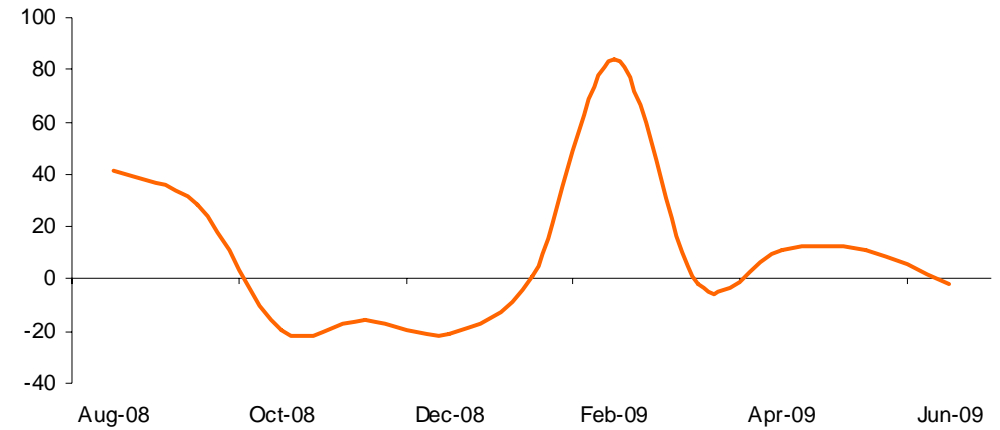


Direct taxes - Signs of Stability

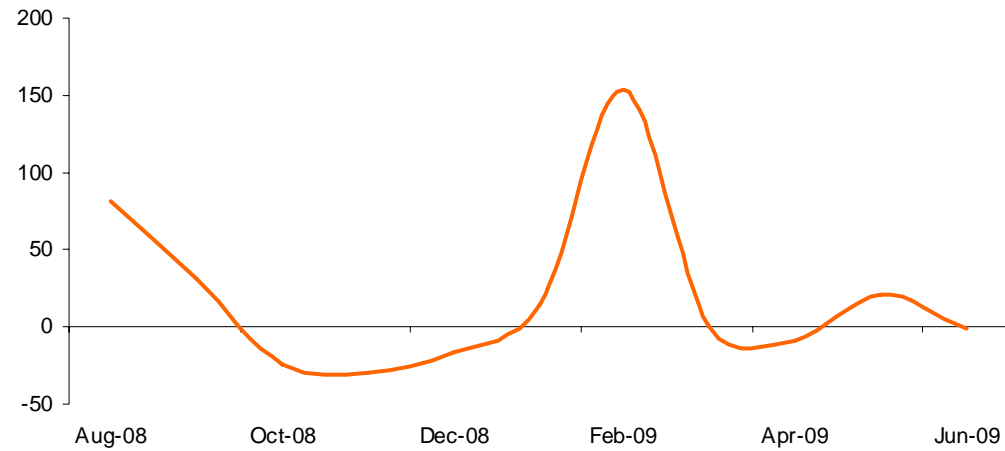
Income Tax (% change YoY)



Direct Tax (% change YoY)



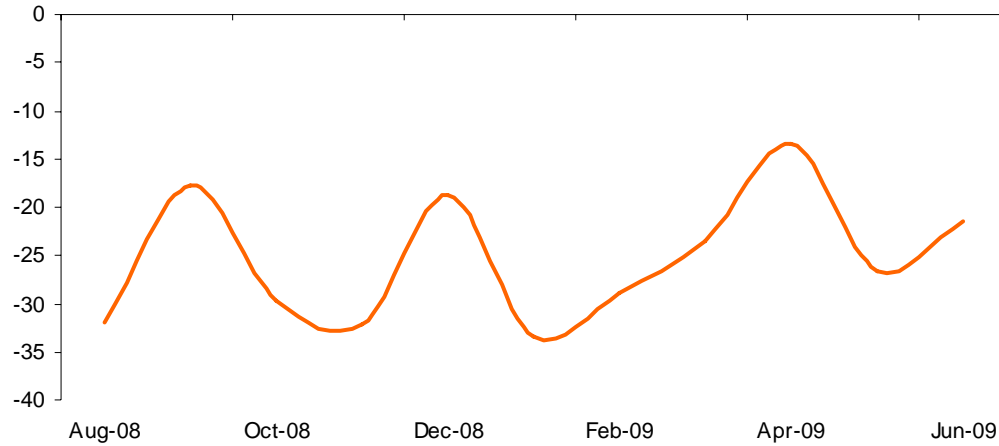
Corporation Tax (% change YoY)



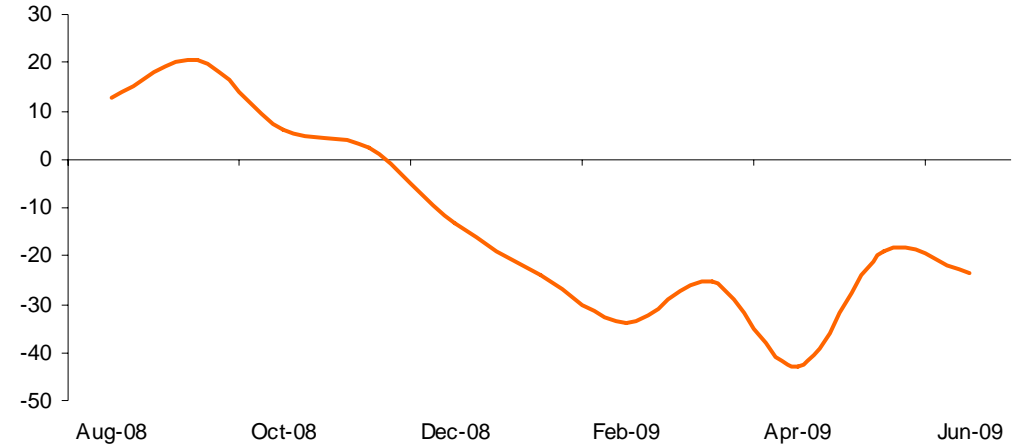


Indirect taxes - Rates cuts weigh on revenues

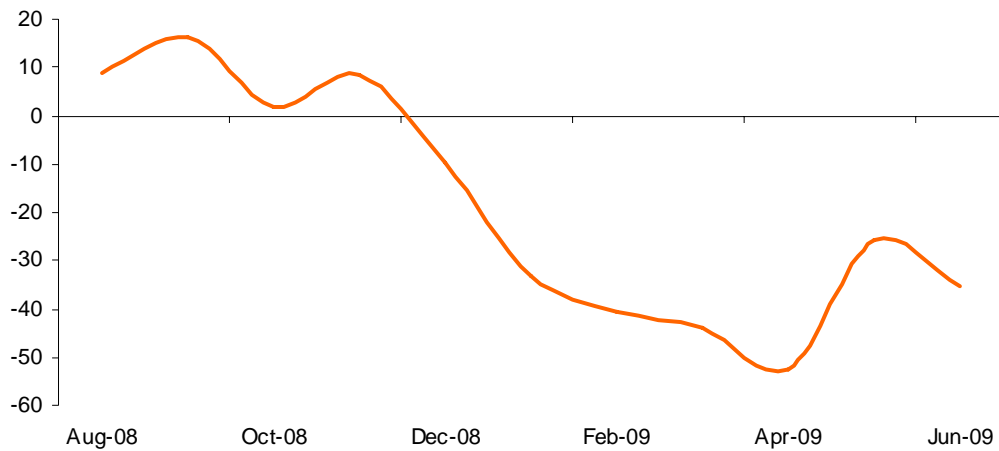
Total Tax Revenue (% Chg YoY)



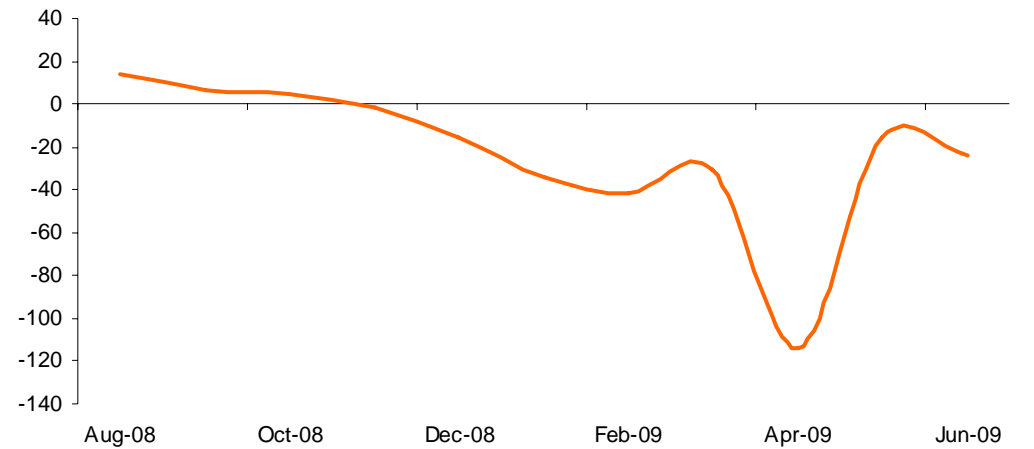
Indirect Tax Revenue (% Chg YoY)



Customs Duty (% Chg YoY)

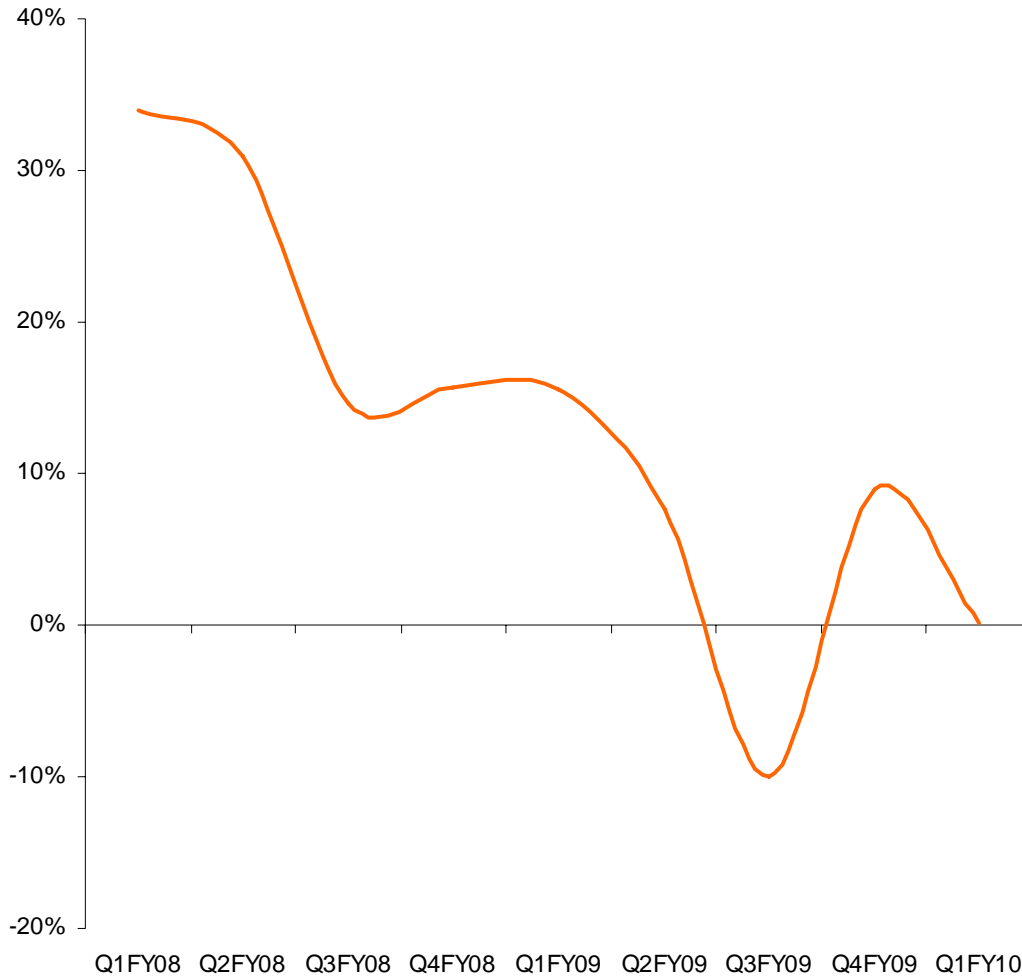


Excise Duties (% Chg YoY)

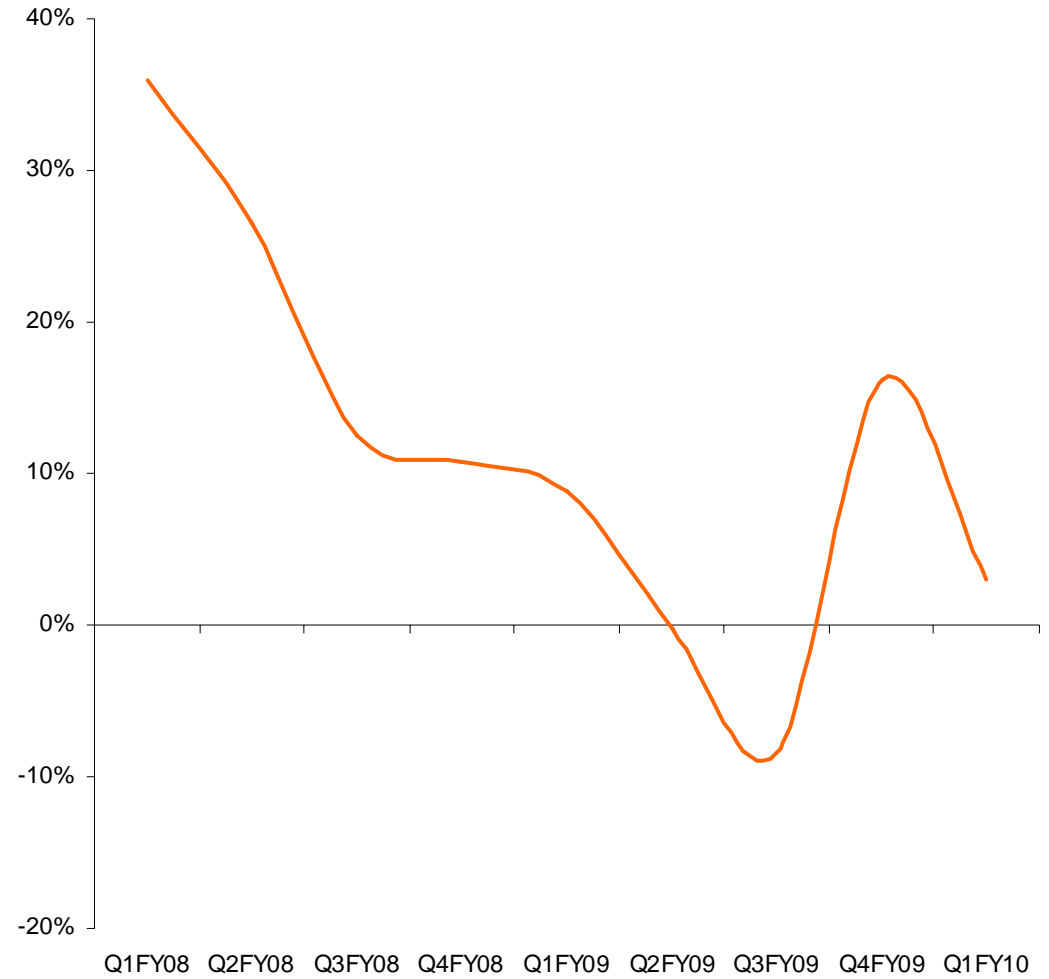


Corporate profitability - Clear signs of a recovery

Sensex (% Chg YoY)

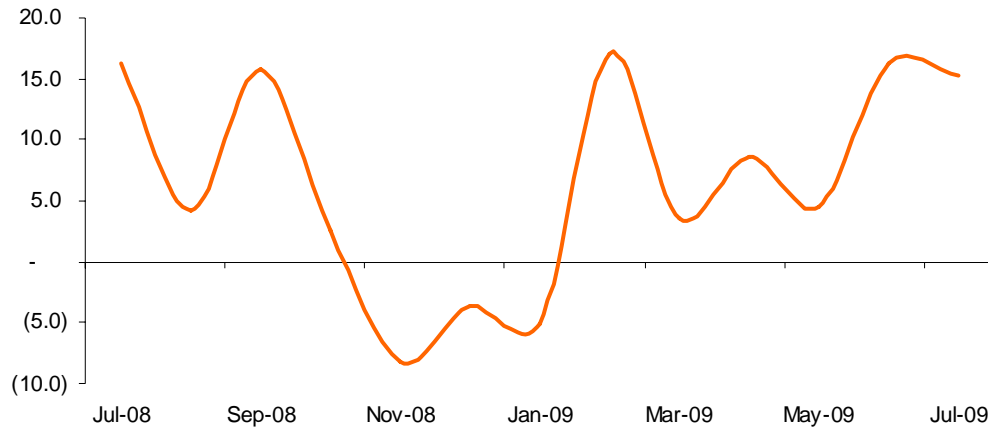


Nifty (% Chg YoY)

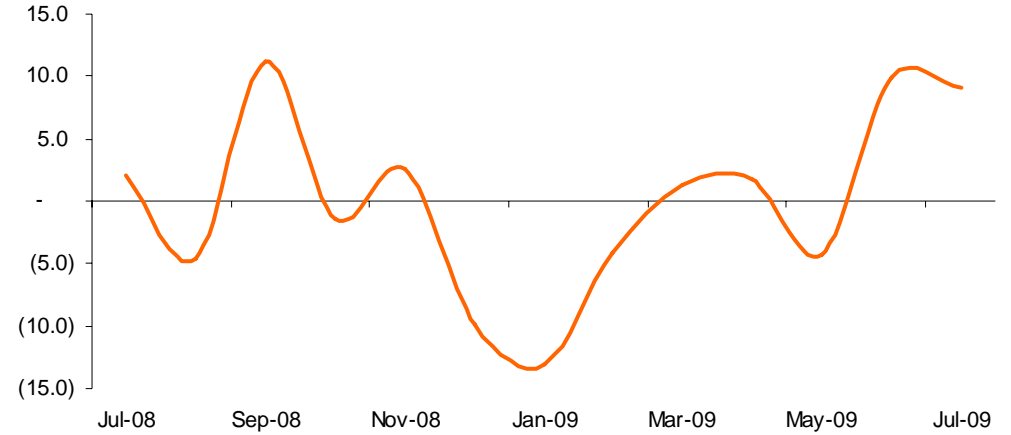


Auto sector - bottomed in 4QCY08

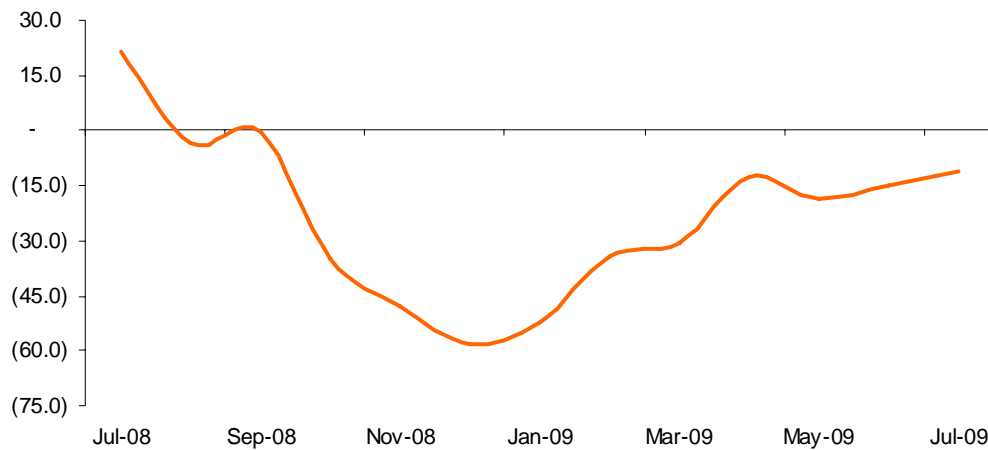
Passenger Vehicles (PVs) (% Chg YoY)



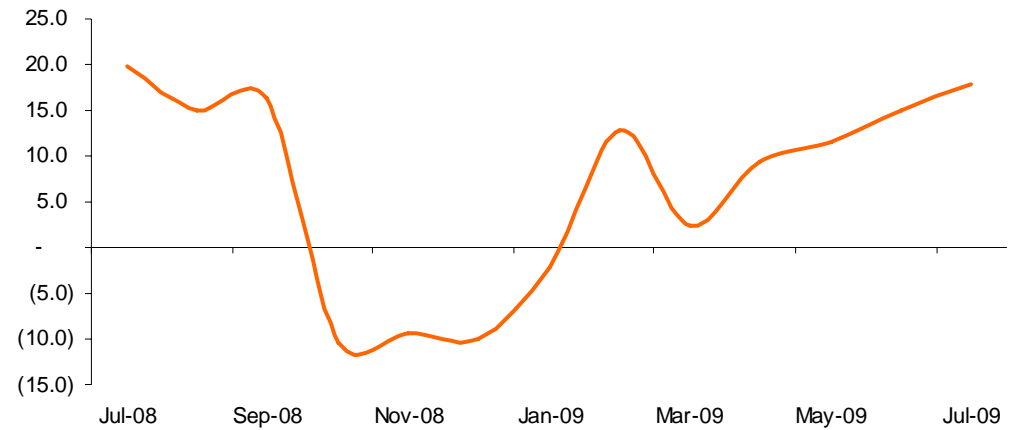
Three Wheelers (% Chg YoY)



Commercial Vehicles (CVs) (% Chg YoY)

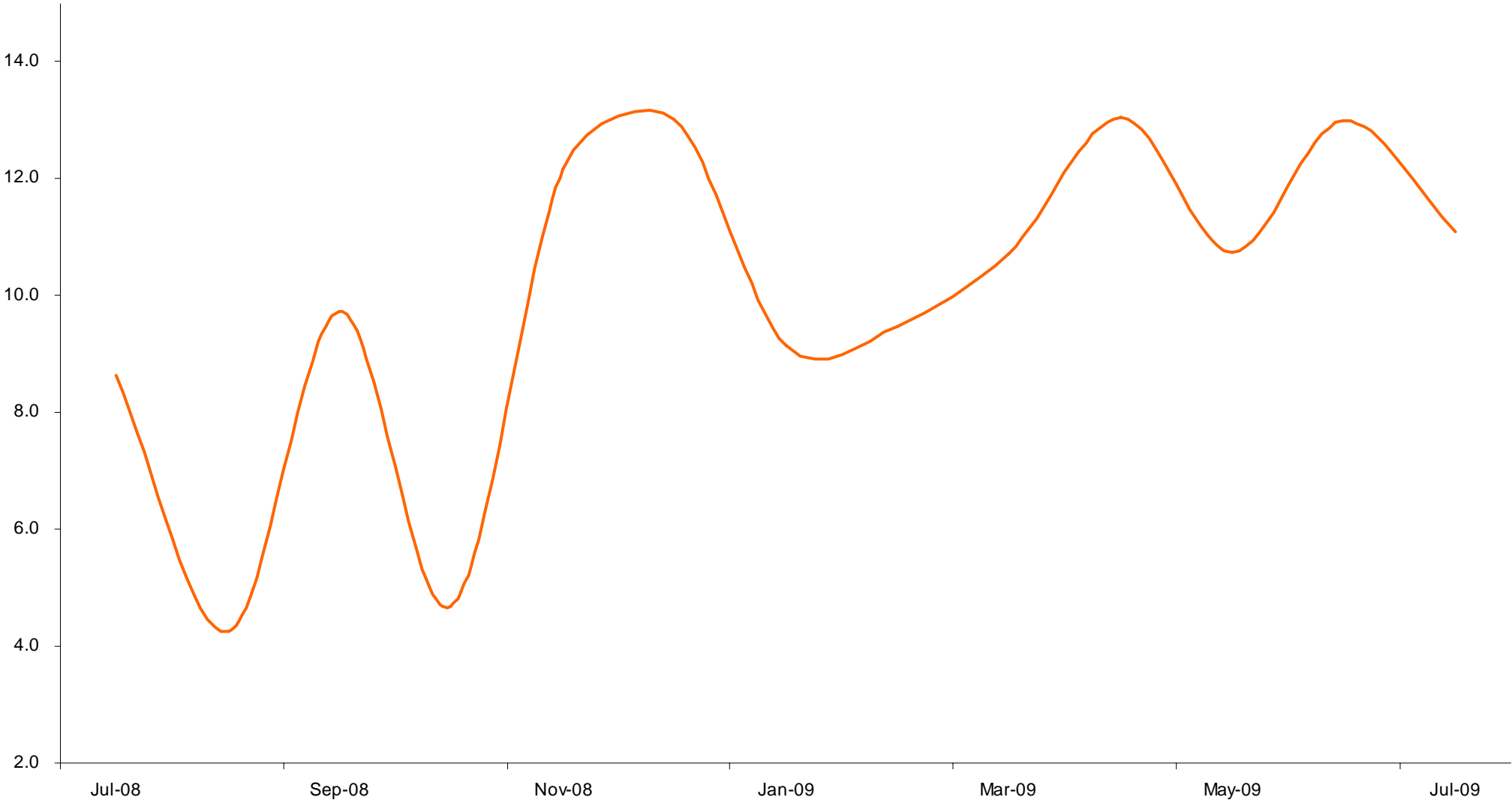


Two wheelers (% Chg YoY)



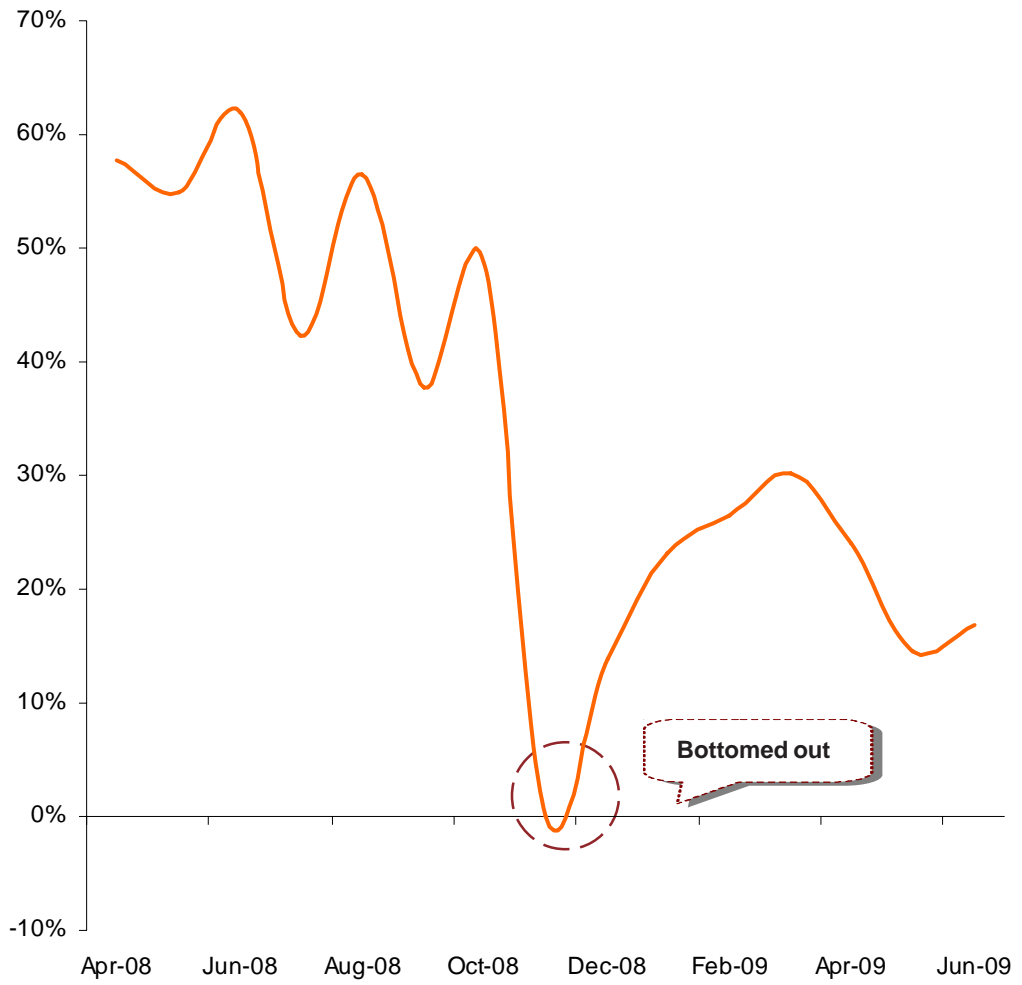
Cement demand - strong as ever

Cement Volumes (% Chg YoY)

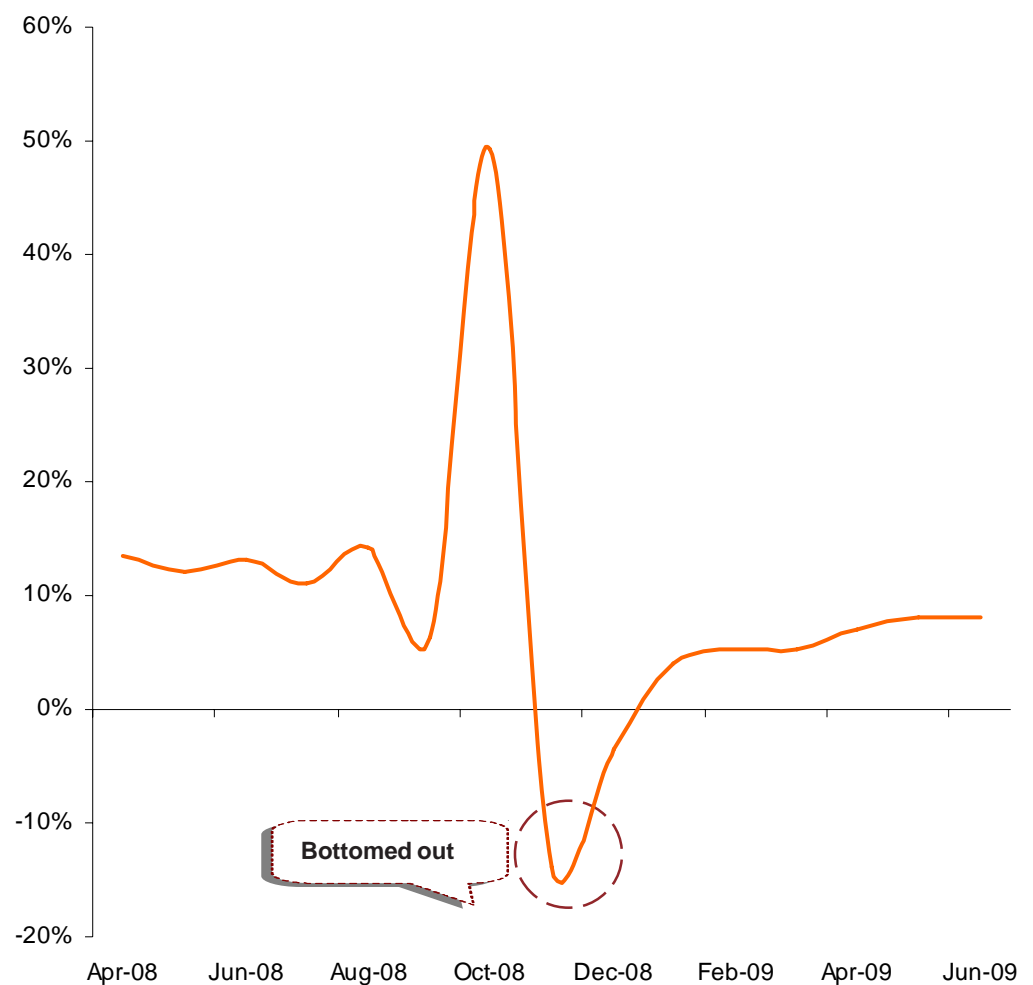


Pantaloon - Retail sales improve in CY09

Pantaloon Sales (% Chg)

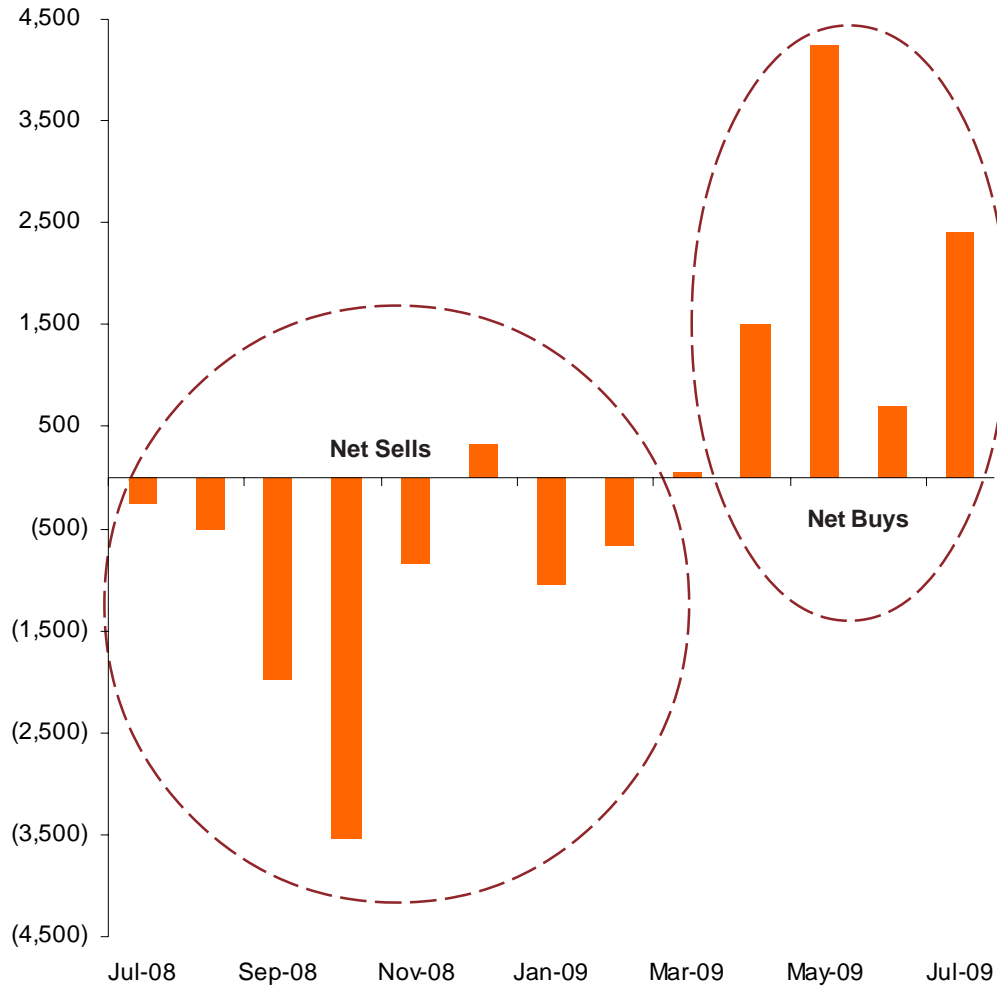


Pantaloon - Value Retailing (Store Growth % Chg)

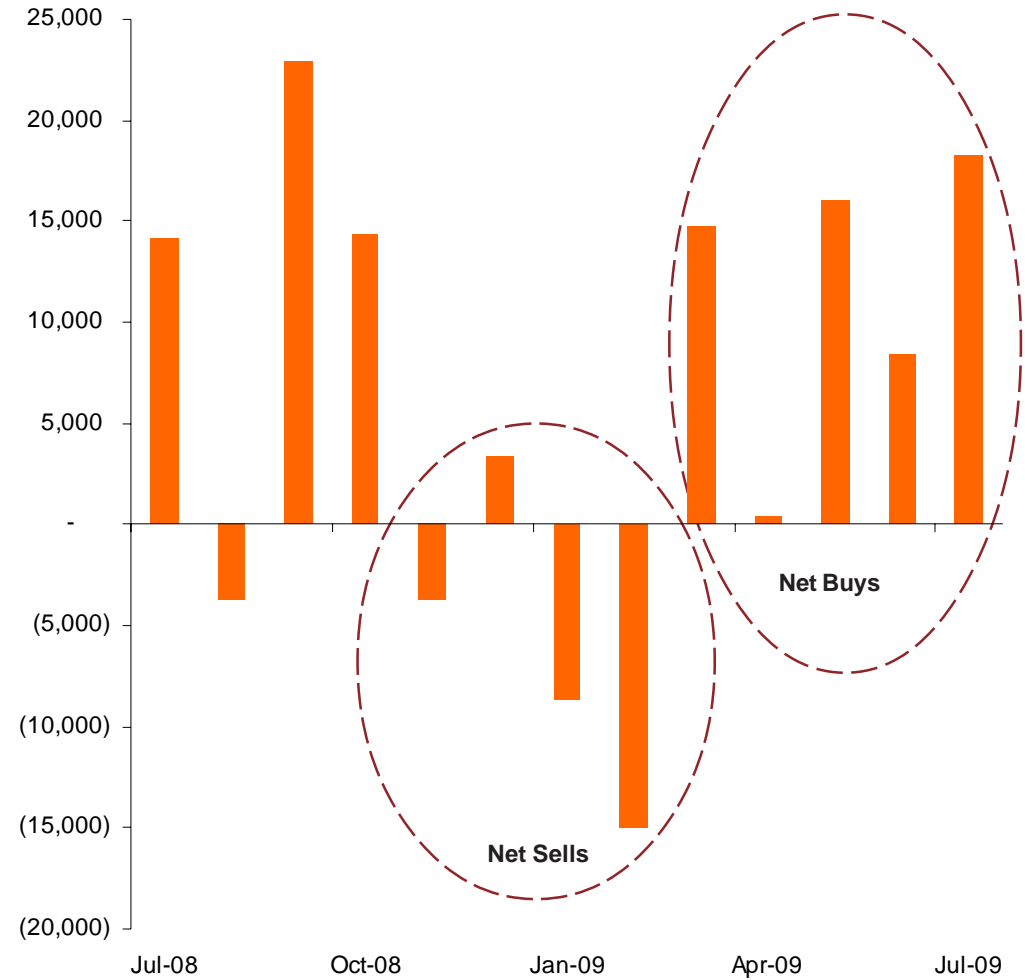


FII's turn net buyers in CY09

FII Net Investments - Equity (USDm)



Mutual Funds Investments (Equity) - India (INRm)





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