

October 30, 2009

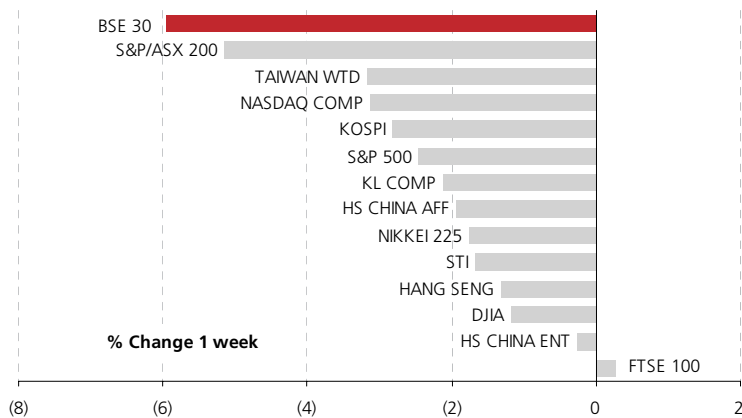
BSE-30: 16,053

Slips on global cues. During the past week, the BSE-30 Index lost 737 points (4.4%) to close at 16,053 led by weak global cues. ICICI Bank, Reliance Industries and Tata Steel were the biggest losers, together contributing 380 points to the index fall. With a significant portion of 2QFY10 results released, we expect the BSE-30 Index EPS to grow by 6.9 % in FY2010E and 19.9 % in FY2011E versus our earlier expectations of 7% and 20.3%. The BSE-30 Index is now trading at 17.4X FY2010E earnings and 14.5X FY2011E earnings.

Market highlights for the week ending Thursday, October 29, 2009

- Largest gainers: Zee News (24%), Dr Reddy's Laboratories (13%), Crompton Greaves (9%)
- Largest losers: Punj Llyod (-25%), Bank of India (-20%), Unitech (-19%)

Relative performance of regional indices (% Change 1 Week)



Source: Bloomberg

Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$ mn)						
22-Oct-09	(402)	(56)	2	(11)	(63)	(529)
23-Oct-09	(106)	(24)	(1)	-	(11)	(141)
26-Oct-09	220	9	(3)	(27)	41	241
27-Oct-09	-	(7)	(3)	(22)	286	254
28-Oct-09	-	(18)	(5)	(25)	6	(43)
Total	(287)	(95)	(10)	(85)	259	(218)

Source: Bloomberg

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OUR TOP RECOMMENDATIONS

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

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E
State Bank of India	Banking	BUY	29,740	2,196	2,200	143.7	148.7	172.2	15.3	14.8	12.8	—	—	—
Oil & Natural Gas Corporation	Energy	BUY	53,079	1,164	1,325	89.6	103.0	127.8	13.0	11.3	9.1	4.7	4.0	3.1
Infosys Technologies	Technology	BUY	27,036	2,208	2,500	102.4	104.5	118.0	21.6	21.1	18.7	16.1	15.0	12.7
Hindustan Unilever	Consumer products	BUY	13,160	283	320	9.5	10.6	12.2	29.8	26.8	23.3	22.8	20.1	17.4
ITC	Consumer products	BUY	20,842	259	290	8.7	10.8	12.8	29.9	24.1	20.3	18.4	14.9	12.7
Reliance Infrastructure	Utilities	BUY	5,355	1,109	1,250	62.7	63.7	68.6	17.7	17.4	16.2	22.2	20.3	16.2
GAIL (India)	Energy	ADD	9,292	343	365	22.2	21.0	22.3	15.5	16.3	15.4	8.3	9.4	9.7
Tata Power	Utilities	ADD	7,104	1,403	1,400	50.2	72.0	80.9	28.0	19.5	17.3	12.5	12.9	12.4
Larsen & Toubro	Industrials	ADD	20,152	1,572	1,725	50.1	57.1	74.0	31.4	27.5	21.2	20.2	15.3	12.4
PSU bank basket														
Bank of Baroda	Banking	ADD	3,992	512	560	60.9	68.6	71.3	8.4	7.5	7.2	—	—	—
Corporation Bank	Banking	BUY	1,277	417	500	62.3	58.0	61.8	6.7	7.2	6.8	—	—	—
Punjab National Bank	Banking	BUY	5,638	838	930	98.0	111.3	119.7	8.6	7.5	7.0	—	—	—
Union Bank	Banking	BUY	2,801	260	310	34.2	35.0	37.8	7.6	7.4	6.9	—	—	—
BSE-30				16,053										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

OUR MODEL PORTFOLIO

Kotak Institutional Equities Model Portfolio

Company	29-Oct		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Hero Honda	1,545	REDUCE	1.3	—	(132)
Mahindra & Mahindra	928	ADD	1.6	2.1	50
Maruti Suzuki	1,379	SELL	1.9	1.4	(50)
Tata Motors	555	SELL	1.4	—	(139)
Automobiles			6.2	3.5	(271)
Bank of Baroda	512	ADD	—	1.0	100
Corporation Bank	417	BUY	—	1.0	100
Punjab National Bank	838	BUY	—	1.0	100
State Bank of India	2,196	BUY	4.9	6.9	200
Union Bank	260	BUY	—	1.0	100
PSU Banking			4.9	10.9	600
HDFC	2,671	ADD	5.6	3.6	(200)
HDFC Bank	1,613	REDUCE	5.1	2.1	(300)
ICICI Bank	772	REDUCE	8.2	7.2	(100)
Pvt. Banking/Financing			18.8	12.8	(600)
ACC	735	REDUCE	0.7	—	(68)
Grasim Industries	2,131	REDUCE	1.4	—	(139)
Jaiprakash Associates	211	REDUCE	1.3	0.6	(75)
Cement			3.4	0.6	(281)
Hindustan Unilever	283	BUY	2.3	3.8	150
ITC	259	BUY	5.1	6.6	150
Consumers			7.4	10.4	300
GAIL (India)	343	ADD	—	2.0	200
Oil & Natural Gas Corporation	1,164	BUY	4.0	5.5	150
Reliance Industries	1,999	SELL	12.5	6.3	(623)
Energy			16.6	13.8	(273)
Bharat Heavy Electricals	2,233	ADD	3.2	1.7	(150)
IVRCL	343	BUY	—	0.5	50
Larsen & Toubro	1,572	ADD	7.1	7.6	50
Punj Lloyd	203	REDUCE	—	1.0	100
Industrials/Construction			10.3	10.8	50

Note:

1. Weights are with respect to October 5, 2009 prices.

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Company	29-Oct		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Hindalco Industries	120	BUY	1.1	1.6	50
Sterlite Industries	746	ADD	2.3	—	(228)
Tata Steel	468	BUY	2.5	2.0	(50)
Metals			5.9	3.6	(228)
Biocon	248	BUY	—	0.5	50
Divi's Laboratories	539	BUY	—	0.5	50
Piramal Healthcare	393	BUY	—	0.5	50
Sun Pharmaceuticals	1,403	ADD	1.0	1.0	—
Pharmaceuticals			1.0	2.5	150
DLF	376	SELL	1.4	—	(145)
Real estate			1.4	0.0	(145)
Infosys Technologies	2,208	BUY	9.1	10.1	100
TCS	634	ADD	2.4	1.4	(100)
Wipro	625	ADD	1.4	1.4	—
Technology			13.0	13.0	—
Bharti Airtel	312	REDUCE	4.3	—	(428)
Reliance Communications	190	SELL	1.7	—	(174)
Telecom			6.0	—	(602)
NTPC	208	REDUCE	2.1	2.1	—
Reliance Infrastructure	1,109	BUY	1.4	2.9	150
Tata Power	1,403	ADD	1.7	3.2	150
Utilities			5.2	8.2	300
Cash			—	10.0	1,000
BSE-30	16,053		100.0	100.0	—

SENSEX VALUATION SUMMARY

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

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2008	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2009	2010E	2009	2010E
Automobiles	27,682	6.8	(36.0)	105.2	9.6	35.9	17.5	16.0	19.6	10.7	9.5	4.1	3.1	0.8	0.9	11.4	17.8
Banking	79,825	43.9	16.7	11.7	21.4	21.5	19.3	15.9	—	—	—	2.8	2.4	1.2	1.3	12.8	12.7
Cement	7,111	25.7	(15.0)	29.2	(16.9)	10.3	8.0	9.6	5.7	4.2	4.6	2.0	1.6	2.2	2.2	19.3	20.6
Consumers	34,002	15.5	8.6	19.3	17.3	29.9	25.0	21.4	19.9	15.7	13.3	9.6	8.3	2.1	2.2	32.0	33.1
Diversified	6,336	20.7	(30.8)	100.0	82.4	70.5	35.3	19.3	23.1	15.6	13.6	4.5	3.6	—	—	6.4	10.1
Energy	115,212	13.9	(1.5)	11.3	31.8	15.9	14.3	10.8	7.7	6.3	4.9	2.1	1.9	1.6	1.8	13.5	13.4
Industrials	43,470	21.3	19.4	31.3	25.7	33.6	25.6	20.4	19.6	14.4	11.6	7.2	5.3	0.7	0.8	21.6	20.7
Metals	26,717	10.5	(0.3)	(40.9)	65.2	9.8	16.5	10.0	6.8	7.5	5.8	1.5	1.3	1.0	0.6	15.2	7.7
Pharmaceuticals	6,199	89.6	22.3	(34.3)	13.1	16.0	24.3	21.5	12.4	17.3	14.7	4.1	3.6	1.0	1.0	25.3	14.7
Property	13,606	304.9	(36.6)	(50.0)	18.4	12.8	25.6	21.6	12.2	16.9	14.9	2.6	2.4	0.8	0.8	20.3	9.4
Technology	72,978	19.1	15.9	13.2	13.3	23.1	20.4	18.0	16.8	13.9	11.7	7.0	5.6	1.0	1.3	30.3	27.4
Telecom	33,566	74.9	15.3	(2.2)	(10.6)	10.8	11.0	12.3	7.0	6.4	6.3	2.2	1.8	0.6	0.7	20.3	16.7
Utilities	49,066	9.9	14.5	15.8	11.1	21.6	18.7	16.8	13.1	12.1	11.4	2.7	2.4	1.5	1.7	12.4	12.9
BSE-30 Index	515,771	28.1	2.6	6.9	19.9	18.6	17.4	14.5	10.6	9.2	7.8	3.0	2.6	1.2	1.4	16.0	14.8
BSE-30 ex-Energy	400,559	34.4	4.2	5.3	15.5	19.6	18.6	16.1	12.0	10.7	9.5	3.4	2.9	1.1	1.2	17.1	15.4
BSE-30 ex-Energy, Com.	366,730	40.0	5.9	11.8	12.8	21.6	19.3	17.1	14.0	11.8	10.6	3.8	3.2	1.1	1.3	17.4	16.6
BSE-30 ex-Technology	442,793	29.2	1.1	6.0	20.9	18.0	17.0	14.1	9.9	8.7	7.4	2.7	2.4	1.3	1.4	15.1	13.9

Note:

(1) EV/EBITDA excludes banks.

Source: Company, Kotak Institutional Equities estimates

NIFTY VALUATION SUMMARY

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

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2008	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2009	2010E	2009	2010E
Automobiles	27,682	6.8	(36.0)	105.2	9.6	35.9	17.5	16.0	19.6	10.7	9.5	4.1	3.1	0.8	0.9	11.4	17.8
Banking	100,662	43.2	21.3	12.7	18.6	19.6	17.4	14.7	—	—	—	2.7	2.4	1.2	1.3	14.0	13.6
Consumers	34,002	15.5	8.6	19.3	17.3	29.9	25.0	21.4	19.9	15.7	13.3	9.6	8.3	2.1	2.2	32.0	33.1
Cement	9,977	14.7	(12.7)	24.9	(18.4)	10.8	8.6	10.6	5.9	4.6	5.1	2.0	1.7	2.6	2.2	19.0	19.8
Energy	138,791	12.9	(1.2)	23.0	27.8	16.9	13.7	10.7	8.1	6.4	5.2	2.1	1.9	1.5	2.4	12.2	13.5
Industrials	53,290	24.9	14.0	15.3	30.0	30.4	26.4	20.3	16.8	13.8	11.1	5.8	4.5	0.6	0.8	19.1	17.0
Metals	39,873	14.5	12.2	(28.3)	42.0	11.8	16.4	11.6	7.7	8.0	6.5	2.0	1.7	0.7	0.4	17.2	10.4
Property	17,732	193.8	(34.7)	(44.1)	15.9	13.3	23.9	20.6	12.1	15.9	14.2	2.8	2.3	0.6	0.6	21.2	9.5
Pharmaceuticals	14,739	55.8	(30.8)	14.6	15.7	32.6	28.5	24.6	23.3	18.6	16.3	4.8	4.1	0.6	0.9	14.6	14.4
Telecom	37,247	76.9	13.1	(3.9)	(11.5)	11.2	11.7	13.2	7.0	6.5	6.5	2.0	1.7	0.5	0.7	18.1	14.9
Technology	77,579	15.2	16.4	12.0	14.4	22.6	20.2	17.6	16.3	13.7	11.4	6.7	5.4	1.1	1.5	29.5	26.8
Utilities	56,328	10.9	16.1	18.6	11.7	24.3	20.5	18.3	14.8	14.0	13.5	2.7	2.4	1.3	1.5	10.9	11.8
NIFTY	614,238	27.6	3.7	10.5	18.3	19.0	17.2	14.6	11.1	9.8	8.5	2.9	2.5	1.2	1.5	15.4	14.6
NIFTY ex-Energy	475,447	33.9	5.5	6.3	14.6	19.8	18.6	16.2	12.7	11.8	10.5	3.3	2.8	1.1	1.2	16.8	15.1
NIFTY ex-Energy ex Com	435,574	37.5	4.5	11.9	11.7	21.1	18.8	16.9	14.1	12.6	11.5	3.5	3.0	1.1	1.3	16.8	15.9

Note:

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

Source: Company, Kotak Institutional Equities estimates

REGIONAL VALUATION SUMMARY

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

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

	Index	Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Brazil	MSCI BRAZIL	(9.2)	(10.3)	27.9	15.0	16.8	13.1	NA	0.6
China	VB/E/S CHINA	(19.6)	25.5	26.5	33.7	22.9	18.1	1.3	0.9
Hong Kong	VB/E/S HONG KONG	(40.7)	12.9	13.3	21.4	17.2	15.1	1.7	1.3
India	MSCI INDIA	(12.6)	12.2	23.1	23.1	20.6	16.8	1.9	0.9
Korea	MSCI KOREA	(38.7)	49.0	33.9	20.8	13.9	10.4	0.4	0.4
Malaysia	MSCI MALAYSIA	(13.2)	(17.2)	16.1	15.2	18.4	15.9	NA	1.1
Mexico	MSCI MEXICO	4.6	(26.5)	24.1	13.1	17.8	14.4	NA	0.7
Russia	MSCI RUSSIA	(3.6)	(35.9)	29.2	7.3	11.4	8.9	NA	0.4
Taiwan	MSCI TAIWAN	(68.2)	29.8	71.8	38.8	29.7	17.3	NA	0.4
Thailand	MSCI THAILAND	13.9	18.3	17.1	15.4	13.1	11.1	0.8	0.8
Asia - Emerging markets	MSCI EM ASIA	(31.7)	21.3	29.9	21.8	17.9	13.8	1.0	0.6

Source: Thomson Datastream

VALUATION SUMMARY OF BRICS SECTORS (1)

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

Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Banking									
Russia	MSCI Russia Banks Industry Group	(19.4)	(93.5)	1,147.6	15.1	232.4	18.6	NA	NA
India	MSCI India Banks Industry Group	10.4	16.1	20.5	27.4	23.6	19.6	1.7	1.2
China	MSCI China Banks Industry Group	29.4	12.2	22.5	15.9	14.2	11.6	1.3	0.6
Brazil	MSCI Brazil Banks Industry Group	(19.2)	6.8	21.5	15.8	14.8	12.2	2.3	0.7
Consumers									
Russia	MSCI Russia Consumer Staples Sector	(27.4)	13.0	50.2	32.0	28.3	18.8	2.5	0.6
India	MSCI India Consumer Discretionary Sector	(10.3)	42.7	13.2	24.9	17.5	15.4	0.6	1.3
China	MSCI China Consumer Discretionary Sector	(23.0)	11.0	17.5	22.1	19.9	16.9	2.0	1.1
Brazil	MSCI Brazil Consumer Discretionary Sector	(25.2)	154.3	44.8	52.2	20.5	14.2	0.3	0.5
Energy									
Russia	MSCI Russia Energy Sector	2.1	(26.6)	14.9	6.2	8.4	7.3	NA	0.6
India	MSCI India Energy Sector	(1.1)	15.4	28.8	19.2	16.6	12.9	1.3	0.6
China	MSCI China Energy Sector	0.5	(5.4)	19.4	13.8	14.6	12.2	NA	0.8
Brazil	MSCI Brazil Energy Sector	54.9	(26.6)	18.7	11.4	15.6	13.1	NA	0.8
Industrials									
India	MSCI India Industrials Sector	(61.8)	137.9	46.4	88.5	37.2	25.4	0.6	0.8
China	MSCI China Industrials Sector	(66.9)	50.2	29.9	34.6	23.1	17.8	0.7	0.8
Brazil	MSCI Brazil Industrials Sector	(18.0)	46.0	27.9	26.2	18.0	14.1	0.6	0.6
Metals									
Russia	MSCI Russia Metals & Mining Industry	(24.7)	(89.6)	372.1	6.7	65.0	13.8	NA	0.2
India	MSCI India Metals & Mining Industry	(28.7)	(7.4)	46.1	16.4	17.7	12.1	NA	0.4
China	MSCI China Metals & Mining Industry	(57.9)	14.9	83.0	33.6	29.3	16.0	2.3	0.4
Brazil	MSCI Brazil Metals & Mining Industry	(21.8)	(45.9)	65.1	12.3	22.7	13.7	NA	0.3

Source: Thomson Datastream

VALUATION SUMMARY OF BRICS SECTORS (2)

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

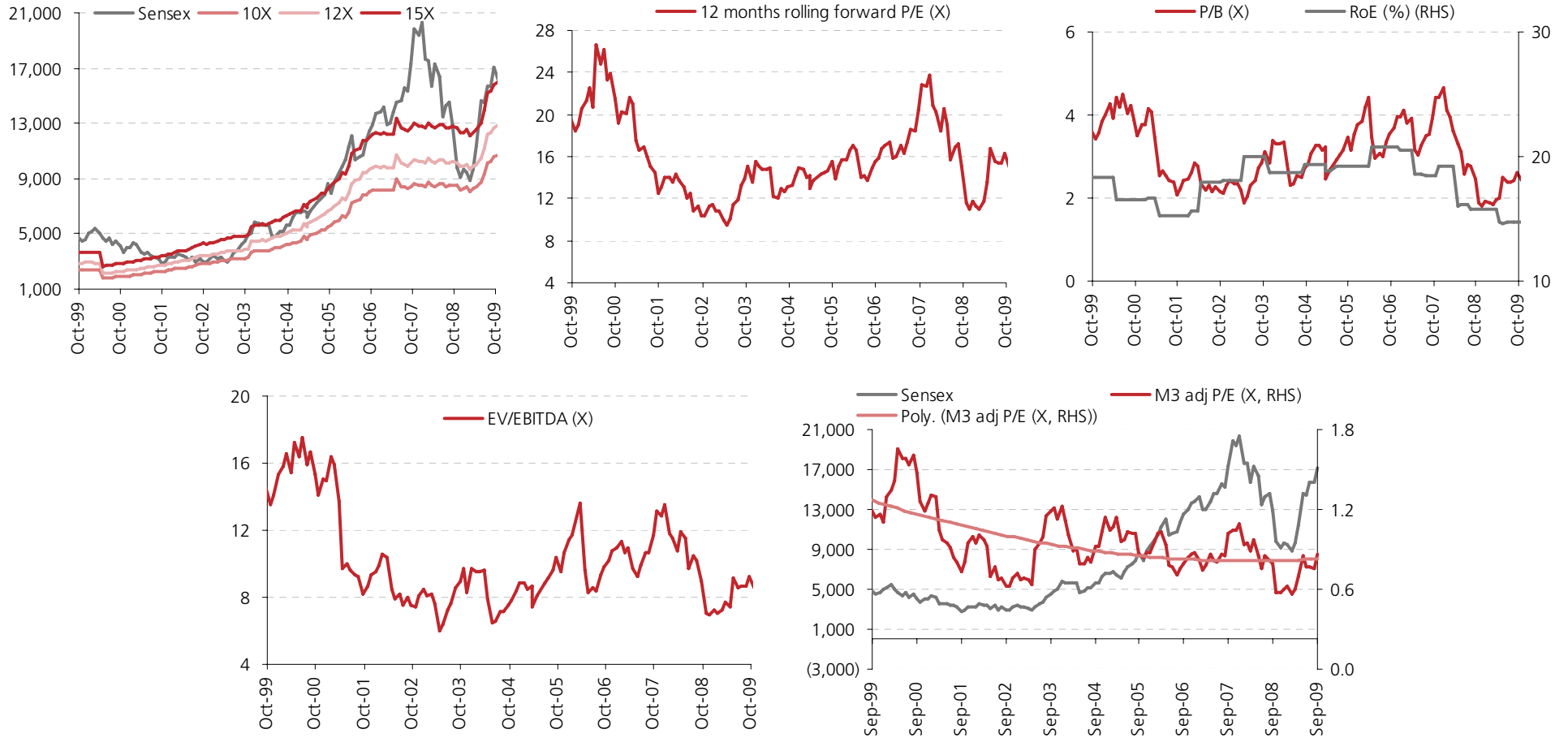
Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Property									
India	MSCI India Real Estate Industry Group	(46.0)	(39.4)	27.2	20.5	33.9	26.7	NA	1.2
China	MSCI China Real Estate Industry Group	(9.7)	8.3	31.0	18.9	17.5	13.3	2.3	0.6
Technology									
India	MSCI India Software & Services Industry Group	8.8	(3.4)	14.4	20.0	20.7	18.1	NA	1.4
China	MSCI China Software & Services Industry Group	62.3	60.0	38.7	79.5	49.7	35.8	1.3	1.3
Brazil	MSCI Brazil Software & Services Industry Group	70.7	10.8	14.4	17.2	15.5	13.5	1.6	1.1
Telecom									
Russia	MSCI Russia Diversified Telecommunications Services Industry	(62.3)	138.5	38.4	38.9	16.3	11.8	0.3	0.4
India	MSCI India Telecommunication Services Sector	2.8	(16.8)	3.7	9.4	11.3	10.9	NA	3.1
China	MSCI China Telecommunication Services Sector	22.3	(3.7)	1.3	12.8	13.3	13.1	NA	10.0
Brazil	MSCI Brazil Telecommunication Services Sector	(31.2)	16.5	36.1	15.3	15.5	11.4	0.9	0.4
Utilities									
Russia	MSCI Russia Utilities Sector	-	33.8	39.4	33.6	25.1	18.0	1.0	0.6
India	MSCI India Utilities Sector	9.4	12.1	11.3	23.1	19.1	17.2	1.9	1.7
China	MSCI China Utilities Sector	(89.9)	831.1	17.1	137.4	14.8	12.6	0.2	0.9
Brazil	MSCI Brazil Utilities Sector	11.6	(8.7)	17.3	9.8	10.8	9.2	NA	0.6

Source: Thomson Datastream

BSE-SENSEX KEY PARAMETERS

Key fundamental indicators of BSE-30 Index

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



Source: Bloomberg, RBI, Kotak Institutional Equities

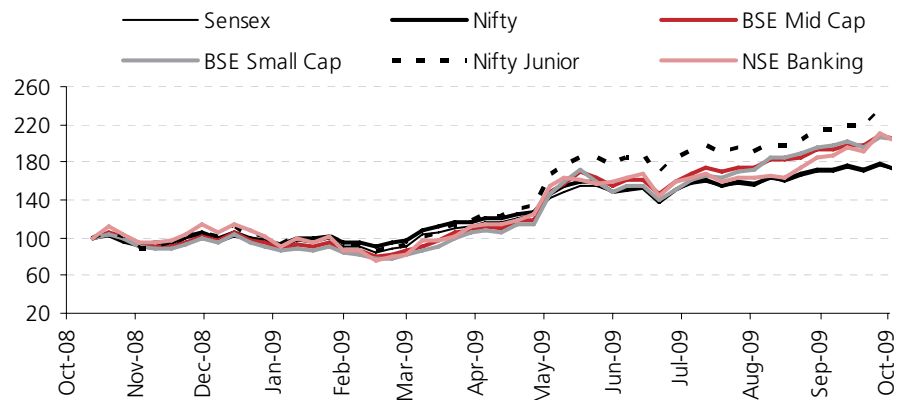
MARKET PERFORMANCE

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

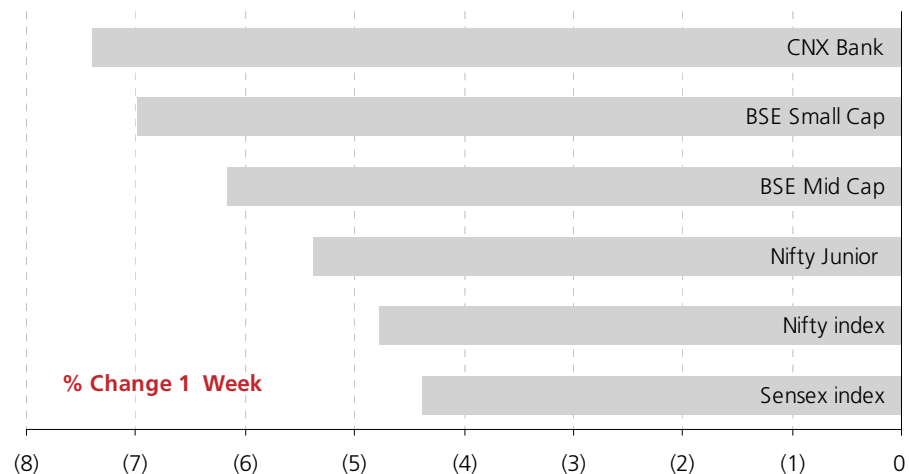
RELATIVE PERFORMANCE OF INDIAN MARKETS

Key performance of benchmark indices

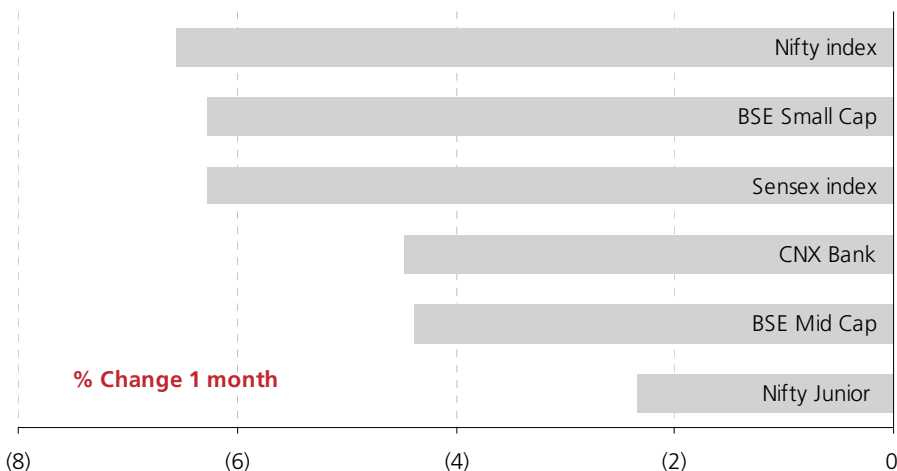
(base 100 as of October, 2008)



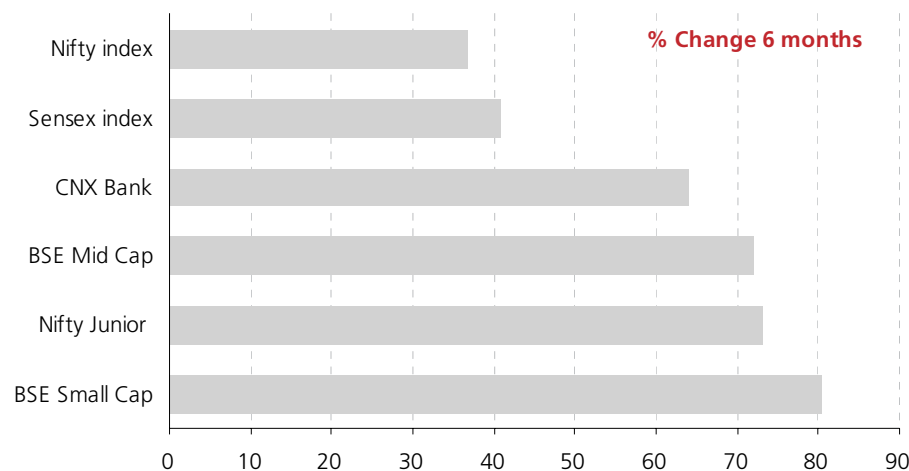
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



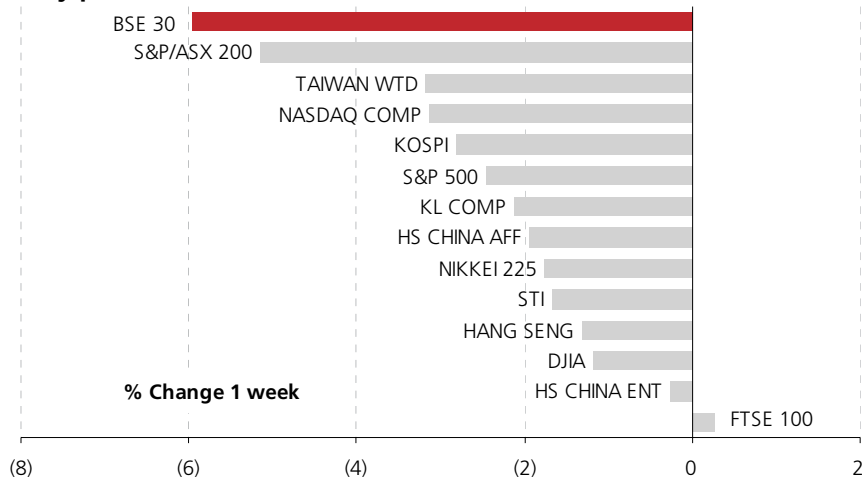
6-month performance of the benchmark indices



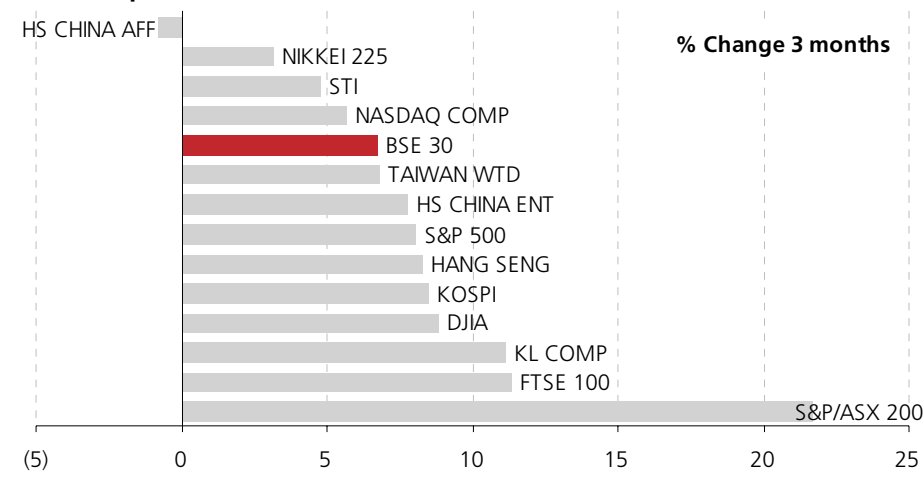
Source: Bloomberg, Kotak Institutional Equities

BSE-SENSEX VERSUS REGIONAL INDICES

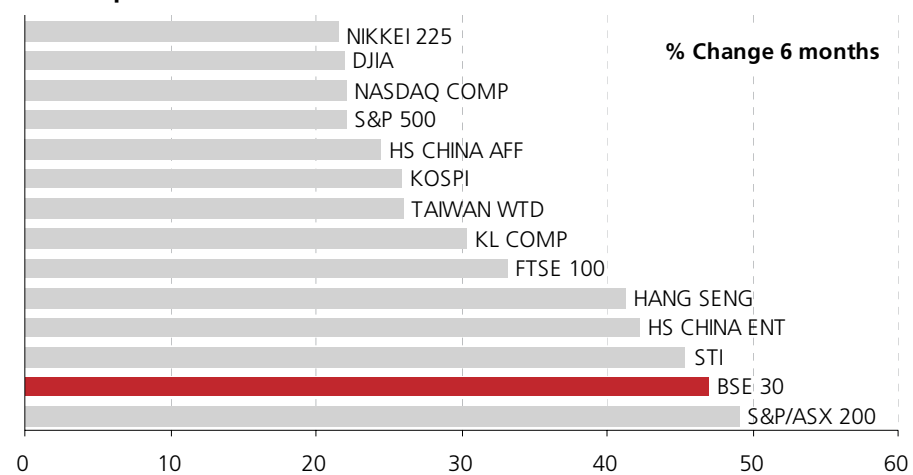
Weekly performance



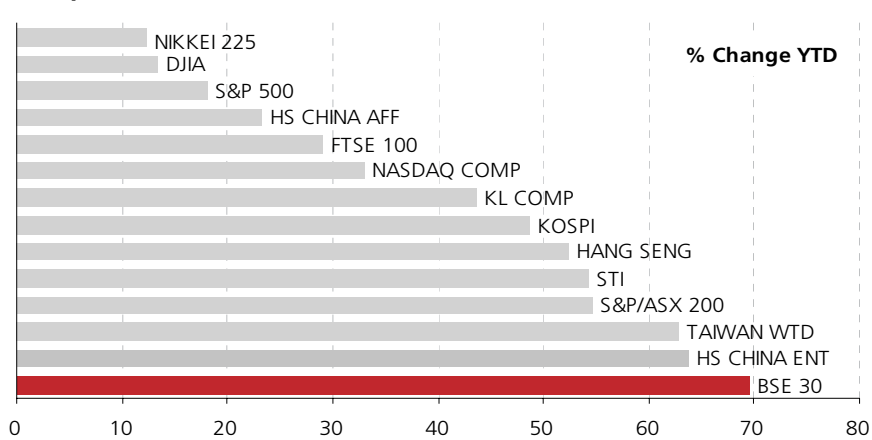
3-month performance



6-month performance



CYTD performance



Note:
 (a) Returns are adjusted for the currency changes
 Source: Bloomberg, BSE, Kotak Institutional Equities

SECTORAL PERFORMANCE

Market performance of Sensex sectors, October 29, 2009

	Mkt cap. (US\$ m)	Change (%)				Relative change (%)			
		1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	27,682	(0.7)	(8.8)	72.0	164.5	0.7	(2.4)	22.2	49.0
Banking	79,825	(1.4)	(5.1)	60.4	92.9	0.0	1.1	13.9	8.7
Consumers	34,002	0.5	9.9	30.3	54.9	1.9	15.2	(7.4)	(12.7)
Cement	7,111	(1.2)	(18.4)	16.5	83.7	0.2	(11.4)	(17.3)	3.5
Diversified	6,336	(4.1)	(11.0)	52.2	243.0	(2.6)	(4.5)	8.1	93.3
Energy	115,212	0.2	(5.5)	20.5	72.2	1.6	0.7	(14.4)	(3.0)
Industrials	43,470	(2.6)	(5.4)	52.2	97.4	(1.2)	0.8	8.1	11.2
Metals	26,717	(2.3)	(5.9)	92.7	169.5	(0.9)	0.4	36.9	51.8
Pharmaceuticals	6,199	2.0	(0.3)	9.8	23.6	3.3	5.6	(22.0)	(30.4)
Property	13,606	(6.7)	(14.3)	63.1	85.3	(5.2)	(7.5)	15.8	4.4
Telecom	33,602	(2.9)	(29.3)	(15.9)	0.3	(1.4)	(21.7)	(40.2)	(43.5)
Technology	72,978	(1.3)	0.1	74.5	106.9	0.1	6.0	24.0	16.6
Utilities	49,066	(2.1)	(2.2)	18.8	70.7	(0.7)	3.8	(15.6)	(3.8)
Sensex sum	515,807	(1.4)	(6.3)	40.8	77.5				

Source: Bloomberg, Kotak Institutional Equities

TOP GAINERS AND LOSERS

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

1-week performance

Top Gainers

Company	% Change
1 Zee News	23.8
2 Dr Reddy's Laboratories	12.6
3 Crompton Greaves	9.0
4 Wipro	8.2
5 Jubilant organosys	7.8
6 Piramal Healthcare	7.3
7 Mindtree	6.7
8 Jyothy Laboratories	6.5
9 Sun Pharmaceuticals	6.1
10 Ranbaxy Laboratories	5.9

Top Losers

Company	% Change
1 Punj Lloyd	(24.8)
2 Bank of India	(20.2)
3 Unitech	(19.2)
4 Reliance Capital	(18.7)
5 Reliance Communications	(18.5)
6 DishTV	(18.0)
7 JSW Steel	(17.9)
8 Indian Overseas Bank	(16.5)
9 DLF	(16.4)
10 Suzlon Energy	(15.7)

CYTD performance

Top Gainers

Company	% Change
1 Jindal Steel and Power	339.6
2 Mphasis BFL	329.0
3 Polaris Software Lab	285.2
4 Tech Mahindra	275.5
5 Hexaware Technologies	266.8
6 Bajaj Auto	257.5
7 Patni Computer Systems	249.9
8 Sesa Goa	248.9
9 Tata Motors	247.4

Top Losers

Company	% Change
1 Tata communications	(21.6)
2 Divi's Laboratories	(19.2)
3 Reliance Communications	(16.5)
4 Bharti Airtel	(12.8)

1- month performance

Top Gainers

Company	% Change
1 Crompton Greaves	18.1
2 Zee News	16.6
3 Jindal Steel and Power	13.7
4 Asian Paints	13.3
5 Sesa Goa	12.7
6 Mahindra & Mahindra Financial	12.6
7 Nestle India (a)	11.6
8 ITC	11.3
9 Godrej Consumer Products	11.2
10 Polaris Software Lab	9.8

Top Losers

Company	% Change
1 Reliance Communications	(38.7)
2 IDEA	(26.1)
3 Bharti Airtel	(25.5)
4 Unitech	(24.6)
5 Punj Lloyd	(24.2)
6 Grasim Industries	(23.2)
7 DishTV	(23.1)
8 Suzlon Energy	(22.1)
9 Puravankara Projects	(21.4)
10 Reliance Capital	(20.8)

1-year performance

Top Gainers

Company	% Change
1 Jindal Steel and Power	480.3
2 Lanco Infratech	363.1
3 Mphasis BFL	354.4
4 IVRCL	333.1
5 LIC Housing Finance	319.8
6 GVK Power & Infrastructure	313.6
7 Shree Cement	304.9
8 Hexaware Technologies	301.0
9 Polaris Software Lab	288.8
10 Sesa Goa	271.0

Top Losers

Company	% Change
1 Tata communications	(4.4)

Source: Kotak Institutional Equities

TECHNICAL INDICATORS

Volume momentum analysis

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

Company	5-day average		Price Change (%)	
	volumes	% increase	(1 month basis)	
Jubilant Organosys	1,030,399	238	(3.4)	
Punj Lloyd	18,033,910	152	(24.2)	
Hindustan Zinc	417,278	100	6.7	
Shriram Transport	767,624	94	2.5	
Union Bank	2,368,432	91	8.5	
Lupin	601,951	85	8.3	

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

Company	5-day average		Price Change (%)	
	volumes	% decrease	(1 month basis)	
Nestle India (a)	8,234	(74)	11.6	
Sadbhav Engineering	5,795	(68)	(3.6)	
Bharat Electronics	26,581	(61)	(9.0)	
PSL	149,560	(59)	(13.1)	
GlaxoSmithKline Consumer (a)	15,572	(58)	8.1	
Maharashtra Seamless	77,810	(55)	3.4	

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	9,709	3,374	11.8	4.1
Apr-09	11,403	4,624	10.5	3.4
May-09	14,625	5,235	13.3	3.5
Jun-09	14,494	6,380	9.8	3.4
Jul-09	15,670	5,049	11.5	3.8
Aug-09	15,667	4,759	10.3	3.5
Sep-09	17,126	5,035	12.4	3.5
Oct-09	16,053	5,849	13.4	3.7

Source: Bloomberg, Kotak Institutional Equities

EARNINGS MOMENTUM

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

CHANGES IN EARNINGS ESTIMATES

Changes in earnings estimates in the past one week

FY2010 earning upgrades (KIE) (1 week)

Company	% Change
1 JSW Steel	117.8
2 GSPL	28.1
3 Sterlite Industries	26.3
4 Sun Pharmaceuticals	21.2
5 Mindtree	19.4
6 Puravankara Projects	18.2
7 Crompton Greaves	17.2
8 Jagran Prakashan	16.1
9 Mahindra Life Space Developer	15.8
10 Mahindra & Mahindra Financial	15.0
11 ACC	13.6
12 Oriental Bank of Commerce	13.1
13 Grasim Industries	12.9
14 Hexaware Technologies	12.7
15 Andhra Bank	11.8

FY2011 earnings upgrades (KIE) (1 week)

Company	% Change
1 JSW Steel	33.6
2 Mahindra & Mahindra Financial	23.5
3 GSPL	22.8
4 Sterlite Industries	19.2
5 Crompton Greaves	16.2
6 Dr Reddy's Laboratories	15.8
7 Jagran Prakashan	14.5
8 India Infoline	14.5
9 Castrol India (a)	14.0
10 Hexaware Technologies	13.3
11 Maharashtra Seamless	12.3
12 Welspun Gujarat Stahl Rohren	11.7
13 Ranbaxy Laboratories	11.5
14 Shriram Transport	10.8
15 Sun TV Network	9.5

FY2010 earning downgrades (KIE) (1 week)

Company	% Change
1 DishTV	(45.3)
2 IDEA	(34.1)
3 Cairn India	(22.3)
4 PSL	(22.0)
5 United Phosphorus	(20.7)
6 India Cements	(18.8)
7 Bank of India	(18.2)
8 Tata Motors	(15.9)
9 Jubilant organosys	(14.8)
10 Ranbaxy Laboratories	(14.7)
11 Hindustan Petroleum	(12.5)
12 Punj Lloyd	(11.5)
13 Oil & Natural Gas Corporation	(11.1)
14 Reliance Industries	(7.3)
15 Petronet LNG	(7.0)

FY2011 earnings downgrades (KIE) (1 week)

Company	% Change
1 DishTV	(102.3)
2 IDEA	(27.9)
3 Bank of India	(24.2)
4 United Phosphorus	(19.8)
5 PSL	(18.2)
6 Tata Motors	(15.6)
7 India Cements	(14.4)
8 Cairn India	(14.1)
9 Punj Lloyd	(11.3)
10 Andhra Bank	(11.0)
11 Reliance Industries	(8.7)
12 ACC	(6.8)
13 Ambuja Cements	(6.6)
14 Oil & Natural Gas Corporation	(6.3)
15 Petronet LNG	(6.1)

Source: Kotak Institutional Equities estimates

CHANGES IN EARNINGS ESTIMATES

Changes in earnings estimates in the past one month

FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 JSW Steel	117.8
2 GSPL	83.7
3 Hindustan Zinc	39.1
4 Sterlite Industries	26.3
5 Sun Pharmaceuticals	21.2
6 Mindtree	19.4
7 Puravankara Projects	18.2
8 Crompton Greaves	17.2
9 Jindal Saw	16.6
10 Jagran Prakashan	16.1
11 SREI	16.0
12 Mahindra Life Space Developer	15.8
13 Mahindra & Mahindra Financial	15.0
14 Bajaj Auto	14.5
15 Hero Honda	14.5

FY2011 earnings upgrades (KIE) (1 month)

Company	% Change
1 GSPL	76.0
2 JSW Steel	33.6
3 Jindal Saw	29.4
4 Hindustan Zinc	26.7
5 SREI	23.7
6 Mahindra & Mahindra Financial	23.5
7 Sterlite Industries	19.2
8 Crompton Greaves	16.2
9 Lupin	16.1
10 Mahindra & Mahindra	15.9
11 Dr Reddy's Laboratories	15.8
12 Hero Honda	15.2
13 Jagran Prakashan	14.5
14 India Infoline	14.5
15 Castrol India (a)	14.0

FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 DishTV	(45.3)
2 IDEA	(41.4)
3 Cairn India	(22.3)
4 PSL	(22.0)
5 United Phosphorus	(20.7)
6 India Cements	(18.8)
7 Bank of India	(18.2)
8 Jubilant organosys	(14.8)
9 Sesa Goa	(12.8)
10 Hindustan Petroleum	(12.5)
11 Punj Lloyd	(11.5)
12 Tata Motors	(11.5)
13 Reliance Industries	(11.5)
14 Oil & Natural Gas Corporation	(11.1)
15 Jaiprakash Associates	(10.8)

FY2011 earnings downgrades (KIE) (1 month)

Company	% Change
1 DishTV	(102.3)
2 IDEA	(66.1)
3 Reliance Communications	(26.0)
4 Bharti Airtel	(24.3)
5 Bank of India	(24.2)
6 United Phosphorus	(19.8)
7 PSL	(18.2)
8 Sesa Goa	(15.0)
9 India Cements	(14.4)
10 Cairn India	(14.1)
11 Reliance Industries	(12.9)
12 Punj Lloyd	(11.3)
13 Andhra Bank	(11.0)
14 ACC	(6.8)
15 Biocon	(6.7)

Source: Kotak Institutional Equities estimates

CHANGES IN OUR TARGET PRICES

Changes in target prices in the past one month

Upgrades in target prices (1 month)				
	Company	% Change	New	Old
1	Polaris Software Lab	56.3	125	80
2	JSW Steel	52.3	670	440
3	Jindal Saw	46.8	690	470
4	GSPL	46.2	95	65
5	Welspun Gujarat Stahl Rohren	44.8	210	145
6	Sterlite Industries	41.8	780	550
7	Hindustan Zinc	33.3	1,100	825
8	Hexaware Technologies	33.3	80	60
9	Tata Motors	32.9	465	350
10	SREI	27.8	115	90
11	Crompton Greaves	27.0	400	315
12	Bajaj Auto	25.0	1,575	1,260
13	Mahindra & Mahindra Financial	22.2	330	270
14	India Infoline	20.7	175	145
15	Sun TV Network	20.4	295	245
16	Havells India	20.0	210	175
17	Jubilant organosys	20.0	300	250
18	Lupin	18.6	1,400	1,180
19	Jagran Prakashan	18.2	130	110
20	Puravankara Projects	17.6	100	85
21	Maharashtra Seamless	17.5	335	285
22	Hero Honda	15.4	1,535	1,330
23	Titan Industries	15.4	1,200	1,040
24	Ranbaxy Laboratories	15.2	190	165
25	Dr Reddy's Laboratories	15.1	990	860

Downgrades in target prices (1 month)				
	Company	% Change	New	Old
1	IDEA	(30.8)	45	65
2	India Cements	(29.0)	110	155
3	Punj Lloyd	(23.8)	240	315
4	Bharti Airtel	(23.5)	325	425
5	Bank of India	(14.3)	360	420
6	Grasim Industries	(9.2)	2,325	2,560
7	ACC	(8.6)	800	875
8	Reliance Communications	(8.3)	220	240
9	Oil & Natural Gas Corporati	(5.4)	1,325	1,400

Source: Kotak Institutional Equities estimates

CHANGES IN OUR RATINGS

Changes in ratings over the past one month

Company name		Rating		Company name		Rating	
		Current	Previous			Current	Previous
Bharti Airtel	Downgraded	REDUCE	ADD	Crompton Greaves	Upgraded	BUY	ADD
India Cements	Downgraded	REDUCE	ADD	India Infoline	Upgraded	BUY	ADD
Punj Lloyd	Downgraded	REDUCE	BUY	Mahindra & Mahindra Financial	Upgraded	BUY	ADD
Sesa Goa	Downgraded	REDUCE	BUY	NTPC	Upgraded	REDUCE	SELL
				SREI	Upgraded	BUY	ADD
				Sterlite Industries	Upgraded	ADD	REDUCE

Source: Kotak Institutional Equities estimates

FLOWS

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

TREND IN EQUITY FLOWS

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

	FII	MF
CY1999	1,537	0
CY2000	1,462	(150)
CY2001	2,807	(1,110)
CY2002	751	(685)
CY2003	6,658	118
CY2004	8,382	(217)
CY2005	10,776	2,873
CY2006	8,632	3,585
CY2007	17,335	1,389
CY2008	(13,336)	3,312
CY2009	14,477	(710)
Jan	(869)	(173)
Feb	(539)	(299)
Mar	63	295
Apr	1,473	8
May	4,253	477
June	695	175
July	2,400	380
Aug	827	119
Sep	4,227	(486)
Oct	1,947	(1,206)

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

	Index Futures	Stock Futures
CY2004	(91)	(796)
CY2005	(676)	(668)
CY 2006	345	(3,690)
CY2007	(772)	(11,600)
CY2008	2,726	(789)
CY2009	(1,287)	(2,027)
Jan	(182)	390
Feb	(445)	115
Mar	511	(105)
Apr	293	(146)
May	(640)	(1,000)
June	(573)	(541)
July	130	196
August	100	322
September	228	(271)
October	(709)	(988)

Source: Bloomberg, Kotak Institutional Equities

FII FLOWS IN OTHER EMERGING MARKETS

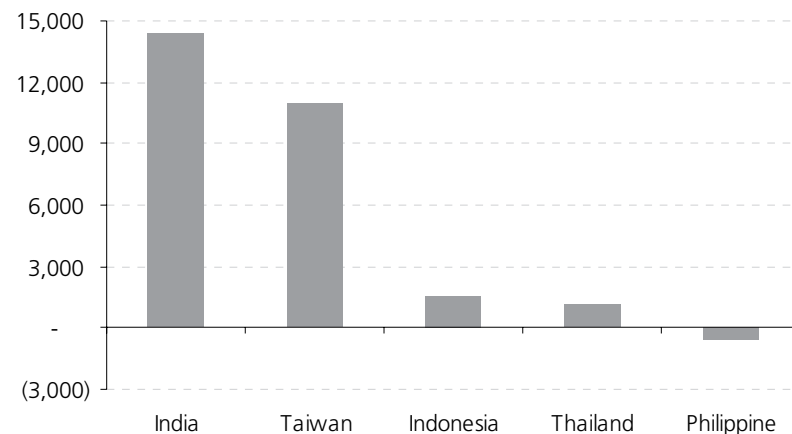
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
29-Sep-09	542.4	(17.1)	6.7	34.9	314.1
30-Sep-09	397.6	(13.7)	(2.6)	30.3	314.1
1-Oct-09	350.8	(2.0)	(0.4)	76.1	258.6
2-Oct-09	(391.3)	(57.1)	6.3	(6.3)	5.9
5-Oct-09	(316.5)	(38.6)	1.5	(11.9)	(50.0)
6-Oct-09	307.0	27.2	(194.3)	40.5	6.7
7-Oct-09	312.7	(40.7)	11.8	98.9	165.1
8-Oct-09	34.0	(86.5)	(0.8)	23.3	(78.2)
9-Oct-09	63.8	(23.2)	0.8	71.8	53.9
12-Oct-09	(50.0)	(30.7)	2.5	7.1	214.5
14-Oct-09	328.8	35.7	(2.1)	(119.1)	342.8
15-Oct-09	660.1	74.8	(1.0)	(24.2)	209.8
16-Oct-09	86.0	8.5	1.7	16.4	258.6
20-Oct-09	187.3	(32.6)	12.1	39.6	384.4
21-Oct-09	(103.6)	(65.4)	(4.9)	(33.0)	(84.3)
22-Oct-09	(401.6)	(55.5)	2.2	(10.5)	(63.4)
23-Oct-09	(105.7)	(24.1)	(0.8)	-	(10.5)
26-Oct-09	220.1	9.2	(2.8)	(26.8)	41.0
27-Oct-09	-	(6.6)	(3.2)	(22.4)	286.4
28-Oct-09	-	(18.1)	(5.3)	(25.2)	5.9
Total	2,122	(357)	(173)	159	2,575

Source: Bloomberg

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



Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Thinksoft Global	4	125	456	26-Oct-09	164	220	32	76
Euro Multivision	9	75	660	15-Oct-09	54	33	(29)	(56)
Pipavav Shipyard	85	58	4,956	09-Oct-09	57	54	(2)	(7)
Oil India Ltd	26	1,050	27,773	30-Sep-09	1,141	1,132	9	8
Globus Spirits	8	100	750	23-Sep-09	91	79	(9)	(21)
NHPC Ltd	1,677	36	60,385	01-Sep-09	37	31	2	(15)
Austral Coke & Projects Ltd	7	196	1,423	04-Sep-08	226	208	15	6
Resurgere Mines & Minerals	4	272	1,210	01-Sep-08	534	400	96	47
Nu Tek India Ltd	5	192	864	27-Aug-08	199	199	4	4
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	386	16	(14)
Rural electrification	156	105	16,393	11-Mar-08	121	198	15	88
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	217	(11)	(34)
Bang Overseas Ltd	4	207	725	20-Feb-08	172	51	(17)	(76)
Tulsi Extrusions Ltd	6	85	485	25-Feb-08	140	26	64	(69)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	116	(14)	(36)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	44	2	(67)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	171	(14)	42
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	33	17	(26)
Reliance Power Ltd	260	203	52,676	11-Feb-08	373	142	84	(30)
Future Capital Holding	6	765	4,913	31-Jan-08	908	236	19	(69)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	54	(8)	(64)
Porwal Auto Components	5	138	375	14-Jan-08	80	10	6	(87)
Aries Agro Limited	5	130	585	11-Jan-08	252	51	94	(61)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	50	5	(69)
BGR	9	480	4,385	03-Jan-08	901	463	88	(4)
Burnpur Cement	22	12	263	03-Jan-08	46	11	286	(8)
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	333	57	(28)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	118	(3)	(70)
Eclerx Services	3	315	1,010	31-Dec-07	448	386	42	23
Jyothy Lab	4	138	611	19-Dec-07	793	145	475	5
Kaushalya Infra	9	60	510	14-Dec-07	82	18	37	(69)
Empee Distilleries	5	400	1,920	26-Nov-07	318	130	(21)	(68)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	508	119	15
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	465	83	(44)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	43	10	(71)
Kolte Patil	19	145	2,755	13-Dec-07	181	47	25	(67)
Maytas Infra	9	370	3,275	25-Oct-07	614	156	66	(58)
Consolidated Construction	4	510	1,887	15-Oct-07	791	349	55	(32)
Religare Enterprises	76	185	1,402	21-Nov-07	521	365	182	97
Supreme Infrastructure	35	108	375	18-Oct-07	175	140	62	30
Dhanus Technologies	38	295	1,131	17-Oct-07	311	30	5	(90)
Koutons Retail	35	415	1,462	12-Oct-07	590	341	42	(18)
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	106	92	103
Magnum Ventures	176	30	529	20-Sep-07	49	9	62	(72)
Indowind Energy	125	65	813	14-Sep-07	115	39	76	(41)
Motilal Oswal Financial	30	165	492	11-Sep-07	977	151	492	(8)
Puravankara Projects	215	400	8,587	30-Aug-07	362	99	(10)	(75)
KPR Mill	59	225	1,330	28-Aug-07	174	78	(23)	(65)
TakeSolutions	21	73	153	27-Aug-07	926	31	1,168	(57)
Central Bank of India	800	102	8,160	21-Aug-07	115	130	13	28
SEL manufacturing	41	90	372	21-Aug-07	142	70	58	(22)
Reflex Refrigerants	38	65	247	20-Aug-07	62	26	(5)	(60)
Zylog Systems	36	350	1,260	17-Aug-07	431	337	23	(4)
IVR Prime	142	550	7,783	16-Aug-07	418	129	(24)	(77)

Source: Bloomberg, Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

Company Name	Issue
Reliance Infratel	IPO
Emaar Mgf Land	IPO
Sahara Prime City	IPO
Jsw Energy	IPO
Lodha Developers	IPO
Ambience	IPO
Db Realty	IPO
Db Corp	IPO
Hathway Cable & Datacom	IPO
I&Fs Transportation Networks	IPO
Godrej Properties	IPO
Glenmark Generics	IPO
Cox & Kings (India)	IPO
Dq Entertainment (International)	IPO
Kumar Urban Development	IPO
Great Eastern Energy Corp.	IPO
C.Mahendra Exports	IPO
Ashoka Buildcon	IPO
Jubilant Foodworks	IPO
Shree Ganesh Jewellery House	IPO
Bs Transcomm	IPO
Tara Health Foods	IPO
Vascon Engineers	IPO
Amr Constructions	IPO
Aqua Logistics	IPO
Goenka Diamond & Jewels	IPO
Pradip Overseas	IPO
Mandhana Industries	IPO
Mbl Infrastructures	IPO
Radiant Info Systems	IPO
Man Infraconstruction	IPO
Mayajaal Entertainment	IPO
Cantabil Retail India	IPO

Source: Primedatabase

BULK DEALS

Major bulk deals

Date	Compnay	Action	Quantity	Price	Value (Rs mn)	Exchange
22-Oct	Ksk Energy	SELL	5,370,846	200	1,076	BSE
29-Oct	Lupin Limited	SELL	874,564	1217	1,064	NSE
29-Oct	Suzlon Energy Limited	SELL	10,100,000	71	719	NSE
22-Oct	Ksk Energy	BUY	2,948,000	200	590	BSE
22-Oct	Ksk Energy	BUY	2,680,000	200	536	BSE
22-Oct	Bayer Crop	BUY	650,000	425	276	BSE
29-Oct	Ifci Ltd.	SELL	5,744,520	45	259	NSE
22-Oct	Shriram Epc Limited	BUY	954,173	223	213	NSE
22-Oct	Shriram Epc Limited	SELL	950,000	223	212	NSE
28-Oct	Bajaj Hindusthan Ltd	BUY	975,000	215	210	NSE
28-Oct	Bajaj Hindusthan Ltd	BUY	975,000	215	210	NSE
22-Oct	Bayer Crop	SELL	354,548	425	151	BSE
29-Oct	Dish Tv India Limited	SELL	4,192,706	34	145	NSE
22-Oct	Bayer Crop	SELL	300,000	425	128	BSE
29-Oct	Ispat Industries Limited	SELL	6,274,800	20	124	NSE
22-Oct	Mcleod Russel India Limit	SELL	600,000	205	123	NSE
22-Oct	Mcleod Rusel	SELL	582,222	206	120	BSE
29-Oct	Dish Tv India Limited	SELL	2,822,200	35	98	NSE
27-Oct	Marg Ltd	BUY	489,800	194	95	BSE
27-Oct	Pvp Ventures Limited	BUY	2,000,000	47	94	NSE
28-Oct	Sujana Tower Limited	SELL	1,213,943	57	70	NSE
26-Oct	Magma Fincorp Limited	BUY	323,785	155	50	NSE
26-Oct	Sundarammul	BUY	1,570,000	27	43	BSE
26-Oct	Magma Fincorp Limited	SELL	207,546	155	32	NSE
26-Oct	Magma Fincorp Limited	SELL	160,862	155	25	NSE
26-Oct	Magma Fincorp Limited	SELL	131,592	156	20	NSE
27-Oct	Sujanatower	SELL	305,000	59	18	BSE
27-Oct	Sujana Tower Limited	SELL	250,000	59	15	NSE
22-Oct	Emkay Glob F	SELL	162,714	71	12	BSE
26-Oct	Thinksoft Global Ser Ltd	SELL	75,000	135	10	NSE

Source: BSE, NSE

DELIVERY POSITIONS

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

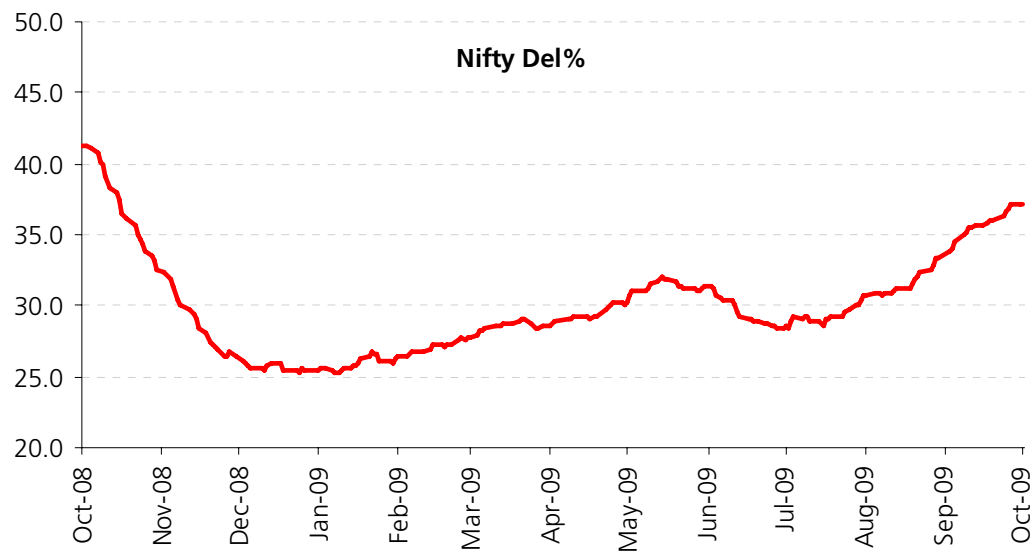
Name	Delivery %	
	Previous week	Current week
Jyothy Laboratories Ltd	19	71
Ultratech Cement Ltd	31	78
Ambuja Cements Limited	53	92
Corporation Bank	52	80
Ht Media Ltd	46	69
Phoenix Mills Limited	68	90
Acc Limited	30	48
Tata Consultancy Svs Ltd	42	60
Sun Tv Network Limited	22	39

Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Jubilant Organosys Ltd	64	17
Bharat Petroleum Corp Ltd	70	23
Colgate Palmolive (India)	96	58
Mahindra & Mahindra Fin Secs	60	31
Godrej Consumer Products Ltd	71	44
Hexaware Technologies Ltd	54	28
Hindustan Petroleum Corp	70	45
Puravankara Projects Ltd	36	15
Union Bank Of India	34	13

Source: Bloomberg, Kotak Institutional Equities

Nifty delivery percentage

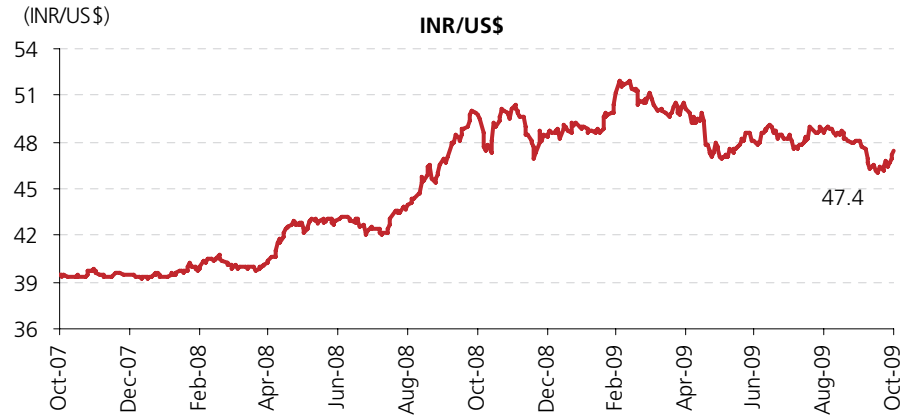
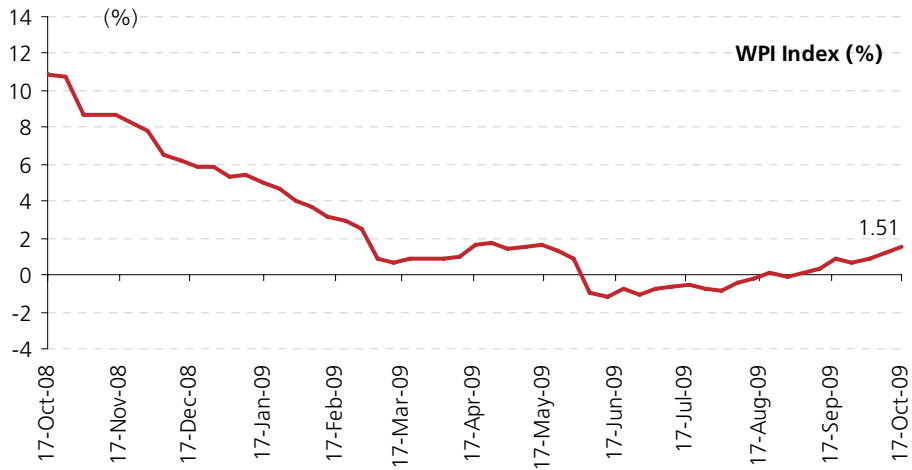
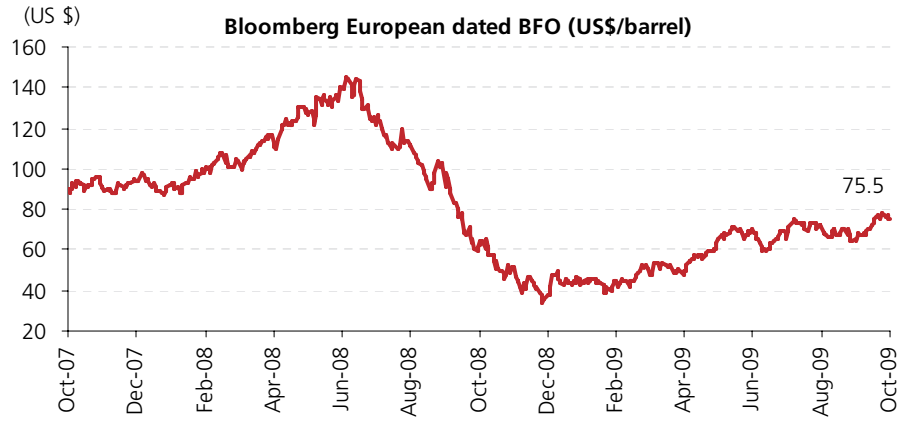
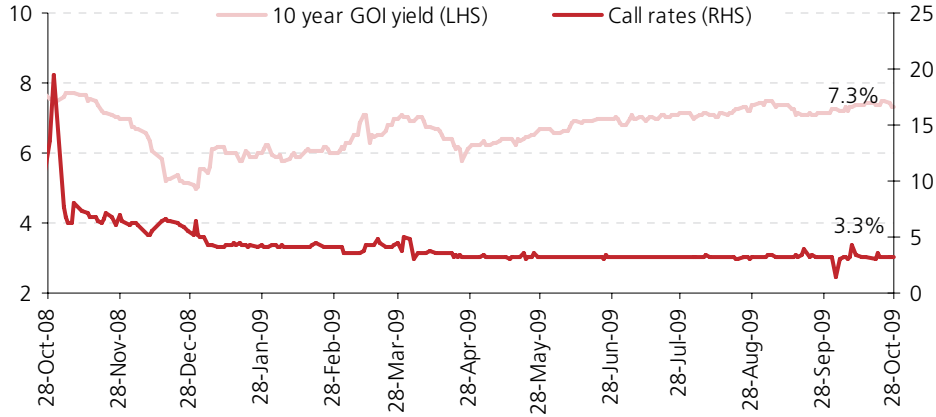


Source: Bloomberg, Kotak Institutional Equities

ECONOMIC INDICATORS

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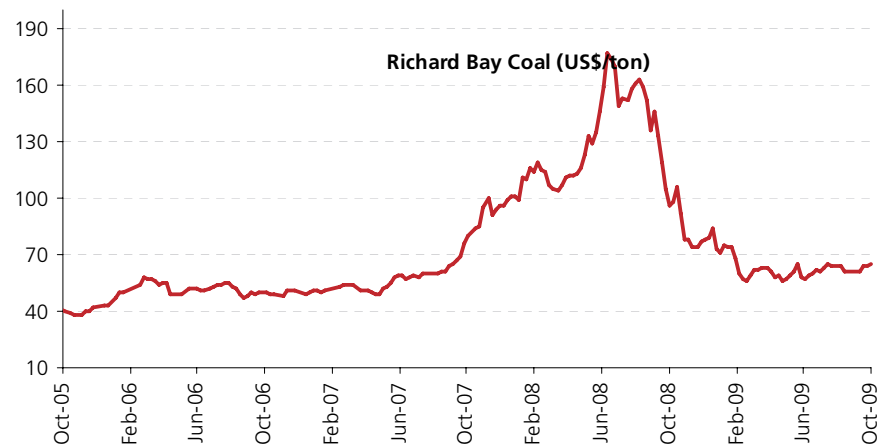
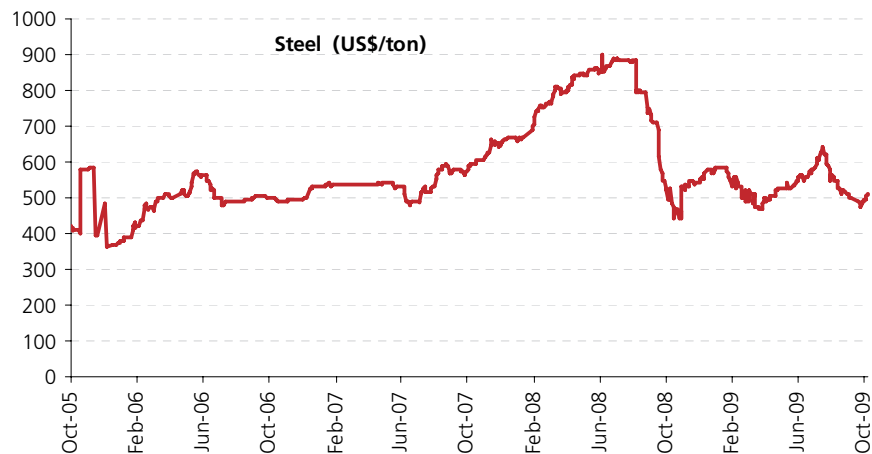
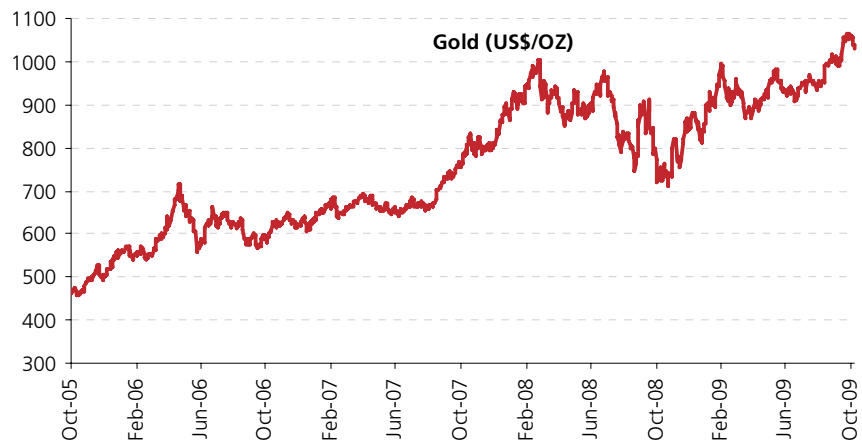
Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

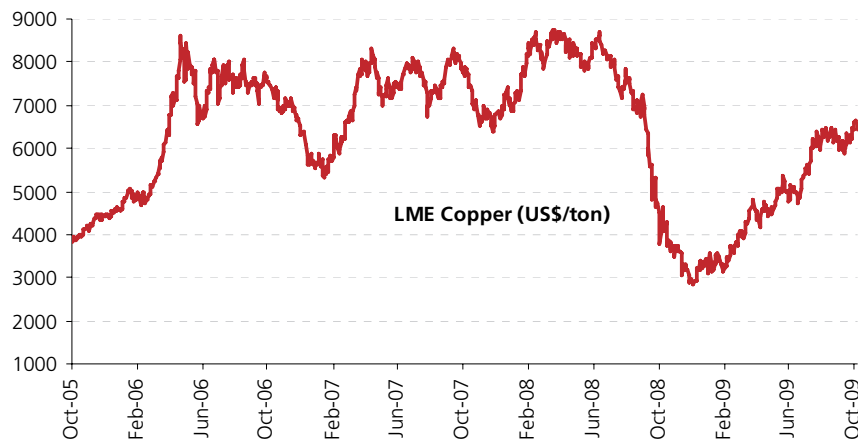
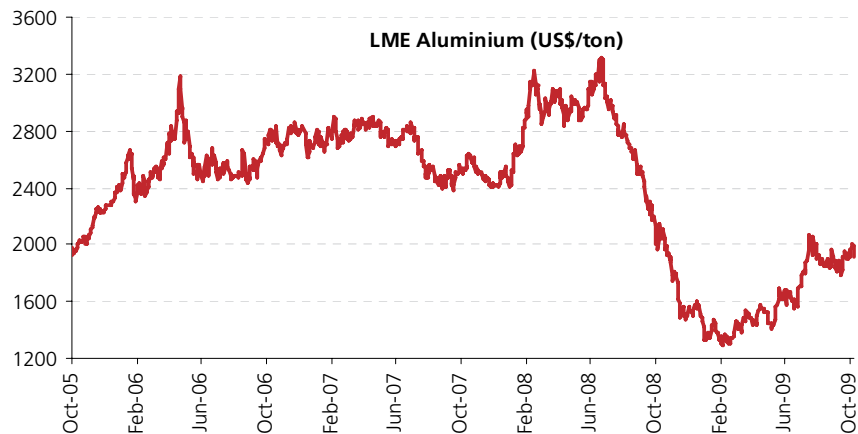
Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

KOTAK VALUATION SUMMARY

VALUATION SUMMARY

Kotak Institutional Equities Universe

Company	29-Oct-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	(Rs)	(%)	(US\$ mn)
Automobiles																													
Ashok Leyland	44	ADD	58,535	1,248	1,330	1.5	2.3	2.4	(57.8)	50.3	5.8	28.8	19.1	18.1	16.2	10.5	8.6	1.6	1.5	1.5	2.3	2.3	2.3	6.2	8.1	8.2	37	(15.9)	4.3
Bajaj Auto	1,398	ADD	202,275	4,314	145	45.2	97.4	112.3	(13.4)	115.2	15.3	30.9	14.4	12.5	16.5	8.8	7.8	10.8	6.9	4.9	1.4	1.4	1.4	37.7	58.5	45.4	1,575	12.7	8.3
Hero Honda	1,545	REDUCE	308,507	6,580	200	64.2	100.4	109.6	32.4	56.4	9.2	24.1	15.4	14.1	14.2	9.3	8.0	7.8	5.7	4.3	1.3	1.4	1.4	36.4	42.8	35.0	1,535	(0.6)	19.4
Mahindra & Mahindra	928	ADD	273,609	5,836	295	30.0	56.4	61.7	(19.8)	88.0	9.4	30.9	16.4	15.0	21.9	11.0	9.9	5.2	3.6	2.9	1.0	1.0	1.0	17.4	27.3	21.4	1,025	10.4	30.4
Maruti Suzuki	1,379	SELL	398,574	8,501	289	42.2	79.4	83.1	(29.6)	88.3	4.7	32.7	17.4	16.6	19.6	10.0	9.0	4.2	3.4	2.9	0.3	0.4	0.4	13.5	21.7	18.8	1,250	(9.4)	35.0
Tata Motors	555	SELL	317,191	6,765	571	6.0	25.6	29.4	(87.9)	323.0	14.8	91.8	21.7	18.9	23.6	12.1	10.7	2.4	1.9	1.7	1.0	1.0	1.0	9.1	14.2	11.4	465	(16.3)	83.9
Automobiles																													
Cautious																													
			1,558,691	33,245					(35.1)	104.2	10.3	34.8	17.1	15.5	18.9	10.4	9.2	4.2	3.2	2.7	1.0	1.0	1.0	12.0	18.9	17.5			
Banks/Financial Institutions																													
Andhra Bank	113	BUY	54,805	1,169	485	13.5	15.4	13.5	13.5	14.2	(12.1)	8.4	7.3	8.4	—	—	—	1.5	1.3	1.2	4.0	2.7	2.4	18.9	19.0	14.7	125	10.6	2.4
Axis Bank	908	ADD	344,913	7,357	380	50.6	61.8	71.6	56.9	22.2	15.9	17.9	14.7	12.7	—	—	—	3.4	2.2	1.9	1.0	1.3	1.6	19.1	18.0	16.9	980	8.0	59.1
Bank of Baroda	512	ADD	187,187	3,992	366	60.9	68.6	71.3	55.1	12.6	3.8	8.4	7.5	7.2	—	—	—	1.7	1.4	1.2	1.8	2.0	2.1	21.4	20.3	18.0	560	9.4	7.2
Bank of India	358	REDUCE	188,041	4,011	526	57.2	45.0	48.5	40.7	(21.3)	7.8	6.3	7.9	7.4	—	—	—	1.6	1.4	1.2	2.2	1.8	1.9	29.2	18.5	17.2	360	0.7	17.2
Canara Bank	338	ADD	138,457	2,953	410	50.5	57.2	60.3	32.4	13.2	5.4	6.7	5.9	5.6	—	—	—	1.4	1.2	1.0	2.4	2.4	3.0	18.3	17.8	16.4	410	21.4	6.1
Corporation Bank	417	BUY	59,864	1,277	143	62.3	58.0	61.8	21.5	(6.8)	6.5	6.7	7.2	6.8	—	—	—	1.2	1.1	1.0	3.0	2.8	3.0	19.6	16.0	15.1	500	19.8	0.9
Federal Bank	244	BUY	41,715	890	171	27.8	34.3	39.9	(19.2)	23.6	16.1	8.8	7.1	6.1	—	—	—	1.0	0.9	0.8	2.1	2.6	3.0	11.5	12.9	13.5	340	39.4	4.5
HDFC	2,671	ADD	759,794	16,205	284	80.2	99.6	117.1	(6.4)	24.1	17.6	33.3	26.8	22.8	—	—	—	5.8	5.3	4.6	1.1	1.3	1.5	18.2	20.0	20.8	2,575	(3.6)	49.8
HDFC Bank	1,613	REDUCE	729,261	15,554	452	52.8	65.2	85.0	17.6	23.5	30.5	30.6	24.8	19.0	—	—	—	4.8	3.4	3.0	0.6	0.8	1.0	16.9	16.2	16.8	1,600	(0.8)	31.0
ICICI Bank	772	REDUCE	859,181	18,325	1,113	33.8	37.9	49.2	(15.4)	12.3	29.8	22.9	20.4	15.7	—	—	—	1.7	1.6	1.5	1.4	1.6	2.1	7.8	8.3	10.2	850	10.1	125.3
IDFC	146	ADD	188,722	4,025	1,295	5.8	8.4	9.1	1.9	45.7	8.4	25.2	17.3	16.0	—	—	—	3.1	2.7	2.3	0.8	1.0	1.0	12.9	16.5	15.6	145	(0.5)	34.7
India Infoline	130	BUY	40,612	866	312	5.1	8.4	9.4	(8.7)	63.7	12.9	25.5	15.6	13.8	—	—	—	3.3	2.7	2.2	2.0	2.7	1.7	11.9	19.0	19.1	175	34.4	18.0
Indian Bank	159	BUY	68,333	1,457	430	28.0	32.5	34.1	24.1	16.4	4.9	5.7	4.9	4.7	—	—	—	1.2	1.0	0.9	3.1	3.5	3.7	22.9	22.3	19.8	225	41.5	3.6
Indian Overseas Bank	107	BUY	58,021	1,238	545	24.3	21.4	29.2	10.3	(11.1)	36.4	4.4	5.0	3.6	—	—	—	1.0	0.8	0.7	4.9	3.5	3.9	22.1	15.3	18.1	165	54.9	5.2
J&K Bank	575	ADD	27,868	594	48	84.5	94.6	105.9	13.8	11.9	12.0	6.8	6.1	5.4	—	—	—	1.2	1.1	1.0	2.9	3.3	3.7	16.7	16.4	16.2	650	13.1	1.2
LC Housing Finance	751	NR	63,836	1,362	85	62.5	68.8	80.3	37.3	10.0	16.8	12.0	10.9	9.4	—	—	—	2.7	2.2	1.8	1.8	2.0	2.4	26.2	23.9	23.4	—	—	23.6
Mahindra & Mahindra Financial	259	BUY	24,829	530	96	22.4	30.7	35.6	7.5	36.9	16.0	11.6	8.5	7.3	—	—	—	1.8	1.5	1.3	2.1	3.0	3.4	15.4	18.7	19.0	330	27.2	0.8
Oriental Bank of Commerce	242	REDUCE	60,706	1,295	251	36.1	39.9	39.8	51.4	10.5	(0.4)	6.7	6.1	6.1	—	—	—	1.0	0.9	0.8	3.0	3.3	3.3	13.7	12.9	11.8	280	15.6	5.7
PFC	222	SELL	254,977	5,438	1,148	13.3	18.7	20.9	17.4	40.2	11.9	16.7	11.9	10.6	—	—	—	2.3	2.0	1.8	1.8	2.1	2.4	18.9	17.5	17.3	200	(10.0)	3.9
Punjab National Bank	838	BUY	264,318	5,638	315	98.0	111.3	119.7	50.9	13.5	7.6	8.6	7.5	7.0	—	—	—	2.0	1.7	1.4	2.3	2.7	2.9	25.8	24.2	21.8	930	10.9	13.8
Reliance Capital	727	ADD	178,983	3,817	246	39.3	29.0	28.9	(5.6)	(26.2)	(0.5)	18.5	25.1	25.2	—	—	—	2.7	2.4	2.3	0.8	0.6	0.6	15.3	10.2	9.3	875	20.3	97.2
Rural Electrification Corp.	198	ADD	169,616	3,618	859	16.5	21.2	23.1	50.7	28.9	8.7	12.0	9.3	8.6	—	—	—	2.4	2.0	1.7	1.0	2.2	2.3	21.2	23.2	21.3	200	1.2	7.3
Shriram Transport	390	ADD	82,511	1,760	212	30.1	35.6	40.9	56.7	18.4	14.8	13.0	11.0	9.5	—	—	—	3.7	3.1	2.6	1.2	2.7	3.1	29.6	29.4	28.0	440	12.8	4.2
SREI	74	BUY	8,571	183	116	7.0	8.7	8.4	(24.7)	23.4	(3.6)	10.5	8.5	8.8	—	—	—	0.8	0.7	0.7	1.4	1.6	1.6	12.8	11.9	11.4	115	56.0	2.6
State Bank of India	2,196	BUY	1,394,356	29,740	635	143.7	148.7	172.2	34.8	3.5	15.8	15.3	14.8	12.8	—	—	—	2.4	2.1	1.9	1.3	1.4	1.5	17.1	15.3	15.7	2,200	0.2	121.9
Union Bank	260	BUY	131,305	2,801	505	34.2	35.0	37.8	24.5	2.5	7.8	7.6	7.4	6.9	—	—	—	1.9	1.5	1.3	1.9	2.0	2.1	27.2	22.7	20.5	310	19.3	5.4
Banks/Financial Institutions																													
Attractive																													
			6,380,784	136,094		26.9	11.0	14.3	14.7	13.2	11.6	—	—	—	2.4	2.0	1.8	1.4	1.6	1.8	1.6	1.8	1.6	15.3	15.5				
Cement																													
ACC	735	REDUCE	138,045	2,944	188	56.3	84.1	53.3	(12.2)	49.4	(36.7)	13.1	8.7	13.8	6.5	4.5	6.0	2.6	2.1	1.9	3.2	3.2	3.2	24.7	30.1	16.8	800	8.9	12.3
Ambuja Cements	88	REDUCE	134,350	2,866	1,522	7.2	8.1	6.2	(5.0)	12.2	(23.7)	12.3	10.9	14.3	6.6	6.1	7.2	2.2	1.9	1.8	3.4	2.1	2.4	19.7	19.4	13.2	85	(3.7)	10.0
Grasim Industries	2,131	REDUCE	195,359	4,167	92	238.6	284.8	270.7	(16.2)	19.4	(4.9)	8.9	7.5	7.9	5.4	4.1	4.0	1.7	1.4	1.2	1.6	1.6	1.6	21.1	20.6	16.7	2,325	9.1	13.6
India Cements	113	REDUCE	31,957	682	282	17.8	15.7	13.0	n/a	(11.4)	(17.6)	6.4	7.2	8.7	4.7	4.3	4.0	0.8	0.8	0.7	1.6	1.9	2.8	14.8	12.1	9.2	110	(2.8)	7.8
Shree Cement	1,577	BUY	54,943	1,172	35	174.7	209.9	195.6	93.7	20.1	(6.8)	9.0	7.5	8.1	6.1	4.3	4.0	4.6	2.8	2.1	0.7	0.7	0.7	65.7	46.0	29.4	2,000	26.8	1.2
UltraTech Cement	759	BUY	94,494	2,015	124	78.8	94.0	73.9	(3.1)	19.2	(21.3)	9.6	8.1	10.3	5.8	4.5	5.1	2.2	1.7	1.5	0.8	1.1	1.1	31.1	28.3	18.1	925	21.9	5.0</

VALUATION SUMMARY

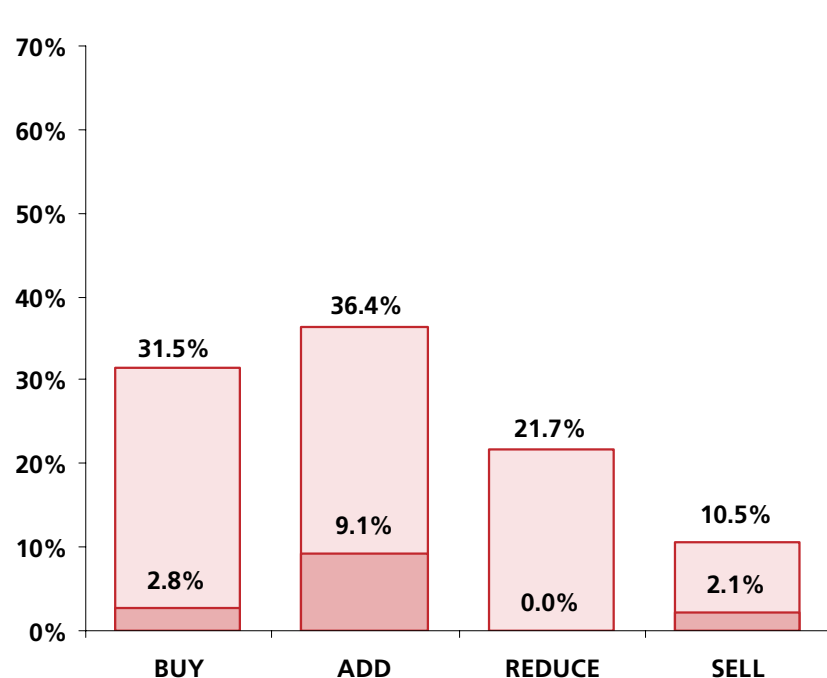
Kotak Institutional Equities Universe

Company	29-Oct-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	Upside	ADVT-3mo	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	(Rs)	(%)	(US\$ mn)	
	Energy		2,913,126		1,457	103.1	96.6	137.5	(1.8)	(6.3)	42.4	19.4	20.7	14.5	13.4	10.1	7.4	2.1	1.9	1.7	0.7	0.7	0.9	13.8	10.9	13.8	1,750	(12.5)	206.8	
Energy		Cautious	7,415,334	158,160					(10.6)	48.5	17.0	16.7	11.2	9.6	7.5	5.5	4.6	1.9	1.7	1.5	1.6	3.1	3.5	11.4	15.0	15.9				
Industrials																														
Infrastructure		Attractive	2,802,255	59,769					13.1	17.2	26.8	28.3	24.1	19.0	15.7	12.8	10.4	5.5	4.3	3.6	0.7	0.8	0.9	19.5	17.8	19.0				
Media																														
Metals		Neutral	339,006	7,231					(21.0)	161.6	41.7	80.0	30.6	21.6	24.7	15.2	11.5	5.4	4.4	3.9	0.8	1.2	1.6	6.7	14.3	18.2				
Pharmaceutical		Cautious	2,847,757	60,739					(1.3)	(17.1)	34.3	12.4	15.0	11.2	8.6	8.2	6.6	2.2	1.8	1.6	0.7	0.5	0.5	17.4	12.1	13.9				
Property		Neutral	1,119,576	23,879					(37.7)	(38.0)	30.1	15.1	24.3	18.7	14.3	17.8	13.8	2.5	1.9	1.8	0.5	0.6	0.9	16.4	7.9	9.4				

DISCLOSURES

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Percentage of companies covered by Kotak Institutional Equities, within the specified category.



Percentage of companies within each category for which Kotak Institutional Equities and or its affiliates has provided investment banking services within the previous 12 months.

* The above categories are defined as follows: Buy = We expect this stock to outperform the BSE Sensex by 10% over the next 12 months; Add = We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months; Reduce = We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months; Sell = We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months. These ratings are used illustratively to comply with applicable regulations. As of 30/9/2009 Kotak Institutional Equities Investment Research had investment ratings on 143 equity securities.

Source: Kotak Institutional Equities

As of September 30, 2009

Kotak Securities company-specific disclosures

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RATINGS AND OTHER DEFINITIONS/IDENTIFIERS

New rating system

Definitions of ratings

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

ADD: We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

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

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

Old rating system

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

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

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

Other definitions

Coverage view. The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: Attractive (A), Neutral (N), Cautious (C).

Other ratings/identifiers

NR = Not Rated. The investment rating and target price, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

CS = Coverage Suspended. Kotak Securities has suspended coverage of this company.

NC = Not Covered. Kotak Securities does not cover this company.

RS = Rating Suspended. Kotak Securities Research has suspended the investment rating and price target, if any, for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

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