

India Contenders beat Defenders by 5.1% in August



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Contenders outperformed Defenders by 5.1% in August

In August, the India Contenders (-12.9%) performed similarly to MSCI India index (-12.9%) but beat the India Defenders (-17.9%) by +5.1%. Since inception in September 2010, the Contenders have outperformed the Defenders in 9 of the 12 months and by +18.6%, but trailed the index (-8.2%).

Autos and Energy sector looks attractive

The implied sector allocation and the quadrant analysis favour Autos and Energy sector in India. Six of the seven Consumer Discretionary stocks are in the attractive top-right quadrant and is dominated by Autos. Likewise four of the five Energy stocks in the analysis look attractive in our model (page 11).

New India Contender: LIC Housing Finance

The new India Contender is LIC Housing Finance. The longest standing Contenders are Bajaj Auto and Bank of Baroda (both 13 months). The other Contenders are Coal India, Dish TV, HCL, Petronet, Satyam, TCS, and Titan.

New India Defender: Crompton Greaves

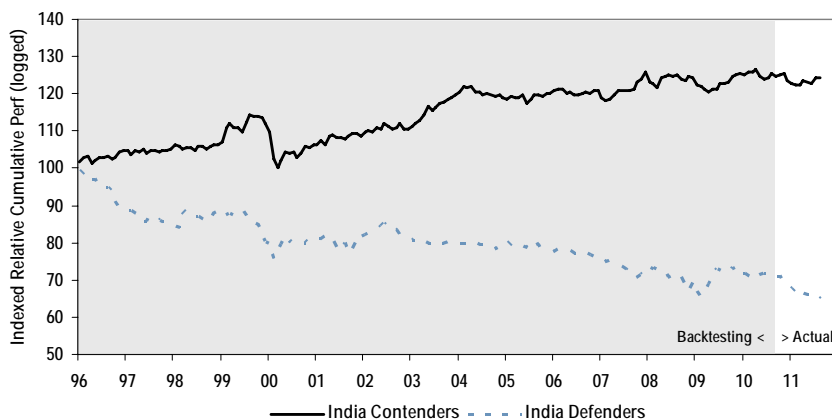
The new India Defender is Crompton Greaves. The longest standing Defender is DLF (13 months). The other India Defenders are Ashok Leyland, Housing Development & Infrastructure, IRB Infrastructure Developer, Lanco Infratech, Mphasis, Reliance Communications, Steel Authority of India, and Unitech.

Contenders & Defenders Definitions

The India Contenders is a screen of stocks with rising earnings expectations and price momentum.

The India Defenders is a screen of stocks with falling earnings momentum and price momentum.

Chart 1: Relative Cumulative Performance Ending 31-August-11: Contenders & Defenders



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES The shaded area shows backtesting results during the period from Jan-96 to Aug-10. The unshaded portion represents actual performance since Sep-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

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Refer to important disclosures on page 46 to 48. Link to Definitions on page 45.

India Contenders

The India Contenders are ten stocks with above-average earnings momentum and above-average price momentum.

Relegated India Contenders this month:
Sterlite Industries (India)

Company Name	Sector	BofA-ML Fundamental Opinion	Page
Bajaj Auto	Auto/Dur/Services	Underperform	(Pg 19)
Bank of Baroda	Banks	Neutral	(Pg 19)
Coal India	Energy	Neutral	(Pg 21)
Dish TV India	Media	-	(Pg 21)
HCL Technologies	Software	Buy	(Pg 23)
LIC Housing Finance*	Banks	Buy	(Pg 28)
Petronet LNG	Energy	Underperform	(Pg 30)
Satyam Computer	Software	Underperform	(Pg 33)
Tata Consultancy Services	Software	Buy	(Pg 35)
Titan Industries	Auto/Dur/Services	-	(Pg 36)

* New Contenders this month

India Defenders

The India Defenders are ten stocks with below-average earnings momentum and below-average price momentum.

Relegated India Defenders this month:
Oriental Bank of Commerce

Company Name	Sector	BofA-ML Fundamental Opinion	Page
Ashok Leyland	Industrials	Underperform	(Pg 18)
DLF	Div Financials	Buy	(Pg 22)
Housing Development & Infrastructure	Div Financials	Neutral	(Pg 24)
IRB Infrastructure Developer	Industrials	Buy	(Pg 26)
Lanco Infratech	Industrials	Buy	(Pg 28)
Mphasis	Software	Underperform	(Pg 29)
Reliance Communications	Telecom	Underperform	(Pg 32)
Steel Authority of India	Materials	Underperform	(Pg 34)
Crompton Greaves*	Industrials	-	(Pg 21)
Unitech	Div Financials	Neutral	(Pg 37)

* New Defenders this month

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Overview

We have drawn upon our analysis of earnings momentum and price momentum investment strategies in India to create the India Contenders which we expect to outperform the MSCI India Index and the India Defenders, which we expect to underperform the Index. We introduced the India Contenders and Defenders in September 2010.

India stocks with rising earnings expectations have tended to outperform, on average

Stocks with both earnings momentum and price momentum outperformed stocks with just one of those characteristics, on average.

In India, stocks with rising earnings forecasts have tended to subsequently outperform, according to our analysis.

Not all companies with rising earnings estimates outperform, so the challenge is to differentiate between stocks with rising earnings forecasts that will outperform, and stocks with rising earnings expectations that will underperform. By definition, stocks are being de-rated if earnings expectations are rising but the price is falling. That is, the “E” in the PE ratio is going up while the “P” is going down.

To identify stocks with rising earnings expectations that are not being de-rated, we consider stocks that have both above-average earnings momentum and above-average price momentum. Our analysis indicated that stocks with above-average earnings momentum tended to outperform, stocks with above-average price momentum tended to outperform, but stocks with both characteristics tended to perform even better.

The India Contenders are the ten stocks with strong earnings momentum and price momentum that meet the minimum market cap, turnover and coverage requirements of our model (as discussed in the Methodology section). The India Defenders are the ten stocks with falling earnings and falling price momentum with the same market cap, turnover and coverage constraints as the India Contenders.

We intend to publish the India Contenders and Defenders on a monthly basis.

The India Contenders and Defenders screens are not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

Girish Nair
1 September 2011

Note: Share prices in this report are as at 31 August 2011 unless otherwise stated.

Screen Methodology

The universe of large and liquid stocks included in this analysis is selected from the constituents of the MSCI India index that meet our market cap, turnover and coverage requirements (see below). The universe is recalculated every 6 months in line with the six-month rebalancing of the MSCI India Index.

For a stock to be included in the analysis it must be in the largest 85% of stocks from the MSCI India Index by market capitalisation, the largest 65% by average daily turnover in the last 6 months, and it must have a consensus earnings estimate. The universe of stocks in the model for the latest analysis period included 89% of MSCI India Index by free market capitalisation.

The India Contenders and Defenders are determined at the end of each month using month-end data from MSCI, IBES and Ex-share databases. Stocks in the firm's restricted list at the time of the month-end analysis are excluded from the analysis.

Our monthly analysis produces rankings for each eligible security for earnings momentum and price momentum.

An Earnings Revision Rank from 1 (worst) to 100 (best), a percentile rank, is calculated for each stock based on the 3-month change in a rolling forward consensus EPS estimate.

A Price Momentum Rank from 1 (worst) to 100 (best) is also calculated based on the slope of a log-linear regression of daily prices in last 9m.

The Contenders Rank is the average of the Price Momentum Rank and the Earnings Revision Rank.

At inception in September 2010, the India Contenders were the ten stocks with the highest Contenders Rank. In each subsequent month, a stock will drop out of the India Contenders only when either the Earnings Revision Rank falls below average (rank of 50) or the Price Momentum Rank falls below average (rank of 50). When a stock falls out of the Contenders it is replaced by the stock with the highest Contenders Rank that is not already a Contender.

At inception, the India Defenders were the ten stocks with the lowest Contenders Rank. In each subsequent month, a stock will drop out of the India Defenders only when either the Earnings Revision Rank moves above average (rank of 50) or the Price Momentum Rank moves above average (rank of 50). When a stock falls out of the Defenders it is replaced by the stock with the lowest Contenders Rank that is not already a Defender.

The average monthly turnover rate was 22% for the India Contenders and 20% for the India Defenders based on the testing from Jan 1996 to August 2010. In other words, the testing indicates roughly two stocks in the Contenders and two stocks in the Defenders would be expected to change each month, on average.

We publish a report with the new Contenders & Defenders each month.

The India Contenders are stocks that have both high earnings momentum and high price momentum.

The India Defenders are the stocks that have both below-average earnings momentum and below-average price momentum.

Performance Calculation Methodology

For the Contenders and Defenders, rebalancing and performance calculations are conducted each month-end using data and closing prices corresponding to the market's close on the last business day of each month. The performance of each index is computed on the basis of price return. The performance is presented relative to the market capitalization-weighted MSCI India Index.

The performance results do not reflect transaction costs, tax withholdings or any investment advisory fees. The total return performance calculation assumes that dividends paid on securities in a portfolio are deposited in a cash account on the ex-dividend date, and are not reinvested. The quantitative factors followed here may differ from the MSCI India Index in that they are significantly less diversified, and, as such, the performance is more exposed to specific stock or sector results. Therefore investors following these factors may experience greater volatility in their returns.

The performance results of individuals following the factors presented here will differ from the performance contained in this report for a variety of reasons, including differences related to incurring transaction costs and/or investment advisory fees, as well as differences in the time and price that securities were acquired and disposed of, and differences in the weighting of such securities. The performance results of individuals following these factors will also differ based on differences in treatment of dividends received, including the amount received and whether and when such dividends were reinvested.

This report includes factors for informational or descriptive purposes, and inclusion here is not equivalent to a recommendation of the factor or portfolio.

Past performance is no guarantee of future results.

A complete performance record is available upon request.

Table 1: India Contenders & Defenders Performance Ending 31-August-11

	Last Month	Last 3-Months	Last 6-Months	Last 12-Months	Year-To-Date	Since Inception Sep-10
India Contenders	-12.9%	-9.9%	-0.9%	-12.8%	-19.8%	-12.8%
India Defenders	-17.9%	-18.9%	-14.7%	-31.4%	-35.5%	-31.4%
MSCI India	-12.5%	-13.5%	-9.2%	-8.2%	-22.5%	-8.2%

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

No transaction costs are included in the return figures. The performance figures are updated on a monthly basis.

Past performance is no guarantee of future results. A complete performance record is available on request.

Table 2: India Contenders and Defenders Advance Decline Ending 31-August-11

	India Contenders		India Defenders	
	Advance	Decline	Advance	Decline
Last Month	1	9	0	10
Last 3-Months	3	9	2	11
Last 6-Months	6	9	4	12
Last 12-Months	5	19	2	21
Year-To-Date	5	14	2	16
Since Inception Sep-10	5	19	2	21

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

01 September 2011

Table 3: India Contenders & Defenders Monthly Performance Last 12 months

	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
India Contenders	13.3%	3.8%	-6.5%	-1.2%	-15.0%	-4.7%	11.6%	3.6%	-4.9%	-0.3%	3.7%	-12.9%
India Defenders	16.0%	1.8%	-14.5%	5.2%	-17.5%	-8.4%	16.5%	-4.5%	-5.5%	-0.7%	-0.4%	-17.9%
MSCI India	16.2%	1.5%	-6.6%	7.6%	-13.1%	-1.8%	11.1%	-1.1%	-4.4%	1.4%	-2.5%	-12.5%

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES, Exshare

Table 4: Contenders & Defenders Monthly Performance Advance Decline Last 12 months

	India Contenders		India Defenders	
	Advance	Decline	Advance	Decline
Aug-11	1	9	0	10
Jul-11	4	6	3	7
Jun-11	4	6	3	7
May-11	9	1	2	8
Apr-11	5	5	7	3
Mar-11	3	7	1	9
Feb-11	4	6	2	8
Jan-11	2	8	5	5
Dec-10	5	5	0	10
Nov-10	6	4	5	5
Oct-10	3	7	6	4
Sep-10	7	3	4	6

Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES, Exshare

Quadrant Analysis

The Quadrant analysis is based on the Ranks described in the Methodology section.

Chart 2: Combination of Earnings Momentum and Price Momentum Characteristics

Not all stocks with rising earnings expectations outperform. Our backtesting showed that stocks with rising earnings expectations, and for which the market is prepared to pay for those rising earnings expectations, tended to subsequently be the best performers (chart 2)

Pos. EPS Mom >>> <<< Neg. EPS Mom	De-rated (Earnings rising and price falling)	Expected to Outperform (Rising earnings estimates are being reflected in the price)
	Expected to Underperform (Falling earnings estimates and falling price)	Re-rated (Price rising but EPS falling)
	<<< Negative Price Momentum	Positive Price Momentum >>>

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy

Jan 1996 – Aug 2010

Table 5: Probability of a Stock Moving Quadrants*

Our backtesting showed that stocks in the top-right quadrant had a 75% chance of being there again in the subsequent month, a 6% chance of moving to the top-left quadrant, 12% chance of moving to the bottom-right quadrant, and a 2% chance of moving to the bottom-left quadrant

<p>Top-Left Quadrant</p> <table border="1"> <tr> <td>59%</td> <td>10%</td> </tr> <tr> <td>22%</td> <td>2%</td> </tr> </table>	59%	10%	22%	2%	<p>Top-Right Quadrant</p> <table border="1"> <tr> <td>6%</td> <td>75%</td> </tr> <tr> <td>2%</td> <td>12%</td> </tr> </table>	6%	75%	2%	12%
59%	10%								
22%	2%								
6%	75%								
2%	12%								
<p>Bottom-Left Quadrant</p> <table border="1"> <tr> <td>11%</td> <td>2%</td> </tr> <tr> <td>76%</td> <td>5%</td> </tr> </table>	11%	2%	76%	5%	<p>Bottom-Right Quadrant</p> <table border="1"> <tr> <td>2%</td> <td>23%</td> </tr> <tr> <td>10%</td> <td>58%</td> </tr> </table>	2%	23%	10%	58%
11%	2%								
76%	5%								
2%	23%								
10%	58%								

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy
* Backtesting results

Jan 1996 – Aug 2010

The above chart shows our calculations of the probability a stock will remain in the same quadrant, or move quadrants, in the subsequent month.

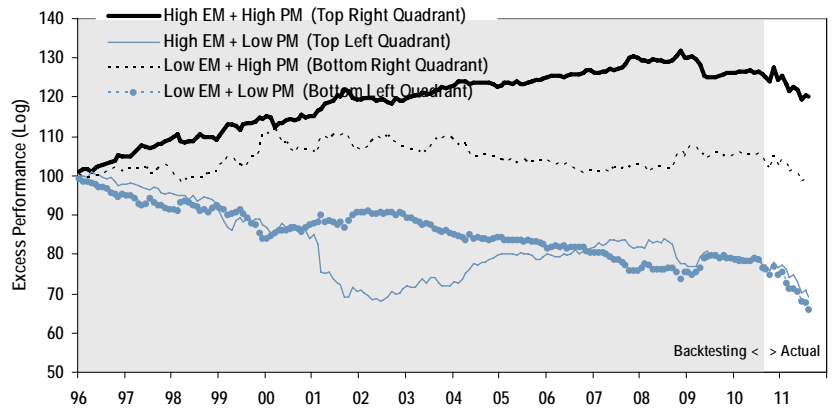
There appears to be significant quadrant persistence, especially for the top-right and bottom-left quadrants. In other words, stocks in the top-right and bottom-left quadrants have a high probability of remaining in those quadrants in the following month.

Stocks in the top-right quadrant with rising earnings forecasts and positive price momentum have tended to subsequently be the best performers. For these stocks, the fundamentals are improving and the PE is not being de-rated.

Stocks in the bottom-left quadrant have tended to be the worst performers since falling earnings expectations are being reflected in the stock's share price.

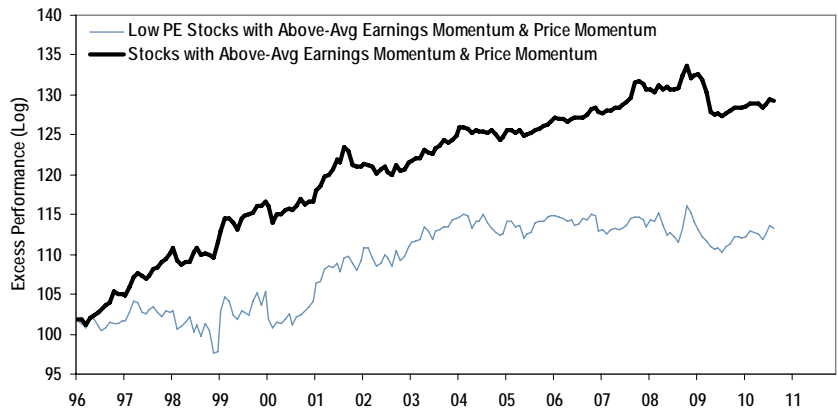
Backtesting showed that Low PE with above-average earnings momentum and above-average price momentum do not add alpha over time and underperformed the stocks selected with just the two characteristics.

Chart 3: Earnings Momentum and Price Momentum Quadrant Performance



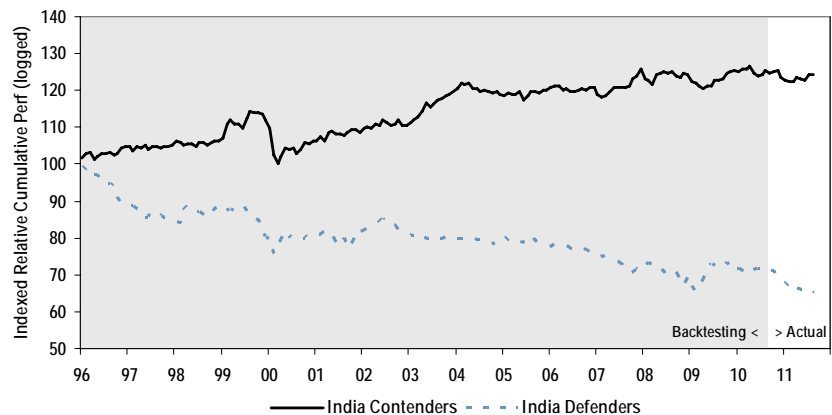
Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. The shaded area shows backtesting results during the period from Jan-96 to Aug-10. The unshaded portion represent actual performance since Sep-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

Chart 4: Back-testing of Low PE Stocks in Top-Right Quadrant



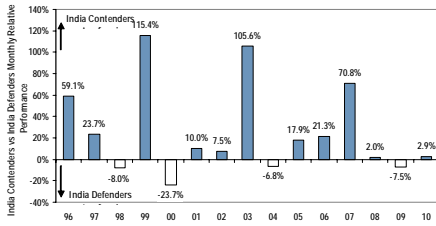
Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. Backtesting during the period from Jan-96 to Aug-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

Chart 5: Relative Cumulative Performance Ending 31-August-11: Contenders & Defenders



Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES. The shaded area shows backtesting results during the period from Jan-96 to Aug-10. The unshaded portion represent actual performance since Sep-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

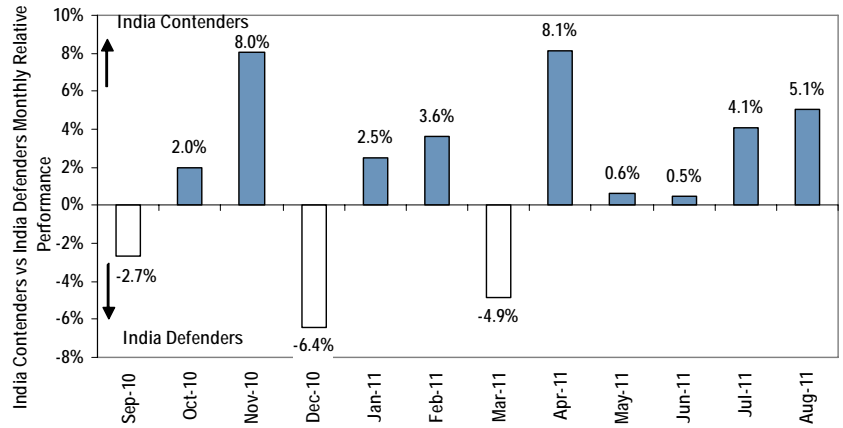
Chart 7: Back-testing Calendar Year Performance for India Contenders & Defenders



Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES
Backtesting for the period from Jan-96 to Aug-10. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction, and is not intended to be indicative of future performance.

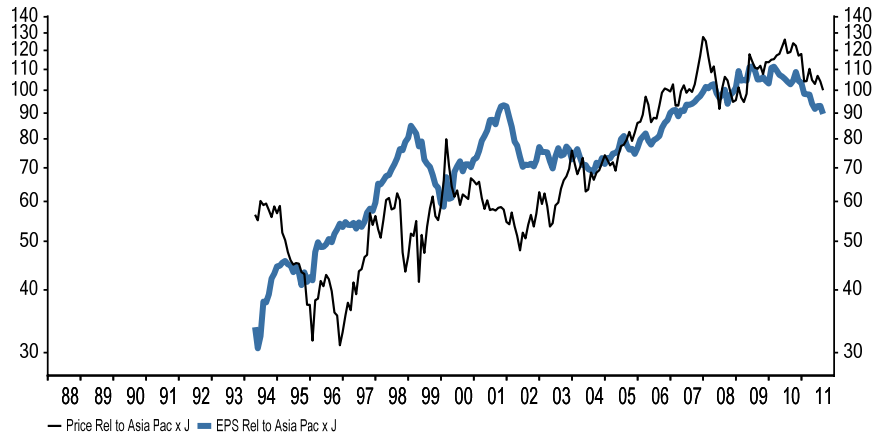
Earnings and Price momentum for India has trended down in recent months and India is trading at a premium to its counterparts in Asia Pac ex Japan region.

Chart 6: Last 12m: Monthly Performance of India Contenders and Defenders



Source: Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 8: Momentum & Value chart of India vs Asia Pac ex Japan

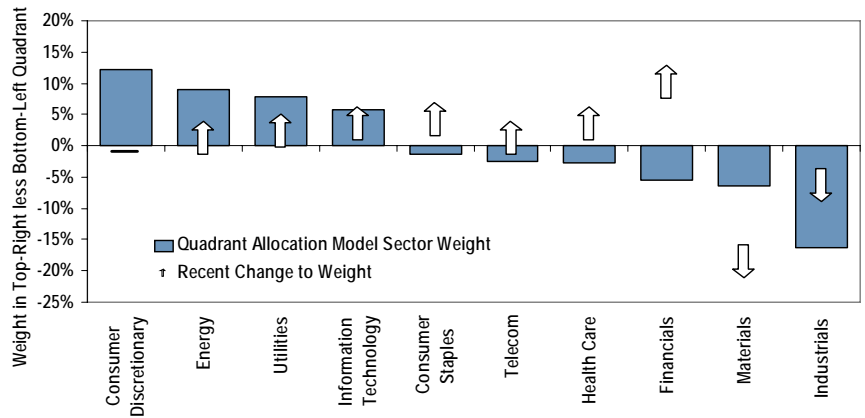


Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

The implied sector allocation of the stocks included in the model shows sector trends for momentum and growth based factors.

In September, at the sector level, the model is most overweight Cons. Discretionary, Energy and Utilities, and most underweight Industrials, Materials and Financials.

Chart 9: Quadrant Analysis – Implied Sector Allocation

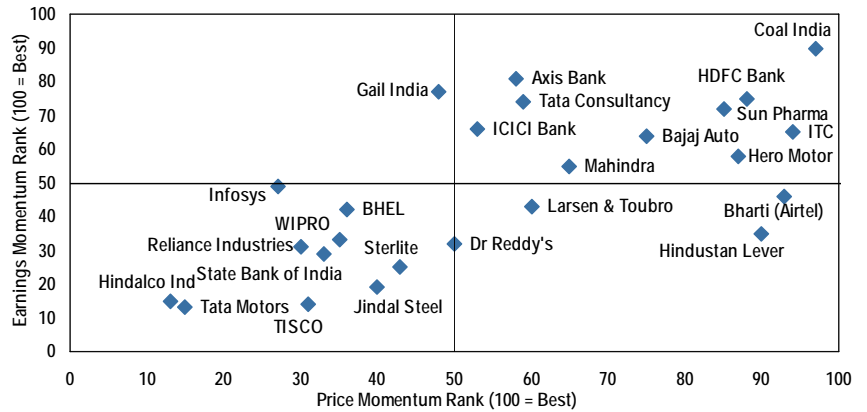


Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

The current earnings momentum and price momentum characteristics of the largest 25 stocks by free market cap in the India universe are combined in this quadrant analysis.

We expect stocks in the top-right quadrant to outperform, while stocks in the bottom-left quadrant we expect to underperform.

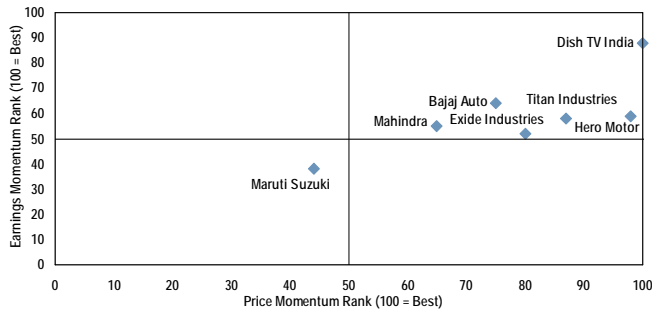
Chart 10: Quadrant Analysis of Largest 25 Indian Stocks



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

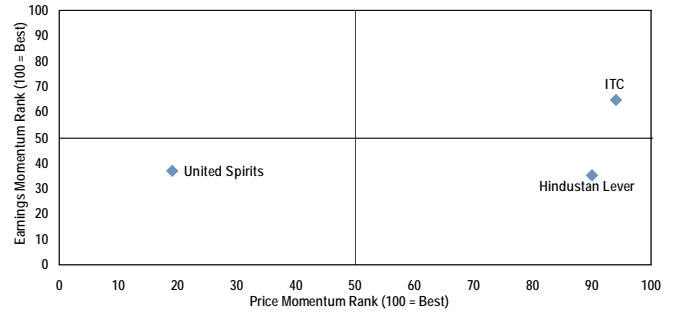
Quadrant Analysis by Sector

Chart 11: Quadrant Analysis of Consumer Discretionary



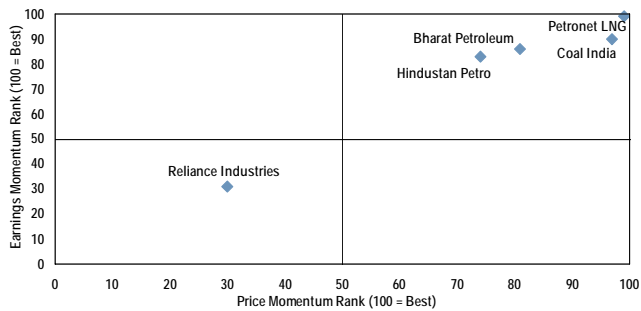
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 12: Quadrant Analysis of Consumer Staples



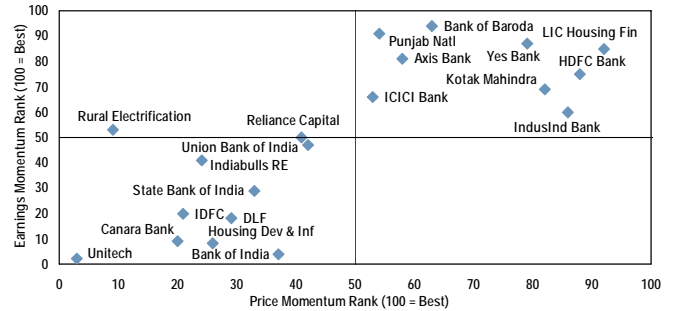
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 13: Quadrant Analysis of Energy



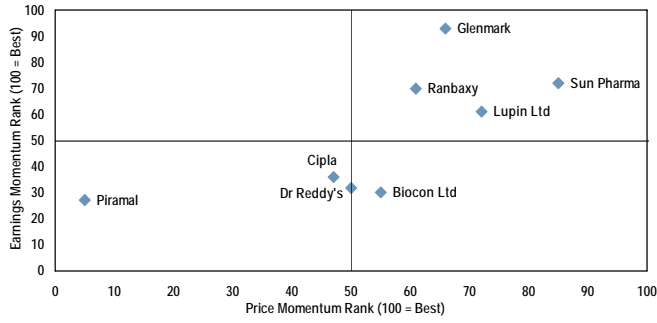
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 14: Quadrant Analysis of Financials



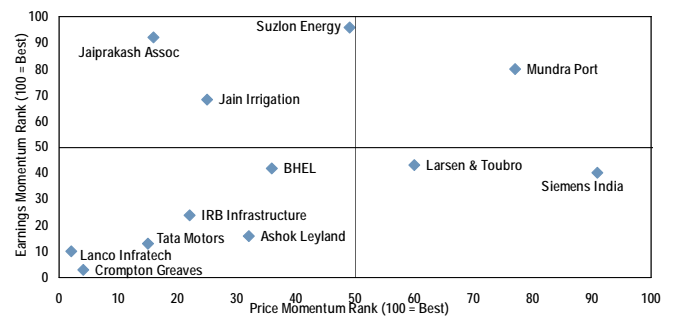
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 15: Quadrant Analysis of Health Care



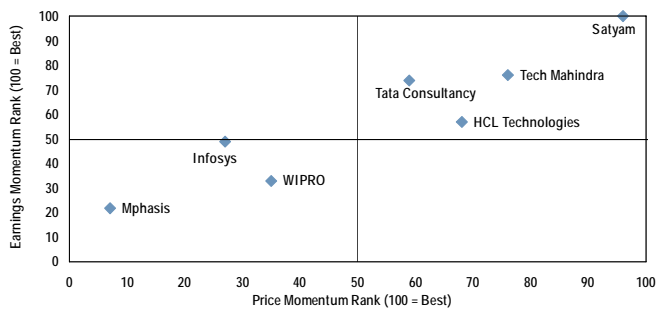
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 16: Quadrant Analysis of Industrials



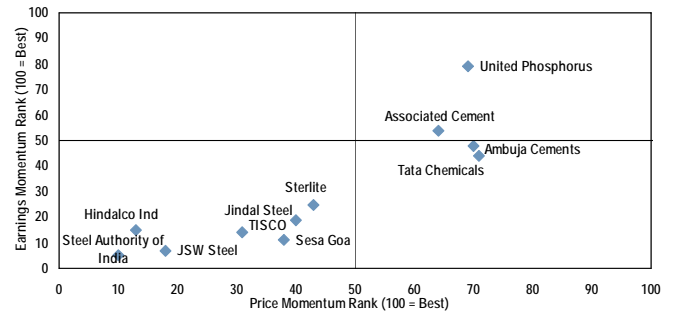
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 17: Quadrant Analysis of Information Technology



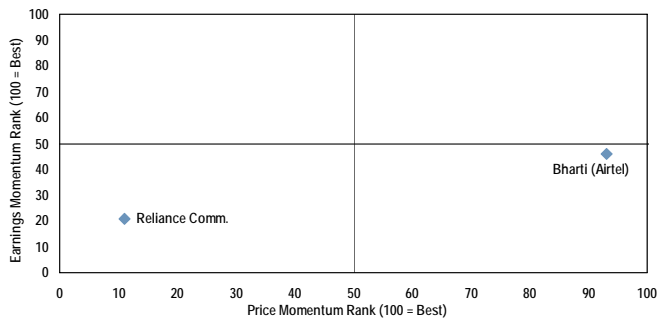
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 18: Quadrant Analysis of Materials



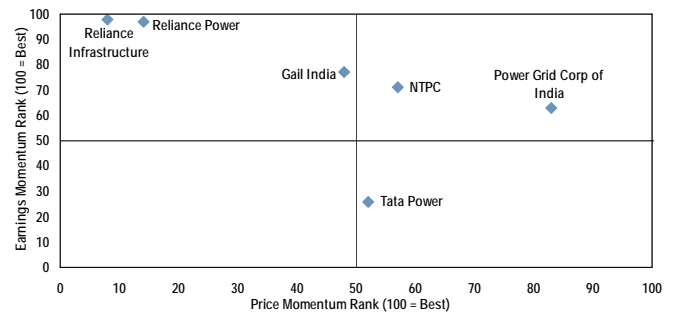
Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 19: Quadrant Analysis of Telecom



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

Chart 20: Quadrant Analysis of Utilities



Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy, MSCI, IBES

India Contenders Rank

The Contenders Rank is the average of the EPS Revision Rank and the Price Momentum Rank for each stock.

The BofA Merrill Lynch Fundamental analysts' stock and ADR recommendations are included for informational purposes only and are not used in this Quantitative model.

Rank	Company	Bloomberg	Price †	BofA ML Opinion †	ADR Sedol	ADR Opinion *	Page
100	Petronet LNG	PLNG IN	174.35	Underperform			Pg (30)
99	Satyam	SCS IN	66.90	Underperform	275674	Underperform	Pg (33)
98	Dish TV India	DITV IN			B4V1DQ		Pg (21)
96	Coal India	COAL IN	375.60	Neutral			Pg (21)
95	LIC Housing Fin	LICHF IN	211.65	Buy	B02SG5		Pg (28)
94	Bharat Petroleum	BPCL IN	674.60	Neutral			Pg (20)
93	Yes Bank	YES IN	277.55	Buy			Pg (38)
91	HDFC Bank	HDFCB IN	471.95	Buy			Pg (23)
90	Mundra Port	MSEZ IN	152.10	Neutral			Pg (29)
89	Hindustan Petro	HPCL IN	373.45	Buy			Pg (24)
88	Sun Pharma	SUNP IN	491.60	Buy			Pg (34)
86	Tech Mahindra	TECHM IN	648.80	Neutral			Pg (36)
85	Kotak Mahindra	KMB IN			B0X2QY		Pg (27)
84	United Phosphorus	UNTP IN					Pg (37)
83	Glenmark	GNP IN	326.10	Buy			Pg (23)
81	ITC	ITC IN	200.00	Buy	245401		Pg (26)
80	Bank of Baroda	BOB IN	736.30	Neutral			Pg (19)
79	Titan Industries	TTAN IN					Pg (36)
78	IndusInd Bank	IIB IN			B1VVKK		Pg (25)
77	Power Grid Corp of India	PWGR IN					Pg (31)
75	Hero Motor	HMCL IN	2052	Buy			Pg (23)
74	Punjab Natl	PNB IN	929.55	Buy			Pg (31)
73	Axis Bank	AXSB IN	1073	Neutral	B06CDW	Neutral	Pg (18)
72	Bajaj Auto	BJAUT IN	1574	Underperform	B3CXF6		Pg (19)
70	Lupin Ltd	LPC IN	448.75	Buy			Pg (28)
69	Tata Consultancy	TCS IN	1042	Buy			Pg (35)
68	Exide Industries	EXID IN	149.55	Buy			Pg (22)
67	Ranbaxy	RBXY IN	472.40	Neutral	273361		Pg (31)
65	NTPC	NTPC IN	169.30	Underperform			Pg (30)
64	HCL Technologies	HCLT IN	410.95	Buy			Pg (23)
63	Mahindra	MM IN	738.15	Neutral	257642		Pg (29)
62	ICICI Bank	ICICIB IN	873.25	Buy	256928	Buy	Pg (25)
60	Associated Cement	ACC IN	1003	Underperform			Pg (18)
59	Suzlon Energy	SUEL IN	36.85	Buy	B3LW34		Pg (35)
58	Oriental Bank	OBC IN	311.15	Buy			Pg (30)
57	Gail India	GAIL IN	410.60	Underperform	249851		Pg (22)
56	Reliance Power	RPWR IN					Pg (32)
54	Jaiprakash Assoc	JPA IN	61.35	Buy			Pg (27)
53	Reliance Infrastructure	RELI IN	436.35	Buy	212648		Pg (32)
52	Jain Irrigation	JI IN	172.20	Neutral	443360		Pg (26)
51	Rural Electrification	RECL IN	174.35	Buy			Pg (33)

† Price and BofA Merrill Lynch Fundamental Analyst Recommendations as at 31st August 2011

* BofA Merrill Lynch Recommendation for the associated ADR as at 31st August 2011

Note: ADR indentifiers are included for the investors who are unable to hold the common stock.

India Contenders Rank (Continued)

Rank	Company	Bloomberg	BofA ML		ADR		Page
			Price †	Opinion †	ADR Sedol	Opinion *	
49	Bharti (Airtel)	BHARTI IN	404.65	Neutral			Pg (20)
48	Siemens India	SIEM IN					Pg (33)
47	Hindustan Lever	HUVR IN					Pg (24)
46	Ambuja Cements	ACEM IN	133.05	Underperform	239748		Pg (18)
44	Tata Chemicals	TTCH IN	334.75	Underperform			Pg (35)
43	Larsen & Toubro	LT IN	1609	Buy	250603		Pg (28)
42	Biocon Ltd	BIOS IN	330.95	Neutral			Pg (20)
41	Tata Power	TPWR IN	1045	Neutral	286971		Pg (36)
40	Reliance Capital	RCAPT IN	384.20	Buy			Pg (31)
38	Union Bank of India	UNBK IN	242.55	Underperform			Pg (37)
37	Cipla	CIPLA IN			B125X2		Pg (21)
36	Dr Reddy's	DRRD IN	1496	Buy	274888	Buy	Pg (22)
35	Maruti Suzuki	MSIL IN	1092	Buy			Pg (29)
33	BHEL	BHEL IN	1768	Buy			Pg (19)
32	Infosys	INFO IN	2343	Buy	239882	Buy	Pg (25)
31	Sterilite	STLT IN	128.65	Buy	B1YX3G	Buy	Pg (34)
30	WIPRO	WPRO IN	335.25	Neutral	264612	Neutral	Pg (38)
28	Indiabulls RE	IBREL IN	84.45	Buy	B1ZBG4		Pg (25)
27	Jindal Steel	JSP IN	520.90	Underperform			Pg (27)
26	United Spirits	UNSP IN			B11Y7X		Pg (37)
25	Sesa Goa	SESA IN	234.05	Underperform			Pg (33)
23	Bank of India	BOI IN	309.10	Underperform			Pg (19)
22	State Bank of India	SBIN IN	1974	Buy	B04R29		Pg (34)
21	Reliance Industries	RIL IN	782.60	Buy	B01DPW		Pg (32)
20	Ashok Leyland	AL IN	24.85	Underperform	204914		Pg (18)
19	DLF	DLFU IN	196.75	Buy			Pg (22)
17	IRB Infrastructure	IRB IN	146.75	Buy			Pg (26)
16	TISCO	TATA IN	468.55	Underperform	B3PPWV		Pg (35)
15	IDFC	IDFC IN	113.95	Underperform			Pg (26)
14	Housing Dev & Inf	HDIL IN	102.15	Neutral			Pg (24)
12	Piramal	PIHC IN	361.75	Underperform			Pg (30)
11	Reliance Comm.	RCOM IN	79.55	Underperform	B14TDK		Pg (32)
10	Canara Bank	CBK IN	426.85	Underperform			Pg (20)
9	Mphasis	MPHL IN	353.90	Underperform			Pg (29)
8	Hindalco Ind	HNDL IN	150.60	Neutral	244576		Pg (24)
6	Tata Motors	TTMT IN	742.30	Buy	288269		Pg (36)
5	JSW Steel	JSTL IN	678.20	Underperform			Pg (27)
4	Steel Authority of India	SAIL IN	107.90	Underperform	284368		Pg (34)
3	Lanco Infratech	LANCI IN	17.05	Buy			Pg (28)
2	Crompton Greaves	CRG IN			509031		Pg (21)
1	Unitech	UT IN	27.60	Neutral			Pg (37)

† Price and BofA Merrill Lynch Fundamental Analyst Recommendations as at 31st August 2011

* BofA Merrill Lynch Recommendation for the associated ADR as at 31st August 2011

Note: ADR indentifies are included for the investors who are unable to hold the common stock.

How To Read The Charts

Backtesting indicates that the Indian Market seems reasonably efficient in that stock prices generally reflect the consensus opinion. Stock prices tend to change when earnings expectations change. This report consists of charts which show graphically how changes to consensus forecasts relate to stock performance. As well as earnings momentum, the charts indicate value in terms of PE relatives (although the model does not use PE in determining attractiveness in India).

Prospective EPS Relative (earnings line)

The blue Prospective EPS line indicates the direction and magnitude of earnings revisions relative to the MSCI India Index. Revisions to earnings over the last 3 months are ranked from 1 to 100 (1 = biggest downgrade, 100 = biggest upgrade) and this EPS Revision Rank is noted next to each chart.

Price Relative (price line)

The Price Relative (the solid black line) indicates how the stock has performed relative to the MSCI India Index and is based to 100 at the latest point on the chart.

The relationship between the Price Relative and the Prospective EPS Relative indicates a stock's PE relative to the MSCI India Index. If the Price Relative is above the EPS Relative, the stock is on an above-market PE, while a price line below the earnings line indicates a below-market PE. More specifically, dividing the value of the price line by that of the earnings line results in the PE relative. For example, if the price line is at 100 and the earnings line is at 80, the PE relative is 1.25 (100/80). This enables the reader to see the historical prospective PE of the stock relative to the India market over time.

The Best Chart

- Prospective EPS Relative is rising (EPS Revision Rank is near 100).
- Price Relative is rising (Price Momentum Rank is near 100).
- A stock with both these characteristics will have a Contenders Rank near 100.

The Worst Possible Chart

- Prospective EPS Relative is falling (EPS Revision Rank is near 1).
- Price Relative is falling (Price Momentum Rank is near 1).
- A stock with both these characteristics will have a Contenders Rank near 1.

A Contender Example LIC HOUSING FINANCE

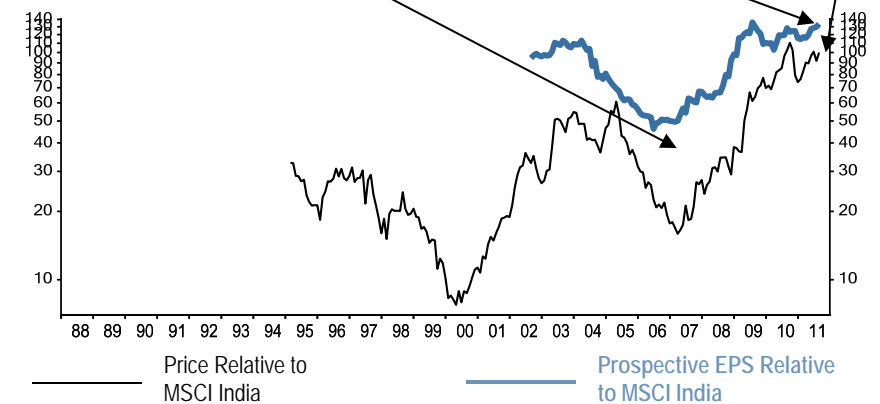
The chart contains information on the price and prospective EPS relative to the region. It illustrates the momentum of these relatives (the slope of the lines) and a measure of value (the ratio of the price line to the EPS line).

The gap between the two lines indicates the magnitude of the PE discount (Price Relative below EPS Relative). At every point in the chart, the size of the gap between the two lines indicates the magnitude of the relative PE at that point in time.

The rising thick EPS Relative line indicates earnings estimates are being revised up at a faster rate than the market.

The rising thin Relative Price line indicates positive price momentum and shows the market is prepared to pay for rising earnings expectations.

Chart 21: LIC HOUSING FINANCE



Contenders Rank: 95
 EPS Revision Rank: 85
 Price Momentum Rank: 92

Price (Local): 210.75
 Market Cap US\$m: 1,303
 Avg Daily Turnover US\$m: 4.35

Bloomberg Code: LICHF IN

Table 6: Rank Definitions

Rank	Rank Description
Contenders Rank	The stocks have been ranked according to attractiveness based on a combination of earnings momentum, and price momentum. (100 = Lowest PE stock with strong Earning Momentum and Price Momentum, 1 = Highest PE stocks with low Earnings Momentum and Price Momentum)
EPS Revision Rank	The stocks have been ranked according to the size of the change in the consensus EPS forecast in the last 3 months. (100 = Largest EPS Upgrades, 1 = Largest EPS Downgrades)
Price Momentum Rank	The stocks have been ranked according to their Price Momentum, which is the slope of the regression line of daily prices in the last 9 months) (100 = Highest Price Momentum, 1 = Lowest Price Momentum).
Price	Month End Price.

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy

A Defender Example DLF

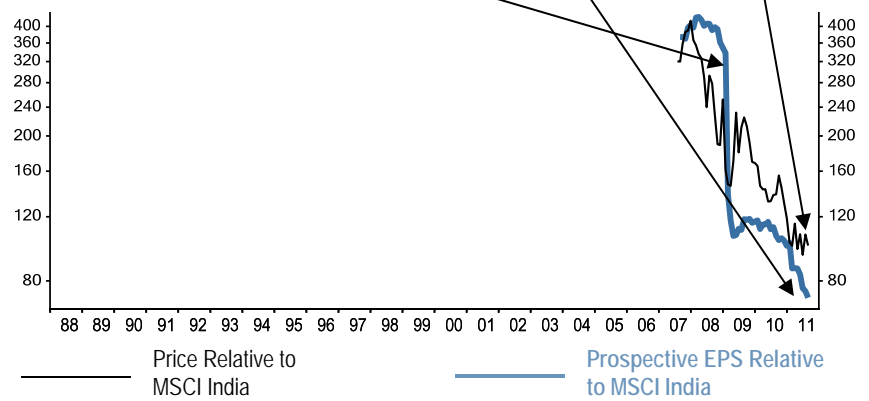
The chart contains information on the price and prospective EPS relative to the region. It illustrates the momentum of these relatives (the slope of the lines) and a measure of value (the ratio of the price line to the EPS line).

The gap between the two lines indicates the magnitude of the PE premium (Price Relative above EPS Relative). At every point in the chart, the size of the gap between the two lines indicates the magnitude of the relative PE at that point in time.

The falling thick EPS Relative line indicates earnings estimates are being revised down at a faster rate than the market.

The falling thin Relative Price line indicates negative price momentum and shows the market is reacting to the negative earnings expectations.

Chart 22: DLF



Contenders Rank: 19
EPS Revision Rank: 18
Price Momentum Rank: 29

Price (Local): 196.35
Market Cap US\$m: 1,737
Avg Daily Turnover US\$m: 4.37

Bloomberg Code: DLFU IN

Table 7: Rank Definitions

Rank	Rank Description
Contenders Rank	The stocks have been ranked according to attractiveness based on a combination of earnings momentum, and price momentum. (100 = Lowest PE stock with strong Earning Momentum and Price Momentum, 1 = Highest PE stocks with low Earnings Momentum and Price Momentum)
EPS Revision Rank	The stocks have been ranked according to the size of the change in the consensus EPS forecast in the last 3 months. (100 = Largest EPS Upgrades, 1 = Largest EPS Downgrades)
Price Momentum Rank	The stocks have been ranked according to their Price Momentum, which is the slope of the regression line of daily prices in the last 9 months) (100 = Highest Price Momentum, 1 = Lowest Price Momentum).
Price	Month End Price.

Source: BofA Merrill Lynch Asia Pacific Quantitative Strategy

Chart 23: AMBUJA CEMENTS

Contenders Rank: 46
EPS Revision Rank: 48
Price Momentum Rank: 70

Price (Local): 133.10
Market Cap US\$m: 1,771
Avg Daily T/o US\$m: 0.35
BoFA ML Analyst Opinion: Underperform
Bloomberg Code: ACEM IN

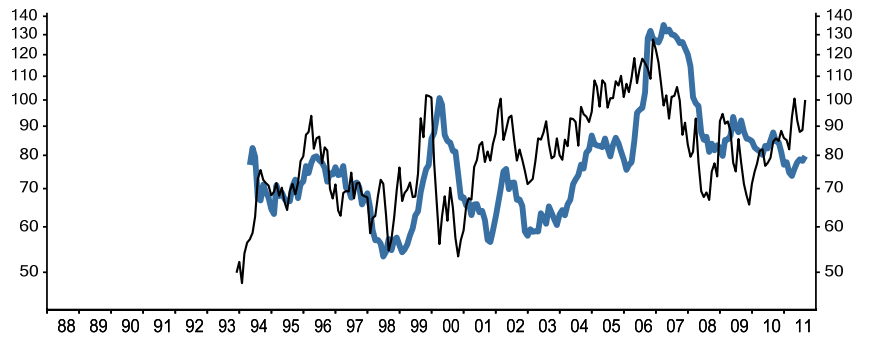


Chart 24: ASHOK LEYLAND

Contenders Rank: 20
EPS Revision Rank: 16
Price Momentum Rank: 32

Price (Local): 24.85
Market Cap US\$m: 503
Avg Daily T/o US\$m: 0.57
BoFA ML Analyst Opinion: Underperform
Bloomberg Code: AL IN

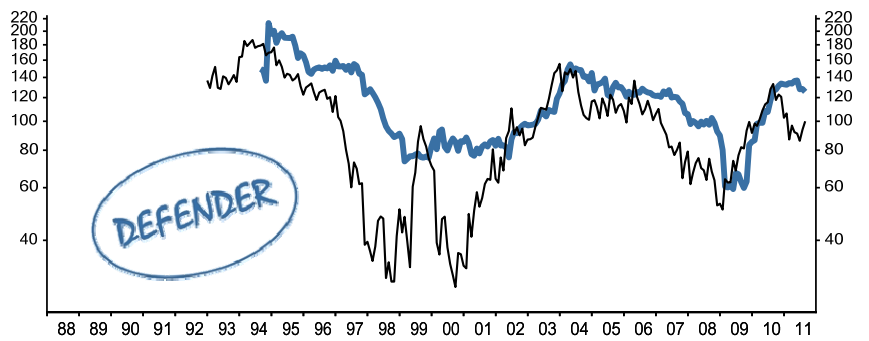


Chart 25: ASSOCIATED CEMENT COMPANIES

Contenders Rank: 60
EPS Revision Rank: 54
Price Momentum Rank: 64

Price (Local): 1003.00
Market Cap US\$m: 1,144
Avg Daily T/o US\$m: 0.51
BoFA ML Analyst Opinion: Underperform
Bloomberg Code: ACC IN

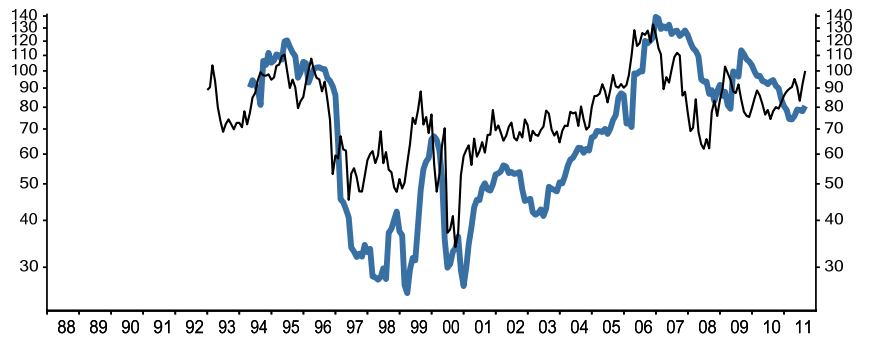
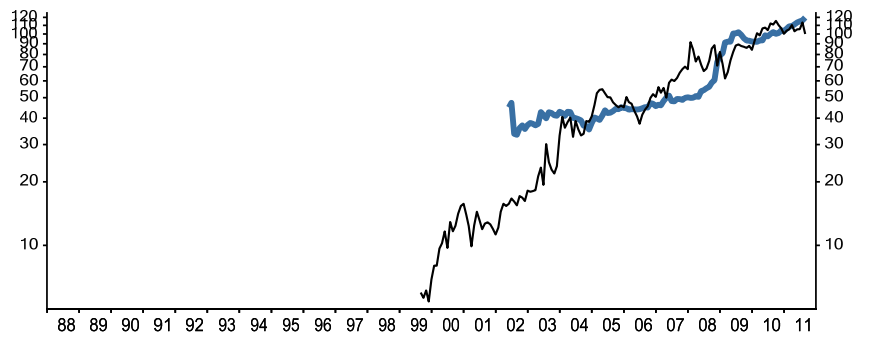


Chart 26: AXIS BANK

Contenders Rank: 73
EPS Revision Rank: 81
Price Momentum Rank: 58

Price (Local): 1075.00
Market Cap US\$m: 5,290
Avg Daily T/o US\$m: 3.98
BoFA ML Analyst Opinion: Neutral
Bloomberg Code: AXSB IN



Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Chart 27: BAJAJ AUTO

Contenders Rank: 72
EPS Revision Rank: 64
Price Momentum Rank: 75

Price (Local): 1573.00
Market Cap US\$m: 2,965
Avg Daily T/o US\$m: 0.88
BofA ML Analyst Opinion: Underperform
Bloomberg Code: BJAUT IN

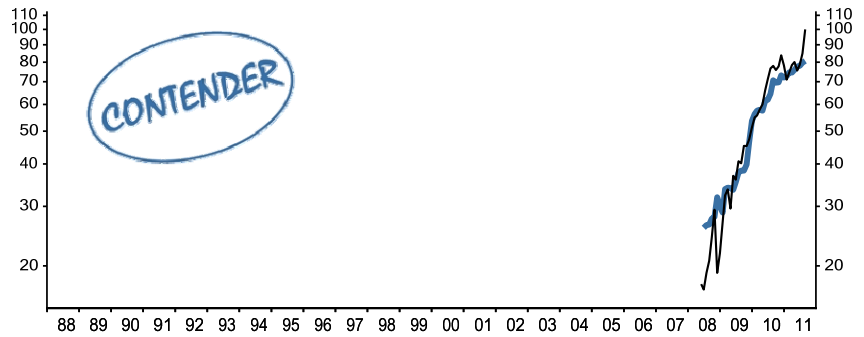


Chart 28: BANK OF BARODA

Contenders Rank: 80
EPS Revision Rank: 94
Price Momentum Rank: 63

Price (Local): 736.60
Market Cap US\$m: 1,253
Avg Daily T/o US\$m: 0.70
BofA ML Analyst Opinion: Neutral
Bloomberg Code: BOB IN

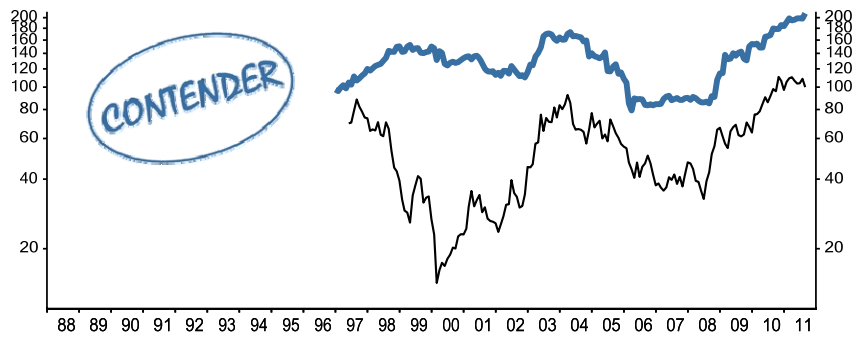


Chart 29: BANK OF INDIA

Contenders Rank: 23
EPS Revision Rank: 4
Price Momentum Rank: 37

Price (Local): 309.70
Market Cap US\$m: 735
Avg Daily T/o US\$m: 0.77
BofA ML Analyst Opinion: Underperform
Bloomberg Code: BOI IN

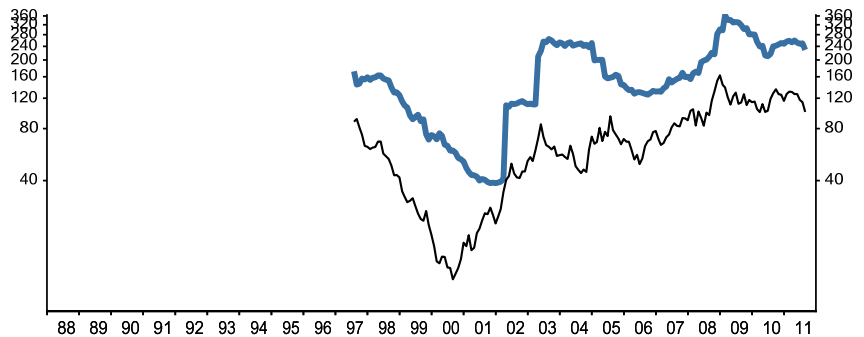
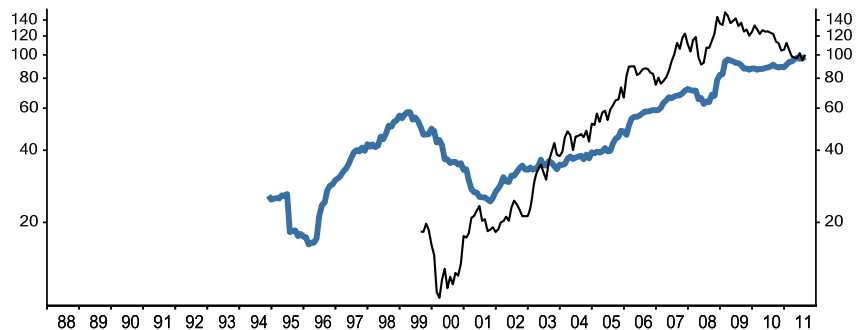


Chart 30: BHARAT HEAVY ELECTRICALS

Contenders Rank: 33
EPS Revision Rank: 42
Price Momentum Rank: 36

Price (Local): 1768.00
Market Cap US\$m: 4,510
Avg Daily T/o US\$m: 2.85
BofA ML Analyst Opinion: Buy
Bloomberg Code: BHEL IN



— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

Chart 31: BHARAT PETROLEUM CORP

Contenders Rank: 94
 EPS Revision Rank: 86
 Price Momentum Rank: 81

Price (Local): 674.05
 Market Cap US\$m: 1,270
 Avg Daily T/o US\$m: 0.63
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: BPCL IN

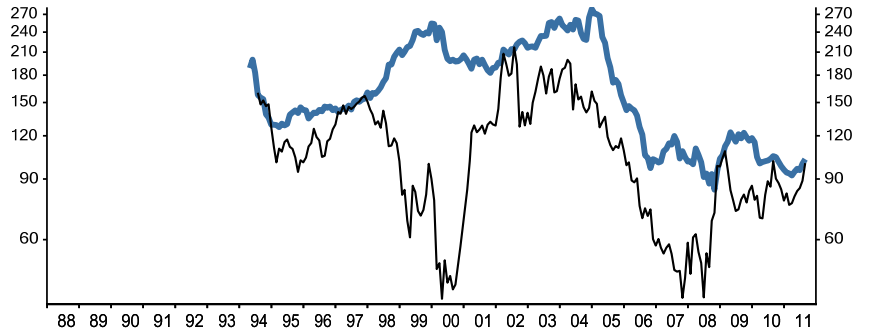


Chart 32: BHARTI TELE-VENTURES (AIRTEL)

Contenders Rank: 49
 EPS Revision Rank: 46
 Price Momentum Rank: 93

Price (Local): 404.20
 Market Cap US\$m: 10,000
 Avg Daily T/o US\$m: 2.36
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: BHARTI IN

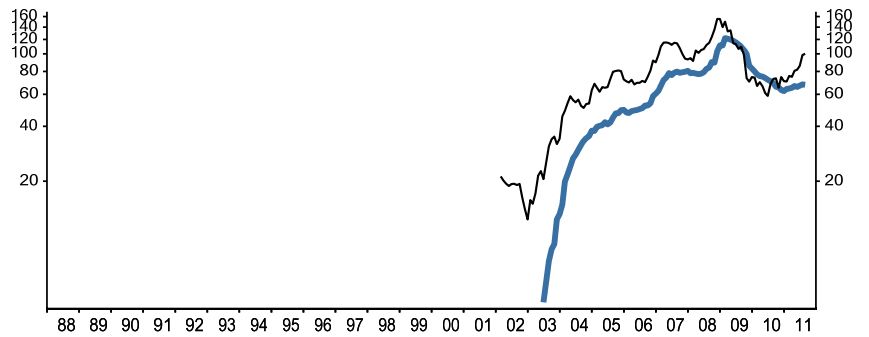


Chart 33: BIOCON LTD

Contenders Rank: 42
 EPS Revision Rank: 30
 Price Momentum Rank: 55

Price (Local): 331.00
 Market Cap US\$m: 345
 Avg Daily T/o US\$m: 0.37
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: BIOS IN

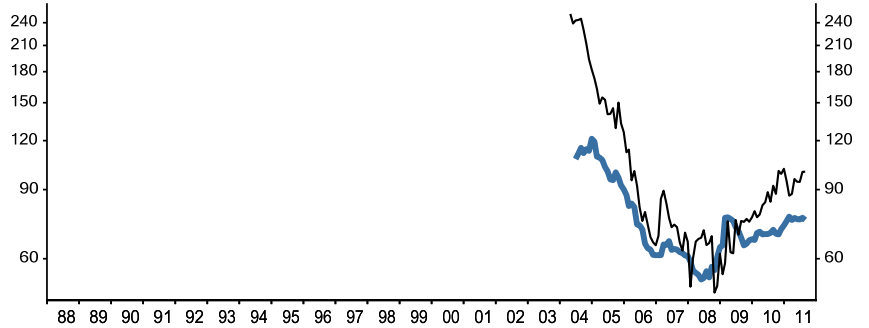
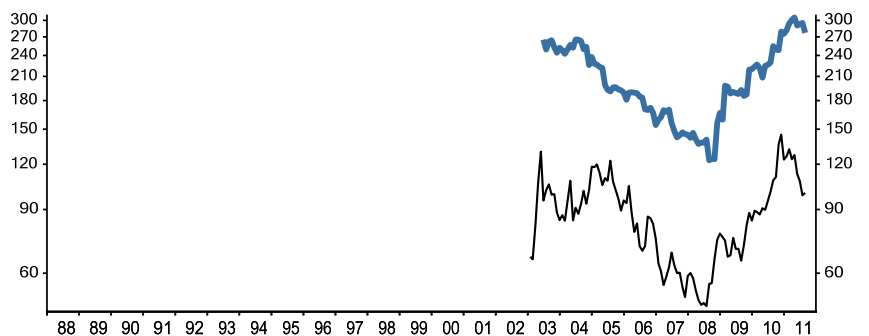


Chart 34: CANARA BANK

Contenders Rank: 10
 EPS Revision Rank: 9
 Price Momentum Rank: 20

Price (Local): 426.60
 Market Cap US\$m: 821
 Avg Daily T/o US\$m: 0.68
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: CBK IN



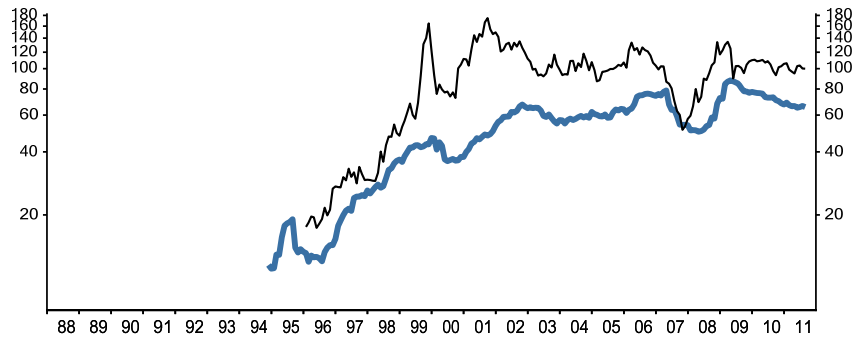
— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

Contenders Rank: 37
 EPS Revision Rank: 36
 Price Momentum Rank: 47

Price (Local): 280.00
 Market Cap US\$m: 2,002
 Avg Daily T/o US\$m: 0.60
 BofA ML Analyst Opinion:
 Bloomberg Code: CIPLA IN

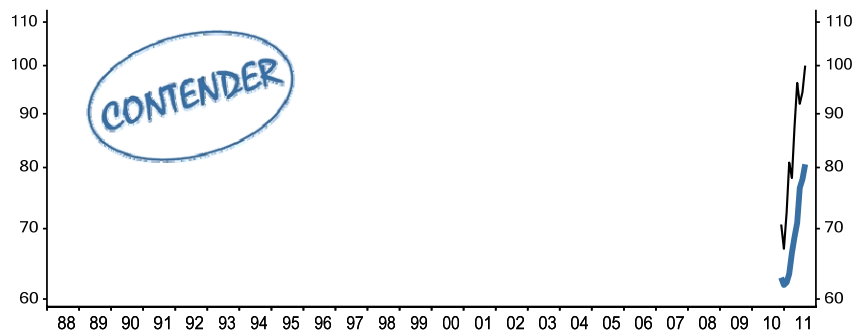
Chart 35: CIPLA



Contenders Rank: 96
 EPS Revision Rank: 90
 Price Momentum Rank: 97

Price (Local): 374.95
 Market Cap US\$m: 4,114
 Avg Daily T/o US\$m: 4.83
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: COAL IN

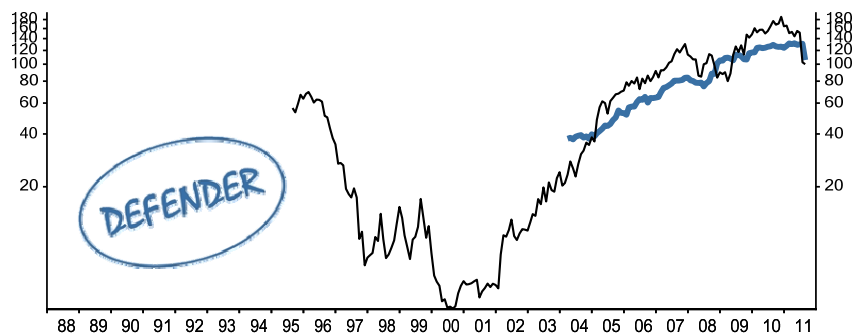
Chart 36: COAL INDIA



Contenders Rank: 2
 EPS Revision Rank: 3
 Price Momentum Rank: 4

Price (Local): 150.55
 Market Cap US\$m: 524
 Avg Daily T/o US\$m: 0.61
 BofA ML Analyst Opinion:
 Bloomberg Code: CRG IN

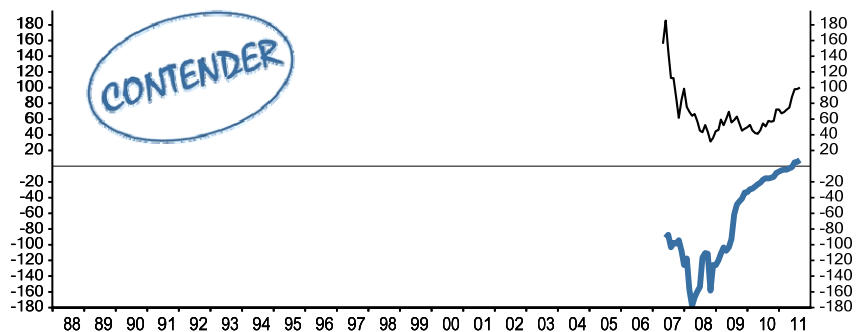
Chart 37: CROMPTON GREAVES



Contenders Rank: 98
 EPS Revision Rank: 88
 Price Momentum Rank: 100

Price (Local): 78.70
 Market Cap US\$m: 636
 Avg Daily T/o US\$m: 0.69
 BofA ML Analyst Opinion:
 Bloomberg Code: DITV IN

Chart 38: DISH TV INDIA



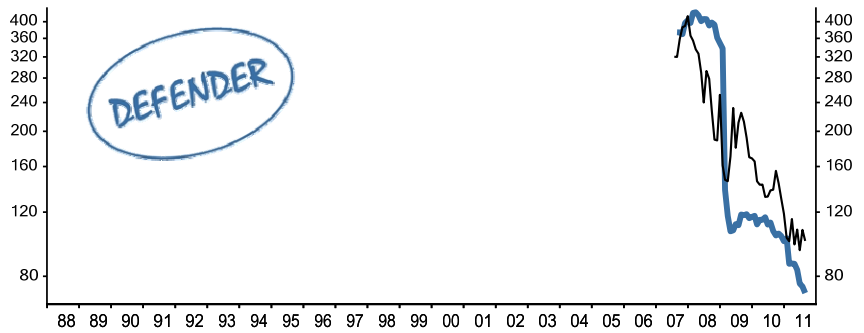
Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Contenders Rank: 19
EPS Revision Rank: 18
Price Momentum Rank: 29

Price (Local): 196.35
Market Cap US\$m: 1,737
Avg Daily T/o US\$m: 4.37
BofA ML Analyst Opinion: Buy
Bloomberg Code: DLFU IN

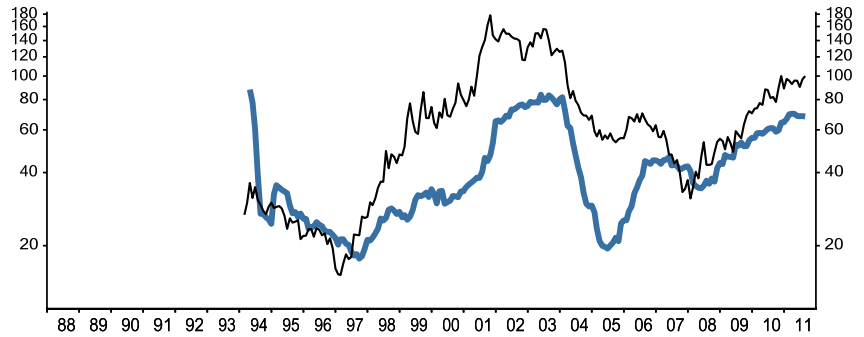
Chart 39: DLF



Contenders Rank: 36
EPS Revision Rank: 32
Price Momentum Rank: 50

Price (Local): 1494.00
Market Cap US\$m: 3,299
Avg Daily T/o US\$m: 0.57
BofA ML Analyst Opinion: Buy
Bloomberg Code: DRRD IN

Chart 40: DR REDDY'S LABORATORIES



Contenders Rank: 68
EPS Revision Rank: 52
Price Momentum Rank: 80

Price (Local): 149.10
Market Cap US\$m: 661
Avg Daily T/o US\$m: 0.43
BofA ML Analyst Opinion: Buy
Bloomberg Code: EXID IN

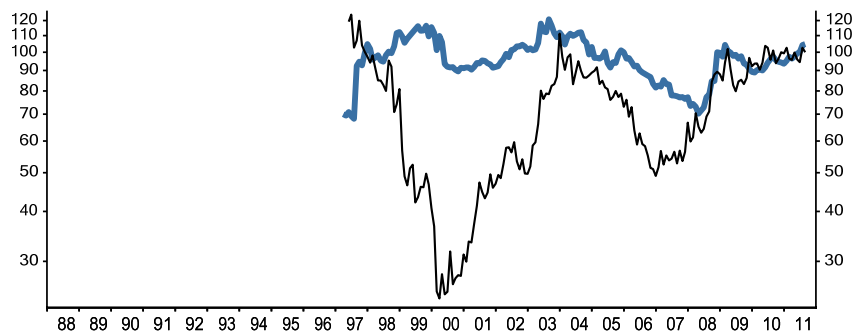
Chart 41: EXIDE INDUSTRIES



Contenders Rank: 57
EPS Revision Rank: 77
Price Momentum Rank: 48

Price (Local): 410.60
Market Cap US\$m: 3,393
Avg Daily T/o US\$m: 0.54
BofA ML Analyst Opinion: Underperform
Bloomberg Code: GAIL IN

Chart 42: GAIL INDIA



Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Chart 43: GLENMARK PHARMACEUTICALS

Contenders Rank: 83
EPS Revision Rank: 93
Price Momentum Rank: 66

Price (Local): 325.45
Market Cap US\$m: 764
Avg Daily T/o US\$m: 0.42
BofA ML Analyst Opinion: Buy
Bloomberg Code: GNP IN

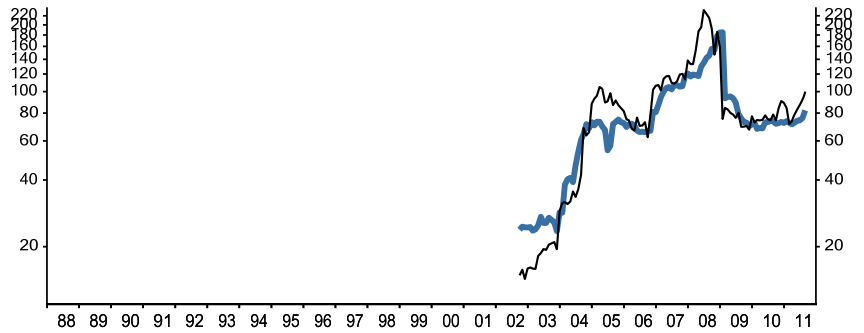


Chart 44: HCL TECHNOLOGIES

Contenders Rank: 64
EPS Revision Rank: 57
Price Momentum Rank: 68

Price (Local): 411.20
Market Cap US\$m: 1,477
Avg Daily T/o US\$m: 0.56
BofA ML Analyst Opinion: Buy
Bloomberg Code: HCLT IN

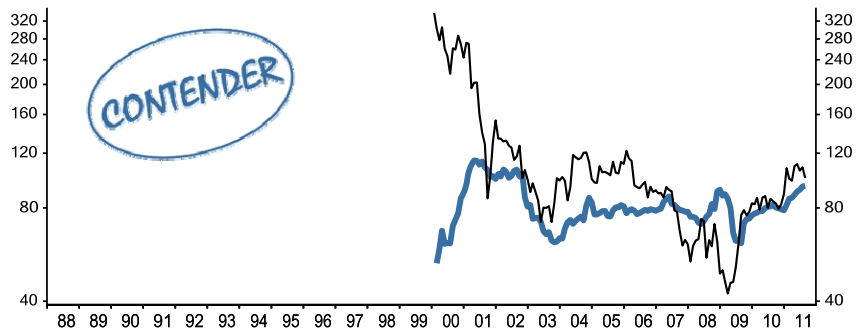


Chart 45: HDFC BANK

Contenders Rank: 91
EPS Revision Rank: 75
Price Momentum Rank: 88

Price (Local): 472.20
Market Cap US\$m: 15,568
Avg Daily T/o US\$m: 2.68
BofA ML Analyst Opinion: Buy
Bloomberg Code: HDFCB IN

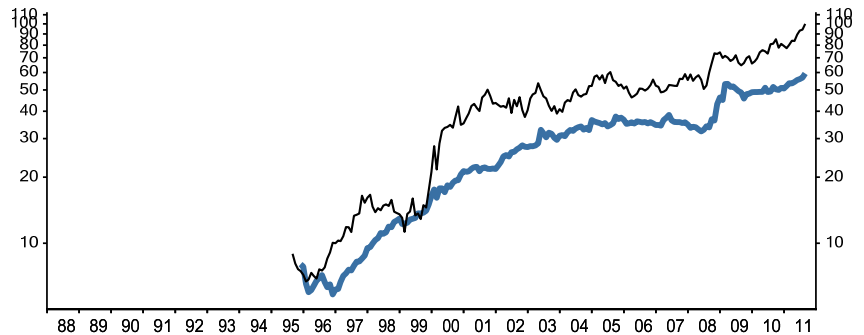
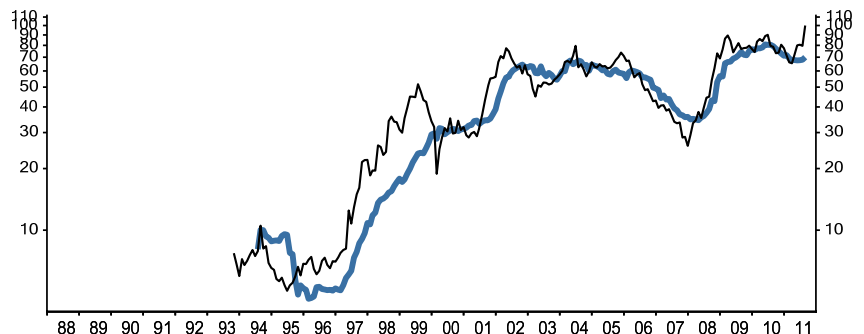


Chart 46: HERO MOTORCORP

Contenders Rank: 75
EPS Revision Rank: 58
Price Momentum Rank: 87

Price (Local): 2048.00
Market Cap US\$m: 3,552
Avg Daily T/o US\$m: 1.76
BofA ML Analyst Opinion: Buy
Bloomberg Code: HMCL IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 47: HINDALCO INDUSTRIES

Contenders Rank: 8
 EPS Revision Rank: 15
 Price Momentum Rank: 13

Price (Local): 150.35
 Market Cap US\$m: 3,625
 Avg Daily T/o US\$m: 3.04
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: HNDL IN

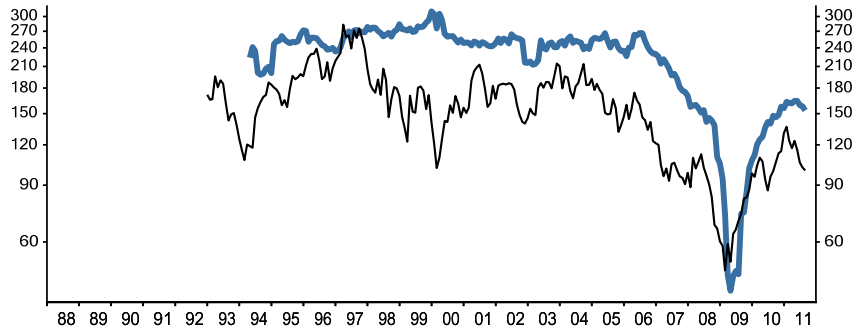


Chart 48: HINDUSTAN LEVER

Contenders Rank: 47
 EPS Revision Rank: 35
 Price Momentum Rank: 90

Price (Local): 320.90
 Market Cap US\$m: 6,023
 Avg Daily T/o US\$m: 1.03
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: HUVR IN

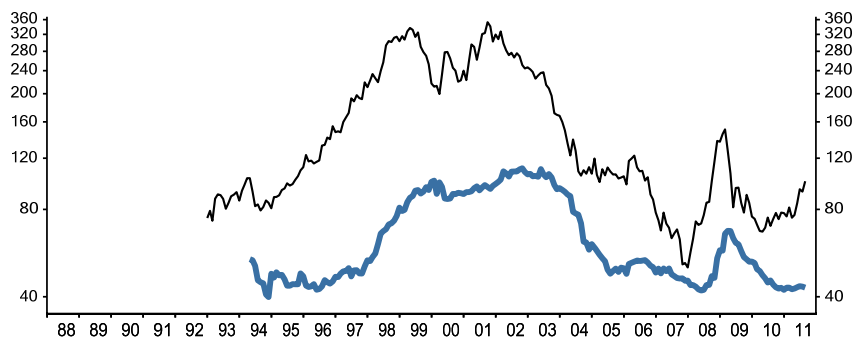


Chart 49: HINDUSTAN PETROLEUM CORP

Contenders Rank: 89
 EPS Revision Rank: 83
 Price Momentum Rank: 74

Price (Local): 373.15
 Market Cap US\$m: 659
 Avg Daily T/o US\$m: 0.64
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: HPCL IN

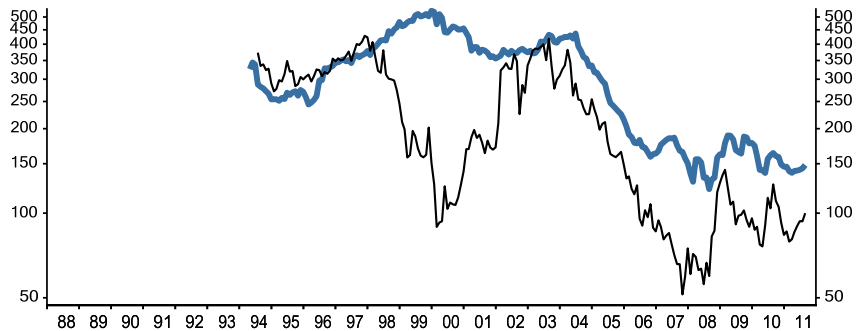
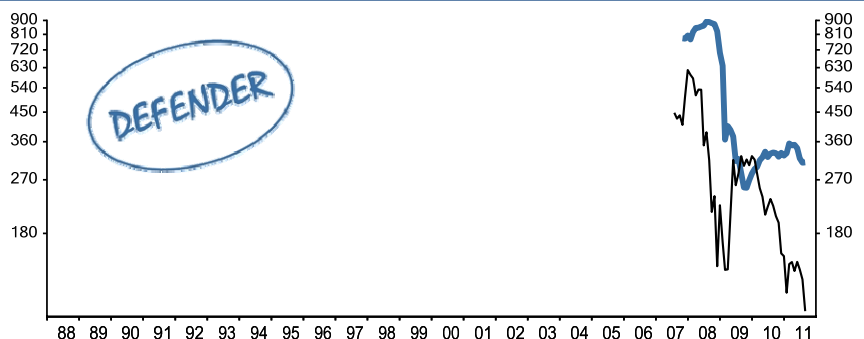


Chart 50: HOUSING DEVELOPMENT & INFRASTRUCTURE

Contenders Rank: 14
 EPS Revision Rank: 8
 Price Momentum Rank: 26

Price (Local): 102.35
 Market Cap US\$m: 415
 Avg Daily T/o US\$m: 3.34
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: HDIL IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 51: ICICI BANK

Contenders Rank: 62
 EPS Revision Rank: 66
 Price Momentum Rank: 53

Price (Local): 873.25
 Market Cap US\$m: 15,296
 Avg Daily T/o US\$m: 7.69
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: ICICIBC IN

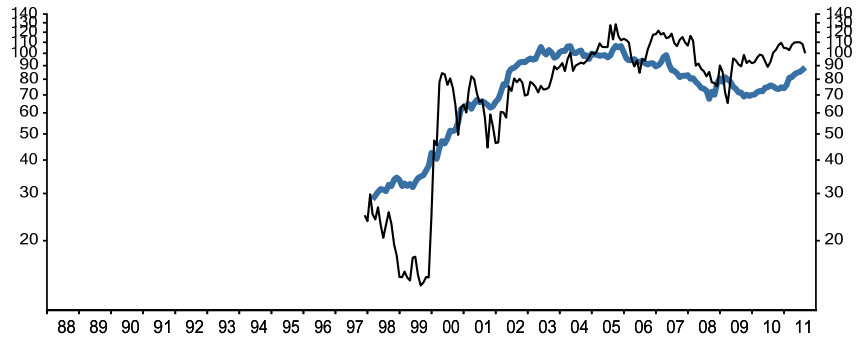


Chart 52: INDIABULLS REAL ESTATE

Contenders Rank: 28
 EPS Revision Rank: 41
 Price Momentum Rank: 24

Price (Local): 84.50
 Market Cap US\$m: 554
 Avg Daily T/o US\$m: 1.31
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: IBREL IN

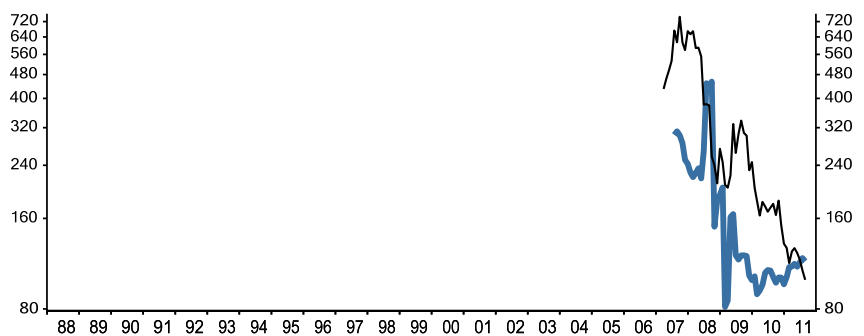


Chart 53: INDUSIND BANK

Contenders Rank: 78
 EPS Revision Rank: 60
 Price Momentum Rank: 86

Price (Local): 245.95
 Market Cap US\$m: 847
 Avg Daily T/o US\$m: 0.32
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: IIB IN

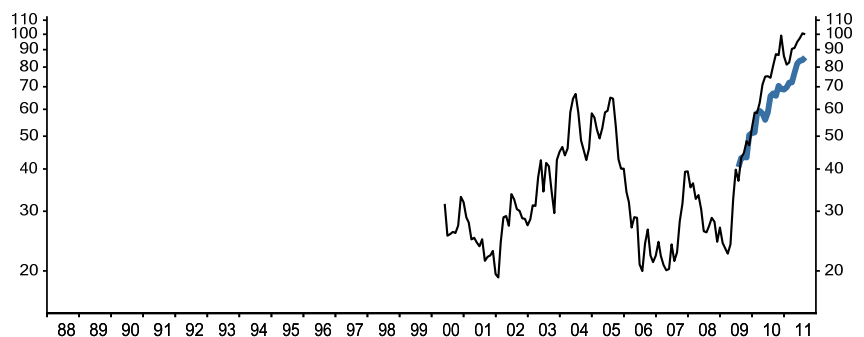
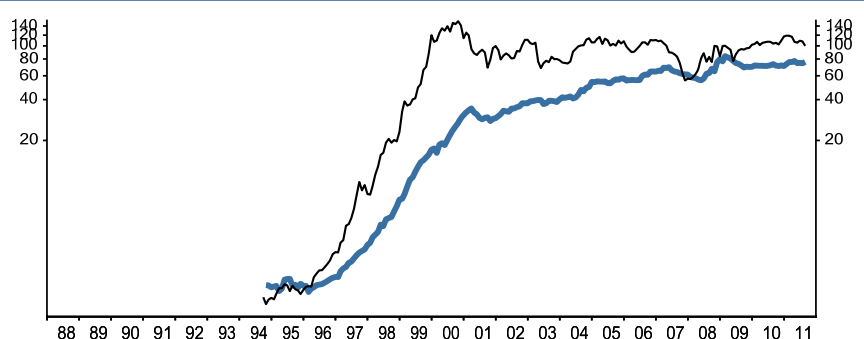


Chart 54: INFOSYS LTD

Contenders Rank: 32
 EPS Revision Rank: 49
 Price Momentum Rank: 27

Price (Local): 2343.00
 Market Cap US\$m: 21,801
 Avg Daily T/o US\$m: 5.87
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: INFO IN



Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Chart 55: INFRASTRUCTURE DEVELOPMENT FINANCE CO.

Contenders Rank: 15
 EPS Revision Rank: 20
 Price Momentum Rank: 21

Price (Local): 113.75
 Market Cap US\$m: 2,349
 Avg Daily T/o US\$m: 2.52
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: IDFC IN

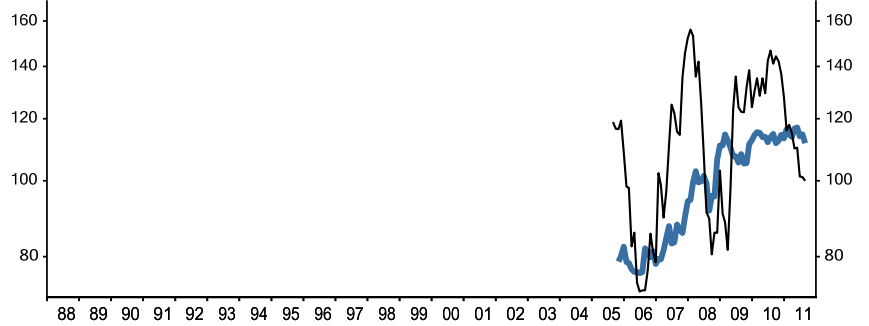


Chart 56: IRB INFRASTRUCTURE DEVELOPER

Contenders Rank: 17
 EPS Revision Rank: 24
 Price Momentum Rank: 22

Price (Local): 146.80
 Market Cap US\$m: 254
 Avg Daily T/o US\$m: 0.95
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: IRB IN

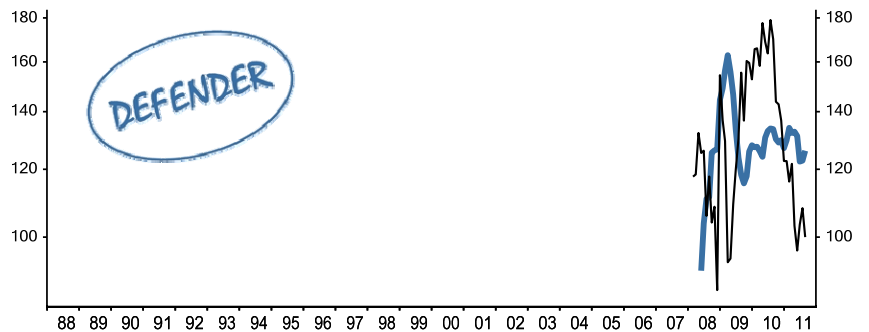


Chart 57: ITC LIMITED

Contenders Rank: 81
 EPS Revision Rank: 65
 Price Momentum Rank: 94

Price (Local): 200.00
 Market Cap US\$m: 9,763
 Avg Daily T/o US\$m: 1.96
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: ITC IN

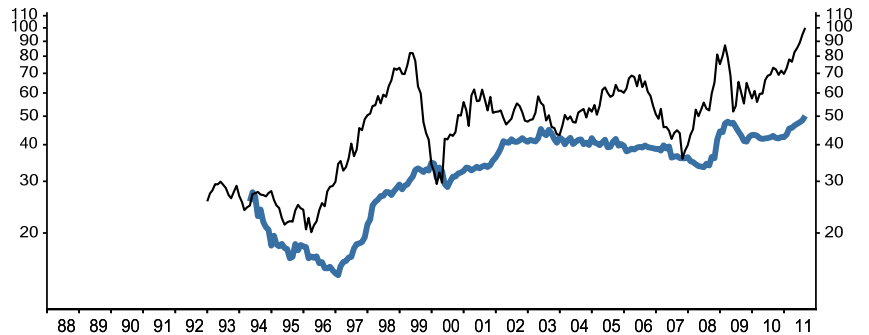
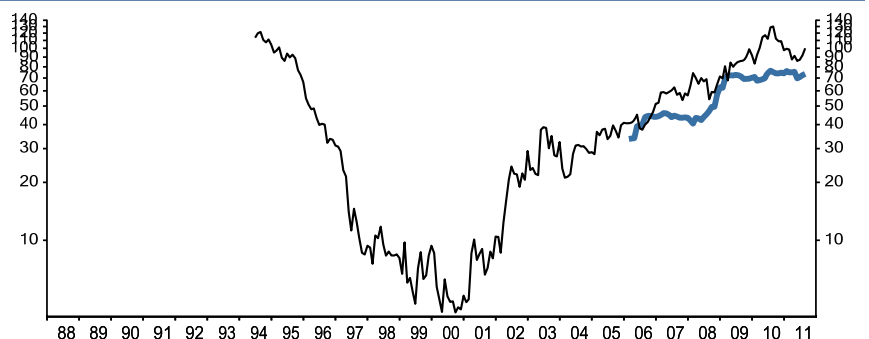


Chart 58: JAIN IRRIGATION SYSTEMS

Contenders Rank: 52
 EPS Revision Rank: 68
 Price Momentum Rank: 25

Price (Local): 172.25
 Market Cap US\$m: 735
 Avg Daily T/o US\$m: 0.78
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: JI IN



Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Chart 59: JAIPRAKASH ASSOCIATES

Contenders Rank: 54
 EPS Revision Rank: 92
 Price Momentum Rank: 16

Price (Local): 61.20
 Market Cap US\$m: 1,272
 Avg Daily T/o US\$m: 2.94
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: JPA IN

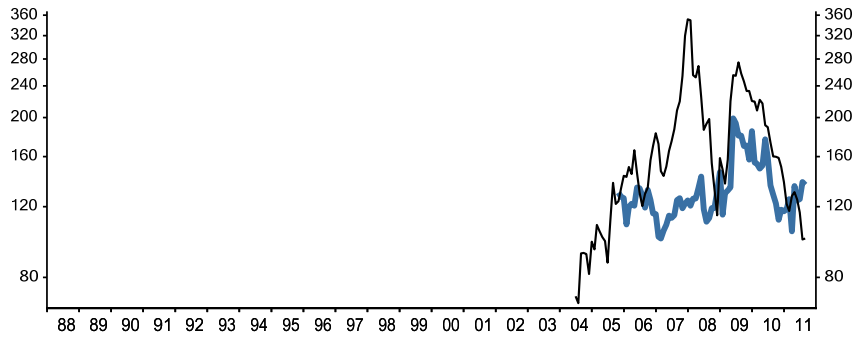


Chart 60: JINDAL STEEL & POWER

Contenders Rank: 27
 EPS Revision Rank: 19
 Price Momentum Rank: 40

Price (Local): 519.80
 Market Cap US\$m: 4,219
 Avg Daily T/o US\$m: 1.12
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: JSP IN

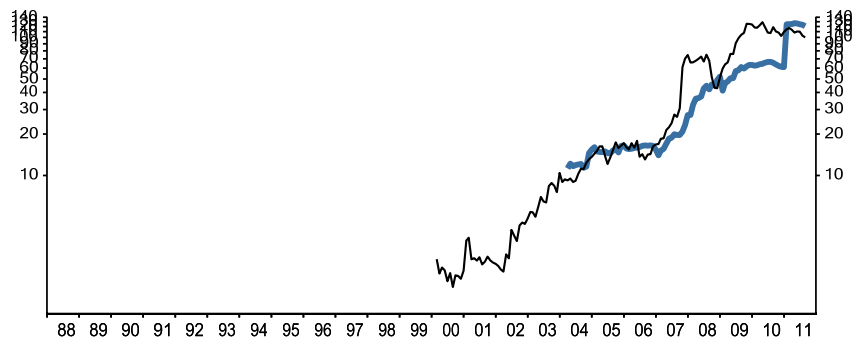


Chart 61: JSW STEEL

Contenders Rank: 5
 EPS Revision Rank: 7
 Price Momentum Rank: 18

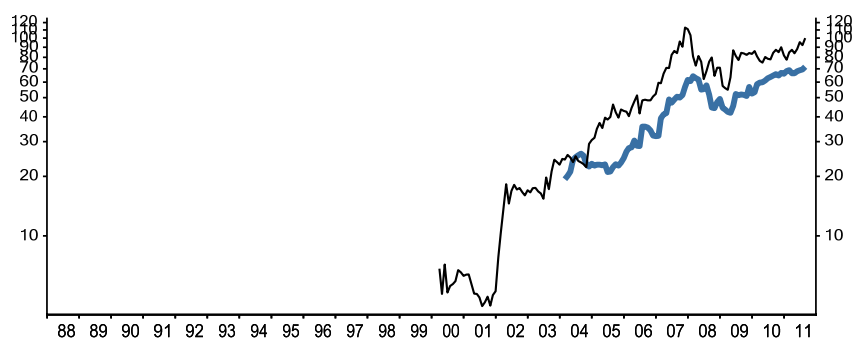
Price (Local): 678.10
 Market Cap US\$m: 1,314
 Avg Daily T/o US\$m: 4.44
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: JSTL IN



Chart 62: KOTAK MAHINDRA BANK

Contenders Rank: 85
 EPS Revision Rank: 69
 Price Momentum Rank: 82

Price (Local): 441.75
 Market Cap US\$m: 2,619
 Avg Daily T/o US\$m: 0.69
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: KMB IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 63: LANCO INFRATECH

Contenders Rank: 3
 EPS Revision Rank: 10
 Price Momentum Rank: 2

Price (Local): 17.10
 Market Cap US\$m: 215
 Avg Daily T/o US\$m: 0.93
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: LANCI IN

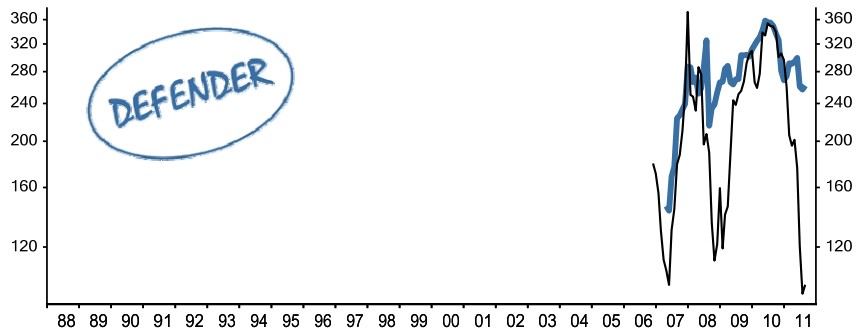


Chart 64: LARSEN & TOUBRO

Contenders Rank: 43
 EPS Revision Rank: 43
 Price Momentum Rank: 60

Price (Local): 1610.00
 Market Cap US\$m: 7,264
 Avg Daily T/o US\$m: 7.33
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: LT IN

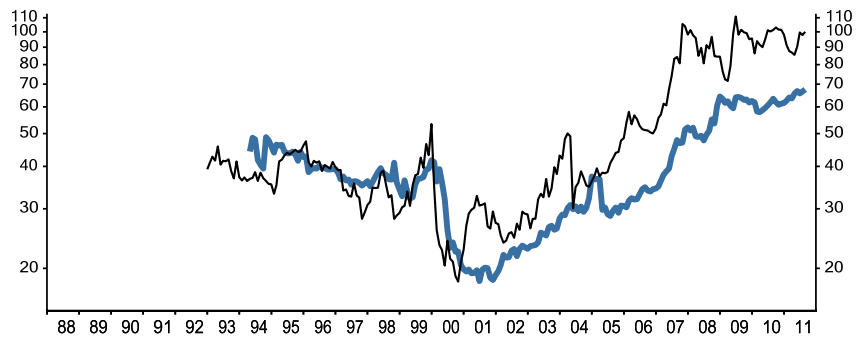


Chart 65: LIC HOUSING FINANCE

Contenders Rank: 95
 EPS Revision Rank: 85
 Price Momentum Rank: 92

Price (Local): 210.75
 Market Cap US\$m: 1,303
 Avg Daily T/o US\$m: 4.35
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: LICHF IN

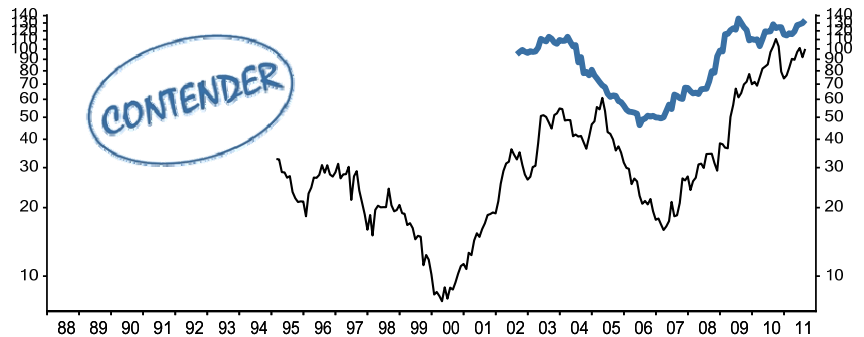
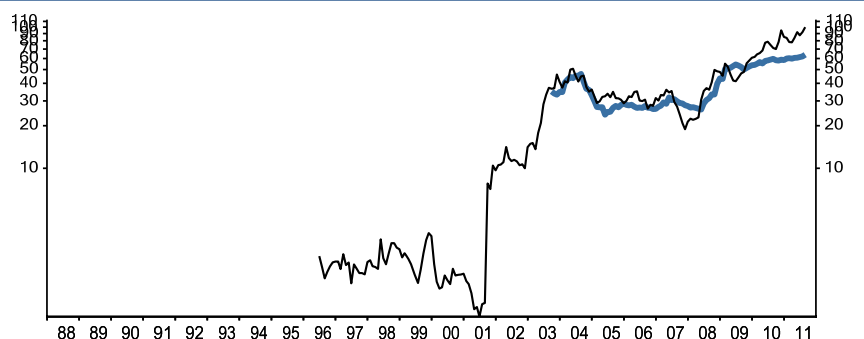


Chart 66: LUPIN LTD

Contenders Rank: 70
 EPS Revision Rank: 61
 Price Momentum Rank: 72

Price (Local): 449.95
 Market Cap US\$m: 1,439
 Avg Daily T/o US\$m: 0.86
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: LPC IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 67: MAHINDRA & MAHINDRA

Contenders Rank: 63
 EPS Revision Rank: 55
 Price Momentum Rank: 65

Price (Local): 737.55
 Market Cap US\$m: 4,917
 Avg Daily T/o US\$m: 1.89
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: MM IN

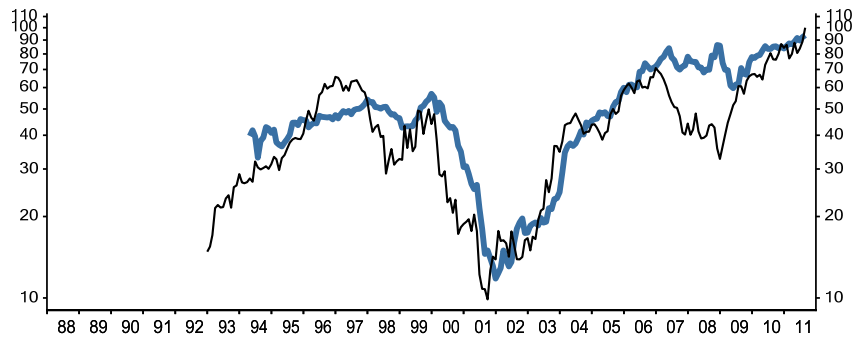


Chart 68: MARUTI SUZUKI INDIA

Contenders Rank: 35
 EPS Revision Rank: 38
 Price Momentum Rank: 44

Price (Local): 1092.00
 Market Cap US\$m: 1,645
 Avg Daily T/o US\$m: 1.19
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: MSIL IN

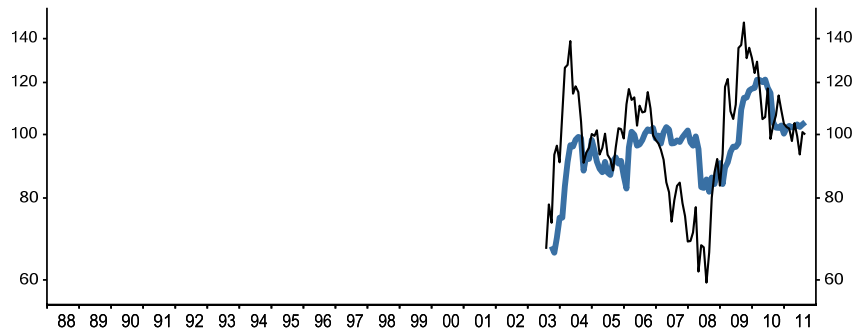


Chart 69: MPHASIS

Contenders Rank: 9
 EPS Revision Rank: 22
 Price Momentum Rank: 7

Price (Local): 353.45
 Market Cap US\$m: 484
 Avg Daily T/o US\$m: 0.40
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: MPHL IN

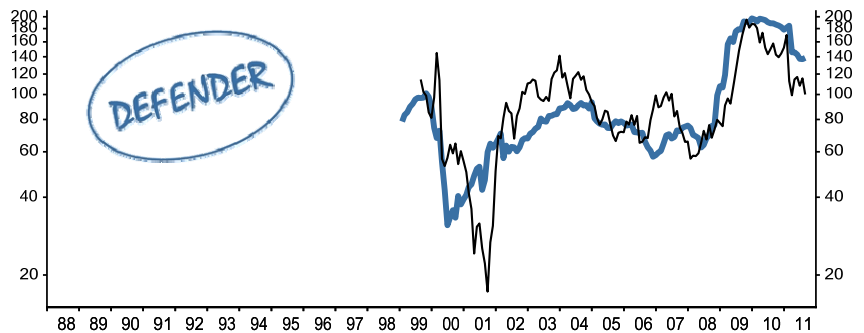
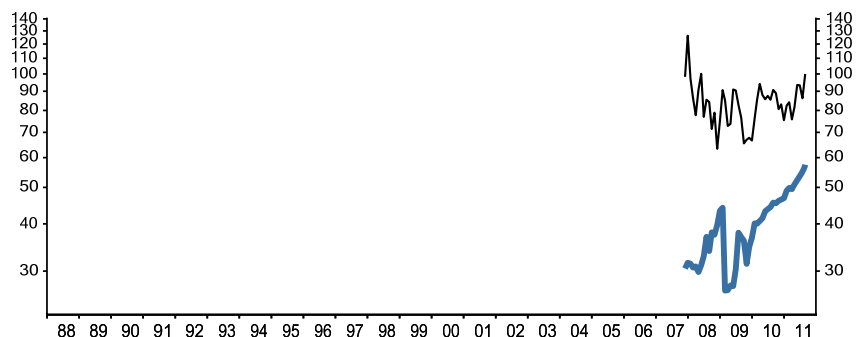


Chart 70: MUNDRA PORT & SEZ

Contenders Rank: 90
 EPS Revision Rank: 80
 Price Momentum Rank: 77

Price (Local): 152.15
 Market Cap US\$m: 1,324
 Avg Daily T/o US\$m: 0.48
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: MSEZ IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 71: NTPC

Contenders Rank: 65
 EPS Revision Rank: 71
 Price Momentum Rank: 57

Price (Local): 169.55
 Market Cap US\$m: 2,125
 Avg Daily T/o US\$m: 0.61
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: NTPC IN

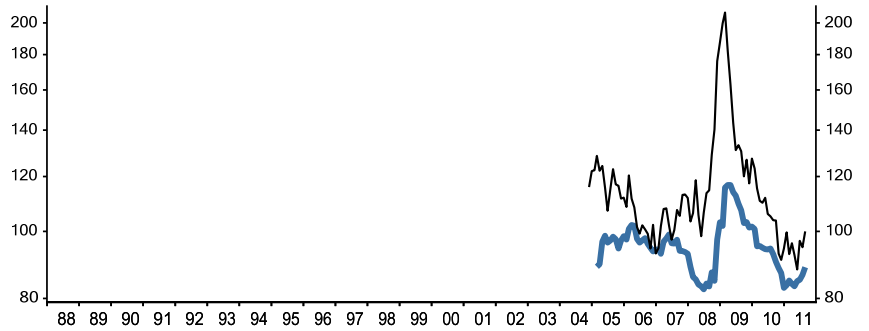


Chart 72: ORIENTAL BANK OF COMMERCE

Contenders Rank: 58
 EPS Revision Rank: 82
 Price Momentum Rank: 46

Price (Local): 310.80
 Market Cap US\$m: 394
 Avg Daily T/o US\$m: 0.29
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: OBC IN

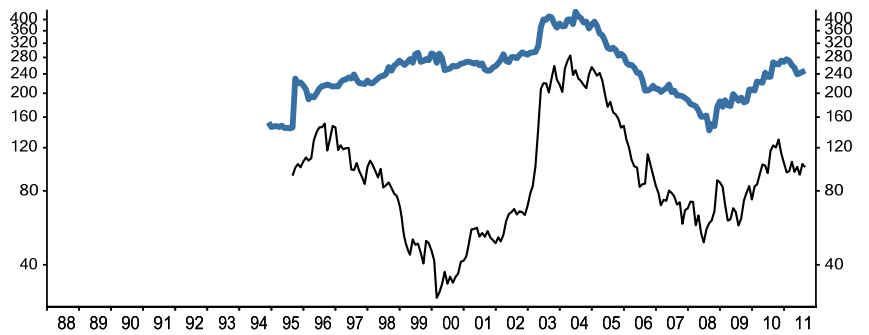


Chart 73: PETRONET LNG

Contenders Rank: 100
 EPS Revision Rank: 99
 Price Momentum Rank: 99

Price (Local): 173.95
 Market Cap US\$m: 680
 Avg Daily T/o US\$m: 0.82
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: PLNG IN

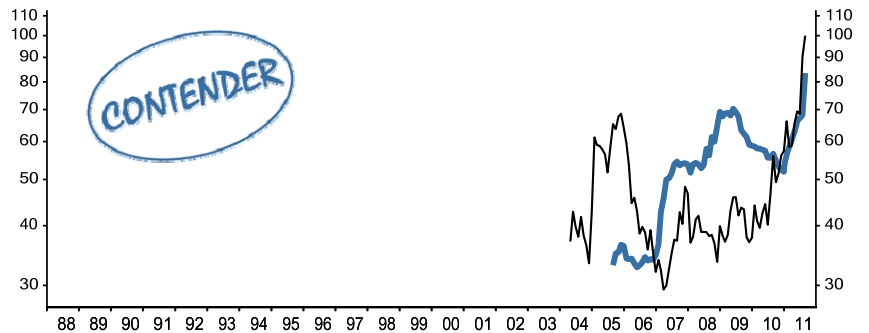
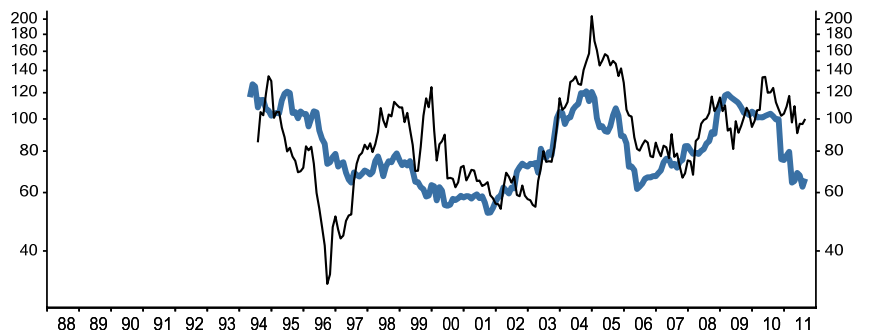


Chart 74: PIRAMAL HEALTHCARE

Contenders Rank: 12
 EPS Revision Rank: 27
 Price Momentum Rank: 5

Price (Local): 360.70
 Market Cap US\$m: 524
 Avg Daily T/o US\$m: 0.26
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: PIHC IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 75: POWER GRID CORP OF INDIA

Contenders Rank: 77
 EPS Revision Rank: 63
 Price Momentum Rank: 83

Price (Local): 100.25
 Market Cap US\$m: 2,419
 Avg Daily T/o US\$m: 0.64
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: PWGR IN

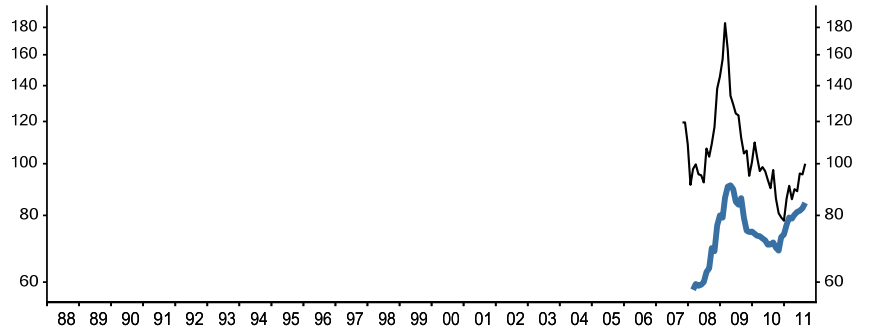


Chart 76: PUNJAB NATIONAL BANK

Contenders Rank: 74
 EPS Revision Rank: 91
 Price Momentum Rank: 54

Price (Local): 930.50
 Market Cap US\$m: 1,280
 Avg Daily T/o US\$m: 0.49
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: PNB IN

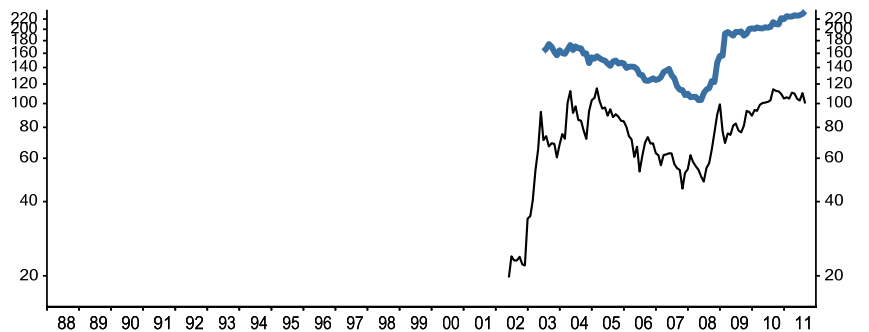


Chart 77: RANBAXY LABORATORIES

Contenders Rank: 67
 EPS Revision Rank: 70
 Price Momentum Rank: 61

Price (Local): 473.15
 Market Cap US\$m: 1,299
 Avg Daily T/o US\$m: 0.92
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: RBXY IN

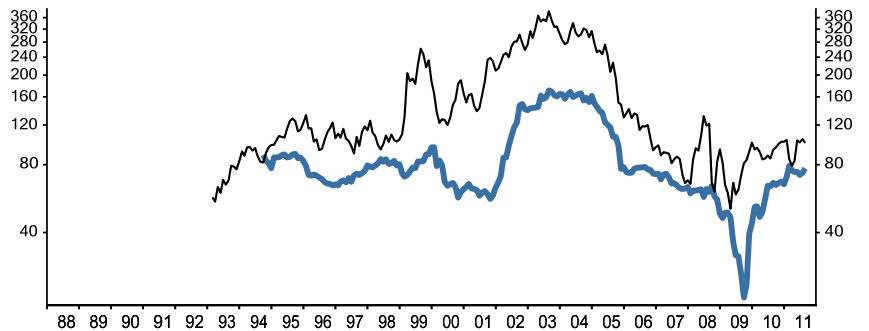
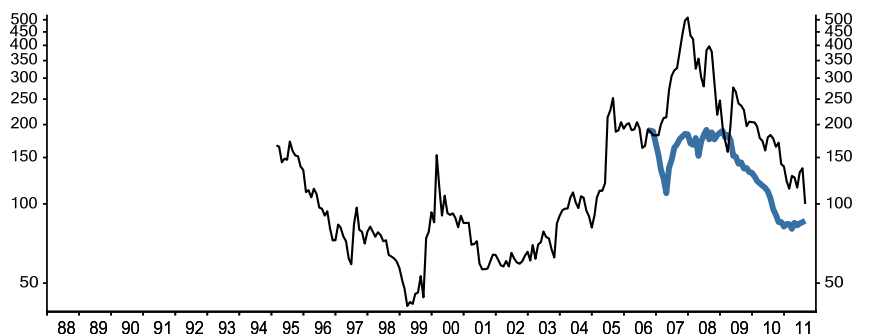


Chart 78: RELIANCE CAPITAL

Contenders Rank: 40
 EPS Revision Rank: 50
 Price Momentum Rank: 41

Price (Local): 384.45
 Market Cap US\$m: 820
 Avg Daily T/o US\$m: 3.57
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: RCAPT IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 79: RELIANCE COMMUNICATIONS

Contenders Rank: 11
 EPS Revision Rank: 21
 Price Momentum Rank: 11

Price (Local): 79.45
 Market Cap US\$m: 890
 Avg Daily T/o US\$m: 3.53
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: RCOM IN

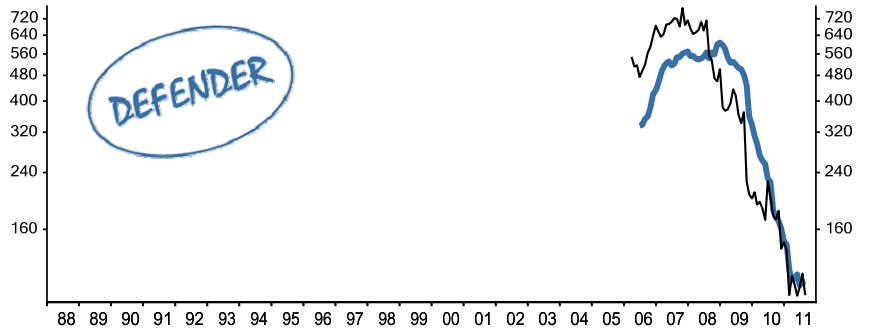


Chart 80: RELIANCE INDUSTRIES

Contenders Rank: 21
 EPS Revision Rank: 31
 Price Momentum Rank: 30

Price (Local): 781.50
 Market Cap US\$m: 22,226
 Avg Daily T/o US\$m: 10.82
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: RIL IN

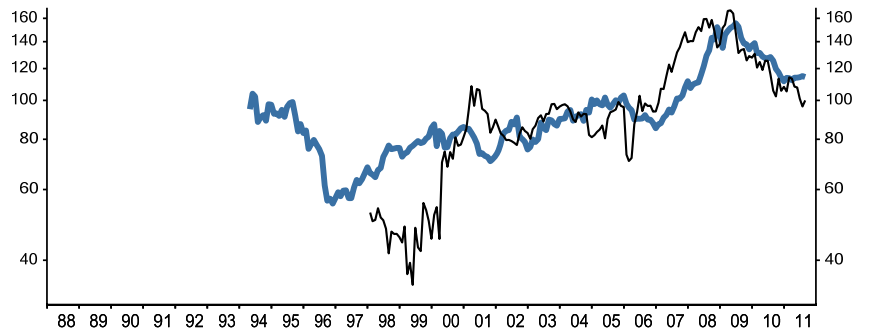


Chart 81: RELIANCE INFRASTRUCTURE

Contenders Rank: 53
 EPS Revision Rank: 98
 Price Momentum Rank: 8

Price (Local): 437.30
 Market Cap US\$m: 1,008
 Avg Daily T/o US\$m: 3.08
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: RELI IN

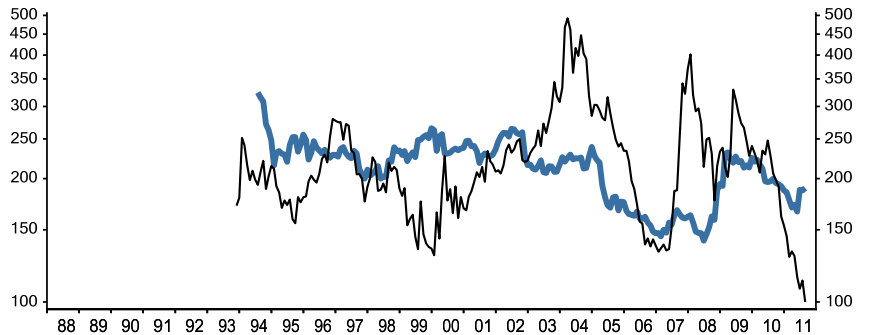
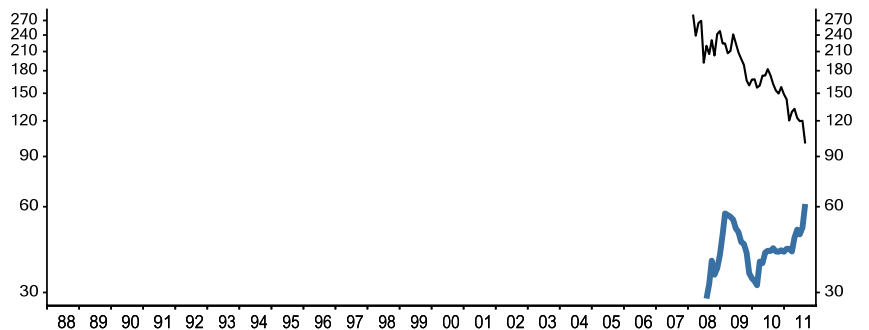


Chart 82: RELIANCE POWER

Contenders Rank: 56
 EPS Revision Rank: 97
 Price Momentum Rank: 14

Price (Local): 84.80
 Market Cap US\$m: 1,033
 Avg Daily T/o US\$m: 1.43
 BofA ML Analyst Opinion:
 Bloomberg Code: RPWR IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 83: RURAL ELECTRIFICATION CORP

Contenders Rank: 51
 EPS Revision Rank: 53
 Price Momentum Rank: 9

Price (Local): 174.35
 Market Cap US\$m: 1,122
 Avg Daily T/o US\$m: 1.45
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: RECL IN

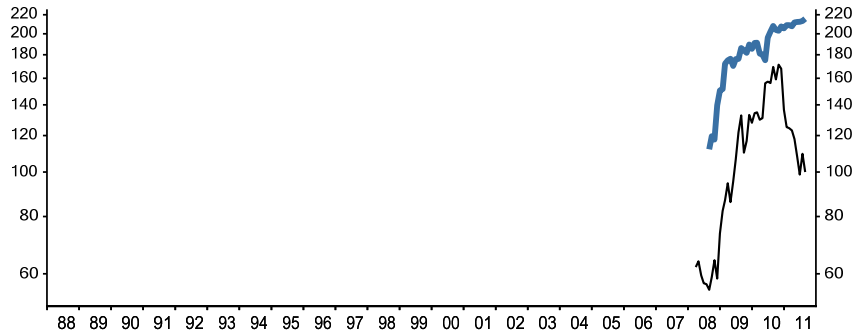


Chart 84: SATYAM COMPUTER

Contenders Rank: 99
 EPS Revision Rank: 100
 Price Momentum Rank: 96

Price (Local): 66.85
 Market Cap US\$m: 854
 Avg Daily T/o US\$m: 2.16
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: SCS IN

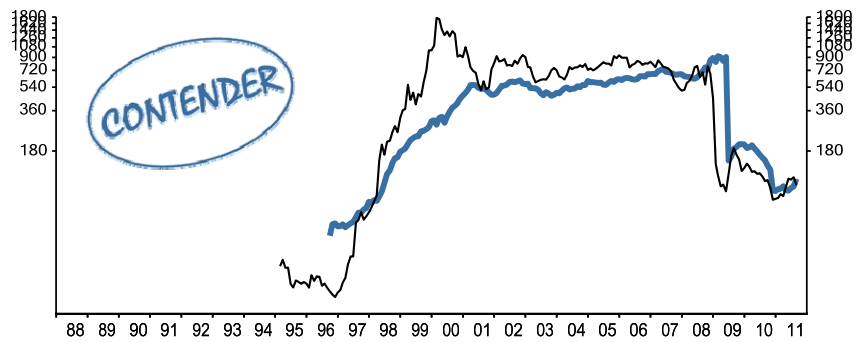


Chart 85: SESA GOA

Contenders Rank: 25
 EPS Revision Rank: 11
 Price Momentum Rank: 38

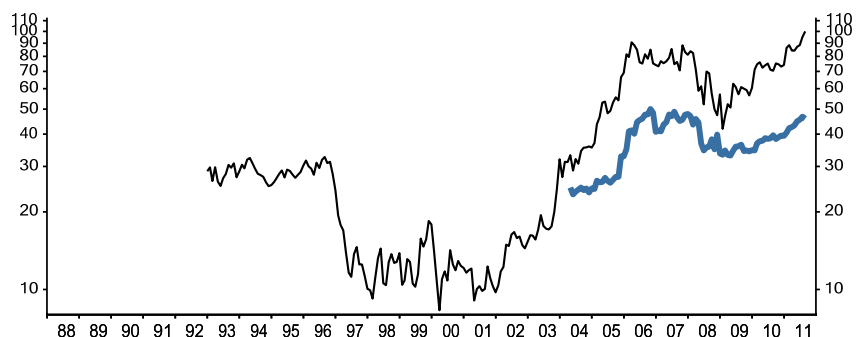
Price (Local): 234.10
 Market Cap US\$m: 1,767
 Avg Daily T/o US\$m: 2.64
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: SESA IN



Chart 86: SIEMENS INDIA

Contenders Rank: 48
 EPS Revision Rank: 40
 Price Momentum Rank: 91

Price (Local): 883.95
 Market Cap US\$m: 1,306
 Avg Daily T/o US\$m: 0.49
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: SIEM IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 87: STATE BANK OF INDIA

Contenders Rank: 22
 EPS Revision Rank: 29
 Price Momentum Rank: 33

Price (Local): 1975.00
 Market Cap US\$m: 2,723
 Avg Daily T/o US\$m: 21.37
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: SBIN IN

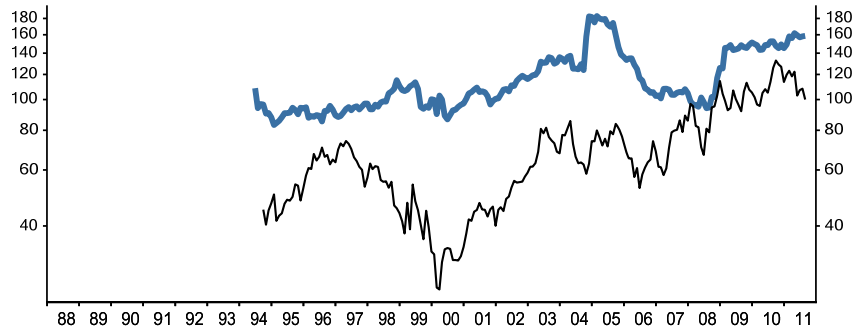


Chart 88: STEEL AUTHORITY OF INDIA

Contenders Rank: 4
 EPS Revision Rank: 5
 Price Momentum Rank: 10

Price (Local): 107.90
 Market Cap US\$m: 871
 Avg Daily T/o US\$m: 0.72
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: SAIL IN

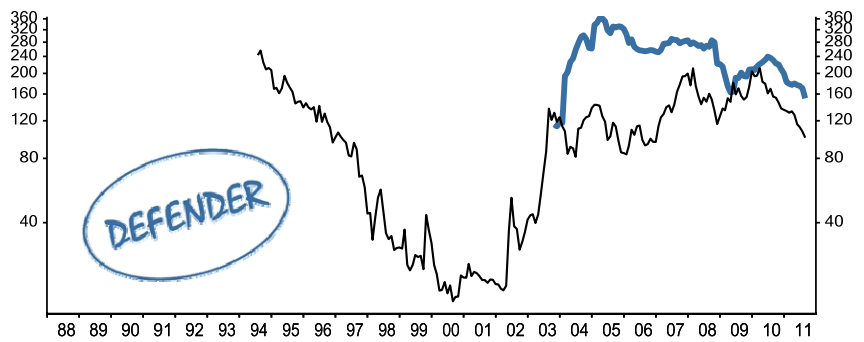


Chart 89: STERLITE INDUSTRIES (INDIA)

Contenders Rank: 31
 EPS Revision Rank: 25
 Price Momentum Rank: 43

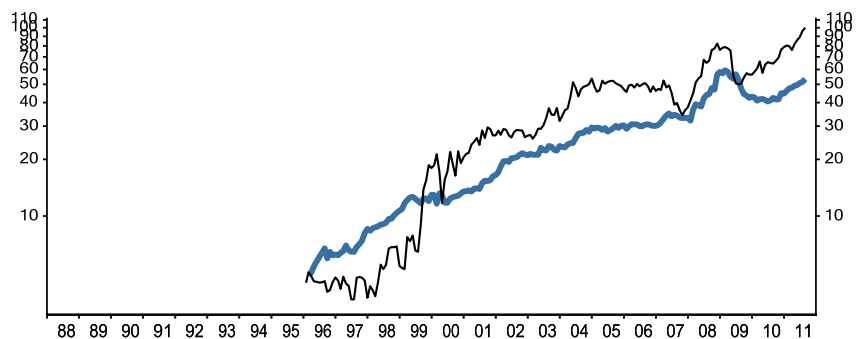
Price (Local): 128.65
 Market Cap US\$m: 3,756
 Avg Daily T/o US\$m: 1.73
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: STLT IN



Chart 90: SUN PHARMACEUTICALS INDUSTRIES

Contenders Rank: 88
 EPS Revision Rank: 72
 Price Momentum Rank: 85

Price (Local): 490.30
 Market Cap US\$m: 3,308
 Avg Daily T/o US\$m: 0.58
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: SUNP IN



— Price Relative to MSCI India

— Prospective EPS Relative to MSCI India

Chart 91: SUZLON ENERGY

Contenders Rank: 59
 EPS Revision Rank: 96
 Price Momentum Rank: 49

Price (Local): 36.85
 Market Cap US\$m: 569
 Avg Daily T/o US\$m: 3.32
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: SUEL IN

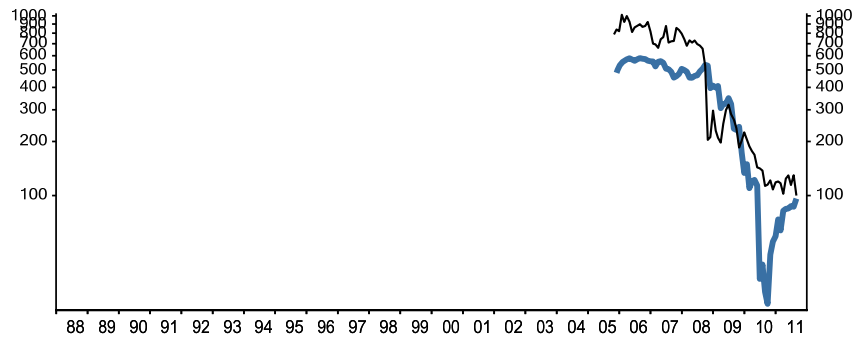


Chart 92: TATA CHEMICALS

Contenders Rank: 44
 EPS Revision Rank: 44
 Price Momentum Rank: 71

Price (Local): 335.25
 Market Cap US\$m: 445
 Avg Daily T/o US\$m: 0.32
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: TTCH IN



Chart 93: TATA CONSULTANCY SERVICES

Contenders Rank: 69
 EPS Revision Rank: 74
 Price Momentum Rank: 59

Price (Local): 1041.00
 Market Cap US\$m: 10,615
 Avg Daily T/o US\$m: 3.84
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: TCS IN

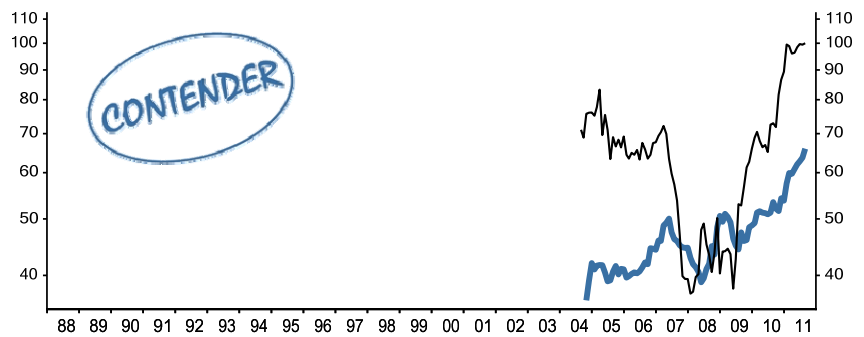
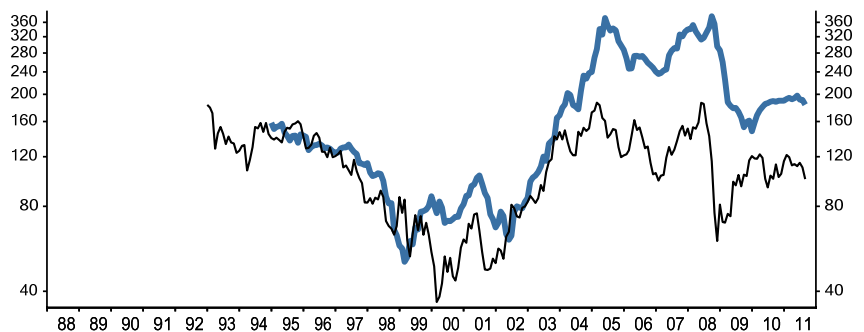


Chart 94: TATA IRON & STEEL COMPANY (TISCO)

Contenders Rank: 16
 EPS Revision Rank: 14
 Price Momentum Rank: 31

Price (Local): 468.55
 Market Cap US\$m: 3,123
 Avg Daily T/o US\$m: 9.23
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: TATA IN



Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Chart 95: TATA MOTORS

Contenders Rank: 6
 EPS Revision Rank: 13
 Price Momentum Rank: 15

Price (Local): 741.70
 Market Cap US\$m: 4,855
 Avg Daily T/o US\$m: 7.20
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: TTMT IN

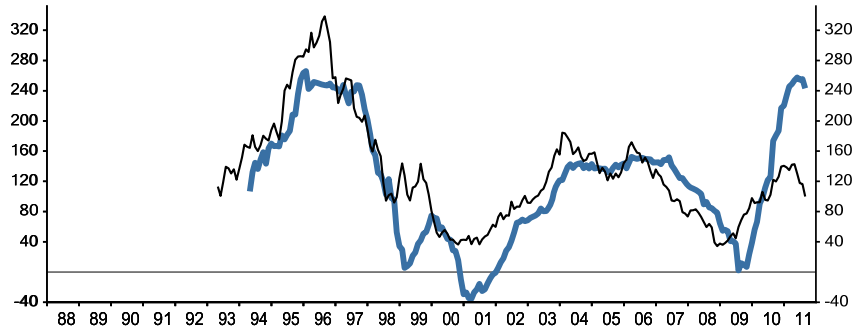


Chart 96: TATA POWER

Contenders Rank: 41
 EPS Revision Rank: 26
 Price Momentum Rank: 52

Price (Local): 1043.00
 Market Cap US\$m: 2,204
 Avg Daily T/o US\$m: 0.44
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: TPWR IN

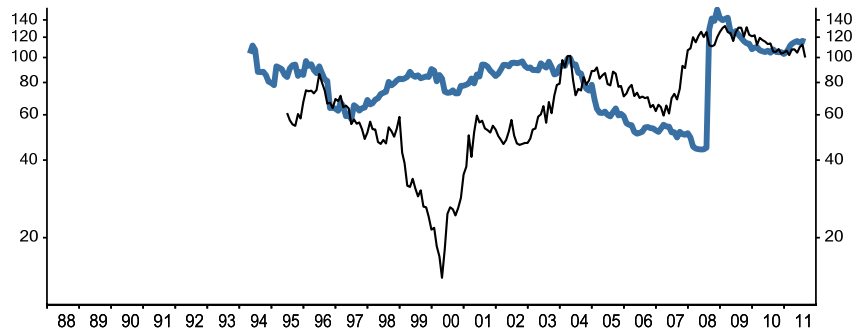


Chart 97: TECH MAHINDRA LTD

Contenders Rank: 86
 EPS Revision Rank: 76
 Price Momentum Rank: 76

Price (Local): 648.05
 Market Cap US\$m: 268
 Avg Daily T/o US\$m: 0.42
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: TECHM IN

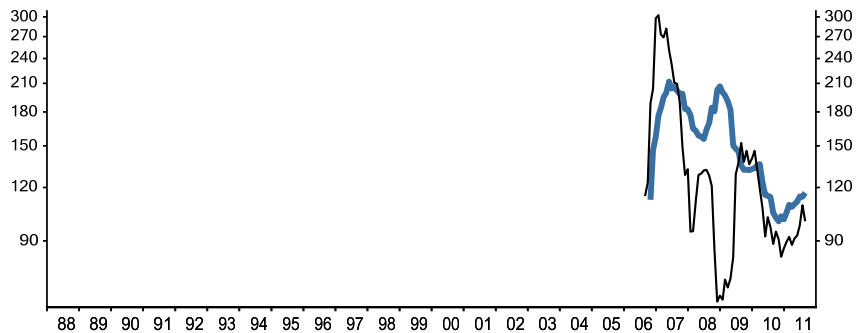


Chart 98: TITAN INDUSTRIES

Contenders Rank: 79
 EPS Revision Rank: 59
 Price Momentum Rank: 98

Price (Local): 205.55
 Market Cap US\$m: 951
 Avg Daily T/o US\$m: 4.49
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: TTAN IN



Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Chart 99: UNION BANK OF INDIA

Contenders Rank: 38
 EPS Revision Rank: 47
 Price Momentum Rank: 42

Price (Local): 241.60
 Market Cap US\$m: 550
 Avg Daily T/o US\$m: 0.31
 BofA ML Analyst Opinion: Underperform
 Bloomberg Code: UNBK IN

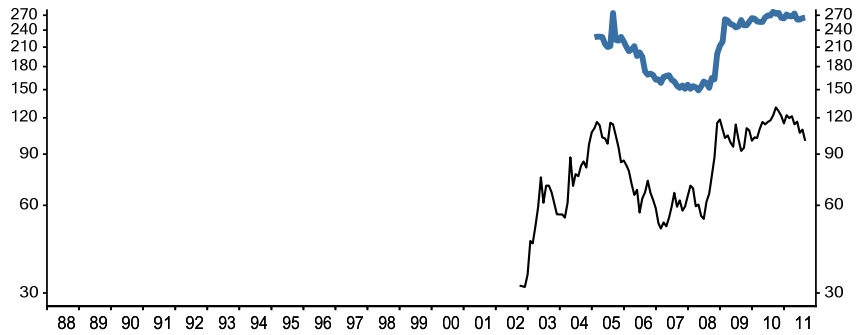


Chart 100: UNITECH

Contenders Rank: 1
 EPS Revision Rank: 2
 Price Momentum Rank: 3

Price (Local): 27.65
 Market Cap US\$m: 785
 Avg Daily T/o US\$m: 2.23
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: UT IN

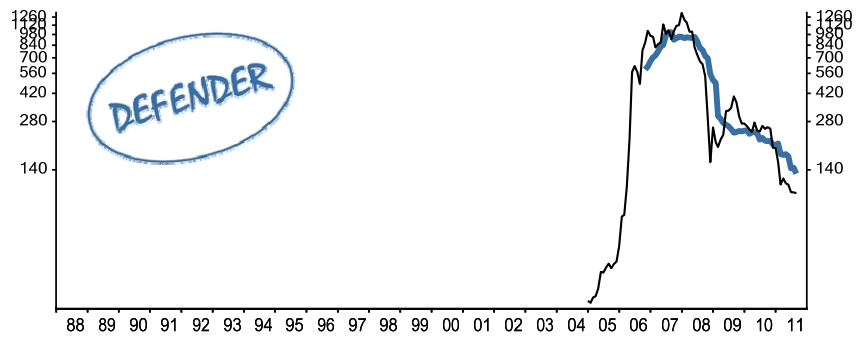


Chart 101: UNITED PHOSPHORUS

Contenders Rank: 84
 EPS Revision Rank: 79
 Price Momentum Rank: 69

Price (Local): 145.40
 Market Cap US\$m: 714
 Avg Daily T/o US\$m: 0.40
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: UNTP IN

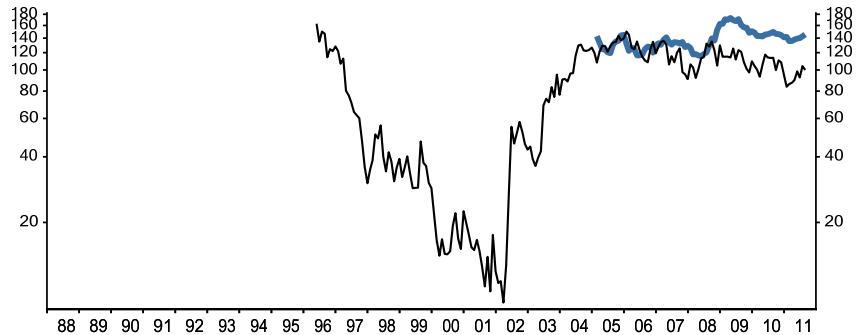
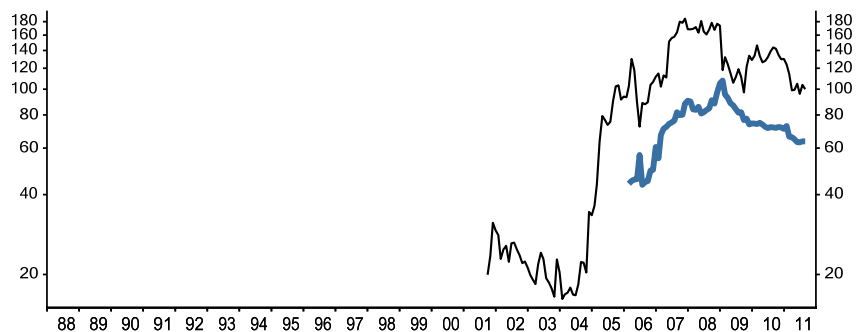


Chart 102: UNITED SPIRITS

Contenders Rank: 26
 EPS Revision Rank: 37
 Price Momentum Rank: 19

Price (Local): 895.45
 Market Cap US\$m: 1,653
 Avg Daily T/o US\$m: 0.35
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: UNSP IN



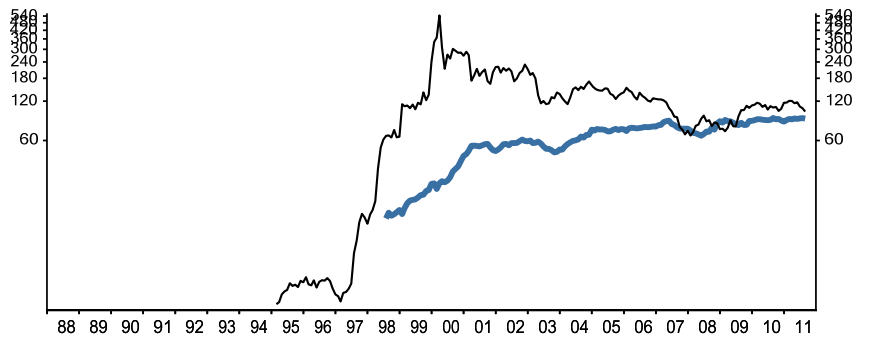
Price Relative to MSCI India

Prospective EPS Relative to MSCI India

Contenders Rank: 30
 EPS Revision Rank: 33
 Price Momentum Rank: 35

Price (Local): 335.05
 Market Cap US\$m: 3,574
 Avg Daily T/o US\$m: 0.74
 BofA ML Analyst Opinion: Neutral
 Bloomberg Code: WPRO IN

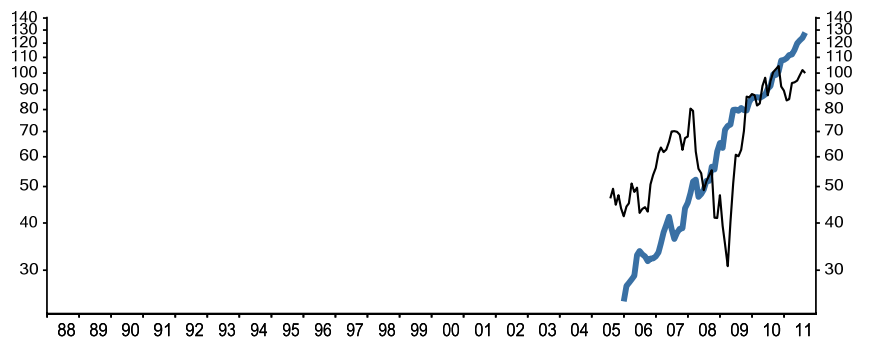
Chart 103: WIPRO



Contenders Rank: 93
 EPS Revision Rank: 87
 Price Momentum Rank: 79

Price (Local): 278.05
 Market Cap US\$m: 1,036
 Avg Daily T/o US\$m: 1.76
 BofA ML Analyst Opinion: Buy
 Bloomberg Code: YES IN

Chart 104: YES BANK



Price Relative
to MSCI India

Prospective EPS Relative
to MSCI India

Index

Company	Contenders Rank	Page	Company	Contenders Rank	Page
Ambuja Cements	46	Pg (18)	Larsen & Toubro	43	Pg (28)
Ashok Leyland	20	Pg (18)	LIC Housing Finance	95	Pg (28)
Associated Cement	60	Pg (18)	Lupin Ltd	70	Pg (28)
Axis Bank	73	Pg (18)	Mahindra & Mahindra	63	Pg (29)
Bajaj Auto	72	Pg (19)	Maruti Suzuki India	35	Pg (29)
Bank of Baroda	80	Pg (19)	Mphasis	9	Pg (29)
Bank of India	23	Pg (19)	Mundra Port & SEZ	90	Pg (29)
Bharat Heavy Electricals	33	Pg (19)	NTPC	65	Pg (30)
Bharat Petroleum Corp	94	Pg (20)	Oriental Bank of Commerce	58	Pg (30)
Bharti Tele-Ventures	49	Pg (20)	Petronet LNG	100	Pg (30)
Biocon Ltd	42	Pg (20)	Piramal Healthcare	12	Pg (30)
Canara Bank	10	Pg (20)	Power Grid Corp of India	77	Pg (31)
Cipla	37	Pg (21)	Punjab National Bank	74	Pg (31)
Coal India	96	Pg (21)	Ranbaxy Laboratories	67	Pg (31)
Crompton Greaves	2	Pg (21)	Reliance Capital	40	Pg (31)
Dish TV India	98	Pg (21)	Reliance Communications	11	Pg (32)
DLF	19	Pg (22)	Reliance Industries	21	Pg (32)
Dr Reddy's Laboratories	36	Pg (22)	Reliance Infrastructure	53	Pg (32)
Exide Industries	68	Pg (22)	Reliance Power	56	Pg (32)
Gail India	57	Pg (22)	Rural Electrification Corp	51	Pg (33)
Glenmark	83	Pg (23)	Satyam Computer	99	Pg (33)
HCL Technologies	64	Pg (23)	Sesa Goa	25	Pg (33)
HDFC Bank	91	Pg (23)	Siemens India	48	Pg (33)
Hero Motorcorp	75	Pg (23)	State Bank of India	22	Pg (34)
Hindalco Industries	8	Pg (24)	Steel Authority of India	4	Pg (34)
Hindustan Lever	47	Pg (24)	Sterlite Industries (India)	31	Pg (34)
Hindustan Petroleum	89	Pg (24)	Sun Pharmaceuticals	88	Pg (34)
Housing Development &	14	Pg (24)	Suzlon Energy	59	Pg (35)
ICICI Bank	62	Pg (25)	Tata Chemicals	44	Pg (35)
Indiabulls Real Estate	28	Pg (25)	Tata Consultancy	69	Pg (35)
IndusInd Bank	78	Pg (25)	Tata Iron & Steel	16	Pg (35)
Infosys Ltd	32	Pg (25)	Tata Motors	6	Pg (36)
Infrastructure	15	Pg (26)	Tata Power	41	Pg (36)
IRB Infrastructure	17	Pg (26)	Tech Mahindra Ltd	86	Pg (36)
ITC Limited	81	Pg (26)	Titan Industries	79	Pg (36)
Jain Irrigation Systems	52	Pg (26)	Union Bank of India	38	Pg (37)
Jaiprakash Associates	54	Pg (27)	Unitech	1	Pg (37)
Jindal Steel & Power	27	Pg (27)	United Phosphorus	84	Pg (37)
JSW Steel	5	Pg (27)	United Spirits	26	Pg (37)
Kotak Mahindra Bank	85	Pg (27)	WIPRO	30	Pg (38)
Lanco Infratech	3	Pg (28)	Yes Bank	93	Pg (38)

Consumer Discretionary

Company	Contenders		Company Rank	Page	Contenders	
	Rank	Page			Rank	Page
Bajaj Auto	72	Pg (19)	Mahindra & Mahindra	63	Pg (29)	
Dish TV India	98	Pg (21)	Maruti Suzuki India	35	Pg (29)	
Exide Industries	68	Pg (22)	Titan Industries	79	Pg (36)	
Hero Motorcorp	75	Pg (23)				

Consumer Staples

Company	Contenders		Company	Contenders	
	Rank	Page		Rank	Page
Hindustan Lever	47	Pg (24)	United Spirits	26	Pg (37)
ITC Limited	81	Pg (26)			

Energy

Company	Contenders		Company	Contenders	
	Rank	Page		Rank	Page
Bharat Petroleum Corp	94	Pg (20)	Petronet LNG	100	Pg (30)
Coal India	96	Pg (21)	Reliance Industries	21	Pg (32)
Hindustan Petroleum	89	Pg (24)			

Financials

Company	Contenders		Company	Contenders	
	Rank	Page		Rank	Page
Axis Bank	73	Pg (18)	Kotak Mahindra Bank	85	Pg (27)
Bank of Baroda	80	Pg (19)	LIC Housing Finance	95	Pg (28)
Bank of India	23	Pg (19)	Oriental Bank of Commerce	58	Pg (30)
Canara Bank	10	Pg (20)	Punjab National Bank	74	Pg (31)
DLF	19	Pg (22)	Reliance Capital	40	Pg (31)
HDFC Bank	91	Pg (23)	Rural Electrification Corp	51	Pg (33)
Housing Development &	14	Pg (24)	State Bank of India	22	Pg (34)
ICICI Bank	62	Pg (25)	Union Bank of India	38	Pg (37)
Indiabulls Real Estate	28	Pg (25)	Unitech	1	Pg (37)
IndusInd Bank	78	Pg (25)	Yes Bank	93	Pg (38)
Infrastructure	15	Pg (26)			

Health Care

Company	Contenders Rank	Page	Company	Contenders Rank	Page
Biocon Ltd	42	Pg (20)	Lupin Ltd	70	Pg (28)
Cipla	37	Pg (21)	Piramal Healthcare	12	Pg (30)
Dr Reddy's Laboratories	36	Pg (22)	Ranbaxy Laboratories	67	Pg (31)
Glenmark	83	Pg (23)	Sun Pharmaceuticals	88	Pg (34)

Industrials

Company	Contenders Rank	Page	Company	Contenders Rank	Page
Ashok Leyland	20	Pg (18)	Lanco Infratech	3	Pg (28)
Bharat Heavy Electricals	33	Pg (19)	Larsen & Toubro	43	Pg (28)
Crompton Greaves	2	Pg (21)	Mundra Port & SEZ	90	Pg (29)
IRB Infrastructure	17	Pg (26)	Siemens India	48	Pg (33)
Jain Irrigation Systems	52	Pg (26)	Suzlon Energy	59	Pg (35)
Jaiprakash Associates	54	Pg (27)	Tata Motors	6	Pg (36)

Information Technology

Company	Contenders Rank	Page	Company	Contenders Rank	Page
HCL Technologies	64	Pg (23)	Tata Consultancy	69	Pg (35)
Infosys Ltd	32	Pg (25)	Tech Mahindra Ltd	86	Pg (36)
Mphasis	9	Pg (29)	WIPRO	30	Pg (38)
Satyam Computer	99	Pg (33)			

Materials

Company	Contenders Rank	Page	Company	Contenders Rank	Page
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Hindalco Industries	8	Pg (24)	Tata Chemicals	44	Pg (35)
Jindal Steel & Power	27	Pg (27)	Tata Iron & Steel	16	Pg (35)
JSW Steel	5	Pg (27)	United Phosphorus	84	Pg (37)
Sesa Goa	25	Pg (33)			

Telecommunication

Company	Contenders Rank	Page	Company	Contenders Rank	Page
Bharti Tele-Ventures	49	Pg (20)	Reliance Communications	11	Pg (32)

Utilities

Company	Contenders Rank	Page	Company	Contenders Rank	Page
Gail India	57	Pg (22)	Reliance Infrastructure	53	Pg (32)
NTPC	65	Pg (30)	Reliance Power	56	Pg (32)
Power Grid Corp of India	77	Pg (31)	Tata Power	41	Pg (36)

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FOCUS POINT

Brief comments on topical issues and new research.

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- **Global Wave** – a monthly update of our proprietary indicator of global economic activity and major troughs and peaks in the cycle.
- **Asia Pacific Earnings Revision Ratio** – shows how earnings expectations are changing at the country & sector level within Asia Pacific.

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Link to Definitions

Macro

Click [here](#) for definitions of commonly used terms.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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