

Company

3 September 2010 | 16 pages

Reliance Capital (RLCP.BO)

Equity
Target price change
Estimate change

Sell: Still Waiting for the Turn

- **Maintaining Sell (3M) as business turnaround lags capital markets**— RCap's businesses are strongly correlated with capital markets, but have lagged equity markets in recently due to regulatory and competitive pressures - especially in life insurance, asset management and broking. We believe growth in these segments will likely remain muted, capping valuations, and maintain our Sell (3M) rating on the stock – despite its 31% 12m underperformance relative to Sensex.
- **Reducing target price to Rs788, primarily on lower life insurance multiple** — We reduce our sum-of-parts based target price on RCap to Rs788 based on a) Lower earnings estimates (down 39%/34% for FY11/12E, due to lower investment gains) and b) Lower multiple for life insurance (12x 1Yr Fwd NBAP now from 15x).
- **Life Insurance, Asset Management - regulatory pressure** — The Life insurance industry is transitioning to new regulatory norms and we believe RCap's lack of a strong bancassurance partner can impact growth (as corporate agents are likely to be impacted more). The asset management industry has also started to see outflows (largely debt) in recent months as overall domestic liquidity has tightened. We expect growth to stabilize medium term, but likely at lower levels.
- **Consumer Finance, broking – Stabilising** — Consumer finance has likely stabilized – a) unsecured loans are down to 10% of book; b) NPLs are down 16% QoQ in 1Q11; and c) loan growth outlook has improved, though still modest. Changes to fee structure in the broking business under progress, turnover levels are up and likely to improve. However, growth likely to be modest (possible market upsides).
- **Business has stabilized, but momentum missing** — Management has made strong gains in rationalizing/stabilizing the business and there is valuation support currently. However, regaining business momentum could be 2-3 qts away. Possible upside risks – change in market mood/ performance, possible banking license and higher-than-expected growth rates (either organic or inorganic).

Sell/Medium Risk	3M
Price (03 Sep 10)	Rs783.00
Target price	Rs788.00
	<i>from Rs821.00</i>
Expected share price return	0.6%
Expected dividend yield	0.8%
Expected total return	1.5%
Market Cap	Rs192,330M
	US\$4,116M

Price Performance (RIC: RLCP.BO, BB: RCAPT IN)



Statistical Abstract

Year to	Net Profit	Diluted EPS	EPS growth	P/E	P/B	ROE	Yield
31 Mar	(RsM)	(Rs)	(%)	(x)	(x)	(%)	(%)
2009A	10,157	41.26	1.0	19.0	2.6	14.5	0.8
2010A	4,345	17.65	-57.2	44.4	2.5	5.7	0.8
2011E	6,794	27.60	56.4	28.4	2.4	8.5	0.8
2012E	7,691	31.25	13.2	25.1	2.2	9.1	0.9
2013E	8,232	33.44	7.0	23.4	2.1	9.1	0.9

Source: Powered by dataCentral

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Fiscal year end 31-Mar	2009	2010	2011E	2012E	2013E
Valuation Ratios					
P/E adjusted (x)	19.0	44.4	28.4	25.1	23.4
P/E reported (x)	19.0	44.4	28.4	25.1	23.4
P/BV (x)	2.6	2.5	2.4	2.2	2.1
P/Adjusted BV diluted (x)	2.6	2.5	2.4	2.2	2.1
Dividend yield (%)	0.8	0.8	0.8	0.9	0.9
Per Share Data (Rs)					
EPS adjusted	41.26	17.65	27.60	31.25	33.44
EPS reported	41.26	17.65	27.60	31.25	33.44
BVPS	302.62	312.97	333.09	356.29	381.68
Tangible BVPS	302.62	312.97	333.09	356.29	381.68
Adjusted BVPS diluted	302.62	312.97	333.09	356.29	381.68
DPS	6.49	6.50	6.50	7.00	7.00
Profit & Loss (RsM)					
Net interest income	5,665	5,834	5,992	7,084	8,725
Fees and commissions	6,405	8,734	9,137	10,579	12,291
Other operating Income	35,483	33,514	33,307	38,395	43,655
Total operating income	47,553	48,082	48,436	56,058	64,671
Total operating expenses	-34,193	-39,160	-38,969	-45,254	-52,883
Oper. profit bef. provisions	13,360	8,922	9,467	10,804	11,788
Bad debt provisions	-1,318	-3,039	-917	-1,131	-1,441
Non-operating/exceptionals	0	0	0	0	0
Pre-tax profit	12,042	5,883	8,551	9,672	10,347
Tax	-1,810	-1,492	-1,710	-1,934	-2,069
Extraord./Min. Int./Pref. Div.	-74	-46	-46	-46	-46
Attributable profit	10,157	4,345	6,794	7,691	8,232
Adjusted earnings	10,157	4,345	6,794	7,691	8,232
Growth Rates (%)					
EPS adjusted	1.0	-57.2	56.4	13.2	7.0
Oper. profit bef. prov.	8.4	-33.2	6.1	14.1	9.1
Balance Sheet (RsM)					
Total assets	241,890	261,190	299,906	355,925	433,816
Avg interest earning assets	201,836	238,716	265,717	310,159	373,607
Customer loans	119,324	125,639	138,148	162,809	203,169
Gross NPLs	0	0	0	0	0
Liab. & shar. funds	241,890	261,190	299,906	355,925	433,816
Total customer deposits	0	0	0	0	0
Reserve for loan losses	0	0	0	0	0
Shareholders' equity	74,494	77,040	81,994	87,704	93,954
Profitability/Solvency Ratios (%)					
ROE adjusted	14.5	5.7	8.5	9.1	9.1
Net interest margin	2.81	2.44	2.26	2.28	2.34
Cost/income ratio	71.9	81.4	80.5	80.7	81.8
Cash cost/average assets	16.0	15.6	13.9	13.8	13.4
NPLs/customer loans	0.0	0.0	0.0	0.0	0.0
Reserve for loan losses/NPLs	na	na	na	na	na
Bad debt prov./avg. cust. loans	1.2	2.5	0.7	0.8	0.8
Loans/deposit ratio	na	na	na	na	na
Tier 1 capital ratio	na	na	na	na	na
Total capital ratio	na	na	na	na	na

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Maintain Sell, Business Momentum Soft

We maintain our Sell (3M) rating on Reliance Capital as we believe the business growth for company will continue to lag the capital market performance in the medium term due to significant pressures from regulatory changes and increase in competitive intensity. While the businesses individually continue to be strongly levered to capital markets, and will likely participate in a strong uptrend, momentum in most of the business segments remain soft for now, leverage to equity markets has declined relative to its own history and, between regulations and competition, growth will likely be much slower.

We are cutting our earnings sharply – down 39%/34% for FY11/12E – primarily due to lower trading gains on the investment book. We also reduce our sum of parts based target price for the company to Rs788. Our new target price includes Rs240 for asset management (5% of AUMs), Rs316 for life insurance, Rs39 for Non-life insurance (1x P/BV), Rs20 for broking (12x P/E), Rs101 for consumer finance (1.5x P/BV) and Rs71 for surplus capital (1x P/BV).

Figure 1. Sum of Parts Valuation Summary

	Old (Rs per share)	New (Rs per share)	Basis of Valuation
AMC	237	240	5% of AUMs
Life Insurance	417	316	12x 1Yr Fwd NBAP; NBAP margin 15%
General Insurance	4	39	1x P/BV
Broking	53	20	12x 1Yr Fwd PE
Consumer Finance	92	101	1.5x 1yr Fwd Book value
Investments	19	71	Surplus capital at 1x P/BV
Total	821	788	

Source: Citi Investment Research and Analysis

Figure 2. Reliance Capital: Earnings Revision Summary

	Net Profit			EPS			DPS	
	Old	New	% change	Old	New	% change	Old	New
FY11E	11,176	6,794	(39.2)	45.4	27.6	(39.2)	7.0	6.5
FY12E	11,725	7,691	(34.4)	47.6	31.2	(34.4)	7.5	7.0
FY13E	NA	8,232	NA	NA	33.4	NA	NA	7.0

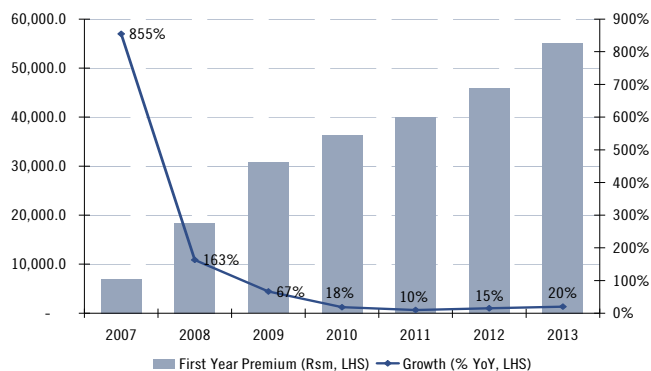
Source: Citi Investment Research and Analysis estimates

Life Insurance – Agency Model Vulnerable

We believe recent regulatory changes in the life insurance industry will lead to a) sharp reduction in cost structures, b) lower first-year commission payouts to sales channels and c) lower profitability medium term as costs and surrender charges get capped and d) possibly lower new business growth medium term till the industry stabilizes to the new norms.

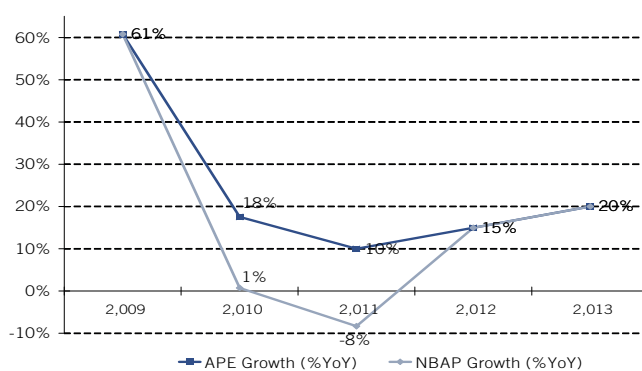
Reliance Life has been amongst the fastest growing life insurance companies in India and we believe will likely face higher than peers cost pressures as a large part of its distribution network was built during a high cost regime. Moreover, its policy lapse ratios are also relatively higher than most large peers and will likely lead to significant profitability pressures near to medium term. Also Reliance Life does not have a strong bancassurance partner, which could possibly lead to a higher impact on new business growth as we believe that the impact (of lower commissions) on corporate agents are likely to be meaningfully higher than the bancassurance channel.

Figure 3. Reliance Life Insurance: First Yr Premium & Growth (Rsm, %YoY)



Source: Company Reports and CIRA Estimates

Figure 4. Reliance Life Insurance: APE Growth and NBAP Growth (%)

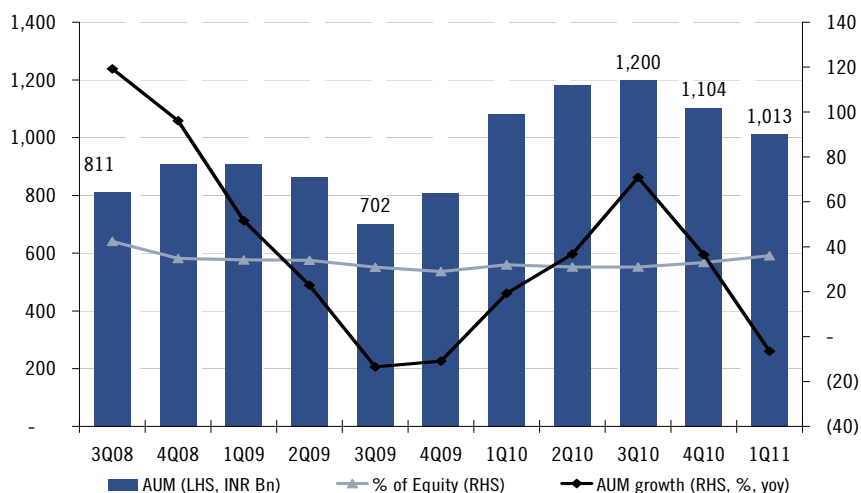


Source: Company Reports and CIRA Estimates

Asset Management – Fixed Income De-growth

Domestic asset managers have recently seen erosion of AUMs in the debt segment as overall liquidity in the system has tightened. This has also impacted Reliance Capital – AUMs down 8% qoq in 1Q11. We believe this trend is unlikely to reverse medium term as corporates continue to deploy excess cash in executing projects. Moreover, retail equity inflows have continued to remain sluggish and while there is potential of a revival, the current structure for incentivizing the distribution network will likely remain a drag. We therefore, expect profitability in the mutual fund business to come off over the medium term.

Figure 5. Reliance Mutual Fund: Monthly AUM, AUM Growth and Equity Composition (Rsm, %YoY)



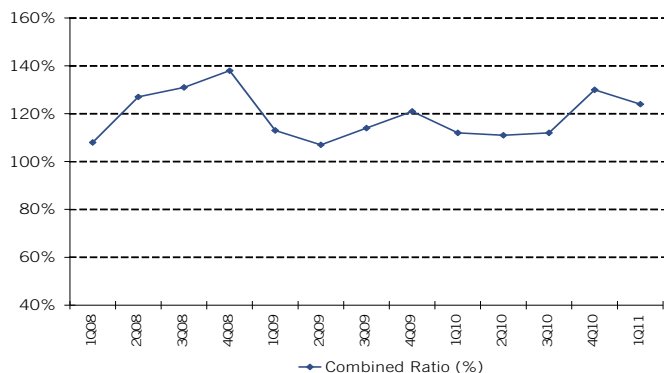
Source: Citi Investment Research and Analysis

Non-Life Insurance

The non-life business has still to recover from the high claims experiences – the combined ratio in the business was at 117% in FY10 and the company has been making losses for the last few years. While the management is hopeful of

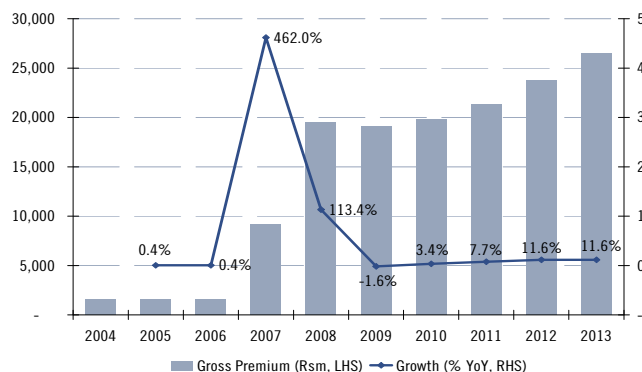
a turnaround in FY11, we believe it will only be gradual and growth rates in the segment will likely remain muted.

Figure 6. Reliance Capital: High Combined Ratio (%)



Source: Citi Investment Research and Analysis

Figure 7. Reliance Capital: Gross Written Premium and Growth (Rsm, %YoY)

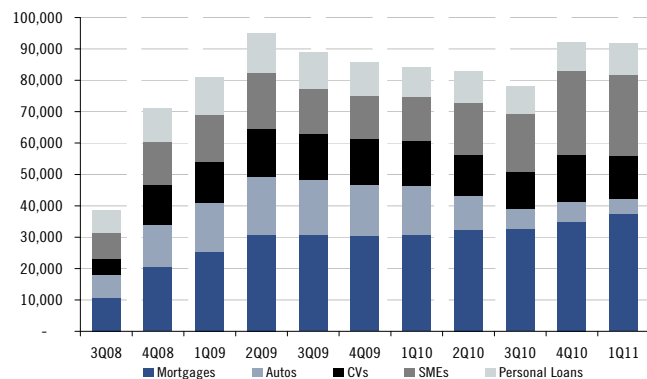


Source: Citi Investment Research and Analysis

Consumer Finance

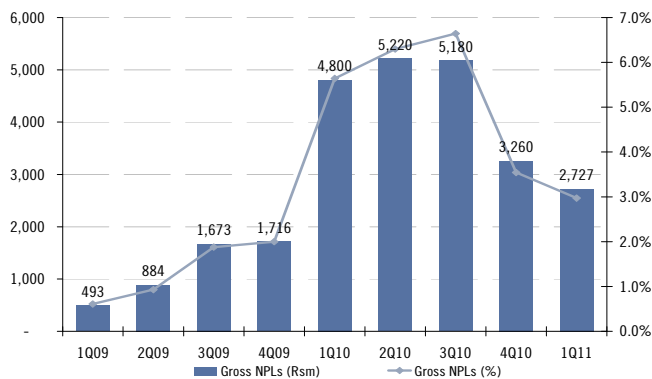
The consumer finance segment has turned around from its troughs and now appears to have stabilized – a) Lending book is showing some signs of growth coming back (up 7.8% YoY in 1Q11); b) Unsecured loans have reduced to 10% of loans and c) NPLs have also started to come down (16% QoQ) in 1Q11. We believe the consumer finance business will now start seeing more traction on growth given the strong economic outlook. Loan loss charges should reduce sharply relative to FY10 as incremental NPL formation has declined substantially, however, profitability will be partly moderated by likely pressure on Net Interest Margins due to rising cost of funds. Overall however, this should be the best performing segment over the next 9-12 months for Reliance Capital.

Figure 8. Reliance Consumer Finance: Loan Book Composition (Rsm)



Source: Company Reports and Citi Investment Research and Analysis

Figure 9. Reliance Consumer Finance: Gross NPLs & NPL Ratio (Rsm,%)

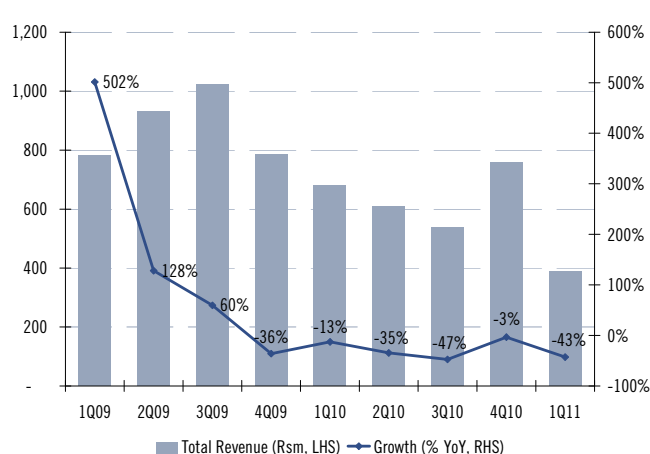
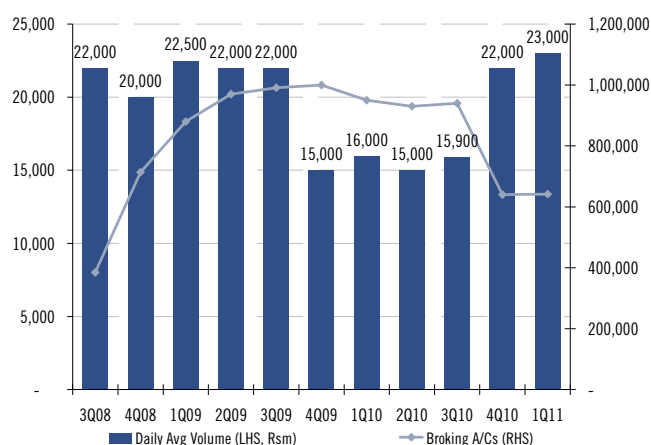


Source: Company Reports and Citi Investment Research and Analysis

Broking and Distribution

Reliance Capital's overall broking turnover has stabilized with ADT of Rs23bn in 1Q11 (+4.5% QoQ). However, the process of transitioning to an ad hoc revenue model (from a fixed revenue model earlier) is still under progress (should be done by the end of this year). The distribution segment will still likely be sluggish as growth in life insurance and mutual fund distribution remains challenging. Overall, this segment has the potential for meaningful upsides, in case there is a revival in the retail participation levels in equity markets overall – however, we have still not seen any definite signs of a pick-up there and would avoid making that call for now.

Figure 10. Reliance Money: Daily Average Volumes (Rsm) & Broking Accounts Figure 11. Reliance Money: Total Revenue and YoY Growth (Rsm, %)



Source: Company Reports and Citi Investment Research and Analysis

Source: Company Reports and Citi Investment Research and Analysis

Figure 12. Select Comparables: Valuation Summary (3 September 2010)

Domestic Peers	Ticker	Price (Rs.)	TP (Rs.)	CIR Rating	PE 11E	PE 12E	PB 11E	PB 12E	ROA 11E	ROA 12E	ROE 11E	ROE 12E	Mkt Cap. (USD Mn)	Div. Yield (%)
Motilal Oswal	MOFS.BO	155	203	1M	11.4	9.2	2.0	1.65	9.7%	10.3%	18.7%	19.5%	474	1%
Edelweiss	EDEL.BO	50	50	3M	15.0	12.7	1.5	1.39	3.7%	3.5%	10.6%	11.5%	806	2%
Kotak Mahindra	KTKM.BO	818	1050	1M	16.7	14.2	2.7	2.28	2.9%	2.8%	18.5%	17.5%	6,403	0%
Reliance Capital	RLCP.BO	775	788	3M	28.1	24.8	2.3	2.20	2.4%	2.3%	8.5%	9.1%	4,076	1%
India Infoline **	IIFL.BO	95		Not Rated	13.2	10.8	1.6	1.50	4.7%	4.9%	14.0%	15.6%	591	1%

Source: Citi Investment Research and Analysis estimate. NR= Not rated Note: ** Bloomberg Consensus Estimates

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Data as of: 27-Aug-10

Radar Screen Quadrant Definitions

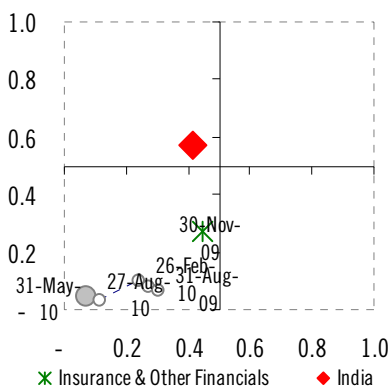
Glamor <i>Poor relative value but superior relative momentum</i>	Attractive <i>Superior relative value and superior relative momentum</i>
Unattractive <i>Poor relative value and poor relative momentum</i>	Contrarian <i>Superior relative value but poor relative momentum</i>

Quants View – Unattractive

Reliance Capital currently lies in the Extreme corner of the Unattractive quadrant of our Value-Momentum map with weak momentum and weak value scores having been a resident there since the past 12 months. Compared to its peers in the Insurance & Other Financials sector, Reliance Capital fares worse on the valuation metric and on the momentum metric. Similarly, compared to its peers in its home market of India, Reliance Capital fares worse on the valuation metric and on the momentum metric.

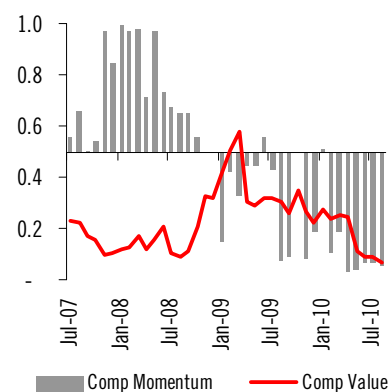
From a macro perspective, Reliance Capital has a high Beta to the region so is likely to rise (or fall) faster than the region. It is also likely to benefit from tightening US credit spreads, falling EM yields, and a weaker US Dollar.

Figure 13. Radar Quadrant Chart History



Source: CIRA

Figure 14. Radar Valuation and Momentum Scores



Source: CIRA

Figure 15. Radar Model Inputs

IBES EPS (Actual and Estimates)

FY(-2)	40.94	Implied Trend Growth (%)	(10.90)
FY(-1)	41.35	Trailing PE (x)	52.15
FY0	17.63	Implied Cost of Debt (%)	7.03
FY1	25.91	Standardised MCap	0.07
FY2	31.51		

Note: Standardised MCap calculated as a Z score – (mkt cap - mean)/std dev – capped at 3

Source: Citi Investment Research and Analysis, Worldscope, I/B/E/S

Figure 16. Stock Performance Sensitivity to Key Macro Factors

Region	2.05	Commodity ex Oil	(0.17)
Local Market	1.94	Rising Oil Prices	0.11
Sector	1.56	Rising Asian IR's	0.08
Growth Outperforms Value	(0.95)	Rising EM Yields	(0.46)
Small Caps Outperform Large Caps	0.92	Weaker US\$ (vs Asia)	2.99
Widening US Credit Spreads	(0.31)	Weaker ¥ (vs US\$)	(0.12)

Source: Citi Investment Research and Analysis

Reliance Capital

Company description

Reliance Capital is India's largest, diversified retail financial services company with a presence in asset management, life insurance, non-life insurance, brokerage, consumer finance and distressed assets. It is part of the Anil Dhirubhai Ambani (ADA) group, which holds a 53% stake in the company. RCap has leveraged its strong brand and large capital base, and has aggressively built a large distribution network in the country. RCap is among the market leaders in all its business segments.

Investment strategy

We rate Reliance Capital Sell/Medium Risk. RCap's key strengths are: a) a presence in under-penetrated, secular growth businesses; b) strong business growth led by supportive capital markets; c) market leadership in most segments, driven by its large distribution network, product focus and strong and aggressive management. However, almost all its businesses and earnings are inherently linked to capital markets. RCap is also significantly exposed to slower economic growth, higher interest rates and weaker asset quality, which could pressure growth and expected returns. Moreover, we believe its profitability will be under pressure medium term due a likely higher cost distribution build-out and increasing competitive intensity.

While parts of RCap's businesses are likely to grow significantly (especially consumer finance, broking) in the current environment and profitability is showing signs of stabilization, we expect its insurance and asset management segments to continue on a moderate growth path. Moreover, we believe a rise in overall business momentum likely to be another couple of quarters away.

Valuation

We have a target price for Reliance Capital of Rs788. We use a sum-of-the-parts methodology to value RCap as it is present in diverse businesses, and each of these businesses is valued based on a different methodology. As many of its businesses are still growing or are not consolidated, we believe P/E or P/BV approaches are not properly reflective of value. We value the AMC business at Rs240 per share (5.0% of AUMs); the life insurance business at Rs316 per share (12x 1-year forward NBAP; at par with peers); the non-life insurance business at Rs39 per share (1x 1-year forward P/BV, in line with peers); the retail broking business at Rs20 per share (12x 1-year forward earnings, lower than peers due to lower its profitability and transitioning business model) and the consumer finance business at Rs101 per share (1.5x 1-year forward book value, in line with peers). We also value the surplus capital at book value to get Rs71 per share.

Risks

We rate Reliance Capital as Medium Risk even though a Low Risk rating is suggested by our quantitative risk model, which tracks 260-day historical share price volatility. We believe a Medium Risk rating is appropriate as RCap's businesses are strongly correlated to capital markets and can be inherently volatile in nature. Key upside risks to our valuations and target price include: a) sustained buoyancy in capital markets; b) an easy liquidity environment or a reduction in interest rates; b) continued benign asset quality environment; d)

higher than anticipated growth and market share gains in different businesses; and e) possible acquisition of a banking license.

Motilal Oswal Financial Services

Valuation

Our target price for MOFS is Rs203, which is set at 15x one-year forward earnings, and is at a 10-15% discount to the broader market (Sensex) P/E multiple. This is consistent with our approach for other players in the industry and in line with our multiples for Edelweiss. We value brokerages on a P/E basis, benchmarked off the broader market multiples, as we believe it best captures the cyclical nature of the business. We value the brokerage/related businesses at a discount to broader market earnings multiples in the current environment. We believe that such cyclical businesses should trade at a discount to the market during a strong market environment and vice versa.

Risks

We rate MOFS Medium Risk, though our quantitative risk-rating system, which tracks 260-day historical share price volatility, suggests a Low Risk rating. While MOFS has a broad and diversified business revenue mix, and is well balanced between the retail and institutional segments, its business fundamentally remains leveraged to the capital market environment, which we believe increases operating risk. Key risks that could prevent the shares from reaching our target price are: a) lower than expected trading volumes; b) continued market share losses; and c) regulatory changes.

Edelweiss Capital

Valuation

Our target price of Rs500 is based on a price to earnings approach. We value brokerages/related businesses at a slight discount to broader market earnings multiples in the current environment. We believe that such cyclical businesses should trade at a discount to the market during a strong market environment and vice versa. In the current market environment, we use 15x 1yr Fwd PE to value Edelweiss' overall business (in line with our multiples for other players in the sector). Our target multiple is at a 10-15% discount to the broader Sensex multiple (we argue that brokerages should trade at discounts in a strong market and vice versa). This values Edelweiss at Rs500 per share.

Risks

We rate Edelweiss Medium Risk, though our quantitative risk-rating system, which tracks 260-day historical share-price volatility, suggests Low Risk. We prefer Medium Risk to Low Risk because Edelweiss' revenues continue to be closely linked to capital market growth and volatility. Upside risks to our target price include: a) higher than expected growth in brokerage volumes; b) better than expected returns on the treasury portfolio; and c) higher than anticipated upsides on the launch/amalgamation of new retail brokerage platform.

Kotak Mahindra Bank

Valuation

Our target price of Rs1050 is based on our valuation of KTKM's different businesses via the sum-of-the-parts methodology. This values the banking business at Rs642 per share at 3.25x PBV 1-year fwd, the vehicle loan financing business at Rs103 per share at 2.5x 1Yr Fwd P/BV, the investment banking and broking business at 15x 1-year Fwd PE or Rs173, the insurance subsidiary at Rs51 at 12x 1Yr Fwd NBAP, and we attribute Rs81 to the AMC business (5% of AUM for MF, and 7% for Portfolio and alternative assets). Our target multiples are in-line with the best of breed private sector banks and other financial services business, however they are not near peak multiples in the historical India scenario, this as we believe, the business' leverage to capital markets have reduced and the near term challenges will cap growth at well below historical peak growth levels.

Risks

We rate KTKM as Medium Risk, even while our quantitative risk rating system, which tracks the 260-day share price volatility of the stock, suggests Low Risk. We believe the Medium Risk rating is justified on account of its relatively smaller balance sheet, capital market leverage and relatively moderate deposit franchise. Downside risks to the stock and business would be: a) Sharp downturn in the capital markets; b) Significant pressure on asset quality; and c) Sharp increases in interest rates, which can pressure its relatively wholesale funding mix. These risks could prevent the stock from achieving our target price.

Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security or any identified portion of the report with respect to an issuer or security that the research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer(s) or securities. The research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this research report.

IMPORTANT DISCLOSURES

Reliance Capital (RLCP.BO)

Ratings and Target Price History

Fundamental Research

Analyst: Manish Chowdhary, CFA
Covered since September 3 2008



Chart current as of 28 August 2010

	Date	Rating	Target Price	Closing Price
1	3-Sep-08	*3M	*1,250.00	1,418.90

	Date	Rating	Target Price	Closing Price
2	15-Dec-08	3M	*500.00	546.10

	Date	Rating	Target Price	Closing Price
3	18-Jun-09	3M	*821.00	884.50

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Reliance Capital Ltd (RLCP.NS)

Rating History

Global Quantitative Research

Asia Radar Screen

Analyst: Paul R Chanin



Chart current as of 4 August 2010

	Date	Rating	Target Price	Closing Price
1	26-Nov-07	*3	-	2,317.05
2	25-Jan-08	*2	-	2,124.45
3	28-Jan-08	*3	-	2,075.55
4	11-Feb-08	*2	-	1,615.70
5	10-Mar-08	*3	-	1,342.30
6	17-Mar-08	*2	-	1,139.00
7	14-Apr-08	*3	-	1,281.85
8	21-Apr-08	*4	-	1,409.70
9	12-May-08	*2	-	1,303.55

	Date	Rating	Target Price	Closing Price
10	10-Jun-08	*4	-	1,125.65
11	21-Jul-08	*3	-	1,092.80
12	28-Jul-08	*4	-	1,311.95
13	4-Aug-08	*5	-	1,342.30
14	25-Aug-08	*4	-	1,259.35
15	5-Jan-09	*3	-	605.60
16	19-Jan-09	*4	-	427.75
17	28-Jan-09	*5	-	413.35
18	23-Feb-09	*2	-	370.55

	Date	Rating	Target Price	Closing Price
19	6-Mar-09	*3	-	286.55
20	27-Mar-09	*4	-	371.75
21	10-Apr-09	*5	-	468.05
22	15-May-09	*4	-	591.55
23	22-May-09	*5	-	903.30
24	29-May-09	*4	-	942.45
25	7-Aug-09	*3	-	848.30
26	14-Aug-09	*5	-	855.80

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Reliance Capital Ltd (RLCP.BO)

Rating History
Global Quantitative Research
World Radar Screen

Analyst: Chris Montagu
Covered since May 23 2009



Chart current as of 26 August 2010

Date	Rating	Target Price	Closing Price
1 2-Oct-07	*7	-	1,808.65
2 6-Nov-07	*5	-	1,833.55
3 4-Dec-07	*7	-	2,494.50
4 7-Feb-08	*6	-	1,868.65
5 6-Mar-08	*5	-	1,499.05
6 3-Apr-08	*4	-	1,215.45
7 14-May-08	*8	-	1,316.65

Date	Rating	Target Price	Closing Price
8 3-Jun-08	*5	-	1,116.75
9 3-Jul-08	*3	-	882.80
10 3-Aug-08	*7	-	1,338.35
11 8-Sep-08	*10	-	1,364.55
12 7-Nov-08	*7	-	662.80
13 7-Jan-09	*5	-	518.65
14 5-Feb-09	*10	-	367.50

Date	Rating	Target Price	Closing Price
15 4-Mar-09	*9	-	324.15
16 7-Apr-09	*4	-	429.25
17 14-May-09	*8	-	569.70
18 8-Jun-09	*10	-	929.55
19 7-Jul-09	*9	-	829.55
20 14-Sep-09	*10	-	882.75

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Edelweiss Capital (EDEL.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Manish Chowdhary, CFA
Covered since April 17 2008



Chart current as of 28 August 2010

Date	Rating	Target Price	Closing Price
1 16-Apr-08	*3H	*76.00	79.29
2 15-Jul-08	3H	*46.00	48.17

Date	Rating	Target Price	Closing Price
3 8-Dec-08	3H	*24.00	24.50
4 4-Jun-09	*1M	*61.20	50.17

Date	Rating	Target Price	Closing Price
5 4-Aug-10	*3M	*50.00	52.18

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Kotak Mahindra Bank (KTKM.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Manish Chowdhary, CFA
Covered since August 24 2010

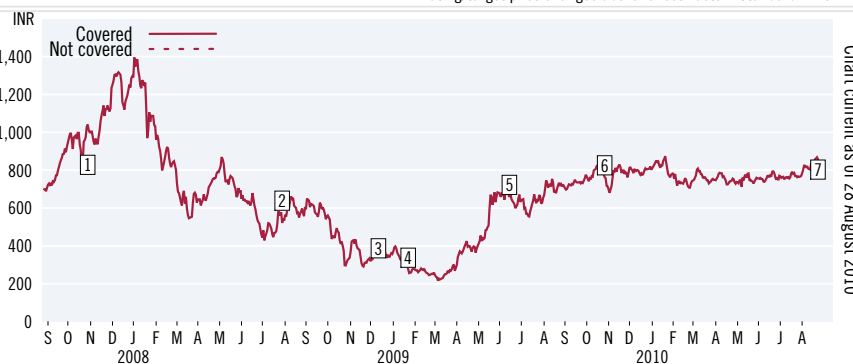


Chart current as of 28 August 2010

Date	Rating	Target Price	Closing Price
1 29-Oct-07	2M	*1,110.00	1,041.20
2 29-Jul-08	2M	*635.00	521.00
3 11-Dec-08	2M	*400.00	380.05

Date	Rating	Target Price	Closing Price
4 22-Jan-09	*3H	*282.00	276.65
5 14-Jun-09	3H	*639.00	671.50
6 27-Oct-09	3H	*700.00	763.25

Date	Rating	Target Price	Closing Price
7 24-Aug-10	*1M	*1,050.00	857.25

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Motilal Oswal Financial Services (MOFS.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Manish Chowdhary, CFA
Covered since November 6 2007



Date	Rating	Target Price	Closing Price	Date	Rating	Target Price	Closing Price	Date	Rating	Target Price	Closing Price
1 6-Nov-07	*1M	*300.00	237.99	4 11-Jul-08	*3M	*118.00	105.36	7 5-Jun-09	*3M	*176.00	182.90
2 11-Jan-08	1M	*480.00	386.97	5 15-Oct-08	*3H	*82.00	75.10	8 4-Aug-10	*1M	*203.00	166.75
3 16-Apr-08	1M	*165.00	151.04	6 9-Dec-08	3H	*61.00	64.75				

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

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Data current as of 30 Jun 2010

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Citi Investment Research & Analysis Quantitative World Radar Screen Model Coverage	30%	40%	30%
% of companies in each rating category that are investment banking clients	22%	22%	20%
Citi Investment Research & Analysis Quantitative Decision Tree Model Coverage	46%	0%	54%
% of companies in each rating category that are investment banking clients	57%	0%	49%
Citi Investment Research & Analysis Quantitative European Value & Momentum Screen	30%	40%	30%
% of companies in each rating category that are investment banking clients	50%	52%	49%
Citi Investment Research & Analysis Asia Quantitative Radar Screen Model Coverage	20%	60%	20%
% of companies in each rating category that are investment banking clients	19%	19%	22%
Citi Investment Research & Analysis Australia Radar Model Coverage	50%	0%	50%
% of companies in each rating category that are investment banking clients	17%	0%	35%

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