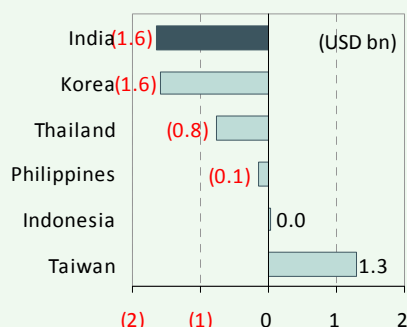




Essence of the Week

Index EPS	FY10	FY11e	FY12e
Sensex	804	1,047	1,249
Nifty	270	336	404

FII's sold \$1.6 bn of Indian equities in CY11



Source: Bloomberg

WHAT'S IN IT FOR YOU?

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MARKET OUTLOOK

China increased reserve ratios for banks today – such tightening is obviously theoretically goody-goody for India as it tends to eventually slap down global commodity prices including crude. However in the short term, it milks away global fund allocations even further US-wards from EMs, of which India is a sub-allocation. So short term pain, medium term gain!

Eyes are now on the Budget, though eyelid-droopingly, as few have major expectations out of it. Key surprises out of the Budget could be the following:

- ❑ **Deficit** target for FY 12 is less than the expected 4.8%, due to high nominal GDP growth (remember inflation?) and/ or net Govt **borrowings** are less than the expected Rs 3.5- 3.8 trn. These would dampen fears of extreme **interest rate hikes** in FY 12.
- ❑ As this is the last year of the Plan period, and with so many concerns on Infra, even as Infra growth gets more important for GDP growth, the Govt could increase **hard infra** spends vs rise in Social spends. Further take-out financing for infra, or funds to bail out SEBs (or interest subvention to them) could also help.
- ❑ Given **inflationary** pressures (not to forget, the various state elections due), no increase in **excise duty (auto, fmcg, etc)** or a decrease in **customs duty** for **crude & diesel** (& maybe other commodities too), or a revamp in the food PDS would make people very happy with the Govt (remember again, state elections!).

Continued...

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The following screener helps you in identifying investment ideas:

- Implied growth:** Choose stock returns;
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- Valuations:** Comparing current valuations to long-term averages;
- BSE500 performance:** Stock performance across various periods

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- ❑ We hope ALL of these anti-inflationary measures are not done, as that then raises the question of **revenue generation**, especially as the Govt has already indicated an **increase in fertilizer, food and oil subsidies**. A possible surprise could be a general reduction in tax rates/ increase in standard deduction limits, to buoy demand (In India, the denominator is always more important vs the numerator – growth can take care of moderately difficult situations). And non-Plan, could be the **divestment** target (expected \$ 7-8 bn) and mention of intent for coal block auctions.
- ❑ Intent statements on key reforms (GST, DTC, FDI limits, etc) may have to be made, but are unlikely to influence a largely cynical audience yet.

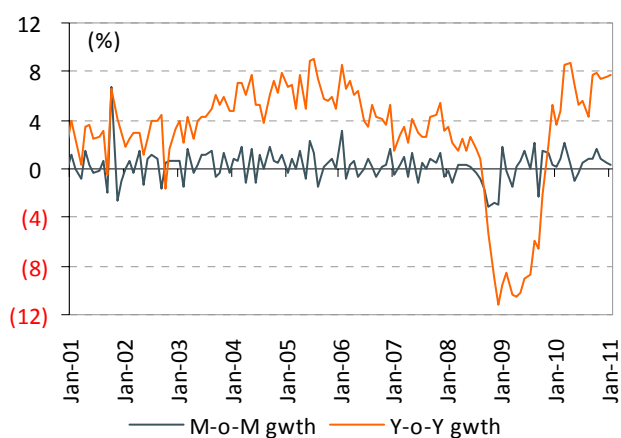
And outside the Budget, the environment ministry, much blamed for the fall in FDI and the capex-slowdown, has already started to demonstrate pragmatism in balancing India's overall priorities. Post-Budget, more projects being cleared, and inflation peaking off, could stem falling markets.

Incidentally this week, **Govt alerted on the possible shortfall in KGD6 gas**. This could materially affect certain power Cos and increase defensive premium on others (refer "Anecdotes" section of this report). Note the Banking system was prudent enough to not disburse any meaningful amount to such projects.

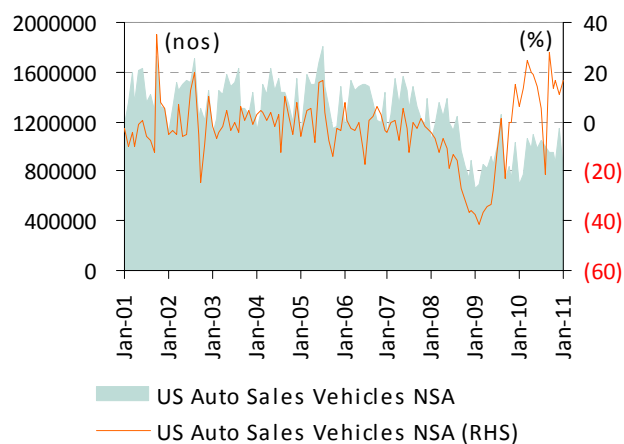
Among largecaps, 3 categories of stocks are recommended: Resources-based (Coal India, JSPL, Tata Power), Strong Outlook (Infosys, Bajaj Auto, Grasim) and Robust Infra (PGCIL, Mundra).

A. US: Mixed hints on sustenance of eco recovery

Retail Sales

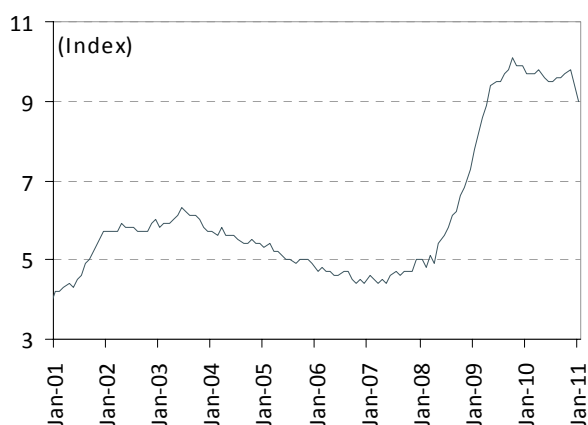


Auto Sales

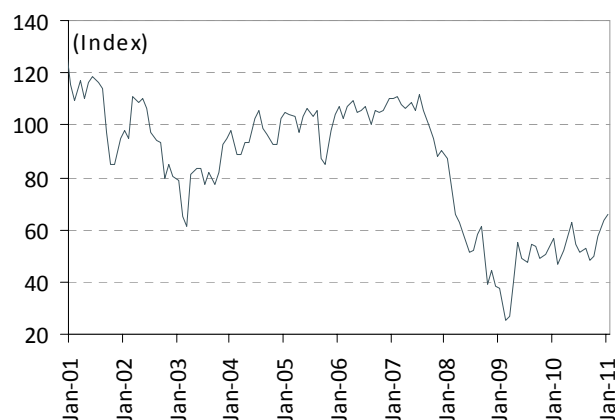


Source: Bloomberg

Unemployment Rate

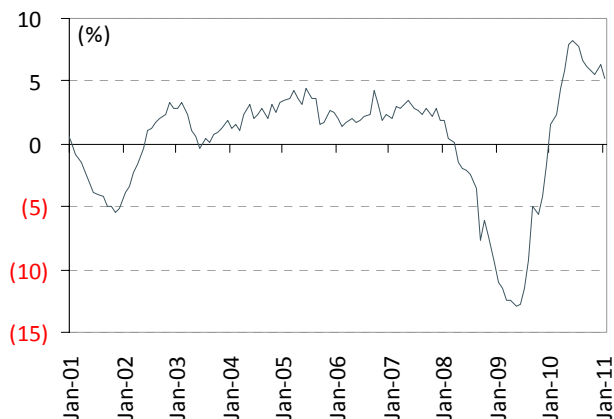


Consumer confidence still weak

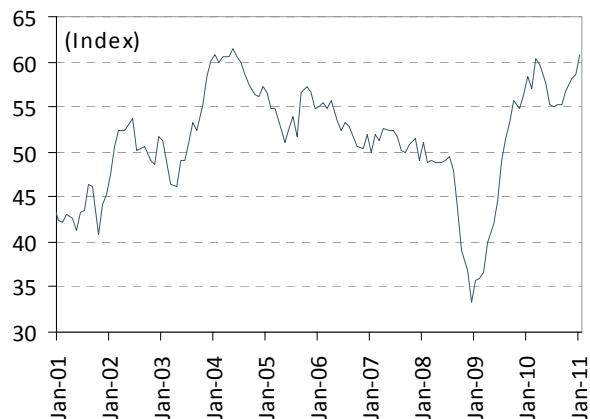


Source: Bloomberg

Industrial Production recovering



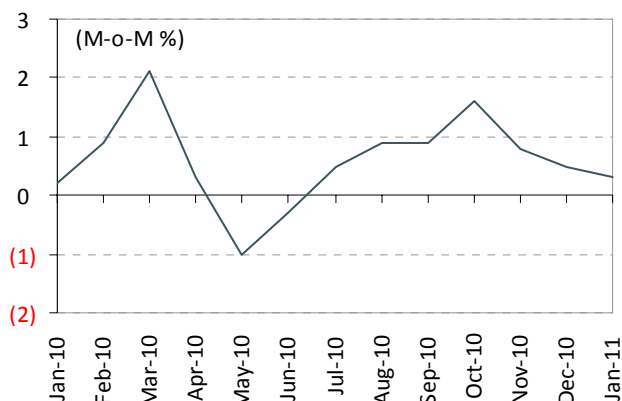
ISM Manuf. PMI: V-shaped recovery



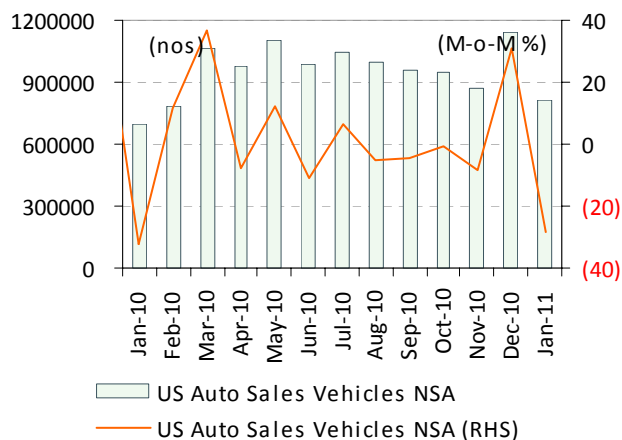
Source: Bloomberg

US Indicators – Monthly change

Retail Sales

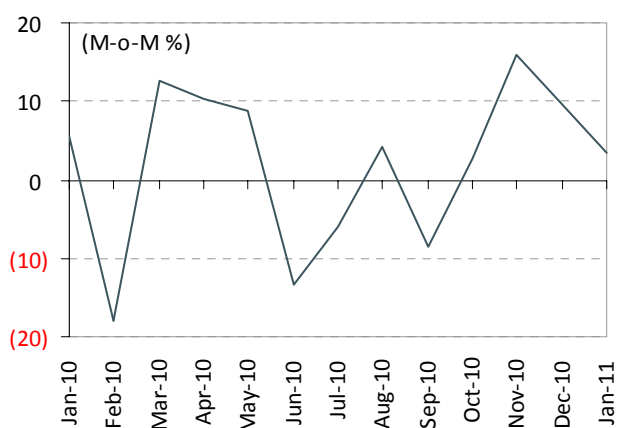


Auto Sales

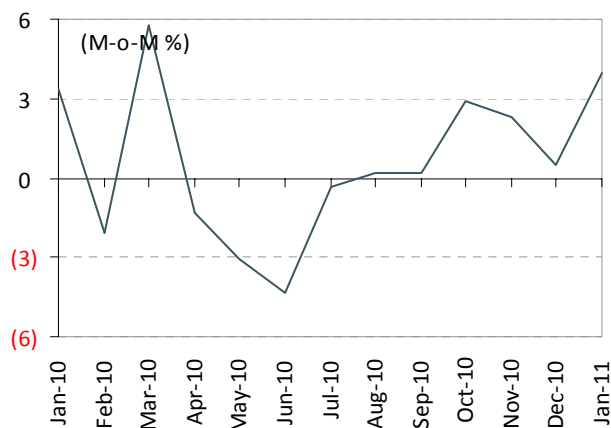


Source: Bloomberg

Consumer confidence

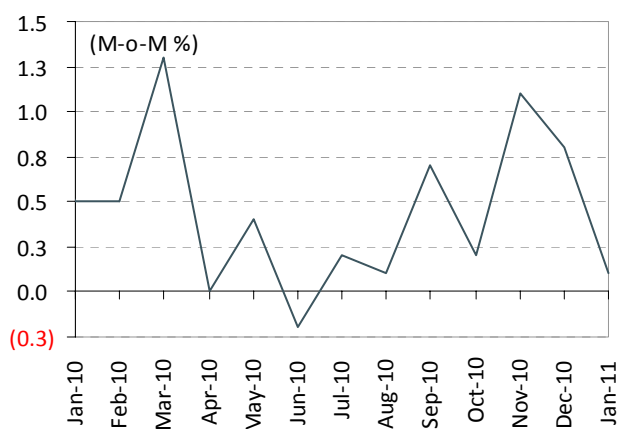


ISM Manuf. PMI

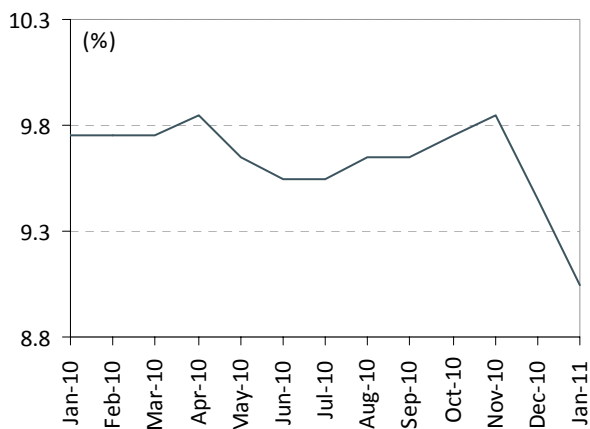


Source: Bloomberg

Conference Board US Leading Index

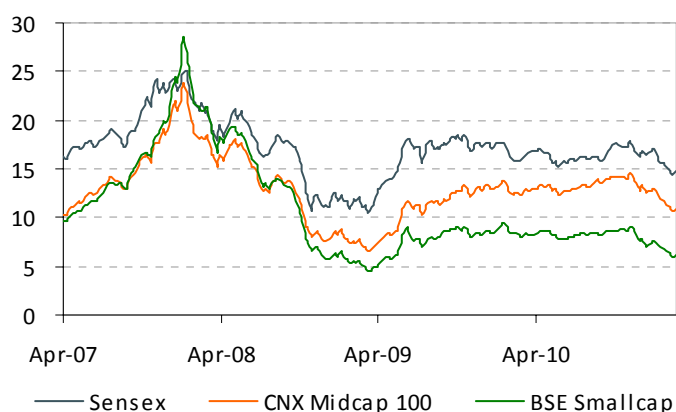


Unemployment Rate



Source: Bloomberg

Key Indices: Fwd P/E



Fwd PE range - Apr'07 to date

	Sensex *	CNX Mid	BSE Small
Current	15	11	6
Top Quartile	18	14	14
Median	17	13	13
Low Quartile	16	11	11

Source: ENAM Research, Bloomberg; Note: *based on ENAM estimates. Midcap & Small cap estimates are from bloomberg.

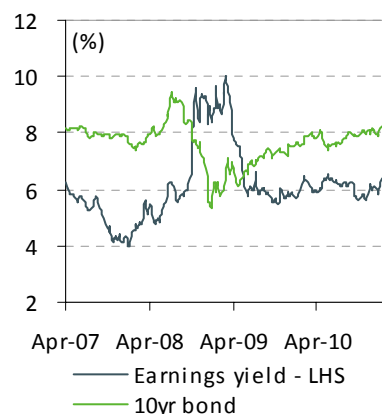
Sx: fwd P/B



Sx: fwd EV/EBITDA



Sx: Erngs yld vs. 10yr G-Sec



Source: ENAM Research; Bloomberg

Sensex: Sector valuation based on ENAM numbers

Sector	Weights (%)	Earnings gwth (%)			PER (x)			PBR (x)			ROE (%)			Fwd PE-Apr05 to date*		
		FY10	FY11E	FY12E	FY10	FY11E	FY12E	FY10	FY11E	FY12E	FY10	FY11E	FY12E	Top Q	Median	Low Q
Auto	8.8	256	127	15	25	11	10	6.2	3.9	2.9	25	34	29	19	12	10
BFSI	24.8	23	18	22	24	20	17	3.0	2.6	2.2	12	13	13	17	16	13
Engg	8.6	32	19	21	25	21	17	5.3	4.4	3.6	21	21	21	23	20	15
FMCG	7.8	17	14	18	30	26	22	10.3	8.9	7.5	35	34	34	24	22	21
Infra	1.3	32	(28)	28	15	20	15	1.2	1.1	1.1	8	6	7	29	17	14
IT Services	16.6	17	18	22	29	25	20	7.9	6.6	5.2	28	27	26	22	20	17
Metals	6.7	(76)	322	20	46	11	9	1.7	1.4	1.2	4	12	12	11	9	6
Oil & Gas	14.7	4	35	18	17	13	11	2.2	1.9	1.7	13	14	15	15	13	11
Pharma	1.1	9	(4)	22	23	24	20	4.2	3.7	3.2	18	15	16	25	20	17
Power	5.4	39	3	13	16	16	14	2.9	2.5	2.2	18	16	16	16	13	12
Realty	0.7	(32)	(5)	39	22	23	17	1.6	1.5	1.4	7	7	9	37	26	18
Telecom	3.5	(8)	(42)	16	11	19	16	1.6	1.6	1.4	15	8	9	22	19	16
Sensex	100.0	6	30	19	23	17	15	3.2	2.8	2.4	14	16	16	17	16	14

Source: Bloomberg, ENAM Research; Note: Valuations based on current prices; PE not adjusted for value of investments; ***Definition of Quartile:** One of the three numbers (values) that divide a range of data into four equal parts. The first quartile (also called 'lower quartile') is the number below which lies the 25 percent of the bottom Data. The second quartile (the 'median') divides the range in the middle and has 50 percent of the data below it. The third quartile (also called 'upper quartile') has 75 percent of the data below it and the top 25 percent of the data above it.

B. Nifty-benchmarked ENAM Model Portfolio

Portfolio Monthly update as of 11-Jan-11: allocations UNCHANGED, while CMP and resultant Upside as of date.

Notes: a) Nil-cash portfolio, b) Non-Nifty stocks highlighted in blue & usually capped at 2%, c) Allocations capped at 10% (RIL)

d) Stocks of mktcap < \$ 1 bn excluded

Sector/ Company name	Mcap (USD m)	CMP (INR)	Weightages (%)		Target Pr. (INR)	Upside (%)	11-Jan-11 Price (INR)	06-Dec-10 Weights (%)	OW/ UW wrt Nifty
			Nifty Current	ENAM 11-Jan-11					
Auto	47,444		7.7	7.5				10.0	▼
Tata Motors	15,762	1,202	2.8	2.5	1,494	24	1,160	3.0	▼
Bajaj Auto	8,539	1,335	1.1	1.5	UR	-	1,307	1.5	▲
Maruti Suzuki	7,846	1,229	1.0	2.5	1,605	31	1,324	3.0	▲
Mah & Mah	8,837	651	1.9	1.0	722	11	736	2.5	▼
Hero Honda	6,460	1,464	0.9	0.0	UR	-	1,837	0.0	▼
Banks & Financial services	168,763		26.5	27.0				24.1	▲
State Bank	38,670	2,755	4.3	2.0	2,994	9	2,612	2.5	▼
ICICI Bank	26,042	1,026	7.2	8.0	1,324	29	1,023	8.0	▲
HDFC Bank	22,317	2,173	4.7	4.5	2,250	4	2,147	4.0	▼
HDFC	20,831	643	5.1	5.0	721	12	661	5.0	◀▶
Axis Bank	11,719	1,293	2.0	2.5	NR	-	1,298	2.0	▲
PNB	7,602	1,091	0.9	0.0	1,237	13	1,176	0.7	▼
Kotak Mah Bank	6,652	409	0.9	0.0	-	-	418	0.0	▼
IDFC	4,634	144	0.9	0.0	175	22	162	0.0	▼
Reliance Capital	2,416	445	0.3	0.0	-	-	607	0.0	▼
Power Finance	6,205	245		1.0	356	46	288	0.9	
BoB	7,226	898		1.0	1,055	18	855	0.5	
Rural Electrification	5,166	237		1.0	300	27	270	0.0	
Canara Bank	5,281	583		1.0	768	32	585	0.0	
Yes Bank	2,178	284		0.5	357	26	272	0.5	
Oriental Bank	1,825	330		0.5	450	37	363	0.0	
Cement	16,941		1.8	1.5				1.5	▼
JP Associates	4,007	85	0.6	0.5	120	41	95	0.5	◀▶
Ambuja Cement	4,203	124	0.6	0.0	128	3	127	0.0	▼
ACC	4,082	984	0.6	0.0	905	(8)	1,029	0.0	▼
Grasim Inds	4,649	2,294		1.0	2,928	28	2,309	1.0	
Engineering & Infra	67,825		8.9	11.5				9.5	▲
BHEL	22,646	2,093	2.0	2.0	2,550	22	2,233	2.5	◀▶
Larsen & Toubro	22,066	1,640	5.4	6.5	2,210	35	1,786	5.0	▲
Siemens	6,297	845	0.8	0.0	UR	-	761	0.0	▼
Reliance Infra	3,579	606	0.5	0.0	UR	-	803	0.0	▼
Suzlon Energy	1,874	48	0.2	0.0	48	1	48	0.0	▼
Mundra	6,387	144		1.0	180	25	139	1.0	
Crompton Greaves	3,732	263		1.0	311	18	293	0.0	
Voltas	1,243	170		1.0	240	41	210	1.0	
FMCG, Media, Retail	43,555		6.8	6.5				6.0	▼
ITC	26,532	156	5.0	2.5	-	-	170	4.0	▼
Hindustan Unilever	13,469	279	1.8	0.0	250	(10)	309	0.0	▼
Pantaloon Retail	1,307	275		2.0	338	23	350	0.0	
Tata Global Beverages	1,294	95		1.0	116	23	102	1.0	
DB Corp	954	238		1.0	292	23	251	1.0	
IT - Services	120,744		14.5	15.5				13.0	▲
Tata Consultancy	47,169	1,090	3.4	4.5	1,330	22	1,099	3.0	▲
Infosys Tech	39,291	3,096	9.1	10.0	3,780	22	3,329	8.0	▲
Wipro	23,453	432	1.3	0.0	468	8	468	1.5	▼
HCL Tech	6,931	458	0.7	0.0	520	14	475	0.0	▼
Oracle Financial	3,899	2,103		1.0	2,512	19	2,158	0.5	
Metals / Mining	108,824		6.9	6.0				6.0	▼
SAIL	14,620	160	0.6	0.5	-	-	176	1.0	◀▶
Sterlite Inds	11,907	160	1.4	2.0	-	-	172	2.0	▲
Tata Steel	13,525	638	2.6	0.0	607	(5)	648	0.0	▼
Hindalco Inds	8,862	209	1.6	0.5	202	(4)	231	0.0	▼
Sesa Goa	5,901	311	0.7	0.5	-	-	331	1.0	▼
Coal India	42,104	302		2.5	373	24	309	2.0	
Hindustan Zinc	11,906	1,275		0.5	1,616	27	1,380	2.0	

Continued...

Sector/ Company name	Mcap (USD m)	CMP (INR)	Weightages (%)		Target Pr. (INR)	Upside (%)	11-Jan-11 Price (INR)	06-Dec-10 Weights (%)	OW/ UW wrt Nifty
			Nifty Current	ENAM 11-Jan-11					
Oil & Gas	148,995		14.4	12.5				15.0	▼
Reliance Inds *	67,809	937	9.7	9.0	1,145	22	1,014	10.0	▼
ONGC	50,724	268	2.2	2.0	339	26	297	2.5	▼
Cairn	13,285	316	0.8	0.5	-	-	329	0.0	▼
GAIL	12,435	444	1.2	0.5	480	8	500	1.0	▼
BPCL	4,742	594	0.5	0.5	700	18	610	1.5	◀▶
Pharmaceuticals	31,637		3.6	4.0				5.5	▲
Sun Pharma	9,697	426	1.0	0.0	421	(1)	478	1.0	▼
Cipla	5,453	307	1.0	0.5	307	(0)	349	0.5	▼
Dr Reddy's	5,747	1,537	1.2	0.5	1,660	8	1,675	0.0	▼
Ranbaxy Lab	4,707	506	0.5	1.0	600	19	563	1.0	▲
Lupin Ltd	3,991	405		0.5	465	15	455	0.5	
Aurobindo Pharma	1,448	225		1.5	313	39	259	1.5	
Jubilant Organosys	594	169		0.0	272	61	261	1.0	
Power Utilities	74,808		5.5	5.0				4.7	▼
NTPC	32,530	179	1.4	0.0	184	3	190	0.0	▼
Jindal Steel & Power	14,029	679	1.6	1.0	UR	-	677	1.5	▼
Power Grid	9,992	98	0.8	1.5	120	23	96	1.2	▲
Reliance Power	7,055	114	0.4	0.0	UR	-	148	0.0	▼
Tata Power	6,632	1,264	1.3	1.5	1,456	15	1,368	1.5	▲
JSW Energy	2,731	75		0.5	115	53	92	0.5	
JP Power Ventures	1,839	40		0.5	72	81	50	0.0	
Real Estate	12,537		0.5	0.5				2.0	◀▶
DLF	8,734	233	0.5	0.0	UR	-	258	0.0	▼
Oberoi Realty	1,755	242	0.0	0.5	UR	-	243	0.0	
HDIL	1,354	148	0.0	0.0	UR	-	161	1.0	
DB Realty	694	129	0.0	0.0	UR	-	191	1.0	
Telecommunications	32,128		2.8	2.0				2.7	▼
Bharti Airtel	27,878	332	2.5	2.0	345	4	339	2.7	▼
Reliance Com	4,249	93	0.4	0.0	-	-	138	0.0	▼
Nifty Index	874,201		100	100				100	
Nifty Index performance		From 11-Jan-11	(5.1)		From Inception 7-Jan-10	3.7			
ENAM Model Portfolio performance		From 11-Jan-11	(5.0)		From Inception 7-Jan-10	5.4			

Source: Bloomberg; ENAM Research

Sector-Relative weightages of Nifty components only (last row provides non-Nifty component)

Sector	Weightages (%)		OW/ UW wrt Nifty
	Nifty Current	ENAM 11-Jan-11	
Auto	7.7	7.5	▼
Banks & Financial services	26.5	22.0	▼
Cement	1.8	0.5	▼
Engineering & Infra	8.9	8.5	▼
FMCG, Media, Retail	6.8	2.5	▼
IT - Services	14.5	14.5	◀▶
Metals / Mining	6.9	3.5	▼
Oil & Gas	14.4	12.5	▼
Pharmaceuticals	3.6	2.0	▼
Power Utilities	5.5	4.0	▼
Real Estate	0.5	0.0	▼
Telecommunications	2.8	2.0	▼
Non-Nifty stocks		20.5	
Total	100.0	100.0	

Source: ENAM Research, Bloomberg

C. India Inc Ownership Dec-10: FII's increased stake, but a lot has changed now

(Pankaj.kadu@enam.com; 91 22 6754 7630)

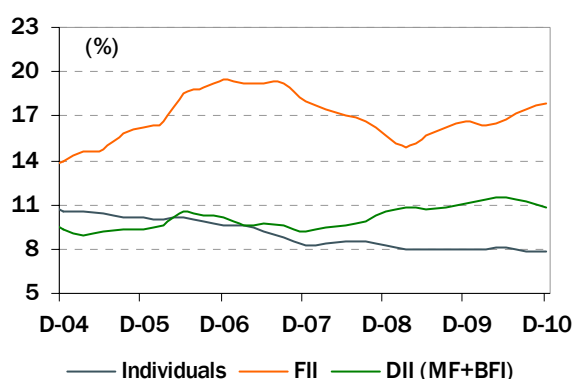
(zameer@enam.com; 91 22 6754 7649)

FII's bought ~\$29bn worth of Indian equities in CY10 taking FII ownership to ~18% (up ~1.3% YoY) and their holding as a % of free float market cap to ~41% (up ~2%). However, Inflation worries, high oil prices coupled by domestic issues and not so favourable valuations have seen foreign investors pulling out money from India (sold ~\$1.6 bn in CY11). The sudden change in FII stance will dictate the market trend going forward. All this will alter the ownership patterns but will be captured with a lag as the current quarter data will be available only in the month of April-2011.

- ❑ **Most preferred sectors:** **FIIs:** Power, Oil, IT, Pharma, Auto, Cement and Media **MFs:** added IT, Oil, **Banks FIIs & Insurance Cos (BFIs):** Engg, BFSI, Logistics, Power, Retail.
- ❑ **Least preferred sectors:** **FIIs:** Metals, BFSI, Infra, Retail **MFs:** sold BFSI, Auto, Power, Infra, Media, Telecom, Realty, FMCG, Metals **BFIs:** Auto, Pharma, Cement, Metals, FMCG, IT, Infra

For stocks details on Most/ Least preferred refer to appendix.

BSE500 Ownership: Trend since Dec-04



BSE500 Ownership: What's changed?

Investors	Quarter Dec-10	Y-o-Y Chg (%)	Q-o-Q Chg (%)
Holding % of total market cap			
Promoter	56.0	(1.1)	0.1
FII	17.9	1.3	0.4
MF	3.6	(0.4)	(0.2)
BFI	7.3	0.2	(0.1)
Individuals	7.8	(0.2)	(0.1)
Others	7.4	0.2	(0.2)
Holding % of free float market cap			
FII	40.7	1.9	1.1
MF	8.1	(1.1)	(0.4)
BFI	16.6	0.0	(0.3)
Individuals	17.8	(0.8)	(0.1)
Others	16.9	0.0	(0.4)

Source: ENAM Research, CMIE

BSE500 Ownership: Breakdown by sector

BSE-500 Sectors	Net buy/sell (USD m)			Over/ Underweight (wrt Sensex)			Allocation (%)			Price Perf (%) Qtr Dec-10
	MF	BFI	FII	MF	BFI	FII	MF	BFI	FII	
Auto	(318)	(328)	387	UW ▼	UW ▼	UW ▼	4.7	6.5	6.4	8
BFSI	(333)	76	(52)	UW ▲	UW ▲	OW ▲	18.8	21.9	29.4	(6)
Cement	18	(215)	288				1.7	2.4	2.0	(1)
Chem & Fert	(54)	9	29				2.1	1.1	0.7	4
Diversified	(18)	(18)	1				0.2	0.2	0.2	(5)
Engg	(45)	108	26	OW ▲	OW ▲	UW ▲	16.1	10.2	5.2	(3)
FMCG	(109)	(99)	145	OW ▲	OW ▲	UW ▲	11.9	9.5	6.7	(0)
Infra	(215)	(85)	(37)	OW ▼	N	OW ▲	2.4	1.9	2.4	(16)
IT	198	(88)	630	UW ▼	UW ▼	UW ▼	7.5	5.1	11.5	14
Logistics	(60)	69	121				1.0	0.8	0.9	(3)
Media	(167)	(8)	238				1.7	0.4	1.0	(6)
Metals	(101)	(109)	(57)	UW ▲	OW ▲	N ▲	5.4	11.4	6.6	(0)
Oil	35	(41)	809	UW ▼	UW ▼	UW ▼	11.2	14.4	9.4	(2)
Pharma	(79)	(229)	460	OW ▲	OW ▲	OW ▲	6.0	3.6	4.6	11
Power	(312)	43	1,707	UW ▼	OW ▲	N ▲	3.7	6.4	5.6	(5)
Realty	(123)	(42)	17	N ▲	N ▲	OW ▲	0.7	0.5	3.0	(21)
Retail	(1)	22	(35)				1.1	0.2	0.5	(2)
Telecom	(153)	(8)	42	UW ▲	UW ▲	UW ▲	2.2	2.6	2.8	(6)
Textiles	8	(49)	40				0.7	0.2	0.4	3
Others	(15)	(16)	74				1.0	0.6	1.0	(3)

Note: 1) GREEN arrow = Increased allocation wrt to Sensex weights vs last qtr. BLUE = Unchanged. RED = Reduced.

2) Neutral range = +/- 0.3

Source: ENAM Research, CMIE

D. ENAM: Earnings Review Q3FY11

Note: For Banking: we have taken Net Income as Sales, Net Interest Income as EBITDA

Company name	Sales (INRm)		EBITDA (INRm)		Adj PAT (INRm)		
	Dec'10a	YoY (%)	Dec'10a	YoY (%)	Dec'10a	YoY (%)	
Dishman Pharma	2,318	4	253	(51)	(34)	NA	Results expectations : Below
Below expectations on account of lower sales in CRAMS biz (declined 2% YoY) & lower gross margin (63.9% vs. 73.4% in Q3FY10). We reduce our FY11E and FY12E EPS estimates by 64% and 42% to Rs 4.4 and Rs 8.4 resp. due to poor performance at CA, weak outlook in CRAMS, delay in contracts and rising raw material cost. Maintain Sell.							EPS up/dngrade : ▼
							PE up/dngrade : ◀▶
							TP up/dngrade : ▼
Gammon	13,710	35	1,085	9	223	(28)	Results expectations : Below
Sales above expectations at Rs 13.7 bn (up 35% YoY). margin declined by ~200bps YoY. Adj. PAT below estimates at Rs 223 mn (down 28% YoY). Mgmt. highlighted operating mgn expected to be under pressure in next 1-2 qtrs, given overhang of some low margin legacy orders (~10% of Order-bk).							EPS up/dngrade : ▼
							PE up/dngrade : ▼
							TP up/dngrade : ▼
GlaxoSmithKline Pharma	4,906	11	1,321	4	1,214	14	Results expectations : In-line
Results were marginally below expectations with sales rising 11% to Rs 4.9 bn (vs. expectation of Rs 5.1 bn) and EBITDA margin falling 144 bps to 27.1%. However, PAT at Rs 1.2 bn was in-line aided by higher other income. We believe higher growth is likely – with the launch of more patented products – it will materialize only in the next 2-3 yrs. We retain our estimates and target price with SELL call on the stock, as we believe that GSK's valuations are stretched at current levels.							EPS up/dngrade : ◀▶
							PE up/dngrade : ◀▶
							TP up/dngrade : ◀▶
Great Eastern Shipping	5,560	(21)	2,023	(7)	622	(58)	Results expectations : Below
Results were negatively impacted by ~11% QoQ decline in tanker yields & lower tanker op. days (down 5% QoQ).							EPS up/dngrade : ▼
							PE up/dngrade : ◀▶
							TP up/dngrade : ▼
HDIL	4,554	11	2,665	41	2,564	58	Results expectations : In-line
Generated strong cash flows in Q3 (~Rs 12 bn from QIP and ~Rs 13.5 bn from FSI sale). Sale of 1.25 msf of TDR @ Rs 3,100/ psf and 1.0 msf of FSI in Virar-Vasai further augmented its cash balance. Plans to reduce its debt by 10-15% by March 2012 with ~Rs 2 bn repaid in Jan 2011 and another ~Rs 1-1.5 bn to be repaid by Mar'11.							EPS up/dngrade : ◀▶
							PE up/dngrade : ◀▶
							TP up/dngrade : ▼
Hindalco Inds	59,746	12	7,401	(1)	4,603	8	Results expectations : Below
Standalone EBITDA was flattish YoY despite a 16% YoY increase in LME aluminium prices, due to lower aluminium volumes (down 4% YoY) and higher cost of production (particularly coal and CP coke). We reduce our EPS estimates for FY11-13 due to intense cost pressures, particularly coal.							EPS up/dngrade : ▼
							PE up/dngrade : ◀▶
							TP up/dngrade : ▼
Jubilant Organosys	8,665	(10)	1,327	(22)	494	(42)	Results expectations : Below
Results are not comparable to Q3FY10 due to de-merger of APP biz. On a like-to-like basis, sales was flat as 17% volume growth in exclusive synthesis & pyridines was nullified by pricing pressure and 32% de-growth in Services (CMO & CRO). We expect new capacities and orders would boost sales in FY12. EBITDA margin was under pressure (15.3% vs. 17.7% in Q3FY10) due to rupee appreciation, pricing pressure in Products biz & delay in product approvals in CRAMS.							EPS up/dngrade : ▼
							PE up/dngrade : ▼
							TP up/dngrade : ▼
Pantaloon Retail	27,586	31	2,383	12	472	5	Results expectations : Below
PRIL's core retail biz reported revenue of Rs 27.5bn (up 31% YoY), EBITDA of Rs 2.4bn (up 12%) & PAT of 472mn (up 5%) much lower than expectations on account of higher interest cost (up 100 bps QoQ) and continuing losses in the electronics biz. We downgraded earnings by 19% and 23% in FY11E and FY12E resp. We also assign a lower multiple to factor in concerns of rising int rates and inflation on demand. Maintain BUY as the stock correction has offered a favorable risk-reward opportunity							EPS up/dngrade : ▼
							PE up/dngrade : ▼
							TP up/dngrade : ▼
Simplex Infrastructure	11,980	9	1,100	7	251	(3)	Results expectations : In-line
Simplex reported Q3FY11 revenue of Rs 12 bn (up 8.9% YoY), EBITDA of Rs 1.1 bn (up 7% YoY). PAT broadly in-line with expectations (Rs 251 mn v/s Rs 265 mn expected).							EPS up/dngrade : ▼
							PE up/dngrade : ▼
							TP up/dngrade : ▼

Continued

Company name	Sales (INRm)		EBITDA (INRm)		Adj PAT (INRm)		
	Dec'10a	YoY (%)	Dec'10a	YoY (%)	Dec'10a	YoY (%)	
Tata Motors	316,852	22	44,886	51	24,571	178	Results expectations : Above
Results were ahead of expectations, with JLR reporting 16.7% EBITDA margin (up 110 bps QoQ).							EPS up/dngrade : ▲
							PE up/dngrade : ◀▶
							TP up/dngrade : ▲
Tata Power	44,409	2	10,546	10	4,085	18	Results expectations : Below
Results below expectations on higher coal processing charges (due to heavy rains) and lower power offtake from Mumbai unit. Expect solid performance in Q4.							EPS up/dngrade : ◀▶
							PE up/dngrade : --
							TP up/dngrade : ◀▶
Tata Steel	288,445	10	31,796	1	7,757	29	Results expectations : In-line
Adj. for carbon credits to the extent of GBP 35 mn, Int'l ops' EBITDA/t continued to remain weak at USD 19 vs. USD 31 in 2QFY11 and USD 38 in 3QFY10. Domestic long product realizations rose 6% QoQ to Rs 29,150/t thus improving domestic EBITDA/tonne to Rs 16,021 (up 16% YoY and 10% QoQ). We retain our earlier FY11-13 EPS estimates.							EPS up/dngrade : ◀▶
							PE up/dngrade : ◀▶
							TP up/dngrade : ◀▶

Source: ENAM Research

E. EPS changes during the week

Shaded cells are where any changes in TP/ EPS have been made during the week.

Company Name	CMP (INR)	Tgt Price (Rs)		EPS (Rs)					
				FY11e			FY12e		
		Prev	Cur	Prev	Cur	% Chg	Prev	Cur	% Chg
Infrastructure									
Gammon	119	175	130	7	6	(9)	8	7	(14)
Simplex Infrastructures Ltd	332	430	360	27	26	(2)	31	30	(2)
Logistics									
Great Eastern Shipping	276	369	283	41	28	(32)	57	39	(32)
Metals									
Hindalco Inds *	209	231	202	17	15	(12)	20	18	(10)
Pharmaceuticals									
Dishman Pharma	100	146	84	12	4	(64)	15	8	(42)
Jubilant Lifesciences	169	324	272	21	15	(30)	30	27	(8)
Power Utilities									
Jaiprakash Power	40	71	72	1	1	-	3	4	63
Tata Power *	1,264	1,483	1,456	86	90	4	93	102	9
Retail									
Pantaloon Retail	275	485	338	12	10	(19)	17	13	(24)

Source: ENAM Research, Bloomberg Note: *Sensexcos

For ENAM Universe Rating/ valuation please refer Section 6

F. Sector Volumes

India - Sector Volumes	Latest month	Latest value	M-o-M chg (%)	Y-o-Y chg (%)	FY11 Ytd (%)	FY10 (%)
Airlines (mn)						
Domestic pax flown by airlines	Dec-10	5	6.9	16.2	18.1	16.3
Intl. pax traffic at airports	Nov-10	3	4.8	11.2	11.6	8.8
Foreign tourist arrival ('000)	Jan-11	538	(17.9)	9.6	8.2	8.4
Auto domestic sales ('000)						
Passenger Vehicles	Jan-11	234	20.8	24.7	31.0	25.6
CVs	Jan-11	61	(1.8)	12.6	31.3	38.3
2-Wheelers	Jan-11	981	(2.6)	17.5	27.0	26.0
Banking (INR bn)						
Deposits	Jan-11	49,834	0.2	16.0	11.1	17.1
Credit	Jan-11	37,352	(0.7)	23.3	15.3	17.0
Food Credit	Jan-11	612	(7.2)	39.3	26.2	4.9
Non-Food Credit	Jan-11	36,741	(0.6)	23.1	15.1	17.2
Insurance (First premium incl LIC)	Dec-10	97	33.3	(20.4)	28.3	25.5
Cement (mn tonnes)						
Cement despatches	Jan-11	18	5.8	1.1	4.0	10.1
Metals (mn tonnes)						
Steel production	Dec-10	5	6.7	11.2	7.3	4.9
Coal production	Dec-10	50	9.3	2.9	0.8	8.3
Oil, Gas & Petrochemicals (MMT)						
Oil production	Nov-10	3	0.7	17.0	11.5	0.5
Gas production (mmscm)	Nov-10	4,281	(1.5)	5.5	19.8	44.9
Refinery throughput	Nov-10	13	(4.6)	(3.7)	0.8	(0.5)
Port (mn tonnes)						
Container traffic volume ('000 TEU)	Jan-11	663	10.6	8.9	10.6	4.2
Overall cargo volume	Jan-11	52	1.9	1.0	1.1	5.8
Goods traffic on railways	Jan-11	83	3.3	5.4	3.4	6.6
Power (GWh)						
Electricity generation	Jan-11	71,416	6.3	9.3	5.0	6.2
Telecom (mn)						
Cellular subscriber base	Dec-10	752	3.1	43.2	28.7	49.1
Net cellular additions	Dec-10	23	(1.1)	18.4	25.9	47.3
Broadband subscriber base	Dec-10	11	2.0	39.5	24.2	41.3

Source: ENAM Research, CMIE, RBI, CEA, Bloomberg. Note: * Absolute numbers

2. SUMMARIES OF REPORTS RELEASED THIS WEEK:

- A. JPVL: Merger of subsidiary companies [Rel. to Sector: Outperformer]**
B. Magma FinCorp: On high growth trajectory [Rel. to Sector: Outperformer]

A. JPVL: Merger of subsidiary companies (15th Feb)

(bhavin@enam.com; 91 22 6754 7634)

Jaiprakash Power (JPVL) approved the merger of Jaypee Karcham Hydro Corporation Ltd (JKHCL – the 1000 MW, CoD Mar'11) & fully owned Bina (500 MW coal, CoD Mar'12) with itself w.e.f. 1st April, 2010.

Deal details (refer tables below):

- ❑ **JKHCL:** JPVL holds ~56.9% and rest is owned by Jaiprakash Associates (JAL). As per the deal (swap ratio of 1:5), JAL to receive 185 mn shares and 244mn would be created as treasury shares.
- ❑ **Bina Power:** JPVL holds 100% stake and as per the deal (swap ratio of 2:13), ~127mn would be created as treasury shares for JPVL.

Implications for JPVL:

- ❑ **Merger at attractive valuations for JPVL:** As per our estimates (refer tables below), JKHCL has been valued at P/B of 1.2x. This seems attractive considering JKHCL is likely to commission from March'11 and earn steady state RoEs of ~25%+ with NO fuel risk.
- ❑ **Ease in further equity raising:** We believe creation of treasury shares (~14% of post-merger equity) would facilitate further equity raising, as it can sell easily the treasury stocks (371 mn).
- ❑ **Streamlined cash flows & tax advantage:** Since both the projects are near their CoDs, the deal will allow JPVL to route the subsidiaries' entire cash flows (i.e. ~Rs 10 bn for Karcham and ~Rs 3.3bn of Bina) directly & avoid dividend distribution tax. This will also provide some comfort on the highly leveraged balance sheet of JPVL.

Merger details & its analysis

Karcham Wangtoo (JKHCL)		Bina (BPSCl)	
	mn shares		mn shares
Total Equity	21,450	Total equity	8260
JPVL share @ 56.9%	12,199	JPVL share @100%	8260
JAL Share @ 43.1%	9,251		
Shares issued by JPVL to JKHCL	429	Shares issued by JPVL to BPSCI	127
- Shares issued by JPVL to JAL	185	- Shares issued by JPVL to JAL	0
- Treasury shares created	244	- Treasury shares created	127
Valuations		Valuations	
6 month wt avg price of JPVL (Rs/sh)	58.4	6 month wt avg price of JPVL (Rs/sh)	58.4
Implied valuation of JKHCL (Rs mn)	25,054	Implied valuation of BPSCl (Rs mn)	7,421
Implied P/B (x)	1.2	Implied P/B (x)	0.9

Source: Company, ENAM Research

Workings to highlight new o/s equity

	mn shares
FD shares O/S as on Dec'10	2,096
New issue from FCCB conversion	113
Fresh issue during merger	556
New FD shares O/S	2,765
Less: Treasury shares	371
FD shares ex treasury	2,394
Jaiprakash Associates holding	67.24%

Source: Company, ENAM Research

Estimates changed to account for merger; Maintain BUY

We have raised the EPS estimates (40-60% for FY12&13E) to account for the removal of Karcham minority interest & the change in equity capital on account of this merger. However, a potential equity issuance of Rs 15 bn may be a near-term overhang. Maintain **BUY** rating with a TP of Rs 72 (DCF method; 77% upside to CMP of Rs 41).

B. Magma FinCorp: On high growth trajectory (17th Feb) (praveen.agarwal@enam.com; 91 22 6754 7609)

Magma Fincorp (Magma), one of the fastest growing mid cap asset finance companies, is geared up for a high growth phase and expects disbursement growth at ~50% CAGR for FY11-FY13E. The company, with a total AUM of ~Rs 99 bn, enjoys a de-risked business model with diversified product portfolio. It has a bouquet of 4 core products (Commercial vehicle, Construction equipment, Car and Utility vehicles); and 3 high yielding products (Tractors, Used CV and SME).

In order to sustain its high growth trajectory, Magma plans to introduce its major product portfolio to its current and new branches (172 branches across 21 states) with key focus on high yielding segment. This will lead to better margins and improvement in cost efficiencies. We expect Magma's high business growth to be complemented by: (a) stable margins (at ~5.1%); (b) healthy asset quality (with zero net NPAs); and (c) improving operating efficiency, going forward. We expect Magma's ROE to be above 22% and ROA to be above 2.1% over the next two years.

At CMP of Rs 58, Magma trades at 4.7x FY12E earnings and 0.9x FY12E Adj. BV. Given its strong growth momentum, improving margins, zero net NPAs and robust return ratios, we believe Magma is trading at a steep discount to its peers and offers an attractive entry point at current levels. We initiate our coverage on the stock with a target price of Rs 86 (1.4x FY12E BV). **BUY**

3. EAR TO THE GROUND

A. Visit/Call Anecdotes

- ❑ Gas availability concerns – Cos impacted

B. Analyst buzz/ Important Developments & Articles

- ❑ Jan 2011: GSM subscriber base

A. Visit/Call Anecdotes

Gas availability concerns – Cos impacted

(bhavin@enam.com; 91 22 6754 7634)

Ramp up in RIL's KG D6 gas production a worry for the Govt. Some Power Cos already committed serious equity. Banking system negligibly exposed so far. Prefer JSPL, Tata Power, Jaiprakash Power, JSW Energy as fuel availability secure. Petronet LNG a potential beneficiary. At Risk are R-Power, Lanco, Torrent Power, GMR, GVK (of which, Torrent has alternative infra backup, & GVK has not committed meaningful equity yet). Note: The existing gas-based projects would also be impacted (PLF to be 70-75% now vs. 80-85% anticipated earlier) due to lower gas production.

Event:

- ❑ The government plans to further prune the list of power projects identified for priority allocation of domestic gas in the wake of perceived shortage in production, especially from KG-D6 block. With output from domestic gas sources falling below expectations, the ministry is re-drawing the list.
- ❑ "We expect that production of KG basin gas will improve in the coming months and more gas will be available from ONGC's blocks. Still, availability will be lower than expectations. So, allocation has to be done judiciously," said a petroleum ministry official.
- ❑ "The ministry of power has asked all the companies on its priority list to provide specific time frames by which their plants would get final environmental clearance. Based on this information, the ministry proposes to remove a few projects from the initial priority list which will be given to the petroleum ministry for gas allocation," said a government official privy to the development. "Those projects whose environment clearance process has either not begun or are at a very initial stage could be dropped from the priority list," the official added.

Impact analysis:

- ❑ **KG-D6 gas already allocated:** RIL's KG D6 block, which was supposed to generate 80 mmscmd of gas this year, is currently producing 51 mmscmd. On an expected output of 60 mmscmd from D6, the government has already made firm allocation of ~64 mmscmd. Niko resources, RIL's partner in KG-D6 has guided that the production would hold at current levels till March 2012.
- ❑ **R-Power, Lanco, Torrent Power, GMR, GVK could get impacted:** There were about 8,300MW of projects listed in the priority list for gas allocation. Amongst listed companies these projects includes Reliance Power (2,400 MW), Torrent (1,600 MW), GVK (1,600 MW), Lanco (770 MW) and GMR (768 MW). All these companies have committed to complete their respective projects in record time, by the end of 11th Plan (March 2012), to get allocation of domestic gas. While all of the above companies have ordered equipment, companies **such as Reliance Power, Lanco and GMR have already committed over 50% of the total equity to be invested for the project.** While we are unaware about Torrent Power, **GVK has committed less than 5% of the total equity to be invested and has NOT given Notice to Proceed (NTP) to commence production to its**

equipment supplier L&T. We understand that negligible debt disbursements have been made for these projects – hence the banking system may not be seriously impacted. For Torrent, see next para.

- ❑ **Companies already scouting for alternative LNG, but is neither cheap nor easily available:** Reliance Power, in its recent analyst meet highlighted that it is already scouting for alternative sources such as LNG, in case gas availability from RIL is delayed. Currently, long term contract **price of LNG is around USD 9.5/mmbtu while spot is at FAR higher**. In the near term of the next 12-18 months, when these plants are supposed to come up, prices are expected to remain firm due to strong East Asian demand. At such gas prices, and **marginal cost of power generation (inclusive of 18% RoE) works out to around Rs 4/kWh**. This is marginally lower than marginal cost of generating power from spot imported coal (\$115/MT) at Rs 4.2/kWh. **Even more important than price is the inadequacy of LNG infrastructure**. Currently, such **infrastructure is available at only the West-coast of India**, from companies such as **Petronet LNG** (NOTE: CMP 115) and **Shell Hazira** (incl Total/ BG). **Torrent is the only one who has already arranged for transmission infrastructure** from them so far as a backup. Majority of the other projects under construction (Reliance Power, Lanco, GMR, & GVK) are located in the East coast, where such LNG infrastructure is inadequate.
- ❑ **Execution at Risk:** Due to shortage of feed-stock, **execution of gas-based power projects is likely to get impacted**. This would further add to the Power sector woes, which is currently grappling with shortage in domestic linkage coal post the recent guidance of Coal India on incremental availability of 7-10 MMTPA versus requirement of 40-60 MMTPA. We believe that execution is likely to surprise negatively, as projects based on domestic linkage coal and gas-based were likely to be well over 50% of the expected incremental capacity addition of ~20,000 MW p.a.
- ❑ **Play companies where availability of fuel is not an issue:** We believe that merchant tariffs are likely to remain firm at Rs 4 to 4.5/kWh, as execution is likely to surprise negatively and wtd avg marginal cost of the industry is moving higher. In such a scenario, companies where availability of coal is not an issue stands to gain. Companies with low dependence on Coal India or Gas are: **JSPL, Tata Power, Jaiprakash Power, JSW Energy** (availability of coal is NOT questionable, but the price of coal is). Of the above, risk-reward is favorable for JSW Energy and Jaiprakash Power.

B. Analyst buzz/ Important Developments & Articles

Jan 2011: GSM subscriber base

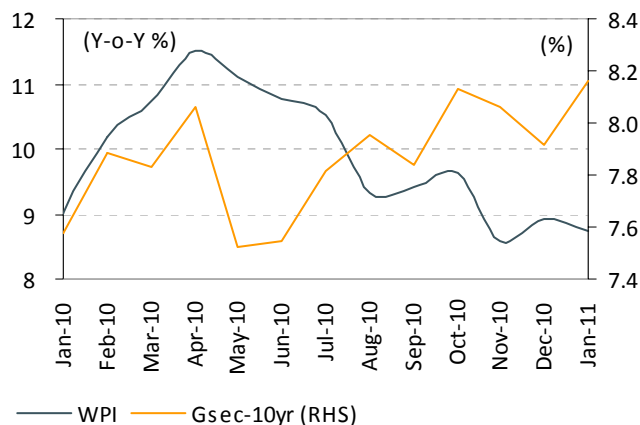
(priya@enam.com; 91 22 6754 7611)

- ❑ **Industry subscriber growth:** GSM subs additions were at 13.7 mn in Jan-11 vs. 17.1 mn in Dec-10 with MoM growth in total subs at 2.5% (vs. 3.2% last month). The lower sub adds is due to the flagging subs acquisition by new operators while the incumbents continue to maintain/build on the rate on sub adds despite MNP implementation (for ~1/3rd of Jan-11 on a pan-India basis). We watch net additions in the coming months to evaluate competition impact arising out of MNP.
- ❑ **As expected, market share of new operators witnessed a decline due to regulatory developments (2G scam):** Net additions of just 0.9 mn (vs. 3.3 mn in Dec 2010) due to a net decline in Videocon (of 1.3mn subs). **Uninor's** net adds were at 1.8 mn (vs. ~2.4 mn avg net addns in last 3 months).
- ❑ **Incumbents increasingly cornering a major pie of net addns:** **Bharti** leads among the incumbents pack with highest net adds at 3.3 mn (vs. 3.1 mn in Dec-10) followed by **Vodafone** at 3.1 mn (similar to Dec-10). **Idea's** net addns were at 2.5 mn (vs. 3.0 mn in Dec-10).
- ❑ **Market Share in net addns:** With new operators' slowing down on net addns, the incumbents (Bharti, Vodafone, Idea & BSNL) had a sharp increase in market share of net addns at 81% (vs. 72% in Dec-10) with Bharti at ~24% and Idea at ~18%.

4. MACRO OVERVIEW

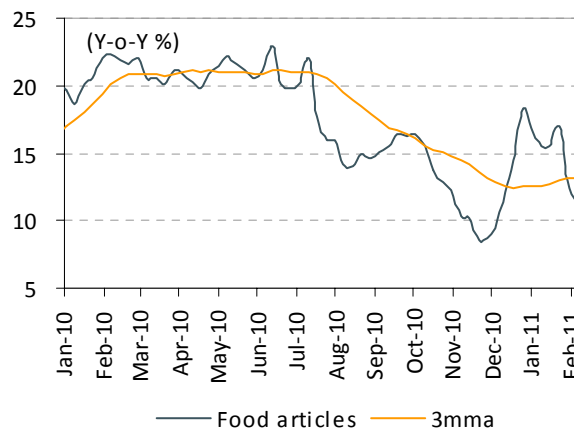
A. Eco highlights

Gsecs ignoring moderation in inflation



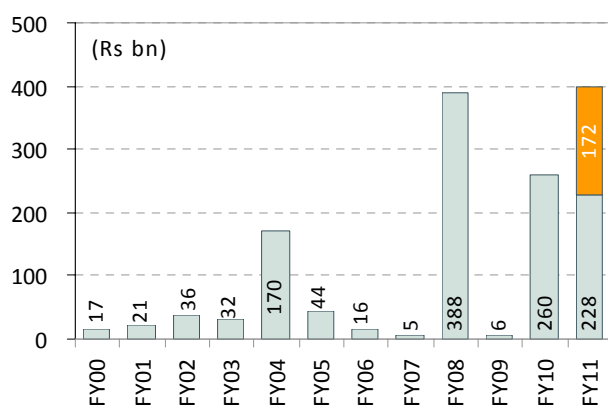
Source: Bloomberg

Food inflation at a 9 week low



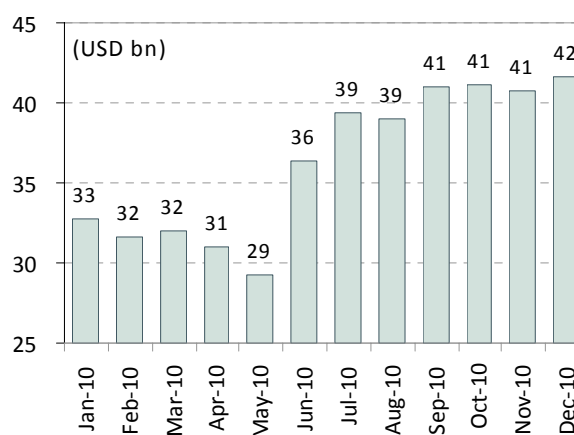
Source: EA-Industry

Disinvestment: 17K cr shortfall in target



Source: MOSPI; Note: ■ Balance shortfall yet to be achieved

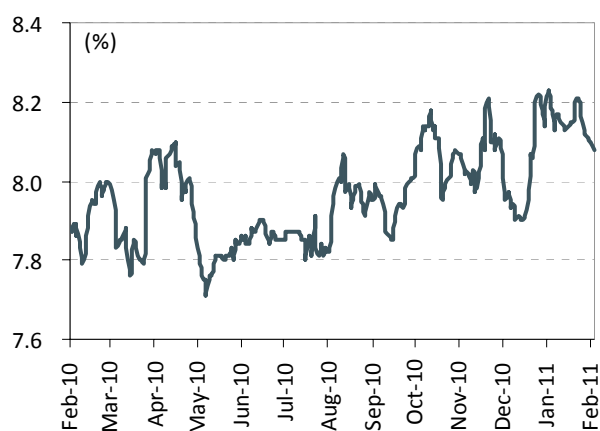
RBI Investment in US T-bonds at a high



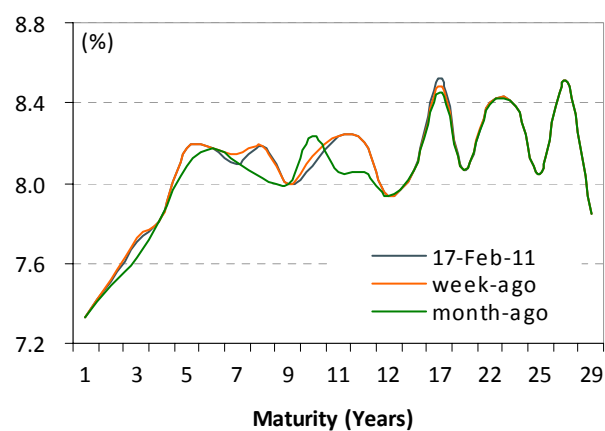
Source: US Treasury Department

B. Debt & Money market

10-yr bond yield



G-Sec yield curve



Source: RBI

Interest Rate Indicator

Money Market	(%)	MIFOR	(%)
Call Money	5.53-6.95	1 Month	6.94
Notice Money	5.70-6.80	3 Month	7.05
Term Money	8.15-8.15	6 Month	6.83
CBLOs	6.45-6.72	1 Year	6.83
MIBOR	(%)	Fwd Prem.	(%)
Overnight	6.87	1 Month	6.52
14 Day	7.57	3 Month	6.59
1 Month	8.28	6 Month	6.29
3 Month	9.47	12 Month	5.94

Source: RBI, Debitnet, NSE, Reuters

CP / CD - Primary Market

CP	Issuer	Rating	Rate (%)
1 Month	USHA Martin	PR1+	7.85
3 Months	Blue Star	-	10.35
1 Year	KMPL	P1+	9.04
CD	Issuer	Rating	Rate (%)
3 Months	Punjab National Bank	PR1+	9.98
9 Months	SBBJ	P1+	10.02
1 Year	Axis Bank	P1+	10.20

Note: The above table shows rates at which leading Companies and Banks are raising short-term debt for different tenor.

US Yields Data

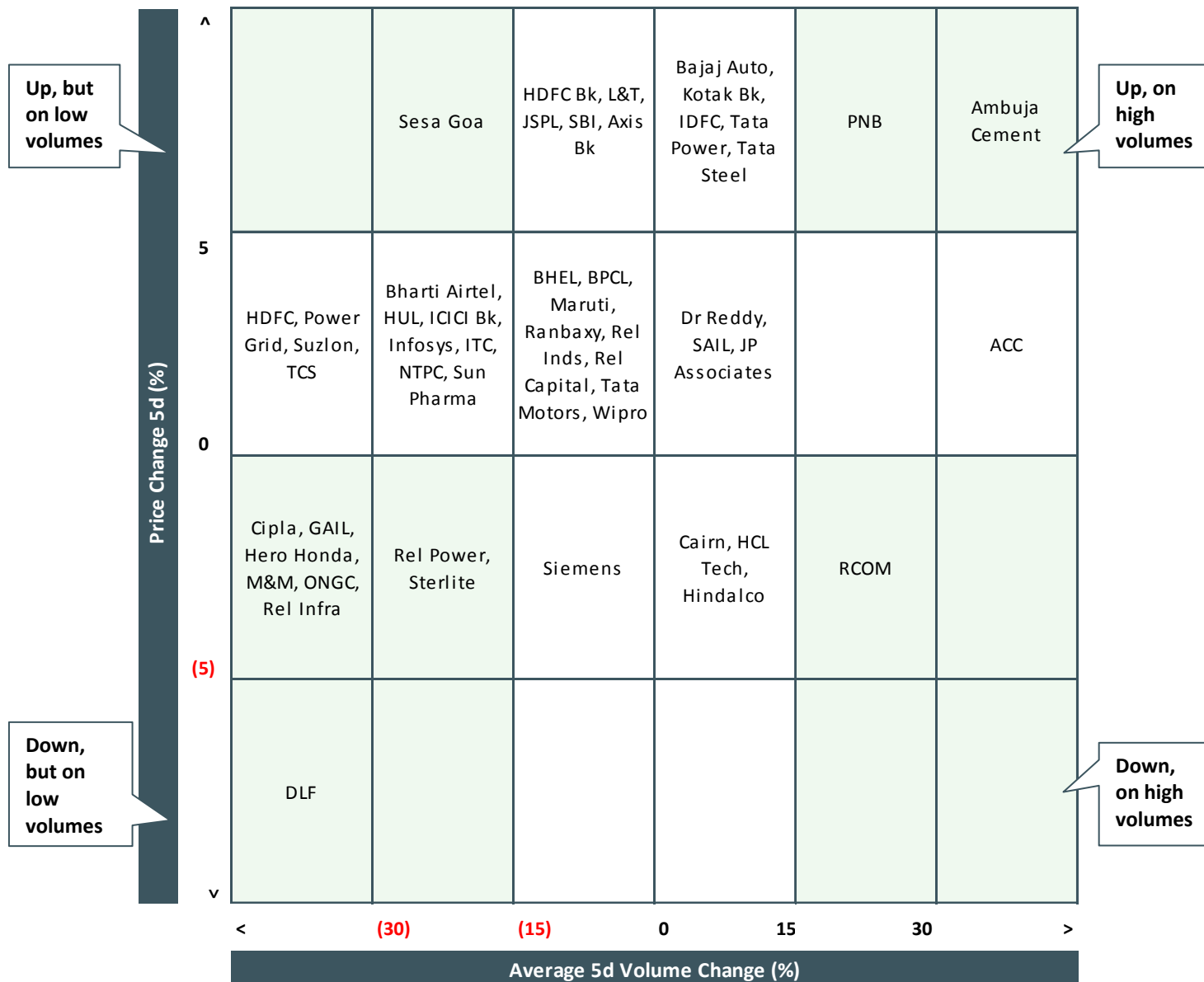
US Yield	17 th Feb	15 th Feb
2 Year	0.78	0.83
5 Year	2.29	2.34
10 Year	3.59	3.61
30 Year	4.69	4.67

Source: Bloomberg

5. MARKET SNAPSHOT

A. Major Nifty stock moves this week

Price & volume performance grid



Source: ENAM Research, Bloomberg

Major Indices: 3 - Best/ worst performing stocks in each index/sector this week

Note: Green & red bar indicates number of stocks that closed in the positive/ negative

Sector	Price 5d %	Best performing stocks	Price 5d %	Avg 5d vol chg %	Worst performing stocks	Price 5d %	Avg 5d vol chg %
Nifty	3	Jindal Steel & Power Ltd	10	(13)	DLF Ltd	(6)	(31)
		Kotak Mahindra Bank Ltd	8	0	Reliance Communications Ltd	(4)	21
		Tata Steel Ltd	7	3	Oil & Natural Gas Corp Ltd	(3)	(44)
CNX Midcap 100	3	Tech Mahindra Ltd	15	102	Anant Raj Industries Ltd	(20)	(50)
		HMT Ltd	13	71	Deccan Chronicle Holdings Ltd	(15)	439
		IVRCL Infrastructures & Projects	13	(0)	Petronet LNG Ltd	(6)	(23)
BSE-Smallcap	4	MIC Electronics Ltd	38	(2)	Well Pack Papers & Container	(22)	2,364
		Tanla Solutions Ltd	31	305	Shreenath Commercial & Finan	(22)	4
		Ferro Alloys Corp Ltd	28	(44)	RM Mohite Industries Ltd	(19)	(28)
BSE Auto	3	Apollo Tyres Ltd	11	49	Ashok Leyland Ltd	(5)	3
		Cummins India Ltd	8	(56)	MRF Ltd	(2)	(1)
		Exide Industries Ltd	7	(13)	Mahindra & Mahindra Ltd	(2)	(33)
BSE Bankex	5	Yes Bank Ltd	10	(13)	IDBI Bank Ltd	0	(18)
		Kotak Mahindra Bank Ltd	8	0	Federal Bank Ltd	2	(15)
		Canara Bank	8	30	ICICI Bank Ltd	3	(28)
BSE Cap Goods	4	Reliance Industrial Infrastructu	18	477	AIA Engineering Ltd	(3)	(64)
		Havells India Ltd	8	26	Jyoti Structures Ltd	0	(52)
		Gammon India Ltd	8	32	Siemens India Ltd	0	(8)
BSE FMCG	3	United Spirits Ltd	19	49	Colgate-Palmolive India Ltd	(1)	(67)
		Nestle India Ltd	7	134	ITC Ltd	0	(25)
		McLeod Russel India Ltd	6	23	Ruchi Soya Industries Ltd	2	(42)
BSE Healthcare	1	Ipca Laboratories Ltd	7	(7)	Jubilant Life Sciences Ltd	(19)	356
		Opto Circuits India Ltd	6	2	Aurobindo Pharma Ltd	(5)	(37)
		Piramal Healthcare Ltd	5	2	Lupin Ltd	(2)	(48)
CNX IT	2	Tech Mahindra Ltd	15	102	HCL Technologies Ltd	(3)	13
		Educomp Solutions Ltd	12	55	Polaris Software Lab Ltd	(1)	(61)
		MindTree Ltd	9	(25)	Tulip Telecom Ltd	(1)	56
BSE Metal	4	Jindal Steel & Power Ltd	10	(13)	Hindalco Industries Ltd	(1)	2
		Jindal Saw Ltd	8	(63)	Sterlite Industries India Ltd	(0)	(30)
		Tata Steel Ltd	7	3	Steel Authority of India Ltd	(0)	3
BSE Oil & Gas	1	Reliance Industries Ltd	3	(14)	Oil & Natural Gas Corp Ltd	(3)	(44)
		Indian Oil Corp Ltd	3	(25)	Cairn India Ltd	(3)	12
		Bharat Petroleum Corp Ltd	2	(9)	Essar Oil Ltd	(2)	(26)
BSE Power	2	GMR Infrastructure Ltd	7	2	Lanco Infratech Ltd	(3)	(61)
		JSW Energy Ltd	6	24	Reliance Infrastructure Ltd	(2)	(42)
		Tata Power Co Ltd	5	14	Reliance Power Ltd	(1)	(24)
BSE PSU	2	Hindustan Copper Ltd	37	1,699	Oil & Natural Gas Corp Ltd	(3)	(44)
		State Trading Corp India Ltd	33	688	Power Finance Corp Ltd	(3)	(25)
		HMT Ltd	13	71	Mangalore Refinery & Petroche	(2)	(45)
BSE Realty	(2)	Parsvnath Developers Ltd	17	(14)	Anant Raj Industries Ltd	(20)	(50)
		Sobha Developers Ltd	13	18	Sunteck Realty Ltd	(9)	(21)
		Housing Development & Infrac	8	3	DB Realty Ltd	(9)	(53)

Source: Bloomberg; Note: Average 5d volume change = current 5d average vs. previous 5d average

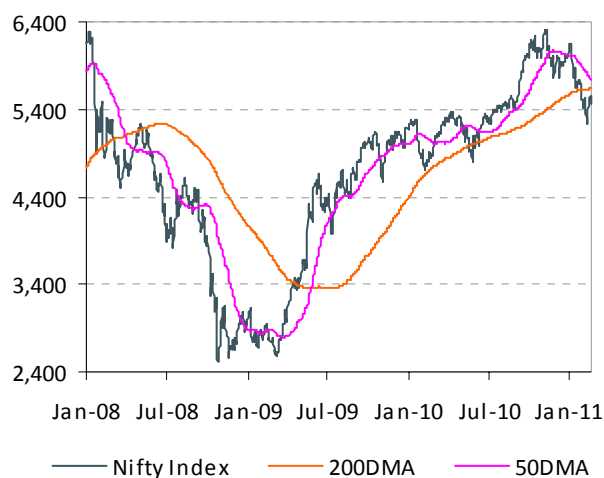
B. Indian markets

FII net flows in Asian equities

Country (USD mn)	Last Update	WTD	MTD	CYTD
India - FII	17-Feb	108	(261)	(1,648)
India - DII	17-Feb	26	731	1,883
Indonesia	18-Feb	274	308	21
Philippines	18-Feb	40	(48)	(141)
Korea	18-Feb	(46)	(2,174)	(1,591)
Taiwan	18-Feb	(680)	(2,134)	1,304
Thailand	17-Feb	476	180	(753)

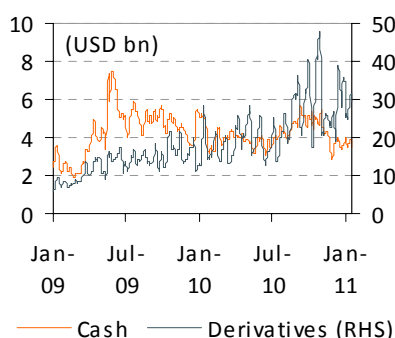
Note: WTD/ MTD/ YTD represents the cumulative net flows since the 1st business day of the week, month & year

Nifty: 50 & 200 DMA

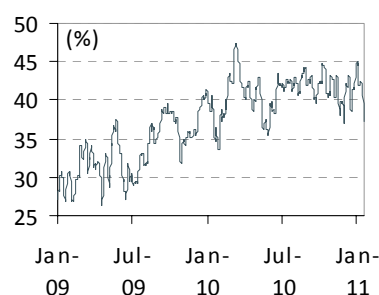


Source: Bloomberg, BSE, NSE, SEBI

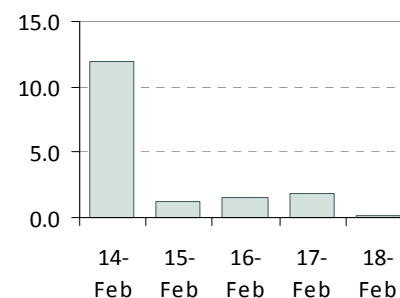
Volumes: 5 DMA



Market delivery: 5 DMA

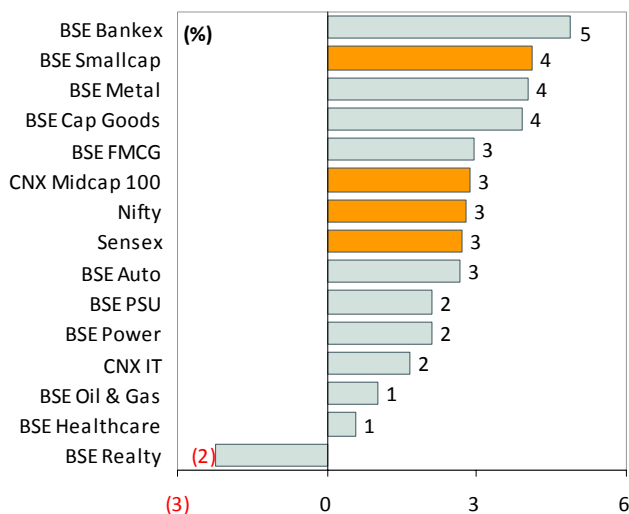


NSE: Adv /Dec ratio



Source: Bloomberg, BSE, NSE, ENAM Research

Sectoral indices: 5-day performance



ADR/GDR prices*

Company name	CMP	5d chg (%)	Prem / (Disc) %
Dr Reddys Lab	33.5	1.7	(1.6)
HDFC Bank	151.8	6.5	5.1
ICICI Bank	46.1	7.6	1.4
Infosys	69.6	3.3	1.5
ITC	3.5	2.9	1.4
L&T	36.2	6.2	(0.2)
MTNL	2.1	11.2	10.3
Reliance Industries	41.8	3.9	0.5
Satyam Computer	2.9	12.5	5.0
State Bank of India	123.4	7.8	0.7
Sterlite Industries	14.4	4.0	1.8
Tata Communications	9.4	6.0	1.1
Tata Motors	27.1	11.8	1.8
Wipro	13.2	5.4	38.3

Source: Bloomberg; * Data as on Thursday

Trading disclosures

Company Name	Quantity ('000)	Value (INRm)	Value % of free float	Comments
BUY				
Sesa Goa Ltd	20,365	6,341	5.4	FII's buying

Source: BSE; Note: Stks part of the BSE200 & Value traded equal/ greater than 0.2% of free float are covered in the above table

Bulk Deals (> Rs 100 mn traded value)

Date	Company Name	Client Name	Traded Vol ('000)	Traded Value (INRm)	Avg. Price (INR)
BUY					
14-Feb-11	ACC Ltd	Ambuja Cement India Private Ltd	1,169	1,169	1,000
15-Feb-11	Jagran Prakashan Ltd	Jagran Prakashan Employee Welfare Trust	2,433	287	118
16-Feb-11	JBF Inds Ltd	JBF Employees Welfare Foundation	2,660	465	175
SELL					
16-Feb-11	Hexaware Technologies	Macquarie Bank Ltd	1,112	124	112
16-Feb-11	JBF Inds Ltd	Citigroup Venture Capital Intl	2,558	448	175

Note: Stocks > Rs100 mn only

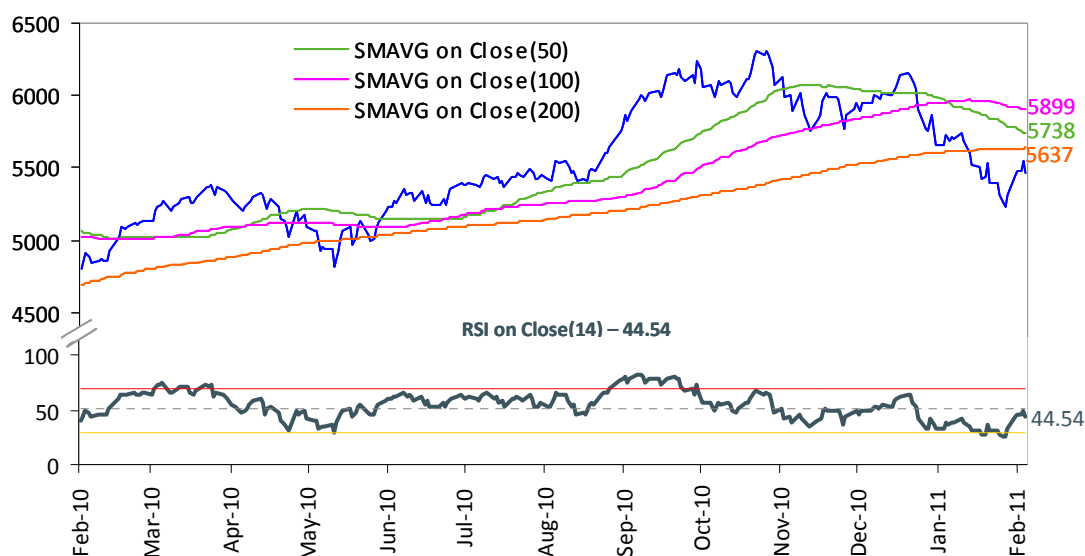
Buybacks (upto Thursday 17th February, of value> Rs 100 mn)

Scrip Name	Total Buyback Value (Cr)	Bought Qty (Nos)	Incr bought qty over last week (Nos)	Buyback Avg Rate	Value (Cr)	CMP 17/02	Bal Qty (mn)	Bal Value (Cr)
Hindustan Unilever	630	9,958,981	2,590,000	273	272	276	13.0	358
Hindustan Compo	3,181	473,007	350,136	546	26	541	58.3	3,155
Manaksia	50	3,636,107	109,292	103	37	80	1.6	13
Sasken Comm	35	1,190,531	280,050	169	20	165	0.9	14

Note: The balance quantity has been arrived at, by taking previous closing rate for the remaining buyback amount. Stocks > Rs 10crs only.

C. Deciphering Derivatives

Retracement levels: Nifty Fifty RSI



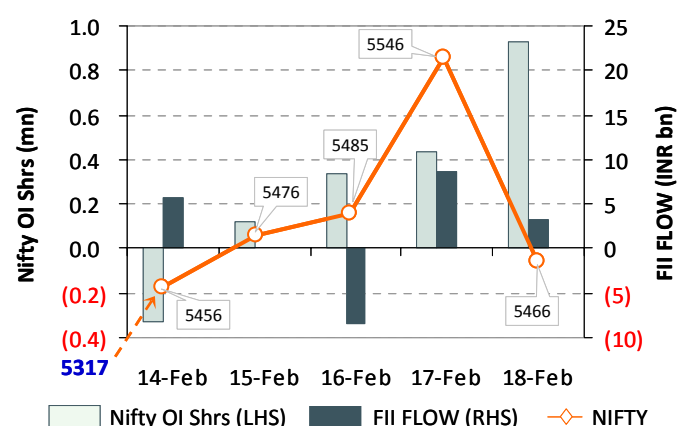
- ❑ Nifty faced resistance at 5600 level which coincides with the 200 DMA and 50% retracement levels (5570) to close at 5480 – the level where it is finding support.
- ❑ Nifty Fut moved 2.6% with addition in Open Interest by 1.5 mn shares this week, while FIIs were net buyers of INR 9.17 bn in index fut this week.
- ❑ Nifty rallied for 5 days in a row laid by short-covering but no significant buying with delivery was noticed and volumes showing no major uptick.
- ❑ Nifty spot spread narrowed in to discount of 10 pts (from premium of 10 pts) from early part of the week.
- ❑ Expiry of Feb futures next week can expect high volatility with kick in rolls; Nifty rolled ~20% so far with roll spread trading @ +21 – 22 levels.
- ❑ Market-wide rollover was comparatively low at 16% in comparison to previous expiry.
- ❑ Compared to last few months, a fresh short build-up is witnessed in the system on the back of high volatility – roll spread likely to move higher. Implied Volatility is currently at 22%.

Stocks with the highest open interest (value-wise)

Co. Name	Open Interet (mn shrs)	OI Chg %	% of Float	OI Value (Rs bn)	CMP (Rs)	Price Chg (%)	Trend
RELIANCE	18	9%	0.7	17	937	2.5%	Fresh Long
TATAMOTORS	11	7%	4.3	14	1,198	4.7%	Fresh Long
SBIN	5	10%	2.5	12	2,750	6.3%	Fresh Long
TATASTEEL	19	11%	3.8	12	639	7.0%	Fresh Long
ICICIBANK	11	10%	1.8	12	1,028	2.4%	-
INFOSYSTCH	4	21%	0.8	11	3,098	1.6%	-
LT	5	13%	1.5	9	1,638	5.2%	Fresh Long
HDFCBANK	3	37%	1.0	8	2,169	5.0%	Fresh Long
HINDUNILVR	21	24%	2.4	6	278	3.5%	Fresh Long
DLF	25	-6%	6.9	6	233	-4.8%	Long Liquidation
NIFTY	31	5%		169	5,454	2.6%	-

Source: ENAM Research

Nifty FII Flow Vs Nifty OI



FII Flow

(Rs bn)	18-02	17-02	16-02	15-02	14-02	Wkly
Index Futures						
- Buy	40.9	23.34	13.59	16.73	36.73	131.3
- Sell	37.7	17.63	13.58	25.18	28.07	122.1
Net	3.2	5.7	0.0	(8.4)	8.7	9.2
Stock Futures						
- Buy	47.0	30.61	21.33	21.98	29.09	150.0
- Sell	43.6	27.19	20.02	17.81	18.52	127.1
Net	3.5	3.4	1.3	4.2	10.6	22.9
Net Futures	6.7	9.1	1.3	(4.3)	19.2	32.1

Increase in OI Week-on-Week (wow)

Co Name	CMP	Current OI		Change (%)	
		(mn shrs)	(mn shrs)	OI Value	Price
ITC	156	28.8	9.7	52	0
RENUKA	79	38.5	6.9	13	(7)
SUZLON	48	93.0	6.2	11	4
IDEA	64	18.4	5.5	43	(0)

- ❑ **ITC:** OI rose by 9.7 mn shrs (+51%) while the stock was up marginally by 0.4% – Positive bias.
- ❑ **Renuka:** OI increased by 6.9 mn shrs (+22%) while the stock price declined by 7.10% on back of fresh short buildup – Negative bias.

Decrease in OI (wow)

Co Name	CMP	Current OI		Change (%)	
		(mn shrs)	(mn shrs)	OI Value	Price
IDFC	143	20.2	(2.1)	(4)	6
JPASSOCIAT	85	34.5	(1.9)	(1)	4
DLF	233	24.9	(1.7)	(11)	(5)
LICHSGFIN	193	18.3	(1.6)	3	12

- ❑ **IDFC:** OI declined by 2.1 mn shrs (-9%) while the price was up by 5.6% led by Short covering – Positive bias.
- ❑ **DLF:** OI declined by 1.7 mn shrs (-6%) while price fell 4.7% due to long liquidation – Negative bias.

Sector Watch – Banking

Script	Curr. OI mn shrs	OI Chg	CMP	Price Chg
ALBK	1.28	19%	209	5%
ANDHRABANK	2.88	-2%	149	4%
AXISBANK	2.62	26%	1294	6%
BANKBARODA	1.04	42%	900	5%
CANBK	1.17	-30%	582	7%
DCB	6.18	-1%	45	7%

Sector Watch – Banking

Script	Curr. OI mn shrs	OI Chg	CMP	Price Chg
DENABANK	7.61	-5%	96	4%
FEDERALBNK	1.12	0%	374	1%
HDFCBANK	3.50	37%	2169	5%
ICICIBANK	11.30	10%	1028	2%
IDBI	24.83	10%	133	0%
INDUSINDBK	5.26	18%	227	7%

OI Value Breakup

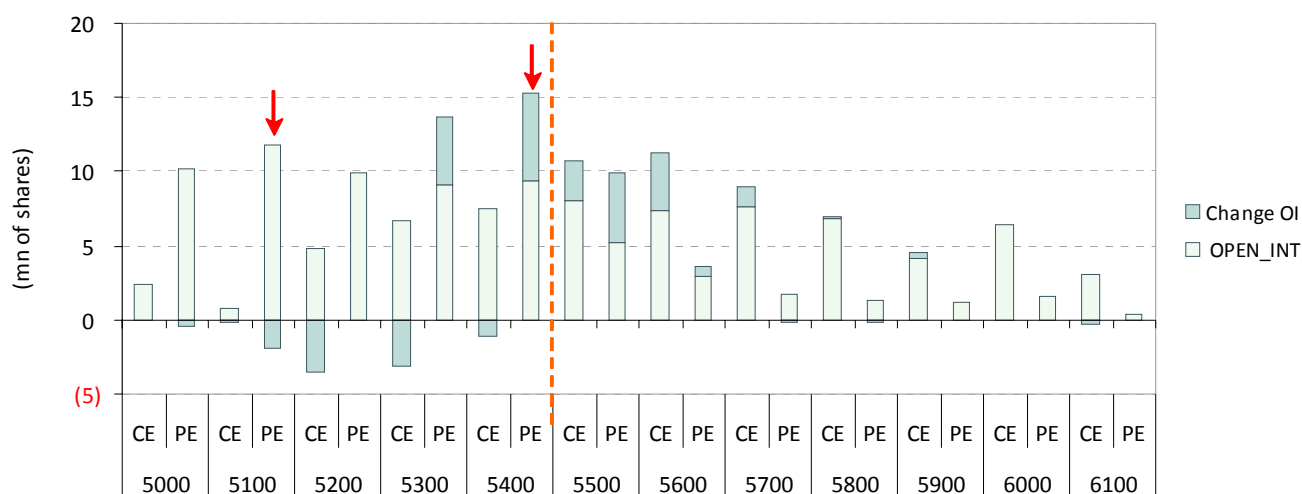
(Rs bn)	18 Feb - Open Int Value.			
Instrument	Total	FII *	Local	FII %
Future Index	188	86	102	46
Future stocks	358	152	206	42
Option Index	965	301	664	31
Options Stocks	76	4	73	5
Total	1,588	544	1,044	34

Local - Other than FIIs

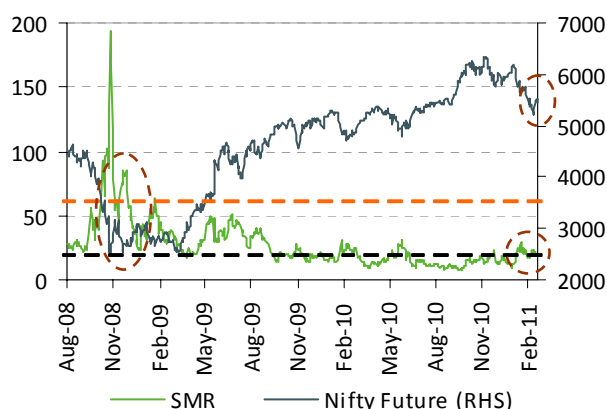
FII OI - single side positions have been considered.

- ❑ **Banks:** Witnessed higher than 5-day average delivery on Friday on the back of selling pressure.
- ❑ Large banking stocks moved up ~5% on a week to week basis with fresh creation – Technically can expect some profit booking.

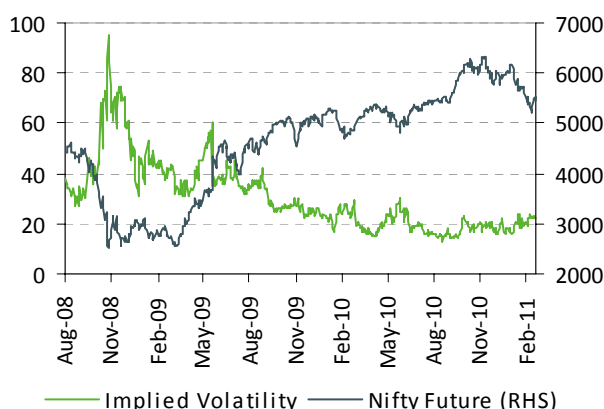
Option Distribution



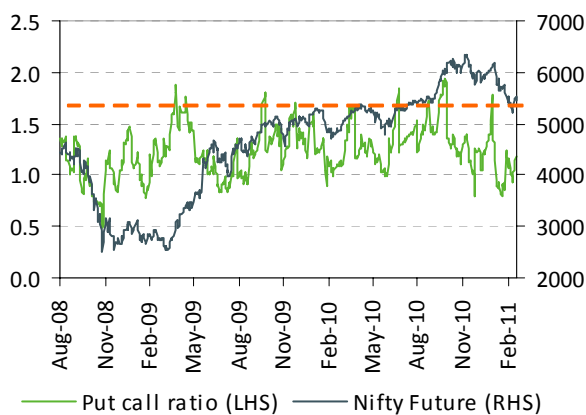
Nifty Fut. Vs Smart Money (SMR= IV/PCR)



Nifty Fut. Vs Implied Volatility



Nifty Fut. Vs Put-Call ratio



- Total OI WOW in 5400 Puts increased by 6.07 mln shares (to 15.43 mln shares) and OI in 5300 Puts increased by 4.47 mln shares (to 13.80 mln shares). This implies an active hedging strategy due to the relief rally.
- Total OI in 5600 Calls was up by 3.85 mln shares (at 11.24 mln shares) and OI in 5400 Calls was down by 1.14 mln shares (at 6.5 mln shares).
- The Implied Volatility has cooled-off from 24% to 22% ATM Puts. This creates an opportunity for hedging to increase considering the big event (Annual Budget) by the end of the month.

D. Global sector equity performance

5-day: Best / Worst performing sectors*

Note: Best sector = shaded green; Worst sector = shaded red; Sector classification as per GICS

Markets Country Index	Developed			BRIC				Asian			
	US Dow	UK FTSE	Japan Nikkei	Brazil Bovespa	Russia Micex	India Sensex	China HSCEI	HK H S I	Korea Kospi	S'Pore Straits	Taiwan TaieX
Index Value	12,318	6,087	10,843	67,685	1,693	18,212	12,743	23,595	2,013	3,087	8,844
Index Performance	1	1	2	5	1	3	5	3	2	0	3
Automobiles & Components	-	0	3	-	-	2	4	-	4	-	3
Banks	-	5	4	9	4	5	6	4	0	(1)	5
Capital Goods	1	(2)	2	2	-	4	3	2	(1)	3	3
Commercial & Professional Serv	-	(1)	1	-	-	-	-	-	(5)	-	1
Consumer Durables & Apparel	-	1	3	5	-	-	-	-	2	-	2
Consumer Services	0	1	(0)	-	-	-	-	-	3	(1)	(0)
Diversified Financials	3	(1)	5	2	-	-	-	1	(0)	0	3
Energy	1	2	4	4	(1)	0	5	5	(0)	-	1
Food & Staples Retailing	(2)	2	4	2	-	-	-	5	8	(2)	(1)
Food Beverage & Tobacco	1	0	2	8	-	0	4	-	2	2	0
Health Care Equipment & Servic	-	1	(0)	-	-	-	5	-	1	-	1
Household & Personal Products	(1)	0	2	5	-	4	-	-	1	-	1
Insurance	2	3	6	-	-	-	5	6	4	-	2
Materials	2	(1)	2	4	2	4	7	6	3	-	3
Media	1	(1)	1	-	-	-	-	-	1	(1)	3
Pharmaceuticals, Biotechnology	1	1	2	-	-	(2)	-	-	1	-	1
Real Estate	-	4	5	-	-	(6)	2	1	(1)	1	2
Retailing	2	(2)	(1)	4	-	-	-	6	3	9	4
Semiconductors & Semiconductor	1	6	7	-	-	-	-	-	4	-	3
Software & Services	(1)	3	2	12	-	1	-	6	3	-	2
Technology Hardware & Equipmen	(1)	-	3	-	-	-	13	(1)	1	-	3
Telecommunication Services	1	(0)	5	1	2	3	3	1	(3)	(3)	(0)
Transportation	-	0	3	4	(2)	-	6	4	(0)	0	(0)
Utilities	-	3	3	3	0	2	3	0	3	-	1

Source: Bloomberg, ENAM Research; Note: *US, UK, and Brazil performance are with 1-day lag

E. Global equity valuations

Global indices *

Indices	Country Mcap (\$bn)	Index value	PER (x)		PBR (x)		ROE (%)		Div Yield (%)
			CY10 / FY11E	CY11 / FY12E	CY10 / FY11E	CY11 / FY12E	CY10 / FY11E	CY11 / FY12E	CY10 / FY11E
Developed									
US (Dow Jones)	16,570	12,318	13	12	2.5	2.3	20	20	2.5
UK (FTSE 100)	3,574	6,087	11	10	1.8	1.6	16	16	3.5
Germany (DAX)	1,611	7,406	11	10	1.5	1.4	13	14	3.4
France (CAC)	1,928	4,152	11	10	1.3	1.2	12	12	4.1
Japan (Nikkei 225)	4,230	10,843	19	16	1.4	1.3	7	8	1.7
BRIC									
Brazil (IBOV)	1,496	67,685	11	9	1.5	1.4	14	15	3.3
Russia (Micex)	713	1,693	7	6	1.1	0.9	15	15	2.4
India (Sensex)	1,449	18,212	17	14	2.9	2.5	17	17	1.4
China (HSCEI)	3,876	12,743	11	9	1.8	1.6	17	17	3.2
Asian									
HK (H S I)	2,561	23,595	13	11	1.7	1.6	14	14	3.3
Korea (Kospi)	1,061	2,013	10	9	1.3	1.2	13	13	1.4
Singapore (Straits)	560	3,087	14	13	1.6	1.5	12	12	3.2
Taiwan (Taiex)	883	8,844	13	12	1.8	1.7	14	15	3.8

Source: Bloomberg; Note: *Western market data as on Thursday

F. Global sectoral valuations

Note: Country index used for sector valuations, US = S&P500, Brazil = IBOV, Russia = Micex, India = Nifty and China = HSCEI

Price to earnings (x)	US		Brazil		Russia		India		China	
GISC sector classification	CY10e	CY11e	CY10e	CY11e	CY10e	CY11e	FY11e	FY12e	CY10e	CY11e
Automobiles & Components	10	9	-	-	-	-	15	13	12	11
Banks	13	10	10	9	10	8	17	13	10	8
Capital Goods	16	13	-	-	-	-	16	13	13	10
Diversified Financials	11	9	15	13	-	-	18	15	-	-
Energy	13	12	13	12	6	6	12	10	14	12
Food Beverage & Tobacco	14	13	19	17	-	-	24	20	27	23
Household & Personal Products	15	14	27	21	-	-	29	25	-	-
Materials	15	13	12	8	16	10	11	9	27	18
Pharmaceuticals, Biotechnology	11	10	-	-	-	-	22	19	-	-
Real Estate	49	38	-	-	-	-	20	16	9	7
Software & Services	15	14	11	11	-	-	23	20	-	-
Telecommunication Services	17	15	11	10	10	4	18	14	20	17
Utilities	13	13	10	9	15	11	17	15	22	19

Price to book (x)	US		Brazil		Russia		India		China	
GISC sector classification	CY10e	CY11e	CY10e	CY11e	CY10e	CY11e	FY11e	FY12e	CY10e	CY11e
Automobiles & Components	5.3	3.4	-	-	-	-	4.1	3.2	3.0	2.4
Banks	1.2	1.1	2.5	2.3	1.9	1.6	2.5	2.2	1.8	1.6
Capital Goods	2.7	2.4	-	-	-	-	4.0	3.3	1.6	1.4
Diversified Financials	1.0	0.9	1.2	1.2	-	-	2.1	1.9	-	-
Energy	2.1	1.9	2.4	2.3	1.0	0.9	1.7	1.5	2.1	1.9
Food Beverage & Tobacco	4.0	3.8	4.0	3.9	-	-	7.2	6.3	4.5	3.9
Household & Personal Products	4.0	3.9	4.3	3.7	-	-	19.6	17.2	-	-
Materials	2.7	2.3	4.0	3.5	2.6	2.2	2.0	1.7	2.7	2.4
Pharmaceuticals, Biotechnology	2.1	1.9	-	-	-	-	4.1	3.5	-	-
Real Estate	2.1	2.3	-	-	-	-	1.4	1.3	1.6	1.4
Software & Services	4.1	3.4	14.6	13.3	-	-	6.3	5.1	-	-
Telecommunication Services	1.9	1.9	2.7	2.6	1.8	1.5	1.6	1.4	1.3	1.3
Utilities	1.4	1.4	1.2	1.1	0.7	0.6	2.0	1.8	1.7	1.6

Return on Equity (%)	US		Brazil		Russia		India		China	
GISC sector classification	CY10e	CY11e	CY10e	CY11e	CY10e	CY11e	FY11e	FY12e	CY10e	CY11e
Automobiles & Components	53	38	-	-	-	-	27	25	26	22
Banks	9	11	25	26	18	19	15	17	18	19
Capital Goods	17	18	-	-	-	-	24	24	12	14
Diversified Financials	9	10	8	10	-	-	11	13	-	-
Energy	16	16	19	20	16	15	15	15	16	16
Food Beverage & Tobacco	28	29	21	23	-	-	30	31	16	17
Household & Personal Products	26	27	16	17	-	-	69	69	-	-
Materials	18	18	35	43	16	21	18	18	10	13
Pharmaceuticals, Biotechnology	19	18	-	-	-	-	19	18	-	-
Real Estate	4	6	-	-	-	-	7	8	18	20
Software & Services	28	25	133	125	-	-	27	26	-	-
Telecommunication Services	12	13	24	26	17	39	9	10	7	8
Utilities	11	10	11	12	5	6	12	13	7	8

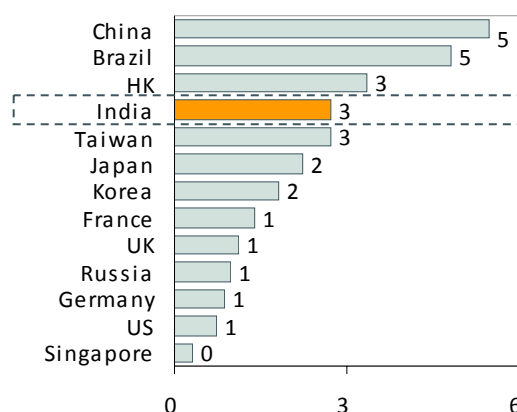
Source: Bloomberg

G. Global asset class performance*

Equity

	Value	Performance (%)		
		1m	12m	CYTD
Developed				
US (Dow Jones)	12,318	4	19	6
UK (FTSE 100)	6,087	0	14	3
Germany (DAX)	7,406	4	30	7
France (CAC)	4,152	3	11	9
Japan (Nikkei 225)	10,843	3	5	6
BRIC				
Brazil (IBOV)	67,685	(5)	(0)	(2)
Russia (Micex)	1,693	(5)	26	(0)
India (Sensex)	18,212	(5)	12	(11)
China (HSCEI)	12,743	(2)	10	0
Asian				
HK (H S I)	23,595	(2)	16	2
Korea (Kospi)	2,013	(4)	24	(2)
Singapore (Straits)	3,087	(5)	11	(3)
Taiwan (Taiex)	8,844	(2)	19	(1)

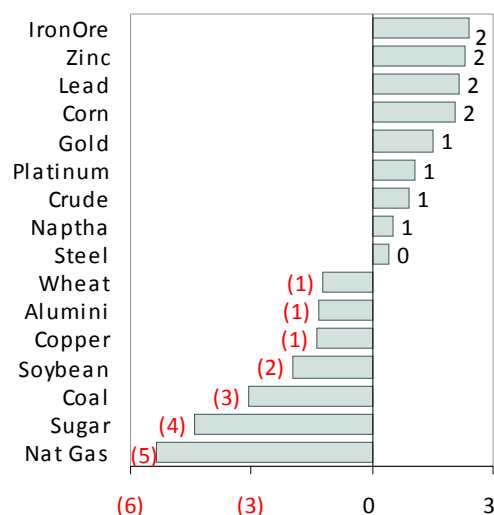
5-day performance (%)



Commodity

	Value	Performance (%)		
		1m	12m	CYTD
Metals				
Aluminium (\$/ton)	2,484	3	19	1
Copper (\$/ton)	9,814	2	38	2
Zinc (\$/ton)	2,486	2	9	2
Lead (\$/ton)	2,585	(3)	14	1
China HR Steel (\$/ton)	741	2	28	6
IronOre-Qingdao (\$/ton)	213	6	46	10
Gold (\$/t oz)	1,384	1	25	(2)
Platinum (\$/OZ)	1,847	1	21	4
Energy				
Coal (\$/ton)	118	(8)	63	(10)
Crude Oil (\$/bbl)	102	5	33	8
Naptha (\$/bbl)	96	(0)	29	0
Natural Gas (\$/MMBtu)	4	(12)	(29)	(8)
Food				
Wheat (\$/bu)	884	10	48	8
Corn (\$/bu)	713	10	98	13
Soybean (\$/bu)	1,417	(1)	49	1
Sugar (\$/lb)	29	(3)	48	(3)

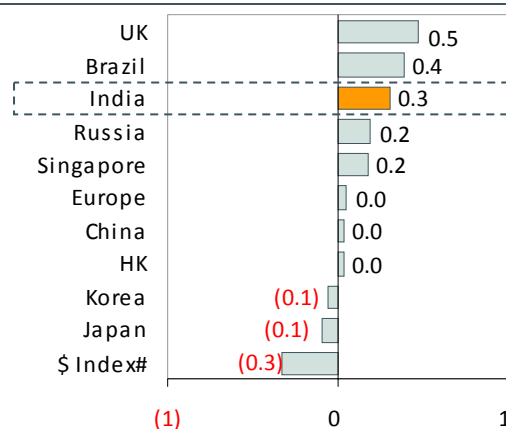
5-day performance (%)



Currency

	Value	Performance (%)		
		1m	12m	CYTD
Dollar Index#	78.0	(2)	1	0
Developed				
Europe	1.4	1	0	1
UK	1.6	2	4	4
Japan	83.3	(1)	10	(3)
BRIC				
Brazil	1.7	1	9	(0)
Russia	29.3	2	3	4
India	45.3	0	2	(1)
China	6.6	0	4	0
Asian				
HK	7.8	(0)	(0)	(0)
Korea	1,117	0	3	1
Singapore	1.3	1	11	1

5-day performance (%)



USD INR Futures: 1m = 45.50; 3m = 46.02; 5m = 46.45

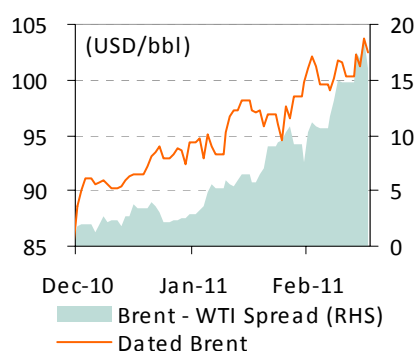
Source: Bloomberg, ENAM Research; Note: *Western markets, Commodity & Currency data as on Thursday; # Indicates the general international value of the USD by averaging exchange rates between USD and 6 major world currencies

H. Commodity Snapshot

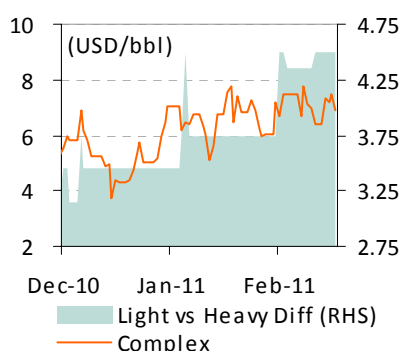
Oil & Gas

- **Brent crude** prices remained above \$100/bbl throughout the week as the unrest in Libya/Bahrain fueled concerns that supply may be disrupted. The **Brent-WTI spread** stood at \$16/bbl, up marginally WoW.
- **Singapore refining margins** increased to \$8.0/bbl (up \$1.6/bbl WoW) due to strength in crack spreads across products.
- **PE & PP spread on naphtha improved** on the back of strengthening polymer prices.

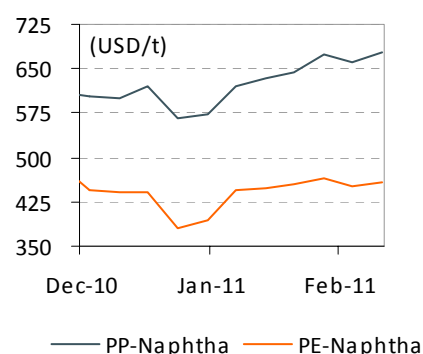
Brent - WTI Spread



Singapore Refining Margins



PE & PP Differential to Naphtha

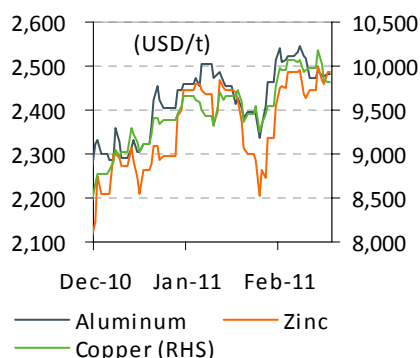


Source: Bloomberg

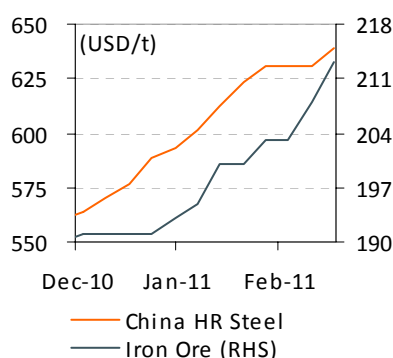
Metals & Others

- Base metal prices were flat during the week.
- Cotton prices increased 13% during the week driven by continued concerns on global shortage. Demand from China (world's largest consumer and importer) has been increasing, while global production has been impacted due to flooding in Australia and Pakistan.

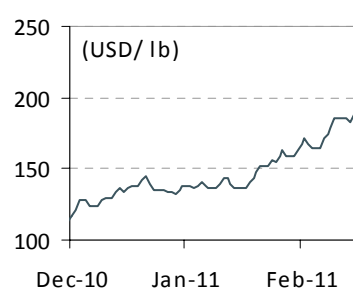
Aluminum, Zinc & Copper



China: Steel* & Iron Ore#



Cotton US



Source: Bloomberg; Note: * Includes 17% VAT ; #CFR Qingdao Port, China

6. ENAM VALUATION & RECOMMENDATIONS

RSR (Rating relative to Sector) based on CMP: N = Neutral, OP = Outperformer, UP = Underperformer, UR = Under Review, NR = Not Rated: All ratings 1 yr horizon. Sector average upside is the market cap weighted average of upsides of all stocks in the sector. This sector average is provided against the sector heading row in the RSR column. RSR is compared against this.

Sector/ Company name	Mcap (\$m)	CMP (INR)	Vol (Rs) FY12	Tgt Pr (INR)	Upside (%)	Rating rel to sector	FDEPS (INR)			PE (x)			PB (x)			EV/Ebitda (x)			ROE (%)			Div Yield (%)		
							FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e
Autos						15 to 25	-	-	-	24	12	10	5.7	3.8	2.9	12	8	7	23	31	28	2.0	1.3	1.4
Ashok Leyland	1,500	51		UR	-	UR	3	5	6	18	11	9	1.9	1.7	1.5	11	8	7	10	16	17	2.9	2.9	2.9
Bajaj Auto	8,539	1,335		UR	-	UR	64	89	104	21	15	13	13.2	9.4	6.7	14	11	9	81	73	61	3.0	3.0	3.0
Bharat Forge	1,640	319		397	25	N	1	13	21	501	25	15	4.6	3.4	2.8	26	10	8	1	16	21	0.3	0.6	0.6
Bosch	4,165	6,001		6,803	13	UP	156	268	324	38	22	19	5.6	4.6	3.7	23	13	10	15	22	22	0.5	0.5	0.5
Exide Inds	2,445	130	19	161	24	N	6	7	9	21	16	12	5.0	4.0	3.2	12	12	10	31	24	24	0.3	0.8	0.8
Hero Honda	6,460	1,464		UR	-	UR	112	103	110	13	14	13	8.4	6.2	4.7	9	10	8	61	50	41	7.5	2.0	2.0
Mah & Mah ^ *	8,837	651	182	722	11	UP	32	43	47	15	11	10	4.9	3.9	3.2	15	12	11	29	30	26	1.4	1.6	1.6
Maruti Suzuki	7,846	1,229		1,605	31	OP	87	83	99	14	15	12	3.0	2.5	2.1	7	8	6	24	19	19	0.5	0.5	0.5
Motherson Sumi	1,582	185		217	17	N	6	9	14	30	21	14	5.2	4.1	3.2	12	9	7	21	22	26	0.7	1.2	2.2
Tata Motors	15,762	1,202		1,494	24	N	7	134	156	178	9	8	8.2	3.5	2.4	13	5	5	6	59	38	1.3	0.7	0.7
TVS Motor	552	53		70	33	OP	3	5	6	19	11	8	3.0	2.4	1.9	16	10	7	17	24	27	1.1	1.1	1.1
Banking & Fin Serv						5 to 15	Adj BV (INR)			15	12	10	2.7	2.3	1.8	-	-	-	15	16	15	1.2	1.2	1.4
Axis Bank	11,719	1,293		NR	-	NR	389	456	608	21	16	15	3.3	2.8	2.1	-	-	-	19	19	17	0.9	0.9	1.1
Bank of Baroda	7,226	898		1,055	18	OP	366	455	589	11	8	8	2.5	2.0	1.5	-	-	-	24	26	23	1.7	1.7	1.9
Bank of India	5,126	442		492	11	N	215	264	328	13	9	9	2.1	1.7	1.3	-	-	-	14	19	17	1.6	1.7	2.0
Canara Bank	5,281	583		768	32	OP	276	395	480	8	6	6	2.1	1.5	1.2	-	-	-	27	26	22	1.7	1.8	2.6
Corp Bank	1,826	576		735	28	OP	393	464	563	7	6	6	1.5	1.2	1.0	-	-	-	22	23	20	2.9	3.0	3.1
HDFC Bank	22,317	2,173		2,250	4	UP	465	525	600	34	26	23	4.7	4.1	3.6	-	-	-	16	17	16	0.6	0.6	0.7
HDFC *	20,831	643	286	721	12	N	105	136	153	18	16	14	6.9	4.3	3.7	-	-	-	20	18	18	1.1	1.2	1.2
ICICI Bank *	26,042	1,026	354	1,324	29	OP	441	462	501	19	15	13	2.0	1.9	1.8	-	-	-	8	10	11	1.2	1.2	1.2
IDFC *	4,634	144	32	175	22	OP	53	73	85	14	12	11	3.0	2.0	1.7	-	-	-	16	14	13	1.0	1.0	1.0
ING Vysya	862	322		434	35	OP	173	200	255	16	12	11	1.9	1.6	1.3	-	-	-	13	13	13	0.9	0.9	0.9
LIC Housing *	2,019	192	4	203	5	N	71	85	105	14	10	8	2.7	2.2	1.8	-	-	-	24	24	24	1.6	1.6	1.8
Magma Fincorp	170	59		86	45	OP	32	46	61	10	7	5	1.9	1.3	1.0	-	-	-	21	23	23	0.8	1.4	2.1
Manappuram Gen Fin	1,186	129		160	24	OP	17	45	57	37	20	10	7.4	2.9	2.3	-	-	-	31	22	25	0.2	0.3	0.5
Oriental Bank	1,825	330		450	37	OP	273	322	375	7	5	6	1.2	1.0	0.9	-	-	-	16	20	17	2.8	3.0	3.6
Power Finance	6,205	245		356	46	OP	115	136	178	12	10	10	2.1	1.8	1.4	-	-	-	19	19	17	1.8	1.2	1.4
PNB	7,602	1,091		1,237	13	N	495	598	773	9	8	7	2.2	1.8	1.4	-	-	-	27	24	23	2.0	2.1	2.6
Rural Electrification	5,166	237		300	27	OP	108	126	150	12	9	8	2.2	1.9	1.6	-	-	-	24	22	23	2.6	1.9	1.9
SBI *	38,670	2,755	883	2,994	9	N	929	1,060	1,419	13	11	9	2.2	2.0	1.4	-	-	-	15	16	16	1.1	1.1	1.2
Shriram Transport	3,738	748		780	4	UP	165	209	260	19	14	12	4.5	3.6	2.9	-	-	-	28	28	26	0.9	1.3	1.5
South India Bank	536	21		30	40	OP	12	14	17	10	9	7	1.7	1.5	1.3	-	-	-	17	18	19	1.9	1.9	1.9
Union Bank	3,782	339		341	1	UP	162	189	244	8	8	7	2.1	1.8	1.4	-	-	-	26	22	21	1.6	1.8	2.1
Yes Bank	2,178	284		357	26	OP	91	110	149	20	13	11	3.1	2.6	1.9	-	-	-	20	21	20	0.5	0.5	0.7

continued...

Sector/ Company name	Mcap (\$m)	CMP (INR)	Vol (Rs) FY12	Tgt Pr (INR)	Upside (%)	Rating rel to sector	FDEPS (INR)			PE (x)			PB (x)			EV/Ebitda (x)			ROE (%)			Div Yield (%)		
							FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e
Cement						0 to 15	-	-	-	11	15	12	2.5	2.1	1.9	7	8	6	22	14	15	1.6	1.7	1.7
ACC	4,082	984		905	(8)	UP	84	53	61	12	18	16	3.1	2.9	2.7	7	10	8	30	17	17	2.7	3.6	2.7
Ambuja Cem	4,203	124		128	3	N	8	8	10	16	16	13	2.9	2.6	2.3	9	9	7	19	17	19	2.3	2.3	2.6
Grasim Inds *	4,649	2,294	356	2,928	28	OP	328	222	254	6	9	8	1.5	1.4	1.2	4	6	5	24	14	15	1.4	0.7	0.7
India Cement	628	93		99	7	N	10	2	7	9	39	14	0.8	0.8	0.8	6	12	7	10	2	6	2.5	2.5	2.8
Madras Cement	514	98		113	16	OP	15	9	10	7	11	10	1.5	1.3	1.2	6	7	6	25	13	13	2.4	2.2	1.9
Shree Cement	1,326	1,722		1,863	8	N	212	72	163	8	24	11	3.3	3.0	2.4	4	8	6	49	13	25	1.0	1.3	1.7
UltraTech Cem	5,733	947		971	3	N	88	53	68	11	18	14	2.6	2.9	2.4	13	9	7	27	21	19	0.7	0.7	0.8
Engineering						15 to 30	-	-	-	27	23	17	5.6	4.7	3.9	16	15	11	19	19	22	1.0	1.1	1.3
ABB	3,102	662		650	(2)	UP	17	10	22	39	69	30	5.8	5.5	4.8	22	35	17	16	8	17	0.4	0.5	0.7
AIA Engg	679	326		455	40	OP	18	19	25	18	17	13	3.4	2.9	2.5	12	10	8	20	19	21	0.9	1.5	1.6
Bharat Electronics	2,955	1,671		1,570	(6)	UP	93	88	105	18	19	16	3.1	2.8	2.4	12	11	8	18	15	16	1.3	1.4	1.5
BHEL	22,646	2,093		2,550	22	N	92	113	142	23	18	15	7.1	5.5	4.3	14	11	9	35	34	33	1.3	1.4	1.5
Blue Star	682	343		375	9	UP	21	17	21	17	20	16	6.3	5.6	4.9	11	12	10	43	30	32	2.6	3.1	3.8
Crompton Greaves	3,732	263		311	18	N	13	14	17	21	19	16	6.8	5.1	3.9	12	12	10	38	31	29	0.5	0.5	0.6
Cummins	2,926	669	17	750	12	UP	22	31	37	29	21	18	8.5	7.0	5.7	23	16	14	30	35	34	2.1	2.3	2.3
L & T *	22,066	1,640	341	2,210	35	OP	50	60	72	26	22	18	5.4	4.7	4.1	21	19	16	20	18	19	0.9	0.9	1.1
Siemens	6,297	845		UR	-	UR	16	24	29	53	36	29	10.2	8.7	6.7	26	19	16	21	26	26	0.7	0.7	0.8
Sterlite Tech	408	52		UR	-	UR	6	7	9	8	8	6	2.2	1.7	1.4	5	5	4	32	26	27	1.0	4.5	4.5
Suzlon Energy	1,874	48		48	1	UP	(4)	(5)	3	NA	NA	16	1.1	1.2	1.1	11	21	9	(8)	(12)	7	NA	NA	NA
Thermax	1,692	643		685	7	UP	22	31	38	30	21	17	7.0	5.6	4.6	16	12	9	25	30	30	0.8	1.1	1.4
Voltas	1,243	170		240	41	OP	10	11	13	16	15	13	5.1	4.1	3.3	11	10	9	36	30	28	1.3	1.7	2.0
FMCG						0 to 10	-	-	-	31	28	23	11.4	9.6	8.0	20	18	15	37	34	34	3.6	1.7	2.0
Asian Paints	5,501	2,596		2,380	(8)	UP	79	89	108	33	29	24	13.8	10.7	8.4	20	18	15	49	41	39	1.0	1.3	1.5
Colgate Palmolive	2,466	821		730	(11)	UP	31	29	33	27	29	25	34.2	30.1	26.8	22	21	17	155	112	115	2.4	2.7	3.2
Dabur	3,717	97		97	0	N	3	3	4	34	29	24	17.9	12.8	9.5	26	22	18	57	51	46	2.1	1.0	1.2
Godrej Consumer	2,560	358		405	13	OP	11	14	17	33	26	21	10.6	6.6	5.6	27	19	15	45	33	29	1.3	1.4	1.6
Hindustan Unilever	13,469	279		250	(10)	UP	10	10	11	29	29	26	23.6	25.1	20.3	21	22	19	91	83	87	2.3	2.3	2.5
Jyothy Lab	408	229		285	24	OP	10	11	14	23	20	16	4.3	2.8	2.5	18	17	12	20	17	16	1.7	2.0	2.2
Marico	1,697	125		131	5	N	4	4	6	32	28	22	11.4	8.6	6.5	21	20	15	43	35	34	0.5	0.6	0.8
Nestle	7,376	3,461		UR	-	UR	69	82	96	50	42	36	57.4	46.6	34.5	32	28	23	127	122	110	1.4	1.7	1.7
Tata Global Beverages	1,294	95		116	23	OP	6	5	7	15	18	13	1.2	1.2	1.1	10	10	7	8	7	9	2.1	2.6	3.2

Continued...

Sector/ Company name	Mcap (\$m)	CMP (INR)	Vol (Rs) FY12	Tgt Pr (INR)	Upside (%)	Rating rel to sector	FDEPS (INR)			PE (x)			PB (x)			EV/Ebitda (x)			ROE (%)			Div Yield (%)		
							FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e
Infrastructure ^^						15 to 25	-	-	-	29	24	18	2.9	2.3	2.1	21	16	13	8	7	10	1.0	0.9	0.9
Adani Enterprises	15,027	618		654	6	UP	9	17	29	67	36	21	5.1	3.6	3.1	50	23	15	22	15	16	0.1	0.1	0.1
GMR Infra	3,446	40		40	(0)	UP	0	0	0	98	195	163	1.8	1.8	1.8	27	21	15	2	1	1	NA	NA	NA
Gammon India *	334	119	91	130	10	UP	7	7	8	4	4	3	0.8	0.7	0.7	7	7	6	5	4	5	0.6	1.0	1.0
GVK Power & Infra	962	28		UR	-	UR	1	1	2	28	28	16	1.2	1.2	1.1	19	21	17	5	4	7	0.6	0.6	0.6
Hindustan Construction	477	36	30	UR	-	UR	1	2	2	4	3	3	1.4	1.4	1.3	10	9	8	7	7	8	2.6	3.3	3.3
JP Associates	4,007	85	45	120	41	OP	5	3	4	9	12	9	2.1	1.9	1.8	12	12	10	13	8	10	1.5	1.7	1.8
Mundra Port *	6,387	144	39	180	25	OP	3	4	5	31	26	21	8.3	7.1	6.0	32	26	21	22	22	23	3.2	0.8	0.8
Nagarjuna Construction	580	102	20	105	3	UP	8	8	8	11	10	10	1.2	1.1	1.0	8	9	9	10	9	9	1.5	1.7	1.7
Punj Lloyd	523	71		65	(9)	UP	(13)	(1)	5	NA	NA	13	0.8	0.8	0.8	17	9	8	(16)	(1)	6	0.2	0.9	0.9
Ramky Infrastructure	382	302	108	500	65	OP	21	29	33	9	7	6	3.5	1.8	1.5	12	7	7	28	24	18	NA	NA	NA
Reliance Infra *	3,579	606	392	UR	-	UR	39	26	29	5	8	7	1.1	1.0	1.0	13	11	12	8	4	5	1.3	3.9	3.9
Simplex Infra	363	332		360	8	UP	26	26	30	13	13	11	1.7	1.5	1.3	6	6	5	13	12	13	0.7	1.1	1.1
IT Services						15 to 20	-	-	-	26	22	19	6.7	5.7	4.5	20	16	13	26	26	24	0.8	1.6	0.9
CMC	669	1,999		2,769	39	OP	95	121	146	21	16	14	5.9	4.6	3.7	18	13	10	31	32	30	1.0	1.2	1.5
Financial Technologies	846	831		UR	-	UR	37	-	-	22	-	-	1.9	-	-	28	-	-	9	-	-	1.0	-	-
HCL Tech	6,931	458		520	14	UP	19	22	31	24	21	15	4.5	3.7	3.0	15	12	9	20	20	22	0.9	0.9	0.9
Infosys Tech	39,291	3,096		3,780	22	OP	109	121	151	28	26	20	7.7	6.5	5.2	21	18	14	30	27	28	0.8	1.3	0.8
Mphasis	3,027	652		748	15	N	43	52	53	15	13	12	5.8	4.1	3.5	15	12	9	48	39	31	0.5	0.6	0.4
Oracle Financials	3,899	2,103		2,512	19	N	92	121	126	23	17	17	4.1	3.3	2.8	15	14	10	20	21	18	NA	NA	NA
Patni Computer	1,329	457		399	(13)	UP	36	41	39	13	11	12	1.8	2.2	1.9	5	6	5	15	18	17	0.5	0.5	0.5
Persistent Systems	348	394		540	37	OP	32	34	36	12	11	11	2.0	2.1	1.8	9	7	5	22	20	17	0.8	0.7	0.8
Redington	674	77		99	29	OP	5	6	7	17	13	11	2.3	2.1	1.9	11	9	7	18	21	22	1.3	1.5	1.8
TCS	47,169	1,090		1,330	22	OP	35	44	53	31	25	20	10.0	8.7	6.6	24	18	14	37	38	37	0.8	2.6	1.3
Tech Mahindra #	1,834	659		754	14	UP	54	55	58	12	12	11	2.8	2.4	2.0	8	9	7	29	23	20	0.5	0.4	0.5
Wipro	23,453	432		468	8	UP	19	22	25	23	20	18	5.4	4.4	3.6	20	17	14	27	24	23	1.2	0.7	0.7
Logistics						10 to 20	-	-	-	16	12	10	1.9	1.7	1.5	11	9	8	10	12	13	1.9	2.3	2.5
Allcargo Global *	401	139	18	201	45	OP	9	13	14	14	9	8	1.7	1.4	1.3	8	7	6	14	15	14	3.6	4.3	5.0
Container Corp *	3,172	1,104	201	1,265	15	N	59	66	74	16	14	12	3.3	2.9	2.5	13	11	10	19	19	18	1.3	1.3	1.3
Gateway Distriparks *	286	120	15	132	10	N	7	8	9	16	13	11	1.8	1.7	1.6	12	9	7	10	12	13	2.9	3.8	3.8
G E Shipping	930	276		283	2	UP	13	28	39	21	10	7	0.7	0.7	0.7	10	8	7	4	7	9	2.9	4.3	5.4
Media						10 to 20	-	-	-	37	28	21	4.6	4.0	3.4	17	12	10	13	14	16	1.0	1.1	0.9
DB Corp	954	238		292	23	OP	10	13	15	24	18	16	6.0	4.4	3.5	13	10	10	38	28	24	NA	NA	NA
Dish TV	1,393	59		69	16	N	(2)	(2)	(0)	NA	NA	NA	1.4	1.1	0.9	69	29	12	(22)	(9)	(0)	NA	NA	NA
HT Media	773	149		138	(7)	UP	6	7	9	24	20	17	3.7	3.7	3.6	14	11	10	17	19	21	NA	NA	NA
Jagran Prakashan	799	114		136	19	N	6	7	8	20	16	14	5.2	4.3	3.5	13	10	9	29	29	28	1.7	1.7	1.7
Sun TV	3,568	410		517	26	OP	13	17	21	31	24	20	8.4	6.7	5.4	15	10	9	28	32	30	1.8	1.1	1.3

Continued...

Sector/ Company name	Mcap (\$m)	CMP (INR)	Vol (Rs) FY12	Tgt Pr (INR)	Upside (%)	Rating rel to sector	FDEPS (INR)			PE (x)			PB (x)			EV/Ebitda (x)			ROE (%)			Div Yield (%)		
							FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e
Metals						0 to 15	-	-	-	20	14	11	3.1	2.4	2.0	11	8	6	16	18	17	1.2	1.4	1.6
Coal India	42,104	302		373	24	OP	15	17	21	20	18	14	7.0	5.6	3.6	12	11	8	41	35	31	1.6	2.0	2.5
Hindalco Inds *	8,862	209	15	202	(4)	UP	9	15	18	21	13	11	1.9	1.7	1.5	8	7	7	9	12	13	0.8	0.8	1.2
Hindustan Zinc	11,906	1,275		1,616	27	OP	93	113	155	14	11	8	3.0	2.4	1.9	9	7	4	24	24	25	0.5	0.6	0.6
NALCO	5,823	409		395	(3)	UP	12	22	34	33	18	12	2.5	2.3	2.0	20	10	6	8	13	17	0.6	1.2	1.5
NMDC	23,204	265		249	(6)	UP	9	16	18	30	17	15	7.4	5.3	4.1	21	10	9	27	37	31	0.8	0.8	0.8
Tata Steel	13,525	638		607	(5)	UP	(15)	59	49	NA	11	13	2.2	1.7	1.6	13	6	6	(5)	18	13	1.5	1.3	1.5
Oil & Gas						10 to 25	-	-	-	14	12	10	2.1	1.8	1.6	9	7	6	15	15	16	1.9	2.0	2.2
BPCL	4,742	594		700	18	N	48	33	24	12	18	24	1.4	1.4	1.3	16	12	14	12	8	5	2.3	1.6	2.0
Chennai Petro	659	200		UR	-	UR	40	38	33	5	5	6	0.9	0.8	0.7	8	6	6	18	16	12	6.0	6.0	6.0
GAIL	12,435	444		480	8	UP	25	30	33	18	15	13	3.3	2.9	2.5	11	10	9	20	21	20	1.7	1.5	1.9
Gujarat Gas	1,004	354		NR	-	NR	14	17	18	26	20	20	5.5	4.6	4.0	16	13	12	22	24	22	2.3	1.1	1.7
GSPL	1,169	94		NR	-	NR	7	8	10	13	12	10	3.1	2.6	2.1	7	6	5	27	23	23	1.1	1.3	1.6
HPCL	2,557	342		370	8	UP	61	29	21	6	12	16	1.0	1.0	0.9	9	11	12	19	8	6	3.5	2.9	3.5
Indian Oil	17,317	323		350	8	UP	44	31	30	7	11	11	1.4	1.3	1.2	10	7	8	21	13	12	4.1	3.1	3.1
Indraprastha Gas	931	301		UR	-	UR	15	17	21	20	17	14	5.1	4.2	3.5	11	10	8	29	27	27	1.5	1.7	1.8
Oil India	6,809	1,281		1,465	14	N	109	136	140	12	9	9	2.2	1.9	1.7	6	5	5	23	22	20	2.6	3.3	3.4
ONGC	50,724	268		339	26	OP	23	29	33	12	9	8	2.2	1.9	1.7	5	4	4	20	22	22	3.1	3.8	4.1
Petronet LNG	1,868	113		UR	-	UR	5	7	9	21	16	12	3.4	3.0	2.5	12	10	9	17	20	23	1.6	1.8	2.2
Reliance Inds	67,809	937		1,145	22	N	49	61	74	19	15	13	2.2	1.9	1.7	11	9	7	12	13	14	0.7	0.7	0.7
Tata Chemicals	1,843	327		UR	-	UR	26	28	32	12	12	10	1.6	1.4	1.3	7	6	5	13	13	13	2.8	3.1	3.4
Pharmaceuticals						(10) to 10	-	-	-	33	20	16	5.2	4.3	3.6	19	14	11	16	21	22	0.6	0.8	0.9
Aurobindo Pharma	1,448	225		313	39	OP	15	20	26	15	11	9	3.0	2.4	2.0	10	8	7	26	25	28	0.5	0.5	0.6
Biocon	1,477	334		440	32	OP	15	18	20	23	18	17	3.7	3.2	2.8	14	11	9	18	19	18	1.0	1.2	1.3
Cadila Healthcare	3,498	773		715	(8)	N	25	33	40	31	24	20	9.5	7.4	5.7	21	16	14	35	35	33	0.6	0.9	1.0
Cipla	5,453	307		307	(0)	N	13	13	15	23	24	20	4.1	3.7	3.2	18	17	14	21	16	17	0.7	0.7	0.8
Dishman Pharma	178	100		84	(16)	UP	12	4	8	9	23	12	1.0	1.0	0.9	7	11	9	13	4	8	1.0	1.0	1.2
Divi's Lab	1,828	624		643	3	N	26	27	32	24	23	19	5.4	4.5	3.7	19	19	15	24	21	21	0.4	0.4	0.4
Dr Reddys Lab	5,747	1,537		1,660	8	N	12	60	75	130	26	20	6.0	5.0	4.1	17	16	13	5	21	22	0.4	0.4	0.4
GlaxoSmithKline Pharm	4,163	2,224		1,913	(14)	UP	59	68	80	38	33	28	10.5	9.4	8.2	25	23	19	30	30	31	1.3	1.5	1.7
Glenmark Pharma	1,694	284		365	29	OP	13	17	21	22	16	13	3.2	2.8	2.3	15	12	11	18	18	19	0.1	0.6	0.6
Jubilant Life Sciences	594	169		272	61	OP	19	15	27	9	12	6	1.2	1.2	1.0	8	9	6	17	10	17	NA	NA	NA
Lupin	3,991	405		465	15	OP	15	20	23	27	21	17	6.9	5.4	4.3	20	16	13	30	29	27	0.7	0.8	0.9
Piramal Healthcare	2,031	440		UR	-	UR	23	-	-	19	-	-	5.5	-	-	15	-	-	32	-	-	1.5	-	-
Ranbaxy Lab	4,707	506		600	19	OP	0	50	74	1,987	10	7	4.8	3.1	2.3	33	8	5	0	38	38	NA	0.4	0.6
Sun Pharm	9,697	426		421	(1)	N	11	17	22	38	25	20	5.8	4.9	4.1	35	21	16	16	22	23	0.6	0.8	0.9

continued...

Sector/ Company name	Mcap (\$m)	CMP (INR)	Vol (Rs) FY12	Tgt Pr (INR)	Upside (%)	Rating rel to sector	FDEPS (INR)			PE (x)			PB (x)			EV/Ebitda (x)			ROE (%)			Div Yield (%)		
							FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e	FY10	FY11e	FY12e
Power Utilities						10 to 20	-	-	-	19	18	14	2.8	2.4	2.1	15	14	11	15	13	15	1.3	1.4	1.5
Adani Power	5,893	122		152	24	OP	1	4	11	157	32	11	4.5	4.0	3.0	148	38	13	4	13	30	NA	NA	NA
JSW Energy	2,731	75		115	53	OP	5	6	12	15	14	7	2.6	2.2	1.7	15	13	6	27	18	30	1.2	1.3	2.7
JP Power Ventures	1,839	40		72	81	OP	1	1	4	34	66	10	1.8	1.7	1.8	24	31	9	6	3	19	NA	NA	NA
NTPC	32,530	179		184	3	UP	11	11	11	16	17	17	2.4	2.2	2.0	12	12	13	15	13	12	2.5	2.6	2.5
Power Grid	9,992	98		120	23	OP	5	5	7	19	18	14	2.6	2.1	1.9	13	12	11	14	13	14	1.8	1.8	2.5
Reliance Power	7,055	114		UR	-	UR	3	3	2	40	35	60	1.9	1.8	1.7	NA	46	30	5	5	3	NA	0.0	0.0
Tata Power *	6,632	1,264	154	1,456	15	N	75	90	102	15	12	11	2.1	1.8	1.6	11	10	8	14	14	14	0.9	0.9	0.9
Real Estate						UR	-	-	-	17	13	9	1.3	1.1	1.0	16	12	8	8	8	11	0.1	0.1	0.1
Century Textile *	701	341	223	UR	-	UR	46	30	26	4	5	5	1.8	1.6	1.4	6	9	9	26	15	11	1.9	1.9	1.9
DB Realty	694	129		UR	-	UR	10	17	59	12	7	2	1.0	0.9	0.6	10	7	2	13	13	34	NA	NA	NA
DLF	8,734	233		UR	-	UR	11	10	14	22	23	17	1.6	1.5	1.4	19	15	13	7	7	9	NA	NA	NA
HDIL	1,354	148		UR	-	UR	16	28	36	9	5	4	0.8	0.6	0.6	12	7	4	10	14	14	NA	NA	NA
Indiabulls Real Estate	973	109		UR	-	UR	(0)	5	11	NA	20	10	0.4	0.4	0.3	NA	24	16	(0)	2	3	NA	NA	NA
Oberoi Realty	1,755	242		UR	-	UR	14	18	21	17	13	11	4.3	2.4	2.0	16	11	6	28	23	19	NA	NA	NA
Prestige Estates	911	126		UR	-	UR	5	7	12	27	17	10	4.0	1.7	1.4	20	12	8	16	14	15	NA	NA	NA
Sobha Developers	546	252		UR	-	UR	14	21	32	18	12	8	1.4	1.3	1.1	15	10	5	9	11	15	1.0	NA	NA
Unitech	1,976	34		UR	-	UR	3	3	5	12	10	7	0.8	0.8	0.7	13	10	6	9	8	10	NA	NA	NA
Vascon Engineers	203	102		UR	-	UR	6	7	13	17	14	8	1.4	1.2	1.1	12	9	3	10	9	14	NA	NA	NA
Retail						10 to 20	-	-	-	44	28	21	6.0	4.7	3.8	19	15	12	12	15	16	0.4	0.5	0.6
Pantaloon Retail *	1,307	275	117	338	23	OP	9	10	13	18	17	13	2.0	1.9	1.7	10	9	8	7	7	8	0.2	0.4	0.4
Titan Inds	3,164	3,225		3,694	15	N	57	107	137	56	30	24	19.8	13.1	9.1	36	22	17	40	52	46	0.5	0.6	0.8
Sugar						25 to 35	-	-	-	22	14	10	1.9	1.6	1.4	9	8	6	9	12	14	1.7	1.2	0.9
Bajaj Hindustan	379	75		101	34	N	(2)	3	7	NA	28	11	0.6	0.6	0.6	9	9	7	(2)	2	6	0.9	0.8	0.8
Balrampur Chini	421	73		90	23	UP	8	3	9	9	25	8	1.7	1.6	1.4	6	10	6	20	7	18	4.1	2.0	2.0
Shree Renuka	1,164	78		UR	-	UR	4	8	8	22	10	10	3.2	2.4	2.0	13	7	6	19	27	22	1.3	1.0	0.6
Telecom **						0 to 5	-	-	-	12	19	17	1.7	1.6	1.5	7	8	7	15	8	9	NA	NA	NA
Bharti Airtel	27,878	332		345	4	N	22	16	19	15	21	17	2.8	2.5	2.2	8	9	7	22	13	13	NA	NA	NA
Idea Cellular	4,620	63		58	(8)	UP	3	3	2	23	25	29	1.8	1.6	1.6	8	9	7	7	7	6	NA	NA	NA
OnMobile Global	283	218		289	33	OP	7	14	19	31	16	11	1.8	1.6	1.4	13	10	6	6	11	13	NA	NA	NA

Note

- 1) * EPS & BV are for core business while target price includes value of investments
- 2) ^ M&M FY10 numbers not comparable due to merger with PTL
- 3) # For TechM, consolidated EPS including Satyam is Rs 67 for FY11E and Rs 78 for FY12E
- 4) ** Telecom company valuations include tower valuations
- 5) ^^L&T included while calculating weighted sector upside

Source: ENAM estimates, Bloomberg

7. APPENDIX

A. Ownership Dec-10: Most/ Least preferred stocks in order of value

MF: Top-15

Company Name	Net Inv (USDm) Dec-10	Holding (%) Dec-10	Hldg chg QoQ (%) Dec-10
Top-15			
Reliance Industries Ltd.	201	2	0
Infosys Technologies Ltd.	199	4	0
I C I C I Bank Ltd.	153	7	1
H D F C Bank Ltd.	147	4	1
Power Grid Corp. Of India Ltd.	108	1	1
Cipla Ltd.	92	7	1
Mahindra & Mahindra Ltd.	61	5	1
Grasim Industries Ltd.	47	8	1
Bharat Heavy Electricals Ltd.	42	7	0
Jaiprakash Associates Ltd.	42	4	1
Shree Renuka Sugars Ltd.	41	8	3
Areva T & D India Ltd.	38	4	2
Oil India Ltd.	32	4	0
Sesa Goa Ltd.	28	1	0
Hindustan Unilever Ltd.	28	3	0
Bottom-15			
Tata Motors Ltd.	(267)	2	(2)
Zee Entertainment Enterprises	(147)	6	(5)
Oil & Natural Gas Corp. Ltd.	(144)	2	(0)
Canara Bank	(122)	1	(2)
N T P C Ltd.	(122)	2	(0)
Rural Electrification Corp. Ltd	(118)	2	(2)
L I C Housing Finance Ltd.	(110)	1	(4)
Reliance Infrastructure Ltd.	(100)	4	(2)
Adani Enterprises Ltd.	(88)	0	(0)
Bharti Airtel Ltd.	(80)	4	(0)
Tata Power Co. Ltd.	(75)	4	(1)
Zuari Industries Ltd.	(62)	0	(13)
Lupin Ltd.	(59)	8	(1)
Bank Of India	(55)	1	(1)
Ultratech Cement Ltd.	(54)	2	(1)

BFI: Top-15

Company Name	Net Inv (USDm) Dec-10	Holding (%) Dec-10	Hldg chg QoQ (%) Dec-10
Top-15			
Bharat Heavy Electricals Ltd.	155	5	1
Shipping Corp. Of India Ltd.	109	20	7
Bajaj Auto Ltd.	102	4	1
Allahabad Bank	90	13	4
Housing Development Finance	72	11	0
Cairn India Ltd.	50	6	0
Maruti Suzuki India Ltd.	43	15	0
Tata Steel Ltd.	42	23	0
Power Grid Corp. Of India Ltd.	42	6	0
Hindustan Petroleum Corp. Li	41	16	1
Sesa Goa Ltd.	40	4	1
Rural Electrification Corp. Ltd	39	2	1
Oil & Natural Gas Corp. Ltd.	33	5	0
Ispat Industries Ltd.	32	12	6
Strides Arcolab Ltd.	31	8	6
Bottom-15			
Tata Motors Ltd.	(288)	12	(2)
Hindalco Industries Ltd.	(123)	11	(1)
Dr. Reddy'S Laboratories Ltd.	(122)	8	(2)
J S W Steel Ltd.	(104)	5	(2)
Reliance Industries Ltd.	(103)	8	(0)
Tata Consultancy Services Ltd.	(102)	5	(0)
A C C Ltd.	(91)	15	(2)
Mahindra & Mahindra Ltd.	(89)	19	(1)
Reliance Infrastructure Ltd.	(85)	18	(2)
G A I L (India) Ltd.	(74)	21	(1)
Cipla Ltd.	(67)	12	(1)
Hero Honda Motors Ltd.	(63)	4	(1)
Hindustan Unilever Ltd.	(58)	10	(0)
I C I C I Bank Ltd.	(50)	16	(0)
Grasim Industries Ltd.	(45)	12	(1)

FII: Top-15

Company Name	Net Inv (USDm) Dec-10	Holding (%) Dec-10	Hldg chg QoQ (%) Dec-10
Top-15			
Power Grid Corp. Of India Ltd.	1,042	12	10
Reliance Industries Ltd.	638	18	1
Infosys Technologies Ltd.	326	37	1
Ultratech Cement Ltd.	224	12	3
Adani Enterprises Ltd.	222	15	1
Mahindra & Mahindra Ltd.	219	25	2
N T P C Ltd.	184	3	1
Zee Entertainment Enterprises	164	35	5
Tata Consultancy Services Ltd.	159	13	0
Hindalco Industries Ltd.	151	30	2
Hero Honda Motors Ltd.	142	33	2
Lupin Ltd.	141	23	3
Canara Bank	131	13	2
Manappuram General Finance	126	30	10
Strides Arcolab Ltd.	122	32	22
Bottom-15			
State Bank Of India	(268)	13	(1)
J S W Steel Ltd.	(209)	26	(3)
Bharat Heavy Electricals Ltd.	(190)	14	(1)
Sesa Goa Ltd.	(138)	24	(2)
Indiabulls Real Estate Ltd.	(106)	55	(7)
Axis Bank Ltd.	(88)	37	(1)
Bharti Airtel Ltd.	(83)	17	(0)
H D F C Bank Ltd.	(83)	29	(0)
Kotak Mahindra Bank Ltd.	(81)	24	(1)
Union Bank Of India	(73)	17	(2)
Bajaj Auto Ltd.	(65)	18	(1)
Indiabulls Financial Services Li	(63)	32	(5)
Amtek India Ltd.	(57)	7	(29)
Infrastructure Development Fi	(52)	50	(1)
Shree Renuka Sugars Ltd.	(51)	22	(4)

Source: ENAM Research, CMIE

B. Ownership Dec-10: Most/ Least preferred stocks in order of % holding

MF: Top-15

	Hldg chg QoQ (%)	Holding (%)	Net Inv (USDm)
Company Name	Dec-10	Dec-10	Dec-10
Top-15			
Kiri Dyes & Chemicals Ltd.	6	6	11
Vardhman Textiles Ltd.	6	16	25
Raymond Ltd.	4	12	20
Gujarat Pipavav Port Ltd.	3	3	20
Tube Investments Of India Ltd.	3	10	21
Shree Renuka Sugars Ltd.	3	8	41
Indosolar Ltd.	3	4	6
Consolidated Construction Cor	3	10	9
Arvind Ltd.	2	5	7
Tata Elxsi Ltd.	2	3	5
Ballarpur Industries Ltd.	2	13	13
Areva T & D India Ltd.	2	4	38
Jubilant Foodworks Ltd.	2	10	18
Akzo Nobel India Ltd.	2	8	14
Strides Arcolab Ltd.	2	10	11
Bottom-15			
Zuari Industries Ltd.	(13)	0	(62)
India Infoline Ltd.	(5)	9	(32)
Zee Entertainment Enterprises	(5)	6	(147)
L I C Housing Finance Ltd.	(4)	1	(110)
Welspun Corp Ltd.	(4)	0	(41)
Praj Industries Ltd.	(4)	2	(12)
Everonn Education Ltd.	(4)	1	(9)
I V R C L Infrastructures & Proj	(4)	4	(31)
Jyoti Structures Ltd.	(4)	27	(9)
South Indian Bank Ltd.	(3)	3	(23)
J K Tyre & Inds. Ltd.	(3)	2	(5)
Sobha Developers Ltd.	(3)	5	(23)
Hindustan Construction Co. Ltd	(3)	6	(21)
Bajaj Electricals Ltd.	(3)	11	(17)
Jubilant Life Sciences Ltd.	(3)	3	(29)

BFI: Top-15

	Hldg chg QoQ (%)	Holding (%)	Net Inv (USDm)
Company Name	Dec-10	Dec-10	Dec-10
Top-15			
Shipping Corpn. Of India Ltd.	7	20	109
Strides Arcolab Ltd.	6	8	31
Ispat Industries Ltd.	6	12	32
Kiri Dyes & Chemicals Ltd.	4	8	8
Allahabad Bank	4	13	90
Kalpataru Power Transmission	3	6	16
Ansal Properties & Infrastruct	2	5	5
Deccan Chronicle Holdings Ltd	2	19	13
State Bank Of Bikaner & Jaipu	2	4	15
T V S Motor Co. Ltd.	2	8	15
Orient Paper & Inds. Ltd.	2	11	4
Tata Chemicals Ltd.	1	22	28
Bombay Rayon Fashions Ltd.	1	1	8
Gujarat Industries Power Co. L	1	21	4
Hindustan Petroleum Corpn. Li	1	16	41
Bottom-15			
Alok Industries Ltd.	(8)	14	(35)
Orchid Chemicals & Pharmace	(5)	5	(25)
Gujarat Pipavav Port Ltd.	(5)	8	(29)
Raymond Ltd.	(3)	15	(17)
A C C Ltd.	(2)	15	(91)
Tata Motors Ltd.	(2)	12	(288)
Dr. Reddy'S Laboratories Ltd.	(2)	8	(122)
J S W Steel Ltd.	(2)	5	(104)
Development Credit Bank Ltd.	(2)	2	(5)
Reliance Infrastructure Ltd.	(2)	18	(85)
Gujarat State Fertilizers & Che	(2)	11	(10)
City Union Bank Ltd.	(2)	6	(7)
Hindalco Industries Ltd.	(1)	11	(123)
Jindal Poly Films Ltd.	(1)	3	(7)
Aditya Birla Nuvo Ltd.	(1)	11	(22)

FII: Top-15

	Hldg chg QoQ (%)	Holding (%)	Net Inv (USDm)
Company Name	Dec-10	Dec-10	Dec-10
Top-15			
Strides Arcolab Ltd.	22	32	122
Ansal Properties & Infrastruct	12	23	30
Power Grid Corpn. Of India Ltd.	10	12	1042
Manappuram General Finance	10	30	126
Bilcare Ltd.	6	10	21
India Infoline Ltd.	6	27	40
Zee Entertainment Enterprises	5	35	164
Kiri Dyes & Chemicals Ltd.	5	13	9
Cox & Kings Ltd.	5	26	41
Development Credit Bank Ltd.	5	8	13
A B G Shipyard Ltd.	4	17	19
Parsvnath Developers Ltd.	4	9	25
Rajesh Exports Ltd.	4	15	29
Voltamp Transformers Ltd.	4	27	7
Glodyne Technoserve Ltd.	4	8	21
Bottom-15			
Amtek India Ltd.	(29)	7	(57)
Indosolar Ltd.	(12)	0	(21)
I C S A (India) Ltd.	(11)	20	(16)
Indiabulls Real Estate Ltd.	(7)	55	(106)
Zuari Industries Ltd.	(6)	0	(28)
K S Oils Ltd.	(5)	12	(26)
Core Projects & Technologies I	(5)	17	(33)
Indiabulls Financial Services Li	(5)	32	(63)
Lakshmi Energy & Foods Ltd.	(4)	13	(4)
Bombay Rayon Fashions Ltd.	(4)	7	(24)
Shree Renuka Sugars Ltd.	(4)	22	(51)
Assam Company India Ltd.	(4)	17	(6)
Gitanjali Gems Ltd.	(4)	13	(18)
J S W Steel Ltd.	(3)	26	(209)
P S L Ltd.	(3)	4	(4)

Source: ENAM Research, CMIE

C. ICC Cricket World Cup 2011 Schedule

Group A	Australia, Pakistan, New Zealand, Sri Lanka, Zimbabwe, Canada and Kenya.			
Group B	India, South Africa, England, Bangladesh, West Indies, Netherlands and Ireland.			
Date	Time (IST)	Teams	Group	Venue
19-Feb-11	14.30	India vs Bangladesh	Group B	Mirpur, Bangladesh
20-Feb-11	9.30	New Zealand vs Kenya	Group A	Chennai, India
	14.30	Sri Lanka vs Canada	Group A	Hambantota, Sri Lanka
21-Feb-11	14.30	Australia vs Zimbabwe	Group A	Ahmedabad, India
22-Feb-11	14.30	England vs Netherlands	Group B	Nagpur, India
23-Feb-11	14.30	Pakistan vs Kenya	Group A	Hambantota, Sri Lanka
24-Feb-11	14.30	South Africa vs West Indies	Group B	New Delhi, India
25-Feb-11	9.30	Australia vs New Zealand	Group A	Nagpur, India
	14.30	Bangladesh vs Ireland	Group B	Mirpur, Bangladesh
26-Feb-11	14.30	Sri Lanka vs Pakistan	Group A	Colombo, Sri Lanka
27-Feb-11	14.30	India vs England	Group B	Bangalore, India
28-Feb-11	9.30	Zimbabwe vs Canada	Group A	Nagpur, India
	14.30	West Indies vs Netherlands	Group B	New Delhi, India
1-Mar-11	14.30	Sri Lanka vs Kenya	Group A	Colombo, Sri Lanka
2-Mar-11	14.30	England vs Ireland	Group B	Bangalore, India
3-Mar-11	9.30	South Africa vs Netherlands	Group B	Mohali, India
	14.30	Pakistan vs Canada	Group A	Colombo, Sri Lanka
4-Mar-11	9.30	New Zealand vs Zimbabwe	Group A	Ahmedabad, India
	14.30	Bangladesh vs West Indies	Group B	Mirpur, Bangladesh
5-Mar-11	14.30	Sri Lanka vs Australia	Group A	Colombo, Sri Lanka
6-Mar-11	9.30	England vs South Africa	Group B	Chennai, India
	14.30	India vs Ireland	Group B	Bangalore, India
7-Mar-11	14.30	Kenya vs Canada	Group A	New Delhi, India
8-Mar-11	14.30	Pakistan vs New Zealand	Group A	Pallekelle, Sri Lanka
9-Mar-11	14.30	India vs Netherlands	Group B	New Delhi, India
10-Mar-11	14.30	Sri Lanka vs Zimbabwe	Group A	Pallekelle, Sri Lanka
11-Mar-11	9.30	West Indies vs Ireland	Group B	Mohali, India
	14.30	Bangladesh vs England	Group B	Chittagong, Bangladesh
12-Mar-11	14.30	India vs South Africa	Group B	Nagpur, India
13-Mar-11	9.30	New Zealand vs Canada	Group A	Mumbai, India
	14.30	Australia vs Kenya	Group A	Bangalore, India
14-Mar-11	9.30	Bangladesh vs Netherlands	Group B	Chittagong, Bangladesh
	14.30	Pakistan vs Zimbabwe	Group A	Pallekelle, Sri Lanka
15-Mar-11	14.30	South Africa vs Ireland	Group B	Kolkata, India
16-Mar-11	14.30	Australia vs Canada	Group A	Bangalore, India
17-Mar-11	14.30	England vs West Indies	Group B	Chennai, India
18-Mar-11	9.30	Ireland vs Netherlands	Group B	Kolkata, India
	14.30	Sri Lanka vs New Zealand	Group A	Mumbai, India
19-Mar-11	9.30	Bangladesh vs South Africa	Group B	Mirpur, Bangladesh
	14.30	Australia vs Pakistan	Group A	Colombo, Sri Lanka
20-Mar-11	9.30	Zimbabwe vs Kenya	Group A	Kolkata, India
	14.30	India vs West Indies	Group B	Chennai, India
23-Mar-11	14.30	First Quarterfinal	-	Mirpur, Bangladesh
24-Mar-11	14.30	Second Quarterfinal	-	Colombo, Sri Lanka
25-Mar-11	14.30	Third Quarterfinal	-	Mirpur, Bangladesh
26-Mar-11	14.30	Fourth Quarterfinal	-	Ahmedabad, India
29-Mar-11	14.30	First Semifinal	-	Colombo, Sri Lanka
30-Mar-11	14.30	Second Semifinal	-	Mohali, India
2-Apr-11	14.30	Cricket World Cup FINAL	-	Mumbai, India

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