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Contents

Equity	4-7
Derivatives	8-9
Commodity	10-13
IPO	14-15
Mutual Fund	16-17

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From The Desk Of Editor

Unlike developed economies market that closed in red, our market closed in the positive on the back of robust GDP growth of 7.4% in the year ending March 2010 driven by solid rebound in manufacturing activity. Auto & Cement sales numbers also joyed the markets. Good monsoon which is likely to be in range of 98% of the long term average will help in entailing inflation and will boost rural economy, a major factor for the overall growth of the economy kept the markets on a strong foot in the week gone by. On the contrary, bad news continued from the rest of the world. Export led recovery is losing momentum in Japan. Manufactures are planning to increase production at a slower pace in the coming months in view of the cut in European government expenditures that may damp sales of Japanese goods over time. Unemployment is increasing and job prospects are worsening together with cuts in household spending. Eurpean region economy which is struggling to gather strength after the debt crisis and has sought to cut expenditure got another jolt after Hungary said its economy is in a "very grave" situation, reigniting concern the region's debt crisis is spreading. Hungary Prime Minister said that talk of a default is "not an exaggeration" because a previous administration "manipulated" figures. The country was bailed out with a 20 billion-euro (\$24 billion) aid package from the European Union and International Monetary Fund in 2008. U.S. markets saw Indices dropping to four months low after the lower than forecast payroll numbers for the month of May. However the positive news in the payroll survey was in earnings, the workweek, and production hours. Wage inflation picked up with a 0.3 percent rise in May, following a 0.1 percent advance the month before. The average workweek for all workers edged up to 34.2 hours from 34.1 hours in April. The gain point out to future hirings and suggests increase in industrial production for the month.

Overall trend of world stock markets is still down though the markets tried to take a recovery intra week but the US and European markets spoiled the party. Base metal commodities did not bounce even slightly which went to show that stock markets tried a recovery without participation of industrial commodities. Nifty faces resistance between 5150-5180 levels and Sensex between 17200-17400 levels.

Sentiments are still very fragile and investors are very watchful in commodity. Technically, base metals and energy appear oversold; hence they may generate some lower level buying. However, one should not judge it as a major one sided rally in these commodities as fears on European economy is still hovering. Even, negative outcome of economic data's from various economies is further indicating slowdown in economic activities. If mercury goes high further and we see further decline in crude and other inventories in US, then it will stimulate buying in crude oil. Natural gas has already seen good short covering in the prices in past few weeks, can witness more buying for the same reason.

Saurabh Jain
(Saurabh Jain)

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SAFE HARBOR STATEMENT: Some forward statements on projections, estimates, expectations, outlook etc are included in this update to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions. Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints. Investors are advised to consult their certified financial advisors before making any investments to meet their financial goals.

MARKET NEWS

Economy

- Food inflation rose to 16.55% for the week ended May 22 on account of high prices of pulses, fruits and vegetables. Inflation increased by 0.32 percentage point from 16.23% in the previous week.

Information Technology

- Take Solutions entered into a strategic partnership with Reliance Life Sciences to supply its unique PharmaReady eCTD, SPL and PPM modules.

Pharmaceutical

- Aurobindo Pharma has received a final approval from the US health regulator for sale of Ceftazidime, used to treat respiratory infections, in the American market. The company has bagged the final approval from US Food and Drug Administration for two variants of the drug.
- Ranbaxy Laboratories' UK-based subsidiary is recalling a single lot of its drug Gabapentin, used in the treatment of nerve pain, from the UK market for updating mandatory safety information on them.
- Lupin has received the US Food and Drug Administration's approval for marketing and distributing Lamotrigine tablets, used for treating bipolar disorders, in American markets. The company has received approval for Lamotrigine tablets in 25 mg, 100 mg, 150 mg and 200 mg strengths.

Paints

- Asian Paints has signed a MoU with the Maharashtra government to set up a Rs 735 crore mega project for manufacturing paints and intermediates.

Realty/ Construction

- Ahluwalia Contracts India is looking for acquisition or tie-up with a specialised construction firm to help it become an integrated urban infrastructure company. The acquisition will enable the construction company to execute value-added construction projects, like developing multi-level parking and building concrete roads.
- Jaiprakash Associates will invest around Rs 10,000 crore in the next three years to increase its annual production capacity to 50 million tonnes from a little over 20 million tonnes at present.
- Lanco Infratech has received an order worth Rs 91.66 crore from the Airports Authority of India for construction of a terminal in Orissa. The scope of work includes construction of a new terminal building at Biju Patnaik Airport, Bhubaneswar.

Power

- NTPC Ltd, India's top power producer, is set to buy controlling stake in a coal field in Australia in a deal valued at \$1 billion to \$1.5 billion.
- GVK Power & Infrastructure's subsidiary has bagged a Rs 850 crore contract for building a highway in Rajasthan. GVK Developmental Projects Pvt Ltd, a wholly owned subsidiary of the company, has won the bid for four-laning a portion of the national highway.

Capital Goods

- State-run power equipments giant BHEL, engineering major Larsen & Toubro (L&T), and Russian firm Power Machines, among others have evinced interest in supplying to Jindal Power's two thermal plants in Jharkhand. Jindal Power, a subsidiary of Jindal Steel and Power, is executing two supercritical power projects of 1,320mw at Dumka and 660mw at Godda in Jharkhand by 2014. Supercritical power projects are environment-friendly and energy-efficient.
- Bharat Earth Movers (BEML) has signed a MoU with the Karnataka government at the Global Investors Meet here for establishing another manufacturing complex in the city.

Textile

- S Kumars Nationwide Limited (SKNL) has launched its new apparel brand 'World Player' in Kerala. World Player's product range comprises of formal, casual and occasion wear designed to give the customer a more upmarket trendy look.

Refineries

- Indian Oil Corp bought 6 million barrels of West African and 1 million barrels of Libyan crude oil via tender for July and August including its first purchase of Nigerian grade Okono.

Capital Goods

- Bharat Forge had formed a JV with KPIT Cummins Infosystems to produce a hybrid engine technology, which will hit the market in six months.

TREND SHEET

STOCKS	CLOSING PRICE	TREND	DATE	RATE	S1	R1	S2	R2	CL.
			TREND CHANGED	TREND CHANGED					S/L
SENSEX	17118	Down	07.05.10	16769		17200		17400	17500
S&P NIFTY	5136	Down	07.05.10	5018		5150		5180	5210
CNX IT	5884	Down	07.05.10	5727		5900		5950	6000
CNX BANK	9456				Sideways				
ACC	842	Down	07.05.10	861		860		885	915
BHARTIARTEL	276	Down	07.05.10	288		280		290	300
BHEL	2332	Down	07.05.10	2397		2350		2400	2470
DLF	282	Down	07.05.10	286		295		305	325
INFOSYS	2729				Sideways				
ITC	291	UP	21.05.10	270	275		270		255
L&T	1672				Sideways				
MARUTI	1330	Down	29.04.10	1289		1340		1360	1370
NALCO	421				Sideways				
NTPC	202	Down	07.05.10	202		203		206	210
ONGC	1190	UP	28.05.10	1129	1140		1100		1040
RELIANCE	1031	Down	21.5.10	996		1040		1070	1090
SAIL	201	Down	07.05.10	208		210		215	225
SBI	2341				Sideways				
SUNPHARMA	1705	UP	04.06.10	1705	1650		1630		1560

NOTES:

- These levels should not be confused with the daily trend sheet, which is sent every evening by e-mail in the name of evening buzzer equity.
- S1 & S2 indicates first support & second support respectively & R1 & R2 indicates first resistance and second resistance respectively.
- Sometimes you will find the stop loss to be too far but if we change the stop loss once, we will find more strength coming into the stock. At the moment, the stop loss will be far as we are seeing the graphs on weekly basis and taking a long-term view and not a short-term view.

FORTHCOMING EVENTS

Ex DATE	SYMBOL	PURPOSE
07/06/2010	INDIANB	DIVIDEND-RS.4/- PER SHARE
08/06/2010	BIRLACORPN	AGM/ DIVIDEND RS 3.50 PER SHARE
08/06/2010	RALLIS	BONUS 1: 2
09/06/2010	ITC	FINAL DIV RS.4.50 PER SH & SP CENTENARY DIV RS.5.50 PER SH
09/06/2010	SBIN	FINAL DIVIDEND-RS.20/- PER SHARE (PURPOSE REVISED)
09/06/2010	SUZLON	RIGHTS 2:15 @ PREMIUM RS.61/-
10/06/2010	HDFCBANK	AGM/DIV-RS.12/- PER SHARE
10/06/2010	ICICIBANK	AGMAND DIVIDEND RS.12/- PER SHARE
10/06/2010	SUNDRMFAST	INTERIM DIVIDEND RE.0.50 PER SHARE
10/06/2010	PETRONET	AGMAND DIVIDEND RS.1.75 PER SHARE
14/06/2010	JSWSTEEL	AGM/DIVIDEND RS 9.50 PER SHARE
14/06/2010	ORIENTBANK	AGMAND DIVIDEND RS.9.10 PER SHARE
14/06/2010	PATNI	FINAL DIVIDEND-RS.3/- PER SHARE
14/06/2010	RCF	AGMAND FINAL DIVIDEND RS.1.10 PER SHARE
15/06/2010	TCS	FINAL DIV RS.4/- PER SH & SP DIV RS.10/- PER SHARE

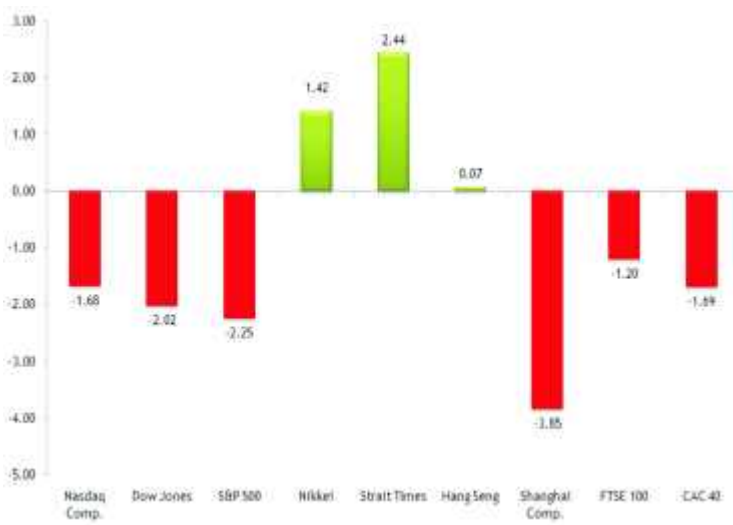
EQUITY

INDIAN INDICES (% Change)



SMC Trend
 ▲ Nifty ▲ Sensex ▲ BSE Midcap ▲ BSE Smallcap ▲ Nifty Junior ▲ S&P CNX 500

GLOBAL INDICES (% Change)

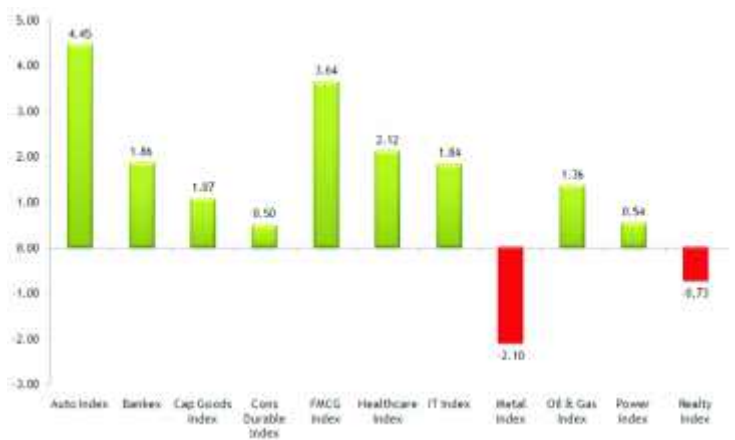


SMC Trend
 ▲ Nasdaq ▲ Nikkei ▲ Hang Seng ▲ FTSE 100
 ▲ Dow Jones ▲ Strait times ▲ Shanghai ▲ CAC 40
 ▲ S&P 500

BSE SENSEX TOP GAINERS & LOSERS (% Change)

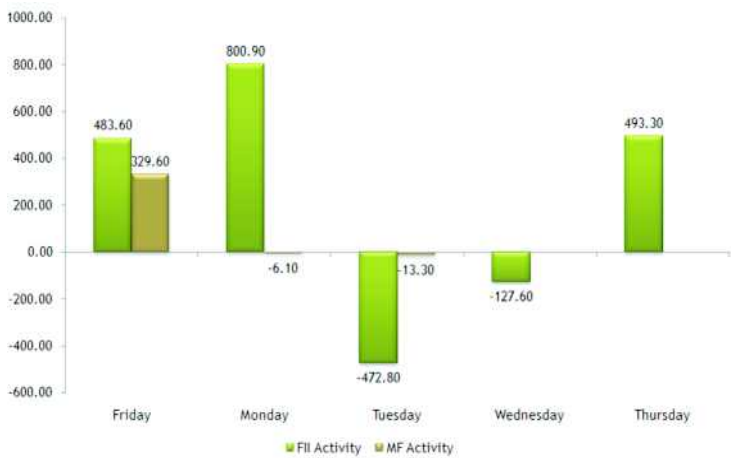


SECTORIAL INDICES (% Change)

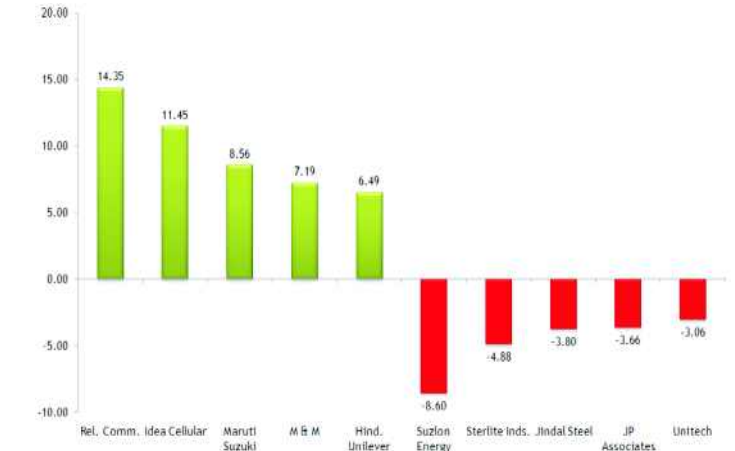


SMC Trend
 ▲ Auto ▲ Cap Goods ▲ FMCG ▲ IT ▲ Oil & Gas
 ▲ Bank ▲ Cons Durable ▲ Healthcare ▲ Metal ▲ Power
 ▲ Realty

INSTITUTIONAL ACTIVITY (EQUITY) (RS. IN CRORE)



NSE NIFTY TOP GAINERS & LOSERS (% Change)



▲ -UP ▼ -DOWN ▲ -SIDEWAYS

Beat the street - Fundamental Analysis

RANBAXY LABORATORIES LIMITED

Business Profile

Ranbaxy Laboratories Ltd. is one of the leading pharmaceutical Companies in India. The Company, with its subsidiaries, operates as an integrated international pharmaceuticals organization with businesses encompassing the value chain in the marketing, production and distribution of pharmaceuticals products. It operates under two segments: Pharmaceuticals and other business. Pharmaceuticals segment comprises manufacture and trading of Formulations, Active Pharmaceutical Ingredients (API) and Intermediate, Generics, Drug discovery and Consumer Health Care products while other business comprises rendering of financial services.

Investment Rationale

- The company has sought the US drug regulator's approval to sell a new drug in the world's largest pharma market that has been manufactured in a unit of its Indian factory which is under scrutiny of the US regulator.
- During the quarter ended March 2010, company acquired product rights and a manufacturing facility from Biovel Lifesciences. It launched Valacyclovir in US market in the quarter ended December 2009. According to IMS data, the market size of the drug in US market is 64%.
- Ranbaxy settled patent litigation with Takeda Pharmaceutical Company for Pioglitazone Hydrochloride tablets. Now Ranbaxy can launch

the drug in US market in August 2012.

- In Japan, the company along with its parent Daiichi Sankyo established a new company-Daiichi Sankyo Espha (DSECL) to market generic drugs in Japan market. Ranbaxy will develop, manufacture and supply products to DSECL. Targets revenues of USD 3 billion by 2013.
- Its R&D capabilities as a vital component of its business strategy that will provide the company with a sustainable, long-term competitive advantage. The company now has a pool of 1,200 scientists who are engaged in path-breaking research.
- During the quarter ended March 2010, the company made 43 filings and received 45 approvals for dosage forms across the globe. For APIs, it filed 34 filings and received 33 approvals.

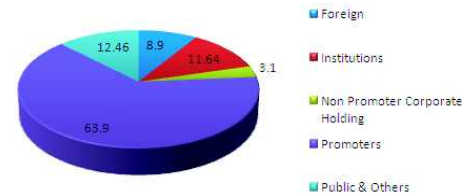
Stock Chart



VALUE PARAMETERS

Current Mkt.Price (Rs.)	430.05
Face Value (Rs.)	5.00
52 Week High/Low	538.00/236.00
M.Cap (Rs. in Cr.)	18090.48
EPS (Rs.)	40.35
P/E Ratio (times)	10.66
P/B Ratio (times)	4.57
Dividend Yield (%)	0.00
Stock Exchange	BSE

% OF SHARE HOLDING



Particular	QE Mar'10	QE Mar'09	Var.(%)	TTM
Total Income	3256.21	492.25	561.50	10996.98
Net Sales	2486.75	1554.85	59.94	8261.31
Expenditure	1715.40	1574.85	8.92	7025.15
PBDIT	1540.81	-1082.61	242.32	3971.84
PBDT	1516.02	-1107.21	236.92	3900.60
PAT	960.58	-767.33	225.18	2024.41

CENTURY PLYBOARDS INDIA LIMITED

Business Profile

Century Plyboards (India) Limited, founded in 1986, is based in Kolkata, India. It is engaged in the manufacture, sale, and export of plywood and veneer in India. It offers plywood, block-board, veneer, and timber; various laminates, including decorative laminates and pre laminated boards; and ferro alloys comprising ferro silicon. Century Plyboards (India) markets its products under the 'Centuryply' brand name. Over the years, Centuryply has introduced the boiling water resistant decorative veneer, seven-year powder proof guaranteed PF plywood, the revolutionary non-leachable Firesafe plywood. As on date, the borer proof decorative plywood introduced by Century has become the minimum bench mark in the plywood industry. The company also engages in power generation; offers cement and clinker; and provides adhesives and chemicals, as well as involves in logistic activities.

Investment Rationale

- Century is the market leader in the organised segment accounting for about 50 per cent of the share. With a repositioning of the brand from a utility item to a lifestyle-statement, the company is trying to reap rich gains by associating with youth icons like Shah Rukh Khan as people buy homes when they are much younger. It formed marketing alliances with Karan Johar's Dharma Productions and SRK's Red Chillies Entertainment, for in film placement.
- The company is planning to tap Africa for possible location of a captive plantation project. At present, the company depends mostly on imports for meeting its sourcing requirements but also buys domestically. A captive plantation is being

looked upon as a means of insulating the company from fluctuations in price and supplies of raw material resulting stable margins.

- It is planning to expand capacity by acquiring a Thailand-based Medium-Density Fiberboard (MDF) making company at Rs 350-400 crore. Besides it will also set up two MDF plants in Punjab and Uttarakhand with an outlay of Rs 300 crore. MDF is an engineered wood product formed by breaking down softwood into wood fibres, combining it with wax and a resin binder and forming panels by applying high temperature and pressure.
- It has recorded a consolidated net profit of Rs 183.18 crore for the year ended March 31, 2010, an increase of 112 per cent over the same period last year. The turnover has increased 11.73 per cent to Rs. 1,314.20 crore. Earnings per share increased 156 per cent to Rs 6.58. The company has attributed the performance to an exceptional improvement in company's all segments and gain from foreign exchange.

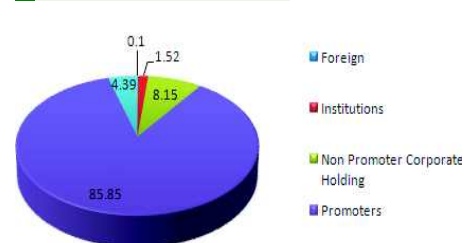
Stock Chart



VALUE PARAMETERS

Current Mkt.Price (Rs.)	55.75
Face Value (Rs.)	1.00
52 Week High/Low	62.5/34
M.Cap (Rs. in Cr.)	1238.77
EPS (Rs.)	6.58
P/E Ratio (times)	8.47
P/B Ratio (times)	2.56
Dividend Yield (%)	0.45
Stock Exchange	BSE

% OF SHARE HOLDING



Particular	QE Mar'10	QE Mar'09	Var.(%)	TTM
Total Income	355.47	293.84	21	1291.9
Net Sales	348.23	295.66	17.8	1262.3
Expenditure	284.8	281.6	1.1	1019.6
PBDIT	70.67	12.24	477.4	272.32
PBDT	66.48	9.88	572.9	250
PAT	51.04	3.16	1515.2	183.18

Beat the street - Technical Analysis

BERGER PAINTS (I) LIMITED



The stock closed at Rs.70.55 on 04th June 2010. It made a 52-week low at Rs.38.00 on 07th July 2009 and 52-week high of Rs.75.70 on 02nd September 2009. The 200 days Exponential Moving Average (EMA) of the stock on the weekly chart is currently at Rs.46.

Unlike other midcap counters, it started rebounding steadily from the bottom prior to the other majority counters as they were still trading in the consolidation zone. After it successfully managed to sustain above the 200 EMA on the weekly charts, we witnessed sharp moves both the side which led to retesting of the support zone formed by exponential average. To accommodate those gains, it went into the consolidation range of 55-65 levels accompanying rise in volume. It took place around the all time high zone and broke out from the same in the last traded week with exponential rise in volume. So one can accumulate in a range of 64-67 levels with closing below stop loss of 57 levels for the targets of 85-95 levels.

MOTHERSON SUMI SYSTEMS LIMITED



The stock closed at Rs.140.40 on 04th June 2010. It made a 52-week low at Rs.62.50 on 18th June 2009 and 52-week high of Rs.156.50 on 12th April 2010. The 200 days Exponential Moving Average (EMA) of the stock on the weekly chart is currently at Rs.89.

Undoubtedly, it remained the consistent performer since inception in secondary market which is clearly visible on the monthly chart (not given here). Though it declined with the broader index in 2008 but recovered quiet swiftly later on. The only worrisome factor was the absence of liquidity in the counter which it overcame in the last nine months with 50 days average volume rose significantly and improving with the every passing week. As per the price chart and volume activity, it is forming the fresh buying pivot around the all time high zone. So one can accumulate in a range of 132-136 levels with closing below stop loss of 124 levels for the targets of 160-170 levels.

UNITED PHOSPHORUS LIMITED



The stock closed at Rs.187.25 on 04th June 2010. It made a 52-week low at Rs.132.90 on 13th July 2009 and 52-week high of Rs.189.50 on 04th June 2010. The 200 days Exponential Moving Average (EMA) of the stock on the weekly chart is currently at Rs.140.

In the most part of decline in the bear run, it remained sideways while the other counters were in the declining mode. Although in the last quarter of 2008, it also resumed the overall trend & witnessed strong fall. Prior to recovery, it went into broader consolidation range of 75-115 levels. With sustainability above 200 EMA, it has again formed the consolidation range of 135-185 levels and broke out from the same in the last traded week with confirmation from the volume and supporting oscillators. One may go for accumulation between 175-180 levels with closing below stop loss of 160 levels for the target of 230-250 levels.

Charts by Spider Software India Ltd

DERIVATIVES

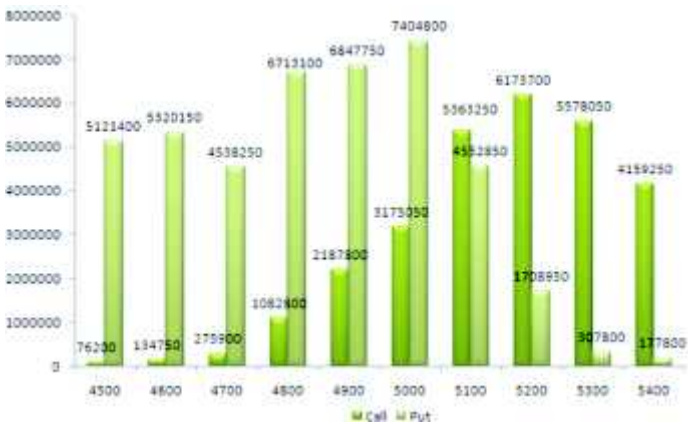
WEEKLY VIEW OF THE MARKET

Amove below the lower support of 5000 may see the index decline to 4800 levels. Nifty basis remained in the discount and finally closed at a discount of 18 points in the week gone by however 15 points from it can be attributed to declared dividends which go ex-dividend in June. Put-call ratio of open interest increased and closed at 1.63 levels which indicate put writing in OTM strikes. Options open interest saw addition of positions in OTM strikes. The option concentration shifted to the 5200-strike call option with an open interest of above 61 lakh shares followed by 5000-strike put option with above 74 lakh shares in open interest. Above Option concentration indicates toward the range of 5000-5200 in the near term. The Implied Volatility (IV) of call options decreased and closed lower at 21.38% on Friday, while the average IV of put options ended at 22.65% indicating some buying interest in ATM put options. Nifty is expected to remain in the range of 5000-5200 and only a breach below this range will drag the index to lower support of 4800. Sectorally, realty and metals stocks observed short positions, while sugar stocks have seen long buildup.

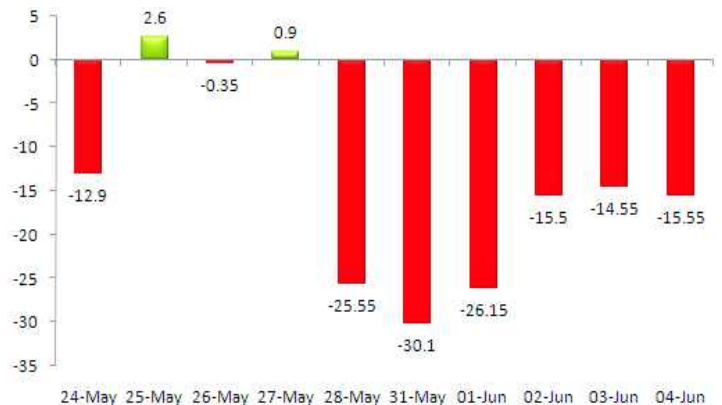
DERIVATIVE STRATEGIES

	BULLISH		VOLATILITY BASED STRATEGIES
OPTION STRATEGY	DLF Buy Jun 280. CA 12.35 Sell Jun 300. CA 5.30 Lot size: 800 BEP: 287.05 Max. Profit: 10360.00(12.95*800) Max. Loss: 5640.00(7.05*800)	ICICIBANK Buy Jun 880. CA 15.95 Sell Jun 900. CA 9.80 Lot size: 350 BEP: 886.15 Max. Profit: 4847.50(13.85*350) Max. Loss: 2152.50(6.15*350)	RELIANCE Buy Jun 1040. CA 24.80 Buy Jun 1020. PA 21.00 Lot size: 300 Upside BEP: 1085.80 Downside BEP: 974.20 Max. Profit: Unlimited Max. Loss: 13740.00(45.80*300)
	FUTURE STRATEGY	INDIACEM (June Future) Buy: Above 114 Target: 123 Stop loss: 112	EDUCOM (June Future) Sell: Around 550 Target: 510 Stop loss: 565

NIFTY TOTAL OPEN INTEREST (in share)



BASIS GAP IN NIFTY



FII'S ACTIVITY IN F&O IN LAST TEN SESSIONS (DERIVATIVE SEGMENT) Rs (Cr)

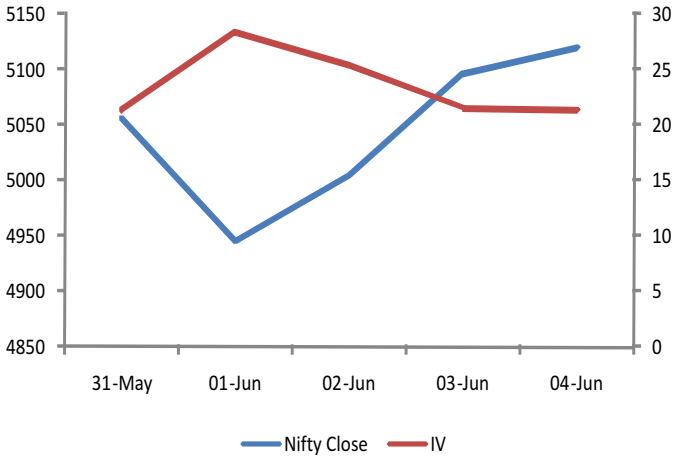


FII'S ACTIVITY IN F&O IN LAST WEEK (DERIVATIVE SEGMENT)



DERIVATIVES

NIFTY & IV CHART



NIFTY ANALYSIS

Put Call Ratio Analysis : The Put-Call open interest ratio of Nifty has increased to 1.63 from 1.36. At the end of week, the maximum stocks had positive trend of change in put call open interest ratio.

Implied Volatility Analysis : The Implied Volatility (IV) for Nifty futures this week has decreased to 21.38% from 24.75%. The IV of the stock futures has changed this week ranging from -9.94% to 11.22%.

Open Interest Analysis : The open interest for the index at the end of this week has increased by 4.25% as compared to the previous week. All future stocks saw changes in their open interest ranging from -10.50% to 52.45. ONGC has the maximum increase in open interest as compared to other stocks.

Statistical Analysis-

Open	5035.15	High	5134.90
Low	4933.50	Close	5119.95

IMPORTANT INDICATORS OF NIFTY AND OTHER ACTIVE FUTURE CONTRACTS

SCRIPTS	OPEN INTEREST			PCR RATIO			IMPLIED VOLATILITY		
	PREV. WEEK	CURRENT WEEK	% CHANGE	PREV. WEEK	CURRENT WEEK	% CHANGE	PREV. WEEK	CURRENT WEEK	% CHANGE
BHARTI	21073000	22104000	4.89	0.55	0.43	-0.12	34.87	30.75	-4.12
DLF	14710400	13166400	-10.50	0.56	0.55	-0.01	43.41	42.73	-0.68
HINDALCO	24946138	25801012	3.43	0.50	0.49	-0.01	48.88	48.66	-0.22
HINDUNILVR	15313000	18129000	18.39	0.76	0.86	0.10	19.52	23.49	3.97
ICICIBANK	10160850	10942400	7.69	0.47	0.74	0.27	35.29	29.64	-5.65
IDEA	22123800	25269300	14.22	0.39	0.84	0.45	51.85	42.91	-8.94
INFOSYSTCH	2203000	2620200	18.94	0.27	0.77	0.50	19.56	18.20	-1.36
ITC	13243500	15556500	17.47	0.36	0.42	0.06	27.13	38.35	11.22
JPASSOCIAT	22391320	29172016	30.28	0.49	0.46	-0.03	49.91	51.67	1.76
NTPC	19240000	19924125	3.56	0.48	0.40	-0.08	21.52	18.97	-2.55
ONGC	2099925	3201300	52.45	0.57	1.01	0.44	27.38	37.62	10.24
RANBAXY	3935200	3790400	-3.68	0.64	0.74	0.10	30.07	29.58	-0.49
RCOM	21796600	22808100	4.64	0.34	0.71	0.37	43.95	49.70	5.75
RELIANCE	4257576	4936260	15.94	0.29	0.39	0.10	43.44	38.79	-4.65
RNRL	36392952	40537536	11.39	0.29	0.31	0.02	71.54	62.24	-9.30
S&P CNX NIFTY	28428700	29635750	4.25	1.36	1.63	0.27	24.75	21.38	-3.37
SAIL	6642000	7696350	15.87	0.77	0.78	0.01	34.72	38.79	4.07
SBIN	3250368	3693756	13.64	0.55	0.96	0.41	31.25	25.16	-6.09
SUZLON	76113000	81756000	7.41	0.53	0.54	0.01	55.77	52.78	-2.99
TATASTEEL	26229648	25924812	-1.16	0.40	0.44	0.04	51.99	42.05	-9.94
UNITECH	44523000	47898000	7.58	0.67	0.69	0.02	48.84	46.89	-1.95

OUTLOOK

SPICES

Last week, pepper futures have fallen by more than 8%, wading below the expected fundamental supported levels. The one thing that might be helping the price is that this fall has made the spice competitive @ USD 3,650/MT in the international market & has given up a little ground against the other origins. The market for turmeric futures is currently buffeted by conflicting scenarios – one of tightening supplies and rising prices and the other of farmers to increase acreage under the spice by up to 35% in 2010/11. There is more of an optimistic feel for the prices to remain sideways in range of 14300-14800. The major market at Guntur for chilli will re-open on 7th June 2010, gradually offloading the 65-70 lakh bags that have been stored. The futures may witness lower levels from their long lived consolidation phase. Jeera futures may continue the sell-off with concerns over the bearish fundamental factor of stagnant export demand & reports of fresh stocks hitting from Syria & Turkey. Possibility of suspending auctions of cardamom from mid-June for about a month, adds certainty to outlook.

OTHER COMMODITIES

The market knows that the macro issues of the Europe debt crisis isn't going away anytime soon. So, guar gum safe-haven buying from exporters is going to keep prices supported above 4750 levels & 2330 levels in guar seed futures. The total stock positions in major mandies are comfortable to meet the requirement of domestic and international market. Clearly, for wheat futures, the market fundamentals are turning increasingly stringent. Following a government order, the Food Corp of India (FCI) will sell the grain during the Jun-Nov period at discounted rate, which have been fixed at Rs 845 per 100 kg as against Rs 1,080 earlier. On the contrary, continued concerns sudden spurt in wheat prices has prompted flour millers in southern states to go for imported Australian wheat through trading agencies. Chana futures will have to be monitored closely for both signs of strength or weakness. Restricted arrivals from the producing regions & government seizing on the prices rise, may keep the trade in range of 2140-2175. Gains in mentha oil may be accompanied by a rebound buying among pharmaceutical industries & lower acreage estimation.

BULLIONS

Gold is expected to continue its upward momentum as the risk aversion is back in the financial markets as evident by surge in the greenback last week. Lower than expected payroll data and report that Hungary could face a sovereign debt issue similar to what Greece suffered through over the last several months lifted the gold prices higher. Gold can test Rs 19200 levels in near term. Nonfarm payrolls rose 431,000 in May, well short of the 515,000 expected by economists. Silver is not following gold and is moving with base metals. Silver is expected to dip further lower and can test Rs 27500 in MCX. This week, Euro German industrial production, ECB interest rate decision, US consumer confidence and trade balance figures will be closely watched to see the direction of euro and dollar index. The gold silver ratio which was 63.08 previous weeks has increased to 66.48 as gold outperformed silver. Medium term investors should use any dip in gold price to accumulate gold as worries over the sovereign debt crisis in the Euro zone continue to prevail.

RUPEE/DOLLAR

Indian rupee showed the loss of 1.21 percent since last week as the Euro's weakness triggered a bout of dollar buying by importers but limited its losses with the strong closing of Indian indices. The BSE Sensex recovered its fall and gained 1.51 percent this week since the closing of last week. This recovery in Indian markets will boost up again the hopes of capital inflows as foreigners are still net buyers of \$4.5 billion worth of shares so far in 2010. But on the other hand, the Euro's fall has raised risk aversion and the rupee has not escaped from the selling in emerging market currencies. On back of global worries the rupee remained under pressure and as the government intends to import bulk of crude oil in the current month will increase the dollar demand and may erode the rupee value. The Indian market did not react to the comments from finance minister Pranab Mukherjee that there will be no pause in rate hikes. He added India will keep unwinding economic stimulus deployed during the financial crisis and continue raising interest rates despite uncertainty linked to the euro zone's debt woes. So, overall the movement of rupee is confound and expected that it will remain under pressure against dollar next week and any recovery in euro zone debt crisis will direct the move of rupee thereafter.

OIL AND OILSEEDS

The intrinsic fundamentals like anticipation of revival in demand for edible oil ahead of marriages & expectation of emergence of fresh export demand, suggest a buying opportunity for soybean futures taking a lower level support at 1970 levels. On the international front, U.S. soybean futures broke out of a technical downtrend with a rally fueled by firm cash prices and technical buying. Commodity funds bought an estimated 6,000 soybean contracts. Buyers may buy more soybeans due to the diminishing differential between palm oil and soyoil prices. CPO futures are expected to remain under pressure facing resistance at 377 levels, squeezed by a high domestic oilseed crush. Going by the inventory numbers from Malaysian Palm Oil Board scheduled on June 10, which aren't likely to be price-friendly, may make the commodity unattractive for both hedge funds and importers. Mustard with a bearish fundamental storyline may weaken. The supplies are comfortable, and demand is routine. Moreover, the high processing cost of mustard can't match the declining prices of duty-free imported soya and palm oil.

ENERGY COMPLEX

Crude oil may remain underpinned due to rising dollar index and fear of euro zone crises. On last Friday it fell more than 4% in NYMEX due to lower than expected payroll data in US and fear that euro crises will spread to other countries like Hungary. Lower than expected crude and gasoline inventory data and expectation of pick up in summer driving gasoline demand can cap the downside to some extent. Concern about a slowdown in China's economic growth had weighed on oil prices recently, hitting sentiment already battered by Europe's debt crisis. Crude oil prices can test the support of Rs 3200 in MCX in near term. Natural gas prices may remain on upbeat note and can test the level of Rs 250 as smaller-than-expected build in natural gas inventories and expectations for hot weather in the coming weeks. Those warmer than-normal temperatures can help spur natural gas demand to generate electricity for air conditioning and help draw down high levels of natural gas in storage.

FERROUS AND NON-FERROUS METALS

Last week bears took full control on the base metal complex on recurring worries that Chinese demand growth will disappoint and on the news of lower than expected nonfarm payroll data in US. Data from China last week pointed to a slowdown in the pace of manufacturing activity in China. In coming week we expect prices to remain under pressure. Copper may test the support of Rs 280 in MCX while lead may tumble lower towards Rs 70 in MCX. Meanwhile Codelco, Chile's giant copper miner plans to expand production in the next five to six years to 2.1 million tonnes from current annual output of 1.7 million tonnes to address what it sees as growing global demand. Aluminum can also skid lower on falling crude prices can test 85 in MCX. Losses in the base metals complex mounted in line with a falling euro, which dropped below \$1.20 versus the dollar for the first time in more than four years on fears Hungary could become the next casualty of the European debt crisis.

COMMODITY

TREND SHEET

EXCHANGE	CONTRACT	CLOSING PRICE*	TREND	DATE TREND CHANGED	RATE TREND CHANGED	S1	R1	S2	R2	CLOSING STOP LOSS
NCDEX	GUAR SEED (JUNE)	2278.00	DOWN	04.06.10	2278.00	-	2310.00	-	2350.00	2425.00
NCDEX	SOYABEAN (JUNE)	1997.00					SIDEWAYS			
NCDEX	TURMERIC(JUNE)	14595.00	UP	05.03.10	8437.00	13500.00	-	13000.00	-	12300.00
NCDEX	JEERA (JUNE)	11467.00	DOWN	04.06.10	11467.00	-	11700.00	-	12000.00	12400.00
NCDEX	PEPPER(JUNE)	15572.00					SIDEWAYS			
NCDEX	CHILLI (JUNE)	4551.00					SIDEWAYS			
NCDEX	RM SEED(JUNE)	520.25	UP	21.05.10	506.65	515.00	-	505.00	-	500.00
MCX	MENTHA OIL (JUNE)	775.30	UP	05.03.10	593.80	710.00	-	690.00	-	660.00
MCX	CARDAMOM (JUNE)	1857.60	UP	12.03.10	1212.60	1500.00	-	1440.00	-	1350.00
MCX	SILVER (JULY)	28221.00	UP	29.04.10	28082.00	27800.00	-	27500.00	-	27200.00
MCX	GOLD (AUG)	18728.00	UP	29.04.10	16975.00	18000.00	-	17500.00	-	17100.00
MCX	COPPER (JUNE)	295.10	DOWN	29.04.10	330.75	-	317.00	-	325.00	335.00
MCX	ZINC(JUNE)	78.30	DOWN	29.04.10	102.00	-	92.00	-	95.00	100.00
MCX	CRUDE OIL (JUNE)	3409.00	DOWN	07.05.10	3461.00	-	3500.00	-	3550.00	3650.00
RBI	DOLLAR	46.67	UP	07.05.10	45.58	46.30	-	45.80	-	45.30

*Closing price as on 04.06.10

- NOTES :
- 1) Buy / Sell 25% of Commodity at S1/R1 respectively & rest 75% at S2/R2 respectively.
 - 2) S1 & S2 indicates first support & second support & R1 & R2 indicates first resistance & second resistance.
 - 3) Sometimes you will find the stop loss to be too far but if we change the stop loss once, we will find more strength coming into the commodity. At the moment, the stop loss will be far as we are seeing the graphs on weekly basis and taking a long-term view and not a short-term view.
 - 4) These levels should not be confused with the daily trend sheet, which is sent every evening by e-mail in the name of evening buzzer commodity.

TECHNICAL RECOMMENDATIONS

RMSEED NCDEX (JUNE)



RMSEED NCDEX (JUNE) contract closed at Rs 520.50 on 4th June '10. The contract made its high of Rs 600.00 on 17th December '09 and a low of Rs 476.95 on 1st February '10. The 18-day Exponential Moving Average of the commodity is currently at Rs 517.23

On the daily chart, the commodity has Relative Strength Index (14-day) value of 51.76. One can buy in the range 515-510 with the stop loss of Rs 500 for a target of Rs 540.

JEERA NCDEX (JUNE)



JEERA NCDEX (JUNE) contract closed at Rs 11463.00 on 4th June '10. The contract made its high of Rs 13409.00 on 10th March '10 and a low of Rs 11256.00 on 2nd June '10. The 18-day Exponential Moving Average of the Commodity is currently at Rs 11913.00

On the daily chart, the commodity has Relative Strength Index (14-day) value of 30.87. One can sell in the range 11440-11480 with the stop loss of Rs 11640 for a target of Rs 11000.

USD/ INR



USD INR: On daily chart of USD/INR(Spot), rates are following the 14 days exponential moving average with the value of 46.54 shows that the rupee moved sideways to up. Whereas stochastic slow indicator is heading upwards shows that the rupee will lose further against dollar. The outlook is bearish for rupee next week. The trend is up.

As on 04/06/2010,

Close USD/INR(June) - 46.9800, High USD/INR(June) - 47.00, Low USD/INR(June) - 46.69.

NEWS DIGEST

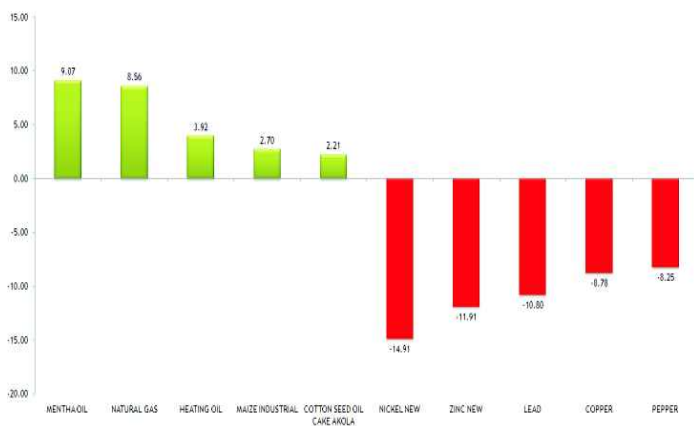
- The annual rate of inflation of primary articles, stood at 16.89 percent for the week ended 22/05/2010 as compared to 15.90 percent (Provisional) for the previous week (ended 15/05/2010).
- The Food Corp of India (FCI) will sell three million tonnes of food grains at discounted rates during the Jun-Nov period.
- The combined live storage in these 81 reservoirs at the beginning of monsoon i.e. June 1, 2009 was 11% of their designed capacity and stood at 15% of designed capacity as on May 26, 2010.
- The major market of chilli at Guntur will open after four weeks closure on 7th June 2010.
- Multi Commodity Exchange of India (MCX) has launched lead mini futures (June & July) contract on June 1, 2010.
- The world's largest gold-backed exchange-traded fund, the SPDR Gold Trust said its holdings totalled 1,268.234 tonnes as of June 1 versus 1,267.930 tonnes on May 27, setting a fresh record high.
- The retail price of gold for jewelry breached the Rs 19,000 mark for 10 gm for the first time ever in the national capital on 1st June, 2010.
- Chinese Purchasing Managers' Index fell to 53.9 from 55.7 in April, seasonally adjusted.
- U.S. manufacturing grew in May at a faster pace than forecast as factories added workers to meet the greatest export demand in two decades as well as a revival in domestic orders.
- Europe's banks will have to write off 195 billion euros (\$237 billion) of bad debts by 2011 and their ability to sell bonds may be curtailed as governments finance fiscal deficits, the European Central Bank said.

WEEKLY COMMENTARY

On Friday, US nonfarm payroll data increased the risk aversion in the financial markets thereby lifting the greenback and gold swiftly higher which was trading slightly down in earlier part of the week. Global stock markets nosedived on Friday along with crude oil and base metals pack as the disappointing job numbers increased the fear of double dip recession. Silver also witnessed correction as the poor conditions in the manufacturing sector across the globe (especially China) had a negative effect on prices as it is used in industry aside from being a precious metal. Base metals pack also melted down last week as prices fell sharply on international as well as domestic bourses. Sharp sell-off was triggered on worries that the Chinese economy may be headed for a sharper slowdown this year than previously thought. Slower-than-expected rate of manufacturing activity in China has haunted the base metal market. Crude oil had a volatile week but surrendered all the gains in later part of the week. Natural gas meanwhile continued its upward momentum and scaled higher amid rising temperature in US.

Spillover effect of selling in metals and energy could be seen in agro commodities as well. Despite the recent depreciation in rupee together with steady demand from domestic and overseas market, spices traded with negative sentiment. It was only cardamom, which gave heroic performance and breached the mark of 1900 on MCX. Fresh arrivals from Syria, which is likely to gather momentum in June end compelled traders for profit booking in jeera. Weather disturbance and volcano eruption news also stimulated buying in cardamom futures. Reluctance of dal millers in making stocks has resulted in range trading in chana futures. News of normal monsoon coupled with steady demand of churi and korma, shed the gain of guar futures. Throughout the week, it traded in a range and guarseed was unable to sustain above the level of 2300 in NCDEX. Due to poor sowing in the current year along with strong export demand, mentha futures climbed up near the level of 800 on MCX. Land under mentha cultivation has been reduced to about 1.50 lakh hectare, 50,000 hectare less than the previous year. Oil seed complex was full with mix news, resulted in lackluster trading. Maize improved further for nonstop four weeks.

NCDEX TOP GAINERS & LOSERS (% Change)



MCX TOP GAINERS & LOSERS (% Change)



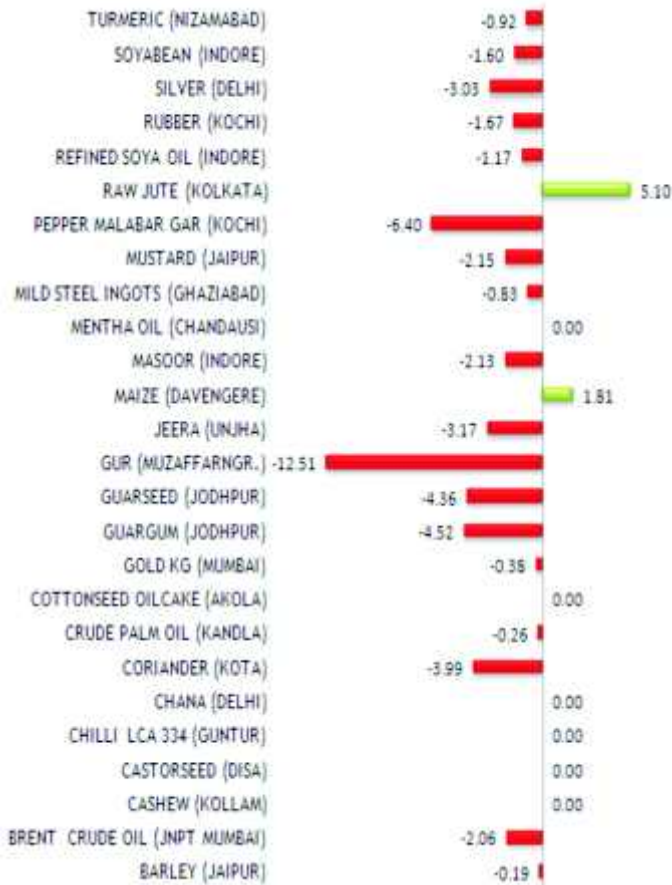
WEEKLY STOCK POSITIONS IN WAREHOUSE (NCDEX)

COMMODITY	UNIT	26.05.10 QTY.	03.06.10 QTY.	DIFFERENCE
CHANA	MT	46704.00	47964.00	1260.00
CHILLI	MT	4080.00	4000.00	-80.00
GOLD 100 GMS TOTAL	GMS	1800.00	1800.00	0.00
GOLD	KGS	8.00	8.00	0.00
GUAR SEED	MT	12091.00	10841.00	-1250.00
GUAR GUM	MT	18064.00	18504.00	440.00
JEERA	MT	8925.00	8817.00	-108.00
MAIZE	MT	5402.00	2771.00	-2631.00
PEPPER	MT	3638.00	3984.00	346.00
SILVER	KGS	1568.00	1568.00	0.00

WEEKLY STOCK POSITIONS IN WAREHOUSE (MCX)

COMMODITY	UNIT	27.05.10 QTY.	03.06.10 QTY.	DIFFERENCE
CARDAMOM	MT	21.00	30.70	9.70
MENTHA OIL	KGS	1855083.93	1855083.93	0.00
CHANA	MT	28820.39	30162.57	1342.18
GOLD	KGS	103.00	193.00	90.00
SILVER	KGS	9914.50	12905.50	2991.00
GOLD MINI	KGS	40.40	453.40	413.00

SPOT PRICES (% change)



WEEKLY STOCK POSITIONS IN LME (IN TONNES)

COMMODITY	STOCK POSITION ON 28.05.10	STOCK POSITION ON 04.06.10	DIFFERENCE
ALUMINIUM	4561400	4532075	-29325
COPPER	476725	473000	-3725
ZINC	619000	617350	-1650
NICKEL	138504	135942	-2562
LEAD	190600	191925	1325
TIN	20060	21590	1530

PRICES OF METALS IN LME/ COMEX/ NYMEX (in US \$)

COMMODITY	EXCHANGE	CONTRACT	28.05.10	04.06.10	CHANGE%
COPPER	LME	3 MONTHS	6965.00	6481.00	-6.95
ZINC	LME	3 MONTHS	1930.50	1694.50	-12.22
ALUMINIUM	LME	3 MONTHS	2070.50	1943.00	-6.16
NICKEL	LME	3 MONTHS	21650.00	18400.00	-15.01
TIN	LME	3 MONTHS	18195.00	17250.00	-5.19
LEAD	LME	3 MONTHS	1850.00	1652.00	-10.70
GOLD	COMEX	AUG	1215.00	1217.70	0.22
SILVER	COMEX	JULY	18.42	17.30	-6.10
LIGHT CRUDE OIL	NYMEX	JULY	73.97	71.51	-3.33
NATURAL GAS	NYMEX	JULY	4.34	4.80	10.50

MALAYSIAN RINGGIT..... the best performing Asian currency

The "ringgit" is the official currency in Malaysia which is often known as the Malaysian dollar. The Malaysian dollar or ringgit is sub divided in to 100 sens, which are known as cents in foreign markets.

Performance

The Ringgit Malaysia (RM) is one of Asia's best performing currencies in 2010 which has appreciated by 6% against the US dollar, 19% against the euro and 16% against the British pound. There were several factors which contributed to the stellar performance of the ringgit. Amongst them include Malaysia's better than expected economic recovery, the central bank's monetary tightening policies, the New Economic Model (NEM), speculation on revaluation of China's yuan coupled with speculative funds inflow into Malaysia's financial system. The currency's strength isn't likely to affect exporters as Europe's sovereign debt crisis may increase capital flows to Asia & inter-Asia trade is expected to keep Malaysia's exports at healthy growth levels. Malaysia's exports to Europe make up some 10 per cent of its total exports.

The Pros And Cons Of Stronger Ringgit ...

Pros:

- Encourages the import of capital goods, which contribute to the innovation and automation of industries in the country.
- Improves the living standards of the people by increasing their purchasing power through cheaper imports and lower inflationary pressure.

Cons:

- A stronger ringgit could pose challenges to the exporters of this export-dependent Malaysia such as palm oil companies.
- The stronger ringgit usually trims the refiner margins as crude palm oil feedstock for refined products is priced in the currency. Any wild swings in the ringgit hurt refiners. "For every 100 basis points' appreciation in the ringgit, refining margins fall by US\$2-US\$4 a tonne.
- "For example, if the ringgit keeps strengthening, where previously you would collect 3.2 for every US dollar you earn, now you get only 3.1,"

Impact On Palm Oil Industry

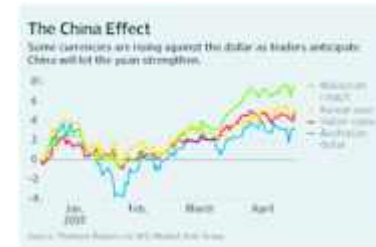


Palm's advance is also limited by the firmer ringgit, which has become a key determinant in price direction of late. In other words, CPO price could not be separated from the economics of converting crude palm oil, priced in ringgit, into dollar-based refined palm oil products.

The benchmark August futures on the Bursa Malaysia Derivatives Exchange are again moving in a range searching for direction from here. Immediate support is at 2,395-2,400 (Malaysian

ringgit) MYR/tonne while resistance is at 2,520 MYR/tonne followed by 2,550 MYR/tonne on the upside.

Ringgit gain from revaluation of Yuan?



A higher yuan could actually spell good times for the Asian currencies. In other words, Ringgit would further increase as Chinese Yuan is expected to increase and ringgit typically increases with the appreciation of Yuan. China, including Hong Kong, is Malaysia's biggest export market. A stronger yuan will be a bigger strength for China - more buying power for Malaysian goods, which would help boost shipments.

Nonetheless, the ringgit's upside might be somewhat limited. Malaysia being an export-oriented economy, the central bank might intervene to limit gains in the ringgit to ensure Malaysia's exports remain competitive.

INTERNATIONAL COMMODITY PRICES

Commodity	Exchange	Contract	Unit	28.05.10	04.06.10	Change (%)
Soya	CBOT	July	Cent per Bushel	937.75	935.00	-0.29
Maize	CBOT	July	Cent per Bushel	359.00	340.00	-5.29
CPO	BMD	July	MYR per MT	2488.00	2515.00	1.09
Sugar	LIFFE	Aug	10 cents per MT	479.40	468.20	-2.34

FATPIPE NETWORKS INDIA LIMITED (FNIL)

Issue Highlights

Industry	Computer Networking
Issue Size in Cr.	49
Price Band in (Rs.)	82-85
Offer Date	7-Jun-10
Close Date	9-Jun-10
Face Value	10
Lot Size	70
IPO Grade	BWR IPO Grade 2 Indicating below average fundamentals

Issue Composition

	In shares
Total Issue	5764706*
QIB	2,882,353
NIB	864,706
Retail	2,017,647

Book Running Lead Manager

Keynote Corporate Services Ltd.

Name of the registrar

Karvy Computershare Pvt. Ltd.

Shareholding Pattern (%)

Particulars	Pre-issue	Post issue
Promoters & promoters group	37.3	25.85*
QIB	-	15
NIB	44.7	36
Retail	0.18	23
Total	100	100

*calculated on the upper price band

Objects of the Issue

Particulars	Amt. (in Cr.)
Product line Expansion with enhanced R&D	6.76
To establish marketing offices	10.08
Strategic Acquisitions	15
Working capital requirement	7.2
General Corporate expense	6.41
Issue Expenses	3.55
Total	49

Business Overview

Fatpipe Networks India Limited (FNIL) provides global corporations and government offices with technology that increase the security and reliability of Wide Area Networks, corporate extranets, Virtual Private Networks and all last-mile Internet connections, including wireless connectivity. The company manufactures a range of appliances based on its technology for data transmission over multiple lines that provides highly reliable and redundant Internet/Intranet access solution. Such a solution is provided by combining multiple lines up to 2 gigabits per second, (including any combination of DSL, cable modem, wireless, and OC3, T1 or DS3 connections) into one "FatPipe" either with direct point-to-point, MPLS, frame relay or over the Internet, without any cooperation from the Internet Service Provider (ISP).

The company holds 7 patents on a technology called "Router-Clustering," which enables customers to obtain highly redundant and fast Internet/WAN access. Its core technology provides the highest levels of optimization, reliability, security and acceleration of Wide Area Networks (WANs) and enable high-speed data transfer through multiple lines, multiple ISPs, and backbones over WANs with seamless reassembly of data streams. Fatpipe technology affords companies, that run mission critical WAN applications over any type of infrastructure, automatic and dynamic failover of a downed data line due to a WAN component, line or service failure.

Business continuity is assured because these aggregated multiple networks are load balanced, while automatic failover provides the assurance that the networks or VPNs will remain functional at all times, even if router, ISP or backbone failures occur.

FatPipe sells its products worldwide through a network of two authorized distributors and over 500 resellers. FatPipe is proposing to expand its operations to China, Singapore, South Africa, Kenya, Nigeria, Argentina, Belgium, Germany, France, Eastern Europe and Australia. Fatpipe will be setting up a wholly owned subsidiary in the US to expand US operations and to solicit government business. 100% of the products sold by the company are assembled in Salt Lake City, Utah and are shipped from the branch office located at Utah, USA. 98% of the sales are from USA and the remaining 2% are from the rest of the world.

Strength

Established business model: The company's offshore product development capabilities combined with worldwide sales and support capabilities enable it to provide it's customers with high quality solutions and customer satisfaction.

Well established client base: The company's customers include 20 of the world's top law firms, luxury hotels, several Fortune 1000 companies, banks, educational institutions and government entities. The company has over 1400 customers across the five continents. In addition, it enjoys long-standing relationships with several of its customers.

Market Leadership: The company's domain expertise has resulted in market leadership and 7 patents.

Strong management team: It has an experienced management team with a strong track record of achieving and effectively managing growth. Most of the members of the senior management team have an industry experience of more than 20 years.

Strategies

Partnering / Alliance: The company intends to develop alliances that complement its marketing capabilities. This strategy is targeted at partnering with VAR's and TELCO's, which allows the company to take advantage of demand from new sources.

Growth through selective acquisition: FNIL believes in achieving long term growth by way of sustained financial performance and efficient operations. In order to achieve critical mass, the company would be looking for selective acquisition opportunities. The acquisitions will help it in expanding geographically and adding expertise rapidly.

Serve clients globally: It plans to expand its marketing capabilities to locations around the world. It believes this will enable it to develop closer relationships with and provide more convenience to its clients. The Company also expects that global expansion will allow it to capitalise on high growth geographic regions and diversify its revenue base.

Continue to invest in infrastructure and employees: The company intends to continue investing in physical and technological infrastructure to support growing worldwide development and sales operations and to increase its productivity. To enhance its ability to hire and successfully deploy increasingly greater numbers of domain and technology professionals, it intends to continue investing in recruiting, training and maintaining a challenging and rewarding work environment.

Risk Factor

Ability to successfully implement strategy and growth and expansion plans: FNIL's growth plans are considerable and would put significant demands on its management team and other resources. Any delay in implementation of its strategy and its growth and expansion plans could impact the company's product roll out schedules and cause time over runs.

Majority of the operations carried out from its branch offices in USA: The amounts remitted by the Indian company to its USA branches are subject to the restrictions set by "Foreign Currency Account Regulations". Such payment restrictions may adversely affect the operations of the branch offices of the Company in the USA which may in turn affect the company's business and profitability.

The global operations expose the company to complex management, foreign currency, legal, tax and economic risks: The company's products are being sold to customers around the world. This leads to several risk factors including the complexity of managing such growth. As a result of the expanding international operations, the company is subject to risks inherent in establishing and conducting business in international markets including but not limited to the following:

- Cost structures, and cultural and language factors associated with managing and coordinating global operations
- Compliance with foreign laws, labor laws, immigration, tax etc
- Restrictions on repatriation of profits
- Potential difficulties with respect to protection of the company's intellectual property
- Exchange rate volatility

Industry Overview

On the IT side of corporate planning, the following are the foremost initiatives:

- Business Continuity and Disaster Recovery
- WAN Stability
- Data Security

The expansive growth of IT has added momentum to organization structures of business. Business Continuity and Disaster Recovery have become imperatives, from an IT perspective. The explosion in data exchange and the exponential increase in the need for data security is the driving force behind the elevation of business security planning. This growth is expected to continue as an increasing number of organizations prioritize their data security and transmission optimization strategies to match the compounding growth in data exchange. To manage the wide geographic diversity of operations, corporate IT infrastructure (LANs and WANs) has grown increasingly sophisticated and vital. Vast amounts of data move across these networks and are mission critical for day-to-day business operations. The health of the WAN is critical for Business Continuity and its optimal performance is pivotal in driving down the costs in corporations.

Security and uninterrupted flow in the case of natural or malevolent disruptions is another important aspect of managing data. Recent events including tsunamis, hurricanes and terrorist activities highlight some of the causes of business interruptions. These events have accelerated the pace of businesses evaluating the reliability and security of their WANs, especially in the context of Business Continuity and Disaster Recovery.

The age of Information Technology has allowed for a developing global economy and greater growth in all areas of the world. An increased use of IT services show the continued growth in the use of technology to advance business.

The broadband internet connectivity market in India is growing at a very rapid pace. In Q3 of 2008, the total number of internet connections grew to 2.6 million. India wire line subscriber base had declined by 0.17 million (0.44%) to 38.05 million, and its broadband base had grown to 5.28 million, an increase of 230,000 connection at 4.55%. The wire line-to-broadband conversion rate was at 13.88%.

Companies will spend money to fortify and enhance their Disaster Recovery and Business Continuity plans. The Aberdeen Group Report, for example, reported that 36 percent of the businesses deemed Best-in-Class by the Group "...increased their budgets allocated for Business Continuity over the past twelve months." The Information Technology Teams of these companies are highly involved. The report further documents that 64% of the companies surveyed manage their own offsite storage of critical backups. Of the companies that were surveyed, vast majority of the companies used best in class technology for any category of data back-up. This shows that businesses recognize the value of such investments.

Valuation

Considering the P/E valuation, the company is trading at pre issue P/E of 15.40x on the lower side of the band and 15.97x on the higher side of the band of its annualised FY10 EPS of Rs.5.32. Looking at the post issue valuation, the company is trading at P/E of 22.22 times on the lower side and 23.09 times on the higher side of its post issue annualised FY10 EPS of Rs.3.8. At its P/B ratio it trades at 2.98 and 3.09 multiples of the lower and higher band of its pre issue book value of Rs.27.55 and 1.82x and 1.88x on the lower and higher side of its post issue book value of Rs.45.18 respectively.

Outlook

Acquisition of business/company, establishing marketing offices and research and development process across globe are the major objects of the issue. However company has not yet taken initial steps for it. Any delay or misidentification of the potential acquisition could impede one of the key business strategies, restrict the international growth and have a material adverse effect on the Company's business, financial condition and results of operations. Moreover being a small cap company with post issue Mcap of just 160 crore and revenue growth of 9 percent CAGR, the stocks seems to be quite expensive on the price earning multiple of Rs.22-23 post issue. The Promoters Holding at 37 percent pre issue and 26 percent post issue also gives a cautionary bell.

LARGE CAP FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Returns (%)					Risk			Market Cap (%)				
				3M	6M	1Y	3Y	Since Launch	Beta	Jensen	Std. Dev.	Small Cap	Mid Cap	Large Cap	Other	Debt & Cash
Reliance Vision - Gr.	252.88	8-Oct-95	3699.82	2.33	2.53	25.15	7.92	24.65	0.88	0.22	3.29	6.16	16.73	71.64	1.22	4.24
Franklin India Bluechip - Gr.	190.46	1-Dec-93	2956.37	1.29	4.56	28.72	10.77	27.68	0.76	0.24	2.80	0.64	11.89	79.31	0.00	8.17
Birla Sun Life Frontline Equity Fund - Gr.	79.98	30-Aug-02	2172.38	1.72	1.55	24.39	12.59	30.71	0.88	0.21	3.22	5.91	17.65	68.57	0.60	7.26
Principal Large Cap Fund - Gr.	26.43	11-Nov-05	473.75	4.34	5.38	33.96	11.87	23.75	0.84	0.35	3.09	0.00	22.31	75.94	0.00	1.74
Tata Pure Equity Fund - Gr.	90.86	7-May-98	571.83	1.41	2.06	25.54	10.81	28.10	0.90	0.23	3.37	8.81	29.27	60.10	0.00	1.83

DIVERSIFIED FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Returns (%)					Risk			Market Cap (%)				
				3M	6M	1Y	3Y	Since Launch	Beta	Jensen	Std. Dev.	Small Cap	Mid Cap	Large Cap	Other	Debt & Cash
HDFC Equity Fund - Gr.	243.82	1-Jan-95	6187.09	6.15	6.11	40.82	14.58	23.00	0.83	0.45	3.17	19.49	22.83	55.39	0.06	2.22
ICICI Prudential Discovery Fund - Gr.	44.44	14-Aug-04	1088.6	6.49	14.42	60.61	16.28	29.29	0.69	0.75	2.91	36.73	27.19	26.18	0.86	9.04
Reliance Equity Opportunities Fund - Gr.	31.49	31-Mar-05	2092.28	7.47	14.99	53.86	11.29	24.80	0.88	0.59	3.36	40.46	18.27	28.46	9.42	3.39
HDFC Capital Builder Fund - Gr.	99.66	1-Feb-94	620.62	7.76	9.19	45.37	12.28	15.10	0.74	0.51	2.79	16.98	22.36	53.57	0.00	7.09
Reliance RSF - Equity - Gr.	28.45	9-Jun-05	2669.98	1.67	4.07	29.22	18.80	23.27	0.89	0.30	3.35	15.31	24.34	44.35	9.38	6.63
HDFC Top 200 - Gr.	186.80	11-Sep-96	7219.5	4.71	4.05	31.19	16.00	25.64	0.82	0.30	3.03	4.34	17.82	75.24	0.00	2.59
Canara Robeco Equity Diversified - Gr.	50.90	16-Sep-03	318.99	7.02	8.41	34.30	15.02	27.41	0.74	0.38	2.78	10.70	24.14	55.51	0.28	9.37

MID CAP FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Returns (%)					Risk			Market Cap (%)				
				3M	6M	1Y	3Y	Since Launch	Beta	Jensen	Std. Dev.	Small Cap	Mid Cap	Large Cap	Other	Debt & Cash
Birla Sun Life Mid Cap Fund - Plan A - Gr.	104.62	3-Oct-02	1756.85	2.67	1.67	35.26	13.35	35.80	0.97	0.41	3.80	42.03	41.99	9.81	0.00	6.17
DSP BlackRock Small and Midcap Fund - Gr.	15.86	14-Nov-06	827.4	6.02	12.75	50.75	12.17	13.86	0.84	0.65	3.35	64.64	30.92	0.00	-0.59	5.02
IDFC Small & Midcap Equity Fund - Gr.	16.67	7-Mar-08	686.89	6.99	11.43	50.42	--	25.61	0.85	0.64	3.15	35.44	18.54	27.44	7.56	11.03
Reliance Growth Fund - Gr.	445.29	8-Oct-95	7567.75	4.13	7.12	33.12	14.41	29.55	0.83	0.35	3.15	21.18	19.08	29.22	21.17	9.36
Sundaram BNP Paribas SMILE Fund - Gr.	31.37	15-Feb-05	669.15	2.96	-0.61	33.37	17.13	24.08	1.07	0.33	4.20	43.28	34.38	18.41	0.00	3.93

THEMATIC FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Returns (%)					Risk			Market Cap (%)				
				3M	6M	1Y	3Y	Since Launch	Beta	Jensen	Std. Dev.	Small Cap	Mid Cap	Large Cap	Other	Debt & Cash
Sundaram BNP Paribas CAPEX Opp. Fund - Gr.	24.08	29-Sep-05	575.61	-0.76	2.74	16.94	8.26	20.66	1.08	0.06	4.21	47.41	25.19	23.66	0.86	2.88
ICICI Prudential Technology Fund - Growth	14.90	3-Mar-00	106.21	3.19	15.15	72.25	-3.70	3.96	0.69	0.73	3.28	25.59	0.45	71.52	1.17	1.26
Reliance Diversified Power Fund - Growth	78.09	8-May-04	5614.08	1.03	1.88	23.00	23.30	40.27	0.88	0.20	3.36	19.67	15.38	50.06	8.64	6.25

INCOME FUND*	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)							Risk	
						Annualised				Since launch			Sharpe	Std. Dev.
						1 W	2 W	1 M	6 M	1 Y	3 Y			
Birla Sun Life Dynamic Bond Fund - Ret - Gr.	15.67	27-Sep-04	8612.86	712.00	7	5.57	3.51	4.21	6.55	7.20	10.41	8.22	0.57	0.10
Reliance RSF - Debt - Gr.	12.79	9-Jun-05	2687.72	412.00	6.34	5.14	4.70	3.64	6.12	6.86	6.23	4.99	0.50	0.11
Templeton India Income Fund - Gr.	32.29	5-Mar-97	483.25	412.00	5.79	5.35	4.54	2.31	4.65	4.66	7.52	9.25	0.06	0.18

SHORT TERM FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)							Risk	
						Annualised				Since launch			Sharpe	Std. Dev.
						1 W	2 W	1 M	6 M	1 Y	3 Y			
Templeton India STIP - Gr.	1871.59	31-Jan-02	6035.50	445.00	6.76	7.39	5.67	3.93	6.95	9.83	10.35	7.80	0.66	0.16
HDFC HIF - S T P - Gr.	18.65	6-Feb-02	2769.31	533.00	N.A.	5.17	3.72	3.88	6.65	7.44	10.39	7.77	0.46	0.14
HDFC Short Term Plan - Gr.	18.20	28-Feb-02	2506.80	380.00	N.A.	4.27	3.27	3.35	6.05	6.43	10.11	7.51	0.35	0.12
Kotak Bond Short Term Plan - Gr.	18.01	2-May-02	1088.10	810.00	6.5	2.03	1.22	6.49	6.67	6.56	9.56	7.54	0.49	0.09
ICICI Prudential STP - Gr.	19.30	25-Oct-01	2184.51	383.00	6.36	5.40	5.02	3.71	5.34	5.79	10.04	7.94	0.20	0.16

FLOATING RATE FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)							Risk	
						Annualised				Since launch			Sharpe	Std. Dev.
						1 W	2 W	1 M	6 M	1 Y	3 Y			
LIC MF Floating Rate Fund - ST - Gr.	15.26	31-Mar-04	5102	219.00	N.A.	5.12	4.93	4.98	5.16	5.45	7.83	7.08	1.82	0.01
Templeton FRIF - Long Term - Gr.	16.98	11-Feb-02	3075.66	139.00	5.05	4.81	4.51	4.26	4.68	5.29	7.37	6.58	0.76	0.03

ULTRA SHORT TERM FUND	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)							Risk	
						Annualised				Since launch			Sharpe	Std. Dev.
						1 W	2 W	1 M	6 M	1 Y	3 Y			
LIC MF Savings Plus Fund - Gr.	14.77	29-May-03	9248.33	229.00	N.A.	5.66	5.47	5.10	5.05	5.30	6.77	5.71	1.83	0.01
Reliance Money Manager Fund - Retail - Gr.	1255.66	20-Mar-07	38145.33	102.00	4.8	4.55	4.51	4.50	4.52	4.77	7.12	7.35	1.27	0.01
HDFC Cash Mgmt Fund - Treasury Advt - Ret - Gr.	20.16	18-Nov-99	31157.95	99.00	N.A.	4.67	4.68	4.66	4.56	4.65	6.88	6.87	1.28	0.01
Kotak Floater - LT - Gr.	14.74	13-Aug-04	12808.40	102.00	5.4	4.96	4.94	5.01	4.86	5.00	7.56	6.91	2.24	0.01

*Investment Horizon in Income Fund should be long term and one may invest when yield of 10-year benchmark bond closes above 7.90%.

Note: Indicative corpus are including Growth & Dividend option. The above mentioned data is on the basis of 03/06/2020 Beta, Sharpe and Standard Deviation are calculated on the basis of period: 1 year, frequency: weekly Monday, RF: 4%

EQUITY (Diversified)

Scheme Name	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Returns (%)					Risk			Market Cap (%)				
				3M	6M	1Y	3Y	Since Launch	Beta	Jensen	Std. Dev.	Small Cap	Mid Cap	Large Cap	Other	Debt & Cash
ICICI Prudential Discovery Fund - Gr.	44.44	14-Aug-04	1088.6	6.49	14.42	60.61	16.28	29.29	0.69	0.75	2.91	36.73	27.19	26.18	0.86	9.04
Reliance Equity Opportunities Fund - Gr.	31.49	31-Mar-05	2092.28	7.47	14.99	53.86	11.29	24.80	0.88	0.59	3.36	40.46	18.27	28.46	9.42	3.39
UTI Master Value Fund - Gr.	47.06	1-Jun-98	481.32	6.98	10.94	51.12	14.87	23.26	0.94	0.58	3.79	57.82	20.08	15.19	2.24	4.68
DSP BlackRock Small and Midcap Fund - Gr.	15.86	14-Nov-06	827.4	6.02	12.75	50.75	12.17	13.86	0.84	0.65	3.35	64.64	30.92	0.00	-0.59	5.02
IDFC Small & Midcap Equity Fund - Gr.	16.67	7-Mar-08	686.89	6.99	11.43	50.42	--	25.61	0.85	0.64	3.15	35.44	18.54	27.44	7.56	11.03
ING Dividend Yield Fund - Gr.	21.27	24-Oct-05	36.53	10.04	14.11	49.47	19.68	17.78	0.70	0.63	2.80	27.62	33.93	33.91	0.00	4.53
ICICI Prudential Emerging STAR Fund - Gr.	32.70	28-Oct-04	454.32	5.14	12.76	48.30	1.79	23.56	0.74	0.57	2.98	43.25	31.80	10.11	3.82	11.02

BALANCED

Scheme Name	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Returns (%)					Risk		Market Cap (%)					
				3M	6M	1Y	2Y	3Y	Since Launch	Jensen	Std. Dev.	Small Cap	Mid Cap	Large Cap	Other	Debt & Cash
HDFC Prudence Fund - Gr.	190.31	1-Feb-94	3945.03	7.38	10.64	40.25	22.91	16.01	21.69	0.63	2.34	27.74	19.44	26.47	0.06	26.30
HDFC Balanced Fund - Gr.	49.10	11-Sep-00	157.22	7.05	12.80	34.47	18.92	15.29	17.76	0.54	1.97	17.23	17.40	32.26	0.00	33.11
Reliance RSF - Balanced - Gr.	20.61	8-Jun-05	486.62	4.37	8.47	29.38	21.47	19.13	15.60	0.49	2.41	7.19	8.49	46.46	2.55	35.30
Tata Balanced Fund - Gr.	76.13	8-Oct-95	271.92	1.87	2.76	27.30	13.53	11.77	17.30	0.48	2.77	12.01	22.78	39.54	0.00	25.68
Canara Robeco Balance - Gr.	56.56	1-Feb-93	171.00	7.10	8.10	24.47	15.94	12.83	10.74	0.41	2.25	19.14	13.55	35.68	0.00	31.62
DSP BlackRock Balanced Fund - Gr.	60.45	27-May-99	678.31	3.26	3.43	23.57	12.20	12.17	17.72	0.40	2.19	23.63	18.01	30.88	0.15	27.33
Birla Sun Life 95 - Gr.	279.52	10-Feb-95	289.89	3.73	4.78	23.22	16.01	11.75	24.28	0.39	2.31	21.49	16.65	28.04	1.02	32.80

GILT

Scheme Name	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)						Risk		
						Annualised					Since launch	Sharpe	Std. Dev.	
						1 W	2 W	1 M	6 M	1 Y				3 Y
Birla Sun Life G Sec Fund - LT - Gr.	27.39	28-Oct-99	86.42	1.00	6.75	3.12	6.26	29.84	13.74	11.99	10.92	9.97	0.37	0.38
Kotak Gilt - Investment Regular Plan - Gr.	31.93	23-Dec-98	55.07	2884.00	5.75	-8.98	-17.51	17.34	8.26	6.91	10.36	10.67	0.16	0.34
Religare Gilt Fund - Long Dur Plan - Reg - Gr.	10.19	9-Feb-08	6.17	1.00	4.06	120.87	51.82	45.72	7.42	6.30	--	0.82	0.01	0.44
JM G Sec Regular Plan - Gr.	30.45	29-Sep-99	24.31	2571.00	6.38	15.57	3.57	13.19	5.21	5.20	12.49	10.98	0.07	0.34
Birla Sun Life GPLP - Gr.	21.39	12-Oct-99	6.32	1.00	4	3.74	10.30	24.05	7.40	5.15	5.14	7.40	0.13	0.16
DSP BR Government Securities Fund - Gr.	32.56	30-Sep-99	68.29	1511.00	N.A.	-2.03	-11.61	19.88	6.81	3.87	11.84	11.68	0.01	0.43
Kotak Gilt - Savings Plan - Gr.	21.59	23-Dec-98	82.69	1409.00	5.75	-2.66	-4.70	5.18	6.07	3.52	5.55	6.95	-0.04	0.12

LIQUID/ULTRA SHORT TERM

Scheme Name	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)						Risk		
						Annualised					Since launch	Sharpe	Std. Dev.	
						1 W	2 W	1 M	6 M	1 Y				3 Y
LIC MF Savings Plus Fund - Gr.	14.77	29-May-03	9248.33	229.00	N.A.	5.66	5.47	5.10	5.05	5.30	6.77	5.71	1.83	0.01
LIC MF Income Plus Fund - Gr.	12.47	30-May-07	17307.16	186.00	N.A.	5.38	5.21	5.13	5.04	5.21	7.61	7.61	1.47	0.01
Kotak Floater - LT - Gr.	14.74	13-Aug-04	12808.4	102.00	5.4	4.96	4.94	5.01	4.86	5.00	7.56	6.91	2.24	0.01
IDFC Money Manager - Inv. Plan - Plan A - Gr.	14.19	9-Aug-04	5795.6	139.00	N.A.	4.79	4.80	4.83	4.92	4.94	6.65	6.20	2.35	0.01
Reliance Medium Term Fund - Gr.	19.25	14-Sep-00	13041.84	110.00	4.99	4.91	4.90	4.97	4.85	4.91	6.69	6.97	1.79	0.01
Fortis Money Plus Fund - Gr.	13.84	21-Oct-05	5564.28	131.00	N.A.	4.35	4.41	4.60	4.60	4.85	7.42	7.29	1.52	0.01
Tata Floater Fund - Gr.	13.85	6-Sep-05	8485.85	86.00	5.21	4.98	4.96	4.92	4.76	4.85	7.34	7.11	1.47	0.01

FLOATERS

Scheme Name	NAV (Rs.)	Launch Date	AUM (Rs. in cr.)	Average Maturity (Days)	Yield Till Maturity	Returns(%)						Risk		
						Annualised					Since launch	Sharpe	Std. Dev.	
						1 W	2 W	1 M	6 M	1 Y				3 Y
Birla S L Floating Rate Fund - LTP - Gr.	15.92	5-Jun-03	587.3	124.00	N.A.	5.25	5.14	4.16	6.05	7.36	8.27	6.87	1.60	0.04
HDFC F R I F - LTF - Gr.	15.99	16-Jan-03	1286.39	405.00	N.A.	5.11	0.39	3.43	5.22	6.76	8.45	6.56	0.43	0.10
Templeton FRIF - Long Term - Gr.	16.98	11-Feb-02	3075.66	139.00	5.05	4.81	4.51	4.26	4.68	5.29	7.37	6.58	0.76	0.03
Birla S L Floating Rate Fund - STP - Gr.	15.27	5-Jun-03	958.63	29.00	4.5	4.72	4.84	4.85	4.68	4.80	6.85	6.24	0.86	0.02
Reliance FRF - ST - Gr.	14.62	2-Sep-04	654.3	44.00	5.36	5.78	5.52	5.11	4.55	4.76	7.16	6.81	1.46	0.01
UTI Floating Rate Fund - STP - Gr.	1513.20	29-Aug-03	4757.62	101.00	N.A.	4.83	4.68	4.66	4.47	4.69	7.67	6.31	1.16	0.01
DSP BR Floating Rate Fund - RP - Gr.	14.92	13-May-03	3336.45	99.00	N.A.	4.87	4.71	4.63	4.48	4.43	6.67	5.83	0.52	0.01

Note: Indicative corpus are including Growth & Dividend option. The above mentioned data is on the basis of 03/06/2010. Beta, Sharpe and Standard Deviation are calculated on the basis of period: 1 year, frequency: weekly Monday, RF: 4%

IFRS: THE IMPACT ON INDIAN CORPORATE



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International Financial Reporting Standards (IFRS) has gained huge momentum in recent years across the world as it is used as a universal financial reporting language. Almost 100 countries have adopted it while few other countries have declared their willingness to adopt or converge with IFRS over the next two-three years.

In the world of globalization, world has become more dependent on each other, which forces more and more countries to open their doors for businesses expansion across borders and to foreign investment. A large number of multi-national companies are establishing their businesses in various countries especially in emerging countries; as a result the companies in emerging countries are increasingly accessing the global markets to fulfill their capital requirement by getting their securities listed on the stock exchanges outside their country. Few Indian companies are also being listed on overseas stock exchanges, but different countries follow their own accounting frameworks, which create a great confusion for users of financial statements, finally it leads to inefficiency in capital markets across the world.

Therefore, there is a requirement for a single set of high quality accounting standards that should be spoken by all of them across the globe, to meet the increasing complexity of business transactions and globalisation of capital, which has prompted many countries to go for convergence of national accounting standards with IFRSs.

In this changing scenario, India cannot cut off itself from the developments taking place worldwide. At present, the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) formulates Accounting Standards (ASs). Complex nature of IFRSs and the differences between the existing ASs and IFRSs, the ICAI is of the view that IFRSs should be adopted for the public interest entities such as listed entities, banks and insurance entities and large-sized entities from the accounting periods beginning effect from April, 2011. Convergence to IFRS would mean India would join a league of more than 100 countries, which have converged with IFRS. Converging to IFRS by Indian companies will be very challenging and on the contrary it could also be rewarding too.

Benefits to corporates in the Indian context

World Class Peer Standards for Financial Reporting: IFRSs will surely enhance the comparability of financial information and financial performance with global peers and industry. This will result in more transparent financial reporting of a company's activities which will benefit investors, customers and other key stakeholders in India and overseas. The adoption of IFRS is expected to result in better quality of financial reporting due to consistent application of accounting principles and improvement in reliability of financial statements.

Investors: It will be a great help for those investors who wish to invest outside their own country and looking for a Financial statements, which prepared by using a common set of accounting standards IFRS provides them better comprehensible investment opportunities as opposed to financial statements prepared using a different set of national accounting standards. For better understanding of financial statements, global investors have to incur more cost in terms of the time and efforts to convert the financial statements so that they can confidently compare opportunities. Investors' confidence would be well-built if accounting standards used are globally accepted. Convergence with IFRSs contributes to investors' understanding and confidence in high quality financial statements.

The industry: It will be easier to raise capital from foreign markets at lower cost if the industry can create confidence in the minds of foreign investors that their financial statements comply with globally accepted accounting standards. The burden of financial reporting is lessened with convergence of accounting standards because it simplifies the process of preparing the individual and group financial statements and thereby reduces the costs of preparing the financial statements using different sets of accounting standards.

The accounting professionals: Convergence with IFRSs also create more business opportunity to the accounting professionals in a great way that they are able to sell their services as experts in different parts of the world, it offers them more opportunities in any part of the world if same accounting practices prevail throughout the world. They are able to quote IFRSs to clients to give them backing for recommending certain ways of reporting.

Challenges to Indian Corporate

Laws and regulations: There is a need to bring a change in several laws and regulations governing financial accounting and reporting system in India. In addition to accounting standards, there are legal and regulatory requirements that determine the manner in which financial information is reported or presented in financial statements.

Lack of adequate professionals: There is a lack of adequate professionals with practical IFRS conversion experience and therefore many companies will have to rely on external advisers and their auditors.

Replacement and Up gradation in systems: Conversion to IFRS will require extensive upgrades or total replacement of major system. With sufficient planning, upgrades and replacements can occur as part of the overall strategic technology planning and procurement process.

Convert historical data: Historical data from recent prior periods will have to be recast for comparative purposes. This is necessary to permit accurate and comparative trend and ratio analysis. Record retention requirements should be reviewed to ensure that data currently being retained is detailed enough to permit proper restatement of prior-period financials.

Coordination of Conversion System: For many organizations, the conversion to IFRS will be a multi-year exercise with numerous changes to technology infrastructure and systems. Development of new technology systems should be carefully examined so IFRS requirements can be incorporated.

Conclusion

Convergence to IFRS will greatly enhance the transparency of Indian companies which will surely help them to project themselves in global map, which will help Indian companies benchmark their performance with global counterparts. But companies will need to be proactive to build awareness and consensus amongst investors and analysts to explain the reasons for this volatility in order to improve understanding, and increase transparency and reliability of their financial statements. However, the responsibility for enforcement and providing guidance on implementation vests with local government and accounting and regulatory bodies, such as the ICAI in India will play a vital role. The ICAI will have to make adequate investments and build infrastructure for awareness and training program. Successful implementation of IFRS in India depends on the regulator's immediate intention to convert to IFRS and make appropriate regulatory amendments.

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