

# WEEKLY | FUNDAMENTAL



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April 23, 2011

Sutapa Roy

E-mail: [s-roy@microsec.in](mailto:s-roy@microsec.in)

## WEEKLY CHART OF SENSEX



## OUTLOOK

*As expected, Indian market continues to maintain a range bound movement and Nifty is unable to close down below 5700-levels on strong buying at the bottom. Stock-specific activity may dominate trade based on the result announcements of individual firms. Some volatility may be witnessed in the near term ahead of the expiry of the near-month April 2011 contracts on Thursday April 28, 2011.*

*With a normal monsoon prediction, Indian market may trade higher. Buy SBI, ACC, ITC, Hind Lever, Sterlite Ind., Tata Chemicals and Navneet Publications.*

## WEEK IN RETROSPECT

Indian stock market edged higher during the last week as prediction of normal monsoon for the June-September period this year boosted sentiments. Continuous buying by foreign funds also supported the market. After a weak opening on Monday, market log smart gains on the following three trading sessions. Market remained shut on Friday, April 22, 2011, on account of Good Friday.

India's Monsoon will be normal this year. India Meteorological Department (IMD) has predicted the Southwest Monsoon 2011 to be 98 percent (normal) of the long period average (LPA) with a model error of plus/minus 5 percent. India's Exports surged by 37.5 percent to USD246 billion in the year ended March 2011 (FY2010-11) their fastest annual growth since independence. Imports rose by 21.5 percent to USD350.5 billion in FY2010-11. Exports in March added to USD29.1 billion, highest for a single month so far. India's Food Inflation increased to 8.74 percent for the week ended April 09, 2011 against 8.28 percent in the previous week.

On the global front, the start of construction on New U.S. Homes rose 7.2 percent in March 2011 to an annual rate of 549,000 from the prior month. Housing Starts in February were revised up to 512,000 from 479,000 reported earlier. Existing Home sales rose by 3.7 percent to an annual rate of 5.10 million in March 2011 after falling by 8.9 percent to a revised 4.92 million in February. The U.S. Initial Jobless claims decreased by 13,000 to 403,000 during the week ended April 16, 2011 from the previous week. The disruption by Japan's earthquake pushed down Exports in March 2011 for the first time in 16 months. Exports fell by 2.2 percent from a year earlier to ¥5.866 trillion (USD71.09 billion).

## GLOBAL MARKET DURING LAST 5 DAYS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH	1Y% CH	Current P/E	FY12 EST P/E	FY13 EST P/E	Current P/B	FY12 EST P/B	FY13 EST P/B
DOW JONES	12505.99	1.80	4.06	5.34	12.32	14.14	12.67	11.44	2.81	2.56	2.28
NASDAQ	2820.16	2.17	5.08	4.86	11.95	35.59	17.74	14.59	2.94	2.76	2.44
S&P 500	1337.38	1.74	3.37	4.21	10.65	15.46	13.65	12.03	2.28	2.12	1.92
FTSE 100	6018.30	0.91	4.44	2.07	6.23	14.77	10.63	9.62	1.93	1.75	1.57
CAC 40	4021.88	1.30	3.32	0.11	2.48	12.21	10.43	9.35	1.30	1.26	1.17
DAX	7295.49	2.08	7.59	3.30	18.27	13.18	11.36	9.92	1.57	1.48	1.36
NIKKEI 225	9682.21	0.95	1.53	(7.47)	(11.29)	17.55	14.49	12.15	1.27	1.16	1.08
HANG SENG	24138.31	0.52	5.60	1.09	12.51	12.97	12.81	11.41	1.86	1.74	1.57
STRAITS TIMES	3194.73	1.31	4.03	0.43	6.90	11.34	14.63	13.20	1.68	1.62	1.50
TAIWAN TAIEX	8969.43	2.88	4.17	(0.24)	12.05	15.04	13.54	11.97	1.71	1.89	1.80
KOSPI	2197.82	2.68	7.00	5.33	26.53	13.39	11.19	9.69	1.45	1.45	1.27
BRAZIL BOVESPA	67058.02	0.86	0.55	(3.00)	(3.26)	11.26	10.68	9.33	1.65	1.49	1.36
RUSSIAN RTS	2047.60	5.00	0.30	9.89	27.74	9.51	6.56	6.16	1.34	1.18	1.00
SHANGHAI SE COMPOSIT	3010.52	(1.31)	1.10	12.44	0.90	17.32	13.99	11.60	1.08	2.19	1.86
<b>BSE SENSEX</b>	<b>19602.23</b>	<b>(0.48)</b>	<b>8.97</b>	<b>3.13</b>	<b>11.54</b>	<b>17.77</b>	<b>15.51</b>	<b>13.13</b>	<b>3.36</b>	<b>2.67</b>	<b>2.31</b>
<b>NSE S&amp;P CNX NIFTY</b>	<b>5884.70</b>	<b>(0.45)</b>	<b>8.70</b>	<b>3.30</b>	<b>11.68</b>	<b>17.75</b>	<b>15.39</b>	<b>12.97</b>	<b>3.29</b>	<b>2.63</b>	<b>2.27</b>

## MSCI INDICES

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
MSCI WORLD	1361.03	1.72	2.65	3.82
MSCI AC WORLD	350.85	1.77	3.03	4.15
MSCI AC ASIA PACIFIC	138.83	2.22	3.40	0.54
MSCI EM	1205.96	2.06	5.42	6.17

## VOLATILITY INDICES

NAME	LAST	5D % CH	1M % CH	3M % CH
CBOE SPX VOLATILITY	14.69	(9.71)	(27.31)	(20.47)
INDIA NSE VOLATILITY	20.51	0.49	(7.86)	(2.47)

## 10 YERS BOND MARKETS

NAME	YIELD	5D % CH	1M % CH	3M % CH
US Generic Govt 10 Year Yield	3.39	(0.50)	1.94	(0.40)
UK Govt Bonds 10 Year Note Gen	3.53	(4.39)	(2.03)	(4.55)
Brazil Government Generic Bond	4.61	(0.97)	1.07	2.76
Japan Govt Bond Year to maturity	1.22	(5.50)	(2.79)	0.16
Australia Govt Bonds Generic M	5.47	(2.39)	1.11	(3.25)
India Govt Bond Generic Bid Yi	8.10	1.33	1.24	(0.98)

## FOREX MARKET

NAME	LAST	5D % CH	1M % CH	3M % CH
DOLLAR INDEX SPOT	74.11	(0.97)	(1.76)	(5.25)
EUR-USD X-RATE	1.46	0.91	2.57	6.77
USD-GBP X-RATE	0.61	(1.11)	(0.88)	(3.17)
USD-BRL X-RATE	1.57	1.30	6.37	6.85
USD-JPY X-RATE	81.88	1.53	(1.11)	0.79
USD-INR X-RATE	44.37	0.31	1.46	2.82
USD-CNY X-RATE	6.51	0.37	0.74	1.19
USD-KRW X-RATE	1080.80	0.83	3.71	3.73

## MONEY MARKETS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
BBA LIBOR USD 3M	0.27	(0.64)	(11.41)	(9.69)
MIBOR Offer Market 3M	1.36	2.26	15.25	32.04
India Indicative Call Rate	6.95	1.46	(9.74)	5.30

## INDUSTRIAL METALS & ENERGY MARKETS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
COPPER (USD/T)	9705.00	3.19	2.27	2.80
ALUMINUM (USD/T)	2745.00	1.89	5.58	13.48
ZINC (USD/T)	2360.00	(1.58)	1.24	1.81
LEAD (USD/T)	2601.00	(1.89)	(2.58)	7.26
OIL (USD/BBL)	112.29	2.40	9.73	26.01
NATURAL GAS (USD/MMBTU)	4.41	NA	NA	NA

## PRECIOUS METALS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
GOLD (USD/OZ)	1506.85	1.36	5.55	12.23
SILVER (USD/OZ)	47.25	9.91	29.94	71.77

## INDUSTRY INDICES

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
BALTIC DRY INDEX	1254.00	(3.24)	(18.73)	(8.47)
BBG WORLD IRON INDEX	323.36	1.57	2.33	4.07

## AGRO MARKET

NAME	LAST	5D % CH	1M % CH	3M % CH
COFFEE (USD/IB)	294.55	1.19	6.84	21.06
COTTON (USD/IB)	167.51	(5.57)	(14.93)	16.04
SUGAR (USD/IB)	23.80	3.61	(5.74)	(13.11)
WHEAT (USD/BU)	834.75	NA	NA	NA
SOYBEAN (USD/BU)	1389.75	NA	NA	NA

## INSTITUTIONAL FLOW IN CR (18/04-22/04)

INSTRUMENT	PURCHASE	SALE	NET
FII (P)	11811.98	9767.79	2044.09
DII	4424.57	3847.67	576.92
MUTUAL FUND (18/04-20/04)	1423.60	1311.30	112.30

## FII DERIVATIVE SEGMENT IN CR (18/04-22/04)

INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	9090.69	8640.19	450.49
INDEX OPTION	36719.16	34091.17	2627.99
STOCK FUTURE	11620.75	12053.07	(432.32)
STOCK OPTION	1623.51	1661.84	(38.34)

## IT, TELECOM & MEDIA

Tata Consultancy Services' standalone net profit grew to INR7569.99 crores for the year ended March 2011 against INR5618.51 crores a year ago. Net sales grew to INR29275.41 crores from INR23044.45 crores.

HCL Technologies reported a rise of 33 percent in the net profit on year-on-year basis (17.1 percent on quarter-on-quarter basis) for the quarter ended March 2011 to INR4.68 billion. Meanwhile, the total income for the quarter rose 31.5 percent (6.4 percent quarter-on-quarters) to INR41.38 billion, when compared with the prior year period.

Zee Entertainment Enterprises reported a sharp rise of 49 percent in profit after tax for the quarter ended March 2011 to INR1.92 billion over the prior year period. Total revenues were INR7.98 billion for the quarter ended March 2011, recording a growth of 22.9 percent as compared to the corresponding period last fiscal. Advertising revenues were INR4.8 billion and subscription revenues were INR3.12 billion for the quarter ended March 2011. While advertising revenues increased by 36.4 percent, subscription revenues showed an increase of 23.7 percent as compared to the corresponding period last fiscal. Subscription revenues from domestic DTH were INR984 million during this quarter, an increase of 44.1 percent over the same period of last year.

## BANKING & FINANCE

The Reserve Bank of India (RBI) has approved, in principle, Axis Bank's acquisition of select businesses of Enam Securities, but objected to the induction of Vallabh Bhansali, co-founder and chairman of the broking company, on the bank's board.

In a big relief to banks, the Reserve Bank of India (RBI) on Friday relaxed the provisioning norms for bad loans, reducing the burden on capital. Allowed to calculate provisioning coverage ratio on the basis of the gross NPA position on September 30, 2010.

Punjab & Sind Bank reduced the interest rate by up to 1.25 percent on domestic term deposits of above INR1 crore.

IDBI Bank posted a growth of 62.13 percent in net profit for the quarter ended March 2011 to INR5.16 billion over the quarter ended March 2010. Meanwhile, total income grew 23.18 percent during the fourth of FY2010-11 to INR57 billion.

Yes Bank posted a growth of 45.24 percent in net profit to INR2.03 billion for the quarter ended March 31, 2011 from INR1.40 billion over the quarter ended March 2010. Meanwhile, total income grew by 70.89 percent during the fourth quarter of financial year 2011 to INR14.09 billion.

Axis Bank reported 33.33 percent growth in net profit of INR1,020 crore in quarter ended March 2011 as against INR765 crore in same quarter the previous year. Net interest income jumped to INR1,701 crore in January-March quarter of 2011, with 16.51 percent growth as compared to INR1,460 crore in fourth quarter of FY10. The company's gross non-performing assets (NPAs) were down by 12 basis points at 1.01 percent. Net NPAs declined by 26 basis points. Net interest margins of Axis Bank declined at 3.65 percent versus 3.75 percent on year-on-year basis. The bank expects net interest margin to remain in 3.25-3.5 percent range. The bank has added 407 branches and has seen resurgence in retail demand.

HDFC Bank reported a growth of 33.2 percent in net profit for the quarter ended March 2011 to INR11.15 billion over the quarter ended March 2010. Meanwhile, total income grew 34.38 percent during the fourth quarter of FY2010-11 to INR67.24 billion. Net revenues were at INR40.95 billion for the quarter ended March 2011 increased by 24 percent over INR33.02 billion for the corresponding quarter ended March 2010. Net interest income for the quarter ended March 2011 was at INR28.40 billion as against INR23.51 billion for the quarter ended March 2010. This was driven by loan growth of 27.1 percent and a core net interest margin for the quarter of 4.2 percent.

Power Finance Corporation reported a marginal growth of 1 percent net profit of INR6.07 billion for the quarter ended March 31, 2011 as compared to INR6.01 billion over the quarter ended March 2010. Meanwhile, total income grew 24.47 percent during the fourth quarter of financial year 2011 to INR26.23 billion.

According to recent media reports and also from the management of IDBI bank (having ~27 percent stake in CARE), the management of CARE are seriously thinking of listing its shares. Some of its major shareholders like IDBI Bank (~27 percent), CANARA Bank (~24 percent) and SBI (~10 percent) are going to benefit from its listing through value unlocking. The CARE management is also thinking of Offer of Sale route where the some of its existing shareholders may sell their holdings to public.

## METAL

Hindustan Zinc's standalone net profit climbed to INR4900.49 crores for the year ended March, 2011 against INR4041.41 crores in the same quarter a year ago. Net sales grew to INR9912.14 crores against INR8016.97 crores.

Jindal Steel & Power posted 18 percent rise in net profit for the quarter ended March 31, 2011 at INR6.48 billion. Total income increased from INR24,872.10 million for the quarter ended March 31, 2010 to INR28.65 billion for the quarter ended March 31, 2011, up almost 15 percent.

- ◆ Reliance Industries (RIL) posted rise of 14 percent in net profit on YoY basis for the quarter ended March 2011 to INR53.76 billion. Net turnover climbed 26.24 percent YoY basis to INR726.74 billion for the fourth quarter of financial year 2011.
- ◆ Nestle India posted a net profit of INR2.56 billion for the quarter ended March 31, 2011 as compared to INR2.02 billion for the quarter ended March 31, 2010 which is an increase of 26.68 percent. Total income increased from INR14.89 billion for the quarter ended March 31, 2010 to INR18.23 billion for the quarter ended March 31, 2011, an increase of 22.42 percent.
- ◆ Coromandel International posted a net profit of INR726.20 million for the quarter ended March 2011 against INR820.70 million in the same quarter previous year. Total income for the quarter was at INR12.69 billion as against INR14.01 billion for the prior year period.
- ◆ According to news report, Indian Railways will ask companies to bid for INR100 billion (USD2.2 billion) of contracts to build a dedicated freight network to connect northern part of the South Asian nation to Mumbai and West Bengal. The network will help reduce the time taken to move goods within the region by 33 hours.
- ◆ Dr Reddy's Laboratories settled a patent dispute regarding the Indian company's efforts to sell the generic version of Wyeth's antidepressant drug Effexor XR, Press Trust of India reported. The settlement with Wyeth, a unit of Pfizer Inc. was reached in the New Jersey Federal Court, according to the report.
- ◆ Vedanta Plc acquired 11percent stake in Cairn India from Malaysia's state oil firm Petroliam Nasional Bhd (Petronas), which exited totally from the Cairn India. Sesa Goa, a unit of Vedanta, bought 200 million equity shares at INR331 a piece, according to media reports. Petronas sold its entire 14.9 percent stake in Cairn India with domestic and foreign institutions buying the rest. The share sale happened in block deals and the tender price was lower than INR355 a share that Vedanta Group is offering for buying 20 percent stake in Cairn India through an open offer. Sesa Goa's open offer opened on April 11 and will close at the end of the month.
- ◆ Bharat Heavy Electricals (BHEL) led consortium with Alstom won a INR16 billion contract for steam turbine generators for the Kakrapur Nuclear Power Station in Gujarat.
- ◆ Suzlon Energy received an order from Gujarat State Fertilizers & Chemicals (GSFC) to set up, operate and maintain wind energy projects totaling to 50.4 MW in Gujarat. GSFC is a leading state Public Sector Undertaking (PSU) in Gujarat in the field of fertilizers and chemicals. The projects, utilising 24 units of Suzlon's S88-2.1 MW wind turbine, will be set up in wind farms operated by Suzlon in the Rajkot and Surendranagar districts of Gujarat. This is GSFC's fifth order with Suzlon and is scheduled for completion and commissioning by September 2011.
- ◆ Aban Offshore received orders from ONGC for the deployment of jack-up rigs Aban III and Aban IV for a period of three years each. The total value of these firm orders is approximately USD138 million (equivalent to INR620 crores).
- ◆ AREVA T&D India has been awarded two eBOP (electrical balance of Plant) contracts by Essar Projects (India) for their upcoming projects at Tori, Jharkhand and Paradip, Orissa. The combined value of both contracts is around INR2.9 billion.
- ◆ The Aditya Birla Group acquired the chloro-chemicals unit of Kanoria Chemicals & Industries for INR8.3 billion in an allcash deal. The deal will make Aditya Birla Group India's largest producer of chlor-alkali, a critical input in the aluminium sector, according to the company. The transaction will be done by way of slump sale of the business undertaking and is subject to the approval of the shareholders of the company and other customary approvals.
- ◆ Tata Chemicals signed an agreement with Notore Chemicals Industries, Nigeria, for providing technical advisory services for improving efficiency of Notore Fertiliser plant at Onne, Nigeria.
- ◆ Shipping Corporation of India signed contract for acquisition of 2 Supramax Bulk Carriers of 57000 DWT each with Grand Yard Investments on April 15, 2011.
- ◆ Punj Lloyd won railway contract worth INR114 crores for building a railway line for the Uttar Pradesh Rajya Vidyut Utpadan Nigam. The contract is scheduled to be completed in fifteen months.
- ◆ Elecon Engineering has been awarded order of INR29.82 crores from Mundra Port & Special Economics Zone for design & engineering and supply of materials handling system.

## Apr 25, 2011

- ◆ Earnings Expected: Sesa Goa, Sterlite Industries, Maruti Suzuki, P&G, Mahindra & Mahindra Financial, Indiabulls Power, Ballarpur Industries and others.
- ◆ The U.S. New Home Sales data for March 2011.

## Apr 26, 2011

- ◆ Earnings Expected: ACC, Ambuja Cement, Ultratech, Petronet LNG, Tata Teleservices and others.
- ◆ The U.S. Consumer Confidence data for April 2011.
- ◆ China's Industrial Profit data for March 2011.

## Apr 27, 2011

- ◆ Earnings Expected: Exide Industries, Dabur India, Castrol India, Bosch, Patni Computers, Wipro, Subex and others.
- ◆ The U.S. FOMC Meeting.
- ◆ Bank of Japan Regular Policy Meeting.
- ◆ IMF Outlook for Mideast, North Africa, Afghanistan, Pakistan.
- ◆ The U.S. MBA Mortgage Application data for the week ended April 22, 2011.
- ◆ The U.S. Durable Goods Orders for March 2011.

## Apr 28, 2011

- ◆ Earnings Expected: LIC Housing Finance, ICICI Bank, Bank of Baroda, Vijaya Bank, Nagarjuna Fertilizer, Kansai Nerolac, Gujarat Pipavav, Biocon, Consolidated Construction and others.
- ◆ India's Weekly Food and Fuel Inflation data for the week ended April 16, 2011.
- ◆ The U.S. GDP data for Q1 of 2011.
- ◆ The U.S. Initial Jobless Claims data for the week ended April 23, 2011.
- ◆ The U.S. Pending Home Sales data for March 2011.
- ◆ The U.S. Bloomberg Consumer Comfort data for the week ended April 24, 2011.

## Apr 29, 2011

- ◆ Earnings Expected: Bharat Electronics, IDFC, United Bank of India, TVS Industries, Oriental Bank of Commerce, Titan Industries, Hindustan Construction and others.
- ◆ The U.S. Personal Income and Personal Spending data for March 2011.

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## Kolkata

Investment Banking  
Azimganj House, 2nd Floor,  
7, Camac Street, Kolkata- 700 017, India  
Tel.: 91 33 2282 9330, Fax: 91 33 2282 933

Brokerage and Wealth Management  
Shivam Chambers, 1st Floor,  
53, Syed Amir Ali Avenue, Kolkata- 700 019, India  
Tel.: 91 33 3051 2100, Fax: 91 33 3051 20205

## Mumbai

42A & 74A, Mittal Tower,  
4th & 7th floor 210, Nariman Point,  
Mumbai- 400 021, India  
Tel.: 91 22 2285 5544, Fax: 91 22 2285 5548

## New Delhi

417, World Trade Centre, 4th Floor, Babar Road,  
Connaught Place, New Delhi- 110 001, India  
Tel.: 91 11 4152 8152



E-mail: [info@microsec.in](mailto:info@microsec.in) Website: [www.microsec.in](http://www.microsec.in)

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