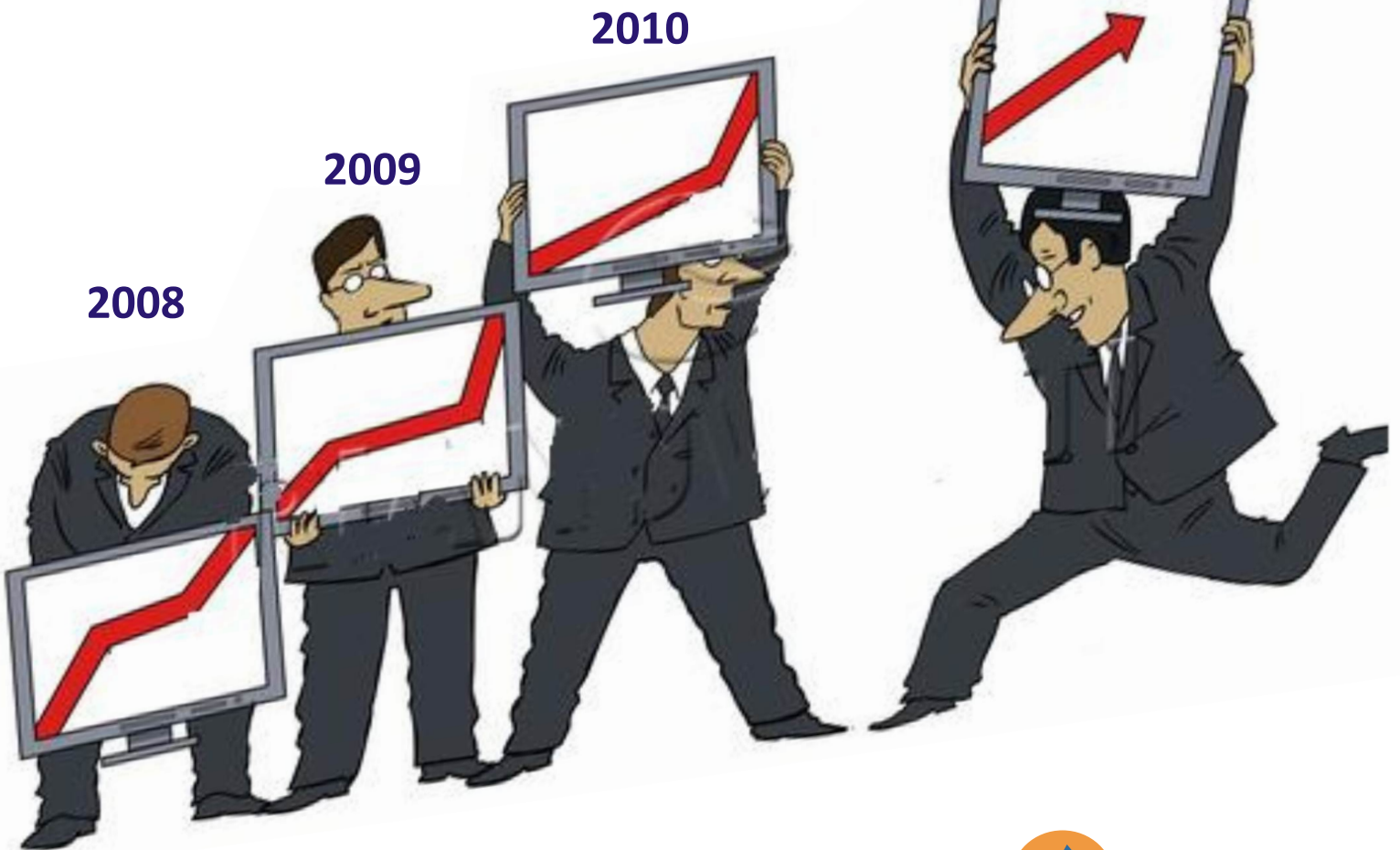


Happy New Year 2011



ARI - Movers & Shakers

INDIAN INDICES (Monthly Performance)

Indices	Dec-10	Nov-10	Change (%)
SENSEX	20,509	19,521	5.06
S&P CNX NIFTY	6,134	5,862	4.64
BANK NIFTY	11,791	11,952	-1.35
CNX MIDCAP	8,857	8,907	-0.56
S&P CNX 500	4,940	4,781	3.33
CNX IT	7,491	6,703	11.76
CNX REALTY	379	384	-1.30
CNX INFRA	3,457	3,388	2.04

(Source: NSE & BSE)

BSE-SECTORAL INDICES

Indices	Dec-10	Nov-10	Change (%)
AUTO	10,235	10,099	1.35
BANKEX	13,379	13,618	-1.76
CD	6,356	6,434	-1.21
CG	15,415	15,055	-2.39
FMCG	3,684	3,582	-2.85
HC	6,734	6,582	2.31
IT	6,824	6,094	11.98
METAL	17,595	15,626	12.60
OIL&GAS	10,601	10,062	5.36
PSU	9,460	9,291	1.82
REALTY	2,856	2,925	-2.36
TECK	4,046	3,725	8.62

(Source: BSE)

GLOBAL INDICES

Indices	Dec-10	Nov-10	Change (%)
DOW JONES	11,577	11,006	5.19
NASDAQ	2,217	2,117	4.72
HANG SENG	23,035	23,008	0.12
FTSE	5,899	5,528	6.71
NIKKEI	10,228	9,937	2.93

*Source- Telequote Software

FII ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Dec. 2010	62,926.70	62,876.00	2,050.70
Total for 2010 *	7,66,281.38	6,33,015.31	1,33,266.07

(Source: SEBI)

MF ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Dec. 2010	13,641.40	12,264.80	1,376.60
Total for 2010 *	1,60,075.90	1,87,906.00	-27,830.10

* Source: SEBI *Jan to Dec. 2010

INDIAN INDICES (Yearly Performance)

Indices	31-12-2010	31-12-2009	Change (%)
SENSEX	20,509	17,464	17.44
S&P CNX NIFTY	6,134	5,201	17.94
BANK NIFTY	11,791	9,029	30.59
CNX MIDCAP	8,857	7,432	19.17
S&P CNX 500	4,940	4,329	14.11
CNX IT	7,491	5,818	28.76
CNX REALTY	379	510	-25.69
CNX INFRA	3,457	3,602	-4.03

(Source: NSE & BSE)

BSE-SECTORAL INDICES

Indices	31-12-2010	31-12-2009	Change (%)
AUTO	10,235	7,435	37.66
BANKEX	13,379	10,030	33.39
CD	6,356	3,785	67.93
CG	15,415	14,116	9.20
FMCG	3,684	2,791	32.00
HC	6,734	5,018	34.20
IT	6,824	5,186	31.59
METAL	17,595	17,399	1.13
OIL&GAS	10,601	10,470	1.25
PSU	9,460	9,531	-0.74
REALTY	2,856	3,855	-25.91
TECK	4,046	3,277	23.47

(Source: BSE)

GLOBAL INDICES

Indices	31-12-2010	31-12-2009	Change (%)
DOW JONES	11,577	10,428	11.02
NASDAQ	2,217	1,860	19.19
HANG SENG	23,035	21,873	5.31
FTSE	5,899	5,412	9.00
NIKKEI	10,228	10,546	-3.02

*Source- Telequote Software

FII ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for 2009**	6,24,237.75	5,40,813.69	83,423.90
Total for 2010 *	7,66,281.38	6,33,015.31	1,33,266.07

*Source: SEBI **Jan-Dec. 2009, *Jan-Dec. 2010

MF ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for 2009**	1,82,406.80	1,87,713.00	-5,306.30
Total for 2010 *	1,60,075.90	1,87,906.00	-27,830.10

*Source: SEBI **Jan-Dec. 2009, *Jan-Dec. 2010

Market Commentary

2010 was the year of slow and steady recovery in the developed world, and robust growth in most emerging economies. The year saw constant concerns and fears of sovereign defaults in selected regions of the world, but apart from a few nations seeking financial aid, those fears were put to rest towards the end of 2010. The additional \$600 billion of funds proposed to be pumped into the US economy slowly found their way into emerging economies. As cheap capital chased higher yielding assets, there were complexities in currency management while equity markets in the emerging economies registered strong gains. Japan announced a stimulus of \$60 bn while Fed Reserve announced another big shot of \$700 bn stimulus (QE2), and a lot of the latter funds found their way into emerging markets.

On the domestic front, it was an eventful year for the country. From the Indian Premier League and the Commonwealth Games scandals that involved sports administrators, to the Adarsh Housing Society and telecom scams that saw the exit of a chief minister and a union minister, to the record foreign fund inflows, India saw it all in 2010. The Indian economy grew steadily, albeit accompanied by high inflation and monetary policy tightening. The high profit margins of Indian corporate that attracted foreign funds in the country in 2009 continued to remain steady in early 2010.

The Nifty 50 opened the year 2010 at 5230, and witnessed a rollercoaster ride before finally closing at 6130, a gain of 17% for the calendar year. Among the BSE sectoral indices, the top 5 performing sectors were consumer durables (67%), auto (37%), healthcare (33.5%), banks (33%), and FMCG (31.5%). The metals sector witnessed pressure, with the BSE metals closing only 0.7% higher, and thus underperforming the overall market. Three sectors which closed the year with negative gains were realty (-26.3%), power (-6.7%) and PSU (-1.1%) undertakings. The realty sector was the worst performing sector of the year in the light of the scams and frauds in the sector witnessed in the last quarter of the calendar year. On a month-on-month basis, Sensex gained 5.06% in December 2010 while Nifty registered a gain of 4.64%, both closing above their respective psychological mark of 20,000 and 6,100. Metal and IT sectors were the biggest gainers of the month registering double-digit gain of 12.6% and 11.98% respectively, while realty (-2.36%), banking (-1.76%) and consumer durables (-1.21%) were the worst performers and the only sectors to clock negative returns during the month of December 2010.

With the "emerging market" theme intact, and India's GDP growing at 8%, 2010 attracted foreign inflows of 29 Billion Dollars in Indian equities, which helped push Indian bourses higher than the street had estimated. The year opened with the fear of default of the Dubai World, but an emergency mechanism by neighbor Abu Dhabi helped calm the situation. Then epicenter of fear, shifted from middle-east to Europe. By the end of January 2010, Greece emerged as a first threat to Europe, followed by Ireland,

Spain & Portugal. From Bank stress tests to rising credit default swaps on sovereign debt, it was a mood of caution and pessimism in the Eurozone. Despite the huge turbulence, the DJIA sustained above psychological mark of 10,000 throughout January. The RBI hiked CRR by 75 basis points; the Nifty peaked at 5300 & went down to 4700 by the beginning of February. The annual budget 2010 saw a roll back of the 2% excise duty cut by the Government, being widely expected. The Government had set an ambitious Rs.40,000 cr target for disinvestment and also raised auto fuel prices by Rs.2.5 per litre. Global equity markets came under pressure with the start of the second quarter of 2010, after S&P downgraded Greece by 3-notches, and consequently the Euro currency fell. The Nifty peaked out at 5400 in April 2010 and went down to 4800 in May 2010.

Along with the turbulence taking place in the global economy, the domestic economic growth was still robust, with a lot of action happening in the corporate space. The Supreme Court's verdict on RIL-RNRL gas pricing issue went in favor of Reliance (technically in favor of government), Cairn announced complete sell-off of its Indian operations to Vedanta for \$9.6bn, M&M announced \$500 mn takeover of ailing South Korean auto maker Ssangyong Auto Company. The Government also started the long e-auction process of 3G spectrum. Despite almost complete absentee of major telecom players from US & Europe, the auctions proved to be a huge success as the Indian telecom players bid an enormous Rs 67,000 cr. The Government received a further Rs 35,000 cr from auction of Wireless and Broadband Network. While the Indian government had a fiscal deficit of Rs.4,50,000 cr, funds worth Rs.1,00,000 in a single month forced international credit rating agencies to raise local sovereign rating. During the year the Government also deregulated petrol prices in June with a Rs.2-3 per litre hike in auto fuels & Rs.35 per LPG cylinder.

A significant development occurred in the beginning of September as the Nifty crossed the psychological level of 6000 and Sensex crossed 20,000. The same month saw the Allahabad High Court issue a verdict on a much awaited 60 yrs old suite of Ramjanmabhumi-Babri Masjid issue. Both religious communities handled the verdict in mature fashion, echoing a profound change since 1992. The favourable factors, backed by a strong 104% monsoon helped the Nifty propel to 6250 levels.

The turning point for both global and domestic markets came in the post October period, as interest rate hike had become the mood of the hour to control surging inflation. China hiked borrowing costs by 25 basis points in October 2010 (and again in December 2010), while the RBI had already taken several hikes in the repo and reverse repo rate throughout the year, to curb domestic headline inflation which was close to 8%. The effect of the hikes led to market correction across emerging markets. The corruption and delay in Commonwealths games raised fears that the games might be put off, and Moody's investor services issued a possible downgrade.

Another positive highlight of the year was the government controlled Coal India's IPO, which returned a handsome 40% listing gains. Not only retail investors and HNIs, but

many corporate treasuries and industrialists made a killing on the day of listing. President Obama's visit, being essentially business oriented, highlighted the growing importance of India in the global economy. The euphoria of the successful IPO was short-lived as almost immediately after the US President's tour the country was rocked with a series of scandals, resignations, arrests & interrogations. Telecom Minister A. Raja forced to resign, over alleged Rs 1.76 lakh crore scam, on allotment of 2G spectrum in 2008. Industrialists like Ratan Tata also found himself in a quandary in the media, after tape leakages of Nira Radia. Many PSU Banks including state controlled LIC Housing Finance, rolled in a bribe for loan scam. The Maharashtra's CM was forced to resign on the 'Adarsh' housing scam. Amid this huge uncertainty at policy makers level, Nifty initially went up from 5950 to 6350 but could not sustain at higher levels & fell sharply to 5700.

The final month of December was weak for equity markets and the mood remained pessimistic in the light of the aftermath of the national scams. The main opposition party BJP, stalled whole winter session of parliament on a demand of Joint Parliamentary Committee for the investigation of the scam. Not a single productive policy making decision happened in winter session. Reliance trimmed gas production from KG basin by 15% until June 2011 on certain technical reasons. The EU convinced Ireland to accept \$100 bn aid with stringent austerity measures to avoid its default. Crude oil rose from \$70 in mid-year to \$90. China once again raised borrowing costs by a further 25 basis points, after already having imposed higher reserve requirement for banks over the past month.

On the global front, one also needs to mention that the US and German recovery in the last two months of the year were much higher than the expectations. The improvement in their manufacturing and services data, coupled with rising sovereign bond yields are convincing some fund managers to increase allocation to US markets which could pose risk of capital outflows from emerging markets in 2011.

Key News and Events in Dec. 2010

Economic News:

- **Direct tax collections rise 17.9% during April-Nov 2010** - India's net direct tax collections stood at ₹ 2,16,628 crore during the period April-November 2010, registering a growth of 17.85 per cent y-o-y. The direct tax collection has crossed 50 per cent of the budgeted estimate of ₹ 4,30,000 crore for fiscal 2010-11.
- **Exports rise 26.8% in November 2010** - India's exports grew 26.8 per cent during November 2010 at US \$18.9 billion. During the period April-November 2010, exports have reached a level of US \$140.3 billion at a growth of 26.7 per cent, while the imports were US \$222 billion with a growth of 24 per cent and a trade deficit of US \$81 billion. India's imports in November 2010 were US \$27.8 billion, up by 11.2 per cent (provisional).
- **IIP records 10.8% growth in October 2010** – The General Index of industrial production stood at 331.5, which is 10.8% higher in October 2010 as compared to the level in

the month of October 2009. The cumulative growth for the period April- October, 2010-11 stands at 10.3% over the corresponding period of the previous year.

- **Fall in inflation** - The annual rate of inflation, based on monthly WPI, stood at 7.48% (Provisional) for the month of November 2010 (y-o-y) as compared to 8.58% (provisional) for the previous month and 4.50% during the corresponding month of the previous year. Build up inflation in the financial year so far was 4.79% compared to a buildup of 7.47% in the corresponding period of the previous year.
- **RBI retains policy rates, but cuts SLR by 1% to 24%** - RBI has retained the repo rate at 6.25 per cent and the reverse repo rate at 5.25 per cent under the Reserve Bank's liquidity adjustment facility. It has also retained the cash reserve ratio (CRR) at 6 per cent of net demand and time liabilities (NDTL) of scheduled banks. While RBI has reduced the statutory liquidity ratio (SLR) of scheduled commercial banks from 25 per cent of their NDTL to 24 per cent.

Company News:

- **Coal India** in talks to buy 10% stake in Australian mine.
- **Strides** to buy 70% in Bangalore-based Inbiopro Solutions.
- **HCL Info** to buy 20% stake in Dubai co Techmart Telecom.
- Hero Honda agrees to Hero Group buying 26% stake in company from Honda Motors. Hero to pay royalty to Honda during Jan 2011-Mar 2014 and according to the deal, Hero can use Hero Honda brand name till 2014.
- **Oil & Natural Gas Corporation Ltd** approved a Special Interim dividend of ₹ 32 per share of ₹ 10 each fully paid up for the Financial Year 2010-11.
- **JSW open offer at Rs 20.54 a share for Ispat** - JSW Steel said that the open offer to pick up an additional 20 per cent stake at a price of ₹ 20.54 a share in Ispat Industries will start on February 12, 2011 and will close on March 3, 2011.
- **iGate to control Patni with 60% stake buy** - Nasdaq-listed iGate Corporation signed definitive agreements to buy a controlling stake in Patni Computer Systems. iGate corporation to buy around 60% stake in the company from the founders and private equity investor.

ADVANCE TAX (Oct-Dec 2010)

Company Name	Oct-Dec 2010 (in Cr)	Oct-Dec 2009 (in Cr)	Jul-Sep 2010 (in Cr)	Increase/ Decrease In%(Y-o-Y)	Increase/ Decrease In%(Q-o-Q)
Bajaj Auto	370	320	243	15.63	52.26
Bank of Baroda	435	350	385	24.29	12.99
Hindalco Industries	200	148	140	35.14	42.86
Hindustan Unilever	220	175	140	25.71	57.14
IDBI Bank	209	74	182	182.43	14.84
Indusind Bank	110	65	87	69.23	26.44
M&M	236	195	150	21.03	57.33
Tata Motors	220	100	95	120	131.58
Tata Steel	1000	650	500	53.85	100
UltraTech Cement	165	90	60	83.33	175
Union Bank of India	350	275	308	27.27	13.64

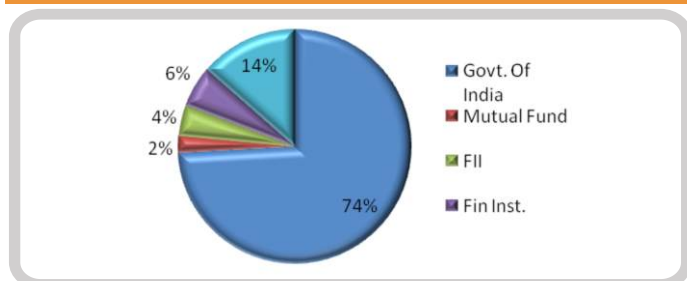
ARI - Funda Stocks to Watch

ONGC : BUY

Target Price: ₹ 1534

Value Parameters	
BSE Code	500312
NSE Symbol	ONGC
CMP	1180
Face Value	₹ 10
52 Week High/Low	₹ 1466/997
Market Cap	₹ 2,52,402cr
EPS	90.8
PE ratio	13.6

Shareholding Pattern (%)



ONGC, one of the major players in upstream oil & gas sector, operates through two business segments: exploration and production and refining. It constitutes around 80% of India's Oil & Gas (O&G) production.

Investment Rationale:

- Marginal field to boost output:** ONGC will bring various clusters of its marginal fields in production on the western offshore in the next two years, thereby adding 6 MMT/yr of oil and 12-15 mmscmd of gas per day to its current production. Based on a detailed analysis, we expect a group level oil production of 35.1/36.4/39.5 MMT and gas production of 27.7/29.1/36.0BCM in FY11E/12E/15E.
- Favourable decisions from Government:** The Govt is considering ways to give ONGC a return of 10-15% on its investment in the Rajasthan blocks. ONGC currently pays royalty on the entire production. We believe the decision will help it to save ~15000cr for its Rajasthan fields and would positively impact valuations. ONGC is major contributor (82%) to the subsidy shared by upstream companies, we believe diesel de-regulation is unlikely in FY11; we expect marginal hikes in domestic diesel prices and increase in LPG cylinder to improve ONGC's net oil-price realizations.
- New acquisitions likely to pick up reserve base:** ONGC aims to grow its overseas production at 8.9% CAGR to achieve 20MMT of oil/gas production by 2020. Faster production growth in ONGC's overseas portfolio, together will serve as a good hedge against ONGC's domestic-pricing risk.

Valuation:

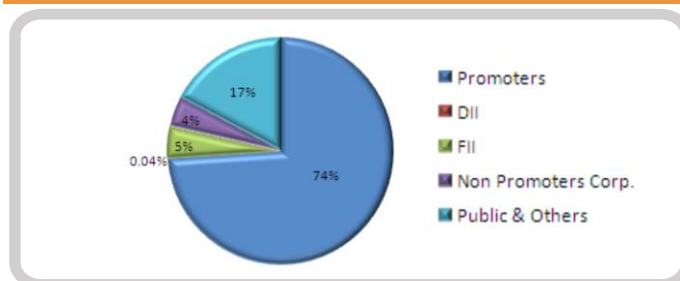
We expect ONGC's net oil and gas realizations to improve further. Bold policy reforms announced earlier this year should help preserve the profitability of the sector. **At CMP of ₹ 1180, the stock is trading at 21.4x and 18.1x of its estimated PE for FY11E & FY12E. We maintain BUY on ONGC with target price of Rs 1534.**

VISA STEEL : BUY

Target Price: ₹ 60

Value Parameters	
BSE Code	532721
NSE Symbol	VISASTEEL
CMP	41
Face Value	₹ 10
52 Week High/Low	₹ 50/33
Market Cap	₹ 455 cr
EPS	4
PE ratio	10.1

Shareholding Pattern (%)



Visa Steel (VS) is into manufacturing of sponge iron, pig iron, ferro chrome and coke and is setting up an integrated 0.5mtpa special and stainless steel plant at its Kalinganagar Industrial Complex, Orissa.

Investment Rationale:

- 0.5mtpa SMS and 25MW captive power plant commissioned:** VS is slated to commence its 0.5mtpa special steel plant in March-2011, with commercial production to start from June-2011. With setting up of special steel plant, the company's EBITDA margins are expected to go up significantly.
- Additional 25MW captive power plant to save power cost:** A 25MW of coal based captive power plant has also been commissioned. Post 25MW of power addition, total captive power generation capacity now stands at 75MW; which would fulfil almost 90% of its power requirements.
- Further capacity expansion on cards:** Post completion of 0.5mtpa of steel expansion, VS is looking forward to augment its steel making capacity by another 3mtpa, through mix of green field and brown field expansions. In addition, its Visa-Bao joint venture, in which it holds 65% stake, for setting up of 0.1mn tonne of ferro chrome facility is going as per schedule and expected to get commissioned by March-2011 end.

Valuation:

The stock is currently available at attractive valuations and is trading at significant discount to its larger peers. **At CMP of ₹ 41 the stock is trading at 3.6x FY12E EBITDA and 2.9x FY12E EPS. We maintain BUY on VISA STEEL with target price of ₹ 60.**

ARI - Commodity Pick

Nickel Fundamental

BUY: ₹ 1,060-1,080 Target: ₹ 1170-1210

Brief: Nickel finds its usage in various industries such as engineering, electrical and electronics, infrastructure, automobile, packaging and batteries. About 65 per cent of nickel is used in the manufacture of stainless steels, and 20 per cent in other steel and non-ferrous including "super" alloys, often for highly specialized industrial, aerospace and military applications. Among base metals Nickel is the most volatile owing to its strong demand and tight supply. Nickel demand is derived on the growth of different industrial sector thus exhibiting high volatility.

Supply And Demand : Major producers of Nickel are Russia, followed by Australia, Canada, New Caledonia and Indonesia, which represents over 65 per cent of the total world production. World primary nickel consumption is about 1 million tons. Nickel's primary consumption centres are Japan (2 lakh tons) and European Union (3.74 lakh tons). Rapid expansion of global stainless steel production is fuelling demand for primary nickel.

Indian Nickel Market

Nickel market in India is import dependent and India imports around 30,000 tons of Nickel annually. The import duty on Nickel is 15%.

With the growth in the stainless steel sector, Nickel import demand is expected to increase in the coming years.

Technical Outlook

MCX Nickel made a close of ₹ 1124 as against previous close of ₹ 1,083 and volume is getting synchronized as prices are moving in upper direction. As can be seen from the above chart, Nickel prices are lying above all simple moving averages (SMA), SMA 10 valuing at ₹ 1,076, SMA 20 @ ₹ 1,062 and SMA 40 @ ₹ 1,028. Bollinger Bands are getting in



a narrow range therefore we can say that volatility is getting synchronized at present. The upper band is lying at ₹ 1,141 and lower band is at ₹ 983, which can be considered as support and resistance in days to come. MACD is valued at 46 which is above centre line, can be considered as bullish. Histogram is having very less range and by combining it with volume we can say that prices may abruptly move in lower/negative direction. As we can see from the given chart that a trend line has been drawn, we expect prices to get the support of the same. **We suggest to BUY AND ACCUMULATE Nickel in the range of ₹ 1,060 – 1,080 with a target of ₹ 1,170-1,210.**

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Performance Sheet Of Calendar Year 2010

Performance of Commodity Picks :

Month	Commodity	Buy /Sell	Target	Stop Loss	CMP*	High	Low
January	Soyaoil	465-470	510-550-600	440	638.2	643.4	441.2
	Copper	325-315	390-420	290	439.2	446.3	284.1
	Crude Oil	3620-3570	4000-4200	3350	4041	4154	3127
	NICKEL	840-860	920-1000	808	1133.8	1224.7	795.5
February	GUARSEED (SELL)	2550-2600	2250-2100	2688	2517	2593	1978
March	RMSEED (NCDEX)	485-478	515-520	471	570.55	592.8	469.05
April	NICKEL (MCX)	1120	1300	945	1133.6	1224.7	823.6
May	GOLD (MCX)	17550	18250-18800	16800	20449	20924	17102
June	GOLD (MCX) SELL	18800-19050	18400-18000	19355	20499	20924	17660
July	ALUMINUM (MCX) (SELL)	93	81	96.5	112	112.7	90.45
August	SOYA REF OIL NCDEX	475 (506)	538- 565	453.7	638.2	643.4	470.4
September	STEEL LONG	25030-24900	26500	24065	27060	27280	23720
October	CRUDE OIL	3550	3740-3900	3400	4041	4154	3550
November	PEPPER NCDEX	21118	25000-30000	17900	22905	23490	20880
December	LEAD MINI	105.15	112-116	101	117.55	118.7	102.7

*CMP on 5 jan 2011

Performance of Equity Picks :

Month	Stocks	Buy/Sell	Target	Stop Loss	CMP*	High	Low
Jan-10	Fedral Bank Ltd	244	268	231	404.15	501	244
	FSL Ltd	35.8-33	45	30	25.4	37.95	19.2
Feb-10	ACC	885-860	920-950	830	1074.4	1134.4	872.5
Mar-10	Sintex ind	267-260	285-290	250	185.3	474	230
	Jindal Saw Ltd	214-202	235-240	187	188.85	234.4	150.85
Apr-10	ING Vysya Bank Ltd	278-268	310	255	369.35	444	274
	Glenmark Pharmaceutical	281-273	310-315	260	357.25	389.9	250
May-10	Dena Bank	93-90	98-110	84	116.65	151	80.5
	Indian Hotels Company Ltd.	107-100	121-128	95	100.95	118	85
Jun-10	Siemens Ltd.	682	750	662	829.75	856.15	680
	Voltas Ltd	183-187	225-240	175	225.65	262.4	178
Jul-10	Reliance Power	171.55	235-260	155	159	192.8	147.6
	SBI	2305	2450	2232	2822.1	3515	2253.55
Aug-10	Godrej Industries	195	210-220	188	203.7	248.1	164
	Balmer Lawrie	653	700-750	635	586.9	750	546
Sep-10	Godrej Properties	759	800-812	742	623.3	815	570
	JSW Energy	133	145-152	128	99.8	136.3	76.85
Oct-10	REC Ltd.	378	395-410	365	291.8	413.8	276.6
	Reliance Industries Ltd.	1023	1050-1095	1005	1055.6	1124.9	958.3
Nov-10	GE Shipping	360	375-395	352	344.65	392.9	315
	Arvind Mills	60	70-78	56	72.65	74.85	46.3
Dec-10	HCL Tech	433	455-472	421	454.15	460.75	421.1
	BHEL	2240	2300-2400	2215	2343.8	2364.85	2155.6

*CMP on 3 jan 2011

ARI - Mutual Fund Update

The Indian equity markets made a good closing on the last month of the year and both the benchmark indices were up. BSE's benchmark index Sensex ended the month at 20509, up 5.06% while S&P CNX Nifty ended the month at 6134 with a gain of 4.64%. Sector wise metals, IT and oil & gas that outperformed during the month; whereas realty and bankex were underperformers.

Mutual Fund Activity in December 2010

(₹ in Crores)	Gross Purchases	Gross Sales	Net Investment
1 st week	2016.50	1763.50	253.20
2 nd week	3,903.70	3,649.80	253.80
3 rd week	2,789.40	2,137.70	651.90
4 th week	2,723.80	2,111.30	612.60
5 th week	2,208.00	2,602.50	-394.60
Total for Dec.10	13,641.40	12,264.80	1,376.90

(Source : SEBI)

As the markets gained, after a long time the Indian mutual fund houses turned net buyers of equities during December 2010 to the tune of Rs 1,376 crore and foreign institutional investors bought Rs 2,050 crore of equity. However during the calendar year 2010, the fund houses have been overall net sellers of equity, making a total sales of Rs 27,830 crores.

How did the top 10 fund houses performed?

The average assets under management of the mutual fund

Top 10 Mutual Fund Houses

MF Name (₹ in Crores)	Average AUM		Change	
	Oct-Dec-10	Sep-10	Absolute	in%
Reliance MF	1,02,066.22	1,07,748.54	5,682.32	-5.27
HDFC MF	87,883.09	93,105.58	5,222.49	-5.61
ICICI Prudential MF	65,840.88	69,727.52	3,886.65	-5.57
UTI MF	65,387.24	67,617.72	2,230.48	-3.30
Birla Sun Life MF	57,689.47	67,421.35	9,731.88	-14.43
SBI MF	41,497.86	42,100.45	602.59	-1.43
Franklin Templeton MF	39,442.60	42,142.22	2,699.61	-6.41
Kotak Mahindra MF	27,565.37	28,429.82	864.45	-3.04
LIC MF	18,694.79	19,726.97	1,032.18	-5.23
DSP BlackRock MF	27,667.79	26,673.68	994.11	3.73

industry declined by a hefty 5% during the October-December quarter, with country's largest fund house Reliance MF's assets losing over Rs 5,000 crore of AUM. The industry's AUM fell by Rs 37,904 crore, or 5.31%, in October-December period. The combined average AUM of 40 fund houses stood at Rs 6,75,376.97 crore at the end of December 2010, according to industry body AMFI. At the end of December 2010, the AUM of Reliance MF stood at Rs 1,02,066.21 crore, a decline of Rs 5,682.32 crore or 5.27% from the assets managed in September-end. Even other top fund houses of the country witnessed a decline in their AUM

during the quarter ended December 2010, HDFC MF also saw its asset base shrink by Rs 5,222 crore, or 5.61%, to Rs 87,883.09 crore, ICICI Prudential MF's assets declined by Rs 3,886 crore, or 5.57%, to Rs 65,841 crore, UTI MF's assets fell by 3.29% to Rs 65,387 crore and LIC MF's by 5% to Rs 18,695 crore. However, a few fund houses, like Axis MF, Benchmark MF, Fidelity MF, Mirae Asset MF and Pramerica MF, among others, saw their assets rise in the range of 4.75% during this period.

Gainers and Losers:

With the Indian equity markets ending on a positive note during the month of December 2010, diversified equity funds along with balanced funds offered attractive returns. Moreover, the recovery in the technology sector, along with the strengthening of dollar during the parts of the month also led to technology sector funds performing better.

Monthly top gainers: All equity funds

Scheme Name	Returns 1-Month (%)
Franklin Infotech Fund - Growth	11.07
ICICI Prudential Technology Fund - Growth	9.63
DSP BlackRock Technology.com Fund - Regular - Growth	8.55
Birla Sun Life New Millennium - Growth	8.36
Mirae Asset Global Commodity Stocks Fund - Growth	6.64

Monthly top losers: All equity funds

Scheme Name	Returns 1-Month (%)
JM Basic Fund - Growth	-14.17
JM Agri & Infra Fund- Growth	-12.35
Reliance Infrastructure Fund - Retail - Growth	-5.27
Reliance Infrastructure Fund - Institutional - Growth	-5.15
JM Small & Mid-Cap Fund - Regular - Growth	-2.57

Monthly top gainers: All debt funds

Scheme Name	Returns 1-Month (%)
ICICI Prudential Real Estate Securities Fund - Retail - Growth	1.45
Axis Triple Advantage Fund - Growth	1.35
SBI Magnum Monthly Income Plan - Floater - Growth	1.28
DWS Premier Bond Fund - Regular Plan - Growth	1.19
SBI Magnum Monthly Income Plan - Growth	1.13

Monthly top losers: All debt funds

Scheme Name	Returns 1-Month (%)
Tata Fixed Income Portfolio Fund - Series A1 - Retail - Growth	-0.14
Tata Fixed Income Portfolio Fund - Series C2 - Ret - Growth	-0.05
UTI Investment Bond Fund - Plan I - Retail - Growth	0.60
Bharti AXA Regular Return Fund - Regular - Growth	1.33
Bharti AXA Regular Return Fund - Eco - Growth	1.58

(One month returns as on December 31st, 2010)

(Source: www.mutualfundsindia.com)

11 Financial Resolutions for New Year 2011



The end of a year, or the beginning of another, marks a significant opportunity for personal reflection. It is at this time that it is customary to look back on

goals or resolutions that were made at the start of the previous year and assess how well or how poorly they were addressed. But while everyone around us makes half hearted promises to quit smoking, lose weight or spend more time with family, why shouldn't we consider making some real financial resolutions that would help us improve our financial well being.

It is so unfortunate that though we spend half of our lives working long hours to make our ends meet, yet we are barely able to take out time to manage our personal finances. The need of the hour is to not only earn, but also allocate our time in managing our money and creating a sweeping change in our mindset.

The New Year unfolds optimism for us to start afresh, grab new opportunities and forget our past mistakes. So let's start this year with resolutions that could drastically improve our financial well being.

1. Improve your financial knowledge: Today most of us suffer from financial diseases like low returns, debt trap, underinsurance, insufficient retirement funds etc. The major cause of these problems is that though we had studied various subjects like mathematics and science at school, but we were never taught about personal finance. PERSONAL FINANCE is a subject you ought to have knowledge of, wherever you go in life. Hence, improving financial knowledge is the first step towards financial well-being.

2. Create an emergency fund: Life is full of uncertainties and it is often difficult to incorporate such uncertainties in our financial plan. Emergency fund not only helps in fulfilling the financial needs during uncertainties but also secures us from mental disturbances which may arise due to financial crisis. Our emergency fund should be equal to an amount of our monthly expenses plus our loan EMI of 4-6 months and yearly insurance premium.

3. Reduce your loan burden: We should review our existing loans and ensure that all loans help us in increasing our net worth. In case they do not, we should plan for repaying the same. We should also find out ways to reduce our interest burdens.

4. Take adequate insurance cover: Insurance is probably the most critical, and yet the least seriously dealt with aspect of financial planning by most people. Though most of us take life insurance or health insurance covers, but the amount of cover is usually not adequate. While buying life insurance, you need to consider the immediate, future and living expenses that your family might have to incur in case a tragedy strikes you. You should not mix insurance and

investment. Hence, the right strategy is to buy pure term insurance with adequate cover. Looking at the increasing medical costs, one should also plan to take health insurance for each member of the family.

5. Prepare saving plan for each goal: Set goals and plan their achievement levels, especially when it comes to the financial ones. Financial goals can be of three types: short, medium and long - term. A short-term goal could be anything like say purchasing a car, a medium - term goal may include planning your child's education and a long - term goal could be your retirement planning. Whatever be the financial requirement, it can be fulfilled by determining its urgency and thereby making a saving plan for each goal.

6. Invest as per your risk appetite: We should understand that risk and return are the two sides of the same coin and an investment with a higher return indeed bears a higher risk. Therefore, we should plan our investments as per our risk appetites. We should also ensure that the post tax returns on our investments are able to beat inflation and additionally, have sufficient liquidity.

7. Tax planning in conjunction with Financial Planning: For most of us, tax planning is an end-of-the year, last minute exercise. Tax planning should actually be done keeping in mind our needs, life goals and risk appetite in conjunction with the overall financial planning.

8. Budgeting: To gain control over your finances, you need to know how much you are earning and where you are spending. Budgeting will help you to identify high expense area and realise that a good amount of your income is being wasted there. This knowledge can be very helpful in saving money.

9. Write your WILL: In the normal course, we plan to write our WILL after 60-70 years of age. But unfortunately, most people die without writing their WILL and hence we see several family feuds around us. Therefore, a person above 18 years, having sound mind and assets/life insurance policy should write his/her WILL.

10. Share your financial affairs with at least one trusted person: We often read in newspapers about billions of unclaimed money being stashed in bank accounts. The underlying cause for this is that no other member in the family of the deceased person is aware about the finances left behind, and hence the money cannot be used by the surviving family members. Therefore, one should share all the financial matters with at least one trusted person.

11. Take advice from the right experts: In India, the financial service providers often focus on providing commission based recommendations. They are not bothered about providing knowledge to their customers to help them manage their money for financial well being. Hence, we need financial experts who can give solutions considering one's over all needs, attitude, life style, risk tolerance and financial situation. Transparency and honesty are the main aspects you must consider while selecting a financial planner for yourself.

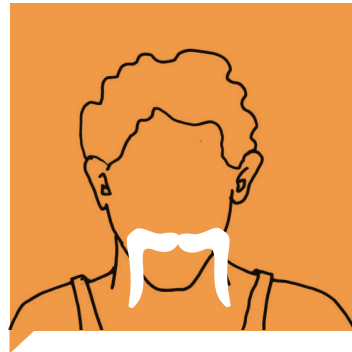
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