

WEEKLY | FUNDAMENTAL



OUR REPORTS

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Event Based Report
RBI Monetary Review Report
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Annual Budget Review Report

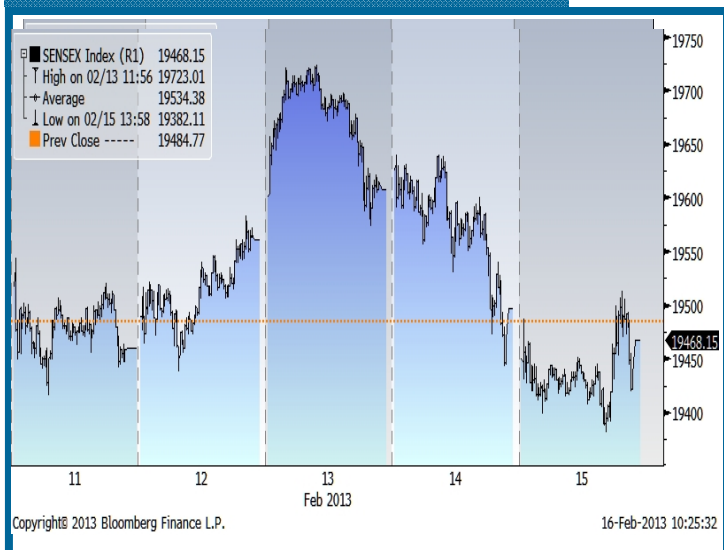
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MARKET UPDATE

WEEKLY CHART OF SENSEX



OUTLOOK

Indian markets are likely to be rangebound in the absence of any significant trigger however the commencement of the budgetary session on February 21, 2013 may hog the limelight. All the major companies have come up with their results and more or less the corporate earnings season been a mixed bag with downward bias which fuels a sense of skepticism among the investors. Hike in petrol prices may somewhat keep the oil & gas stocks a tad firm. We recommended a BUY for L&T, Aditya Birla Nuvo, Bata India, Pidilite Industries, Swaraj Engines, from the long term perspective.

WEEK IN RETROSPECT

Indian markets ended tad lower for the week as investors remained cautious ahead of Budget. Lower-than-expected inflation and disappointing industrial production figures did not impact the market in a significant way.

On domestic front, India's Industrial Output contracted once again in December 2012. Production declined by 0.6 percent YoY during the month, registering third fall in last four months, mainly due to muted activities in Manufacturing and Mining sectors.

India's WPI Inflation for January 2013 moderated for the fourth straight month and slipped below 7.0 percent for the first time since December 2009, marking a three-year low. Inflation stood at 6.62 percent YoY in January 2013 as compared to 7.18 percent YoY in December 2012.

After eight months of contraction, India's Exports grew marginally in January 2013. Exports rose 0.82 percent YoY to USD25.59 billion in January 2012 and Imports for the month increased by 6.12 percent YoY to 45.58 billion, leaving a Trade Deficit of USD20.0 billion.

On global front, Japan's GDP contracted for the third straight quarter in Q4 of 2012. GDP shrank at an annualized rate of 0.4 percent in the last three months of 2012.

The U.S. Industrial Production contracted 0.1 percent in January 2013. But Industrial Production as a whole expanded at a 2.6 percent annual pace in the October-December 2012 quarter.

The U.S. Initial Jobless Claims declined by 27,000 to a seasonally adjusted 341,000 in the week ended February 09, 2013 from its previous week.

GLOBAL MARKET DURING LAST 5 DAYS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH	1Y % CH	Current P/E	FY13 EST P/E	FY14 EST P/E	Current P/B	FY13 EST P/B	FY14 EST P/B
DOW JONES	13981.76	(0.08)	2.43	11.07	7.96	13.67	12.53	11.46	2.79	2.51	2.28
NASDAQ	3192.03	(0.05)	1.82	11.87	8.14	22.74	16.51	13.96	2.81	2.59	2.29
S&P 500	1519.79	0.12	2.27	11.76	11.64	15.01	13.72	12.30	2.27	2.10	1.93
FTSE 100	6328.26	1.02	2.82	12.89	7.16	17.63	11.76	10.68	1.81	1.66	1.54
CAC 40	3660.37	0.29	(2.17)	9.54	6.41	12.69	10.98	9.88	1.20	1.13	1.07
DAX	7593.51	(0.76)	(1.41)	9.25	10.88	15.60	11.21	9.91	1.45	1.33	1.23
NIKKEI 225	11173.83	(1.61)	2.38	23.82	19.07	23.26	21.47	17.50	1.35	1.35	1.27
HANG SENG	23444.56	1.27	(0.66)	10.80	9.08	12.00	11.37	10.33	1.56	1.40	1.29
STRAITS TIMES	3283.07	0.19	2.23	11.45	9.41	10.36	14.83	13.64	1.44	1.41	1.33
TAIWAN TAIEX	7906.65	0.94	1.95	8.50	2.58	22.92	14.94	13.08	1.69	1.65	1.56
KOSPI	1981.18	2.55	(0.33)	6.46	(2.09)	19.50	9.43	8.16	1.07	1.07	0.96
BRAZIL BOVESPA	57903.30	(1.77)	(6.54)	4.51	(12.53)	18.37	11.28	9.43	1.10	1.03	0.98
RUSSIAN RTS	1573.63	(0.52)	(1.86)	14.35	(5.00)	5.84	5.91	5.74	0.83	0.77	0.71
SHANGHAI SE COMPOSIT	2432.40	0.55	8.44	17.56	3.42	13.40	10.48	9.18	1.77	1.46	1.31
BSE SENSEX	19468.15	(0.08)	(2.84)	6.32	6.44	16.61	15.63	13.51	2.71	2.53	2.23
NSE S&P CNX NIFTY	5887.40	(0.27)	(2.91)	5.62	5.80	16.30	15.44	13.41	2.64	2.48	2.20

MSCI INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
MSCI WORLD	1406.92	(0.25)	1.35	12.25	9.22
MSCI AC WORLD	355.32	(0.15)	1.01	11.96	8.04
MSCI AC ASIA PACIFIC	132.84	(0.15)	0.09	10.83	4.64
MSCI EM	1066.52	0.53	(1.31)	9.97	0.38

VOLATILITY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M % CH	1Y% CH
CBOE SPX VOLATILITY	12.46	(4.30)	0	(24.07)	(29.92)
INDIA NSE VOLATILITY	15.24	0.52	9.72	(6.04)	(36.97)

10 YEARS BOND MARKETS					
NAME	YIELD	5D% CH	1M % CH	3M% CH	1Y% CH
US Generic Govt 10 Year Yield	2.00	2.65	9.02	25.67	3.85
UK Govt Bonds 10 Year Note Gen	2.19	4.67	8.40	26.54	5.33
Brazil Government Generic Bond	2.97	2.26	10.63	17.62	(18.24)
Japan Govt Bond Year to maturity	0.75	(1.57)	(3.58)	1.89	(22.05)
Australia Govt Bonds Generic M	3.52	1.35	2.35	16.70	(12.49)
India Govt Bond Generic Bid Yi	7.83	(0.16)	(0.01)	(4.38)	(4.34)

FOREX MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
DOLLAR INDEX SPOT	80.58	0.41	1.00	(0.61)	1.14
EUR-USD X-RATE	1.33	(0.03)	0.40	4.53	2.25
USD-GBP X-RATE	0.64	1.83	3.51	2.23	1.13
USD-BRL X-RATE	1.96	0.19	3.40	4.96	(12.20)
USD-JPY X-RATE	93.50	(0.87)	(5.03)	(13.18)	(16.11)
USD- X-RATE	54.22	(1.32)	0.73	0.84	(9.10)
USD-CNY X-RATE	6.23	(0.02)	(0.34)	(0.05)	1.00
USD-KRW X-RATE	1078.20	1.63	(2.00)	0.79	4.00

MONEY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BBA LIBOR USD 3M	0.29	(0.65)	(4.25)	(6.72)	(41.40)
MIBOR Offer Market 3M	0.22	(4.35)	10	15.79	(79.05)
India Indicative Call Rate	7.60	(3.18)	(7.32)	(4.40)	(15.56)

INDUSTRIAL METALS & ENERGY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COPPER (USD/T)	8206.00	(1.06)	2.65	7.41	(1.96)
ALUMINUM (USD/T)	2168.00	2.31	5.65	10.38	(1.45)
ZINC (USD/T)	2175.00	(1.36)	9.02	11.25	8.15
LEAD (USD/T)	2435.00	0.57	6.24	10.73	18.09
OIL (USD/BBL)	95.86	0.14	2.76	12.18	(5.83)
NATURAL GAS (USD/MMBTU)	3.15	(3.63)	(8.68)	17.17	(13.80)

PRECIOUS METALS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
GOLD (USD/OZ)	1610.10	(3.42)	(4.13)	(6.16)	(6.83)
SILVER (USD/OZ)	29.80	(5.13)	(5.03)	(8.66)	(10.90)

INDUSTRY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BALTIC DRY INDEX	753.00	0.66	(10.03)	(27.31)	5.02
BBG WORLD IRON INDEX	191.15	(1.16)	(0.97)	15.64	(16.43)

AGRO MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COFFEE (USD/IB)	140.20	(2.77)	(9.72)	(10.58)	(35.67)
COTTON (USD/IB)	83.19	(0.13)	8.26	13.77	(11.94)
SUGAR (USD/IB)	17.74	(2.52)	(5.98)	(7.07)	(25.43)
WHEAT (USD/BU)	748.50	(1.83)	(5.37)	(13.74)	5.68
SOYBEAN (USD/BU)	1414.75	(1.53)	1.07	3.85	12.14

INSTITUTIONAL FLOW IN Cr (11/02-15/02)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	17423.90	13576.30	3847.70
DII	4461.68	6599.39	(2137.71)
MF	1785.60	1766.90	18.60

FII DERIVATIVE SEGMENT IN Cr (11/02-15/02)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	5435.54	6335.20	(899.66)
INDEX OPTION	50765.82	48957.29	1808.53
STOCK FUTURE	8134.74	6291.48	1843.26
STOCK OPTION	7468.94	7264.15	222.79

BSE SECTORAL RETURNS VS INDICES

SECTORS	LAST PRICE	5D%	3M%	1YR%	3YR%	PE ratio
HEALTHCARE	7899.28	0.32	2.77	23.90	62.56	26.66
BANKEK	14146.30	0.31	8.64	11.07	46.80	13.17
AUTOMOBILES	10836.08	0.24	4.19	5.01	53.30	13.22
IT	6477.68	0.01	14.26	3.36	27.03	16.89
SENSEX INDEX	19468.15	-0.09	6.33	6.45	19.23	16.61
FMCG	5808.34	-0.20	2.45	39.85	110.60	39.74
NIFTY INDEX	5887.40	-0.27	5.62	5.81	20.45	16.31
OIL & GAS	8928.35	-0.98	10.68	3.28	-8.20	10.99
CONSUMER DURABLES	7241.71	-1.04	-3.00	8.94	74.99	90.52
METAL	9904.10	-1.61	0.45	-21.22	-38.90	10.06
MIDCAPS	6626.86	-1.91	-0.47	1.26	1.57	16.67
CNXMCAP INDEX	7925.20	-2.27	0.89	0.00	8.47	14.34
POWER	1817.21	-2.79	-6.49	-23.11	-39.33	21.39
SMALLCAPS	6540.92	-3.73	-8.01	-8.09	-21.53	21.98
CAPITAL GOODS	9763.24	-3.98	-8.20	-12.10	-26.15	19.82
REALTY	2036.63	-5.39	7.80	-2.07	-38.30	23.63

TOP 10 PERFORMING STOCKS OF THE WEEK					
NIFTY			CNXMIDCAP		
COMPANY	INDUSTRY	RETURNS(%)	COMPANY	INDUSTRY	RETURNS(%)
HCL TECH	IT	5.69	MOTHERSON SUMI	AUTO ANCILLARY	5.26
SUN PHARMA	PHARMA	4.92	PETRONET LNG	OIL & GAS	4.64
TATA MOTORS	AUTO	4.66	BRITANNIA INDS	PACKAGED FOODS	4.30
ONGC	OIL & GAS	4.65	GREAT EASRTERN	SHIPPING	4.30
COAL INDIA LTD	COAL	3.37	MPHASIS LTD	IT	2.93
HDFC BANK	BANKING	3.01	JAIN IRRIGATION	PLASTIC PRODUCTS	2.72
AMBUJA CEMENTS	CEMENT	1.99	GODREJ CON-SUMER	PER.PRODUCTS	2.62
TCS	IT	1.94	MADRAS CEMENTS	CEMENT	2.47
M&M	AUTO	1.75	GSPC	UTILITIES	2.29
NTPC	POWER	1.56	PIRAMAL ENT.	PHARMA	2.28

BANKING

Allahabad Bank plans to reduce its base rate and benchmark prime lending rate (BPLR) by 30 basis points each effective February 18. Post revision, the base rate would stand at 10.20 per cent (10.50 per cent) while BPLR will be 14.45 per cent (14.75 per cent).

Indiabulls Mutual Fund has launched a new fund named 'Indiabulls Income Fund'. The new fund offer has opened for subscription from today and would close on February 26. The mutual fund house, which presently has seven schemes, has average assets under management of Rs 2,552 crore during the October-December.

State-owned Punjab & Sind Bank will get Rs 140-crore fund infusion through preferential issue of shares to the Government by end of next month. The bank proposes preferential allotment of 1.98 crore shares to the Government aggregating about Rs 140 crore. The proposed price for preferential issue is Rs 70.66 a share including premium of Rs 60.66 per unit, it said. Following the infusion, the Government holding in the bank will go up to 79.86 per cent against the existing 78.16 per cent. With the issuance of about 1.98 crore preference shares, the total number of shares with Government will go up to about 20.28 crore. This fund infusion is subject to shareholders' approval, which will be sought on March 11 in an extraordinary general meeting.

Syndicate Bank's board has cleared the proposal to raise Rs 1,500 crore equity capital from the market and Rs 2,000 crore via tier-II bonds. The fund raising is depend on the market condition. Bank is expecting the Government to infuse some capital.

Bajaj Allianz General Insurance Co Ltd plans to increase its retail healthcare portfolio by nearly 50 per cent during 2013-14. The company will use its distribution network to ramp up its presence in the healthcare portfolio. Retail health insurance currently accounts for 33 per cent of its healthcare portfolio.

Karur Vysya Bank has reduced the base rate by 25 bps and hiked the one to two-year term deposit rate by 50 bps with effect from February 3. Post this reduction, the base rate now stands at 10.75 per cent and the benchmark prime lending rate (BPLR) at 15.75 per cent. The rate offered on its domestic and NRE term deposits has been increased by 50 bps to 9.5 per cent for the one to two-year period. Senior citizens would get an additional half-per cent.

METALS & MINING

The prices of iron ore produced in Odisha may drop in the coming days as its availability is likely to improve. This follows the State Government's decision to allow liquidation of stocks of iron ore raised till October 2, 2012, according to sources. An estimated 100 million tonnes of the ore is believed to have piled up in different mines in Odisha ever since the State Government clamped down restrictions on iron ore mining and transportation nearly three years ago following complaints of irregularities. But it is not sure if the entire 100 mt will be suitable for steel making. According to one estimate, only half of it is fit for use. The present prices of iron ore produced in Odisha range from Rs 1,650 to Rs 2,600 a tonne, depending on the quality and delivery, according to research organisation Steelmint,. It has been further stipulated that 50 per cent of the stocks of both lumpy ore and the fines have to be sold to standalone mineral-based industries in the State in an equitable manner and at market prices. It has also been made clear that any ore raised on or after October 3, 2012 shall not be sold.

Tata Steel reported that its losses in the December quarter widened to Rs 763 crore against Rs 603 crore registered in the same period last year, largely due to rising costs in India and lower demand in Europe. Net sales were lower at Rs 31,821 crore (Rs 32,964 crore). The company expects better performance in the coming quarters with the ramping up of fresh capacity of three million tonnes at Jamshedpur in Jharkhand and restart of second blast furnace at the Port Talbot steelworks in the UK after the £185-million rebuilding project. Tata Steel Group has a net debt of Rs 57,981 crore (\$10.5 billion) and plans to raise about Rs 12,000-Rs 13,000 crore from banks to finance its Odisha project. The company said it would focus on cost cutting measures and divest smaller loss-making overseas assets to improve liquidity.

February 18, 2013

- ◆ Japan Machine tools orders data for the month ended January,2013.

February 19, 2013

- ◆ U.S. NAHB housing market index data for the month of February,2012.

February 20, 2013

- ◆ U.S. MBA Mortgage Application data for the week ended February 15 ,2013.
- ◆ U.S. Housing starts data for the month ended January,2013.

February 21, 2013

- ◆ Cabinet committee meeting on investment.
- ◆ The U.S. Initial Jobless claims data for the week ended Feb 16,2013.
- ◆ The Bloomberg Consumer comfort data for the week ended Feb 17,2013.
- ◆ Commencement of India's Budgetary session .

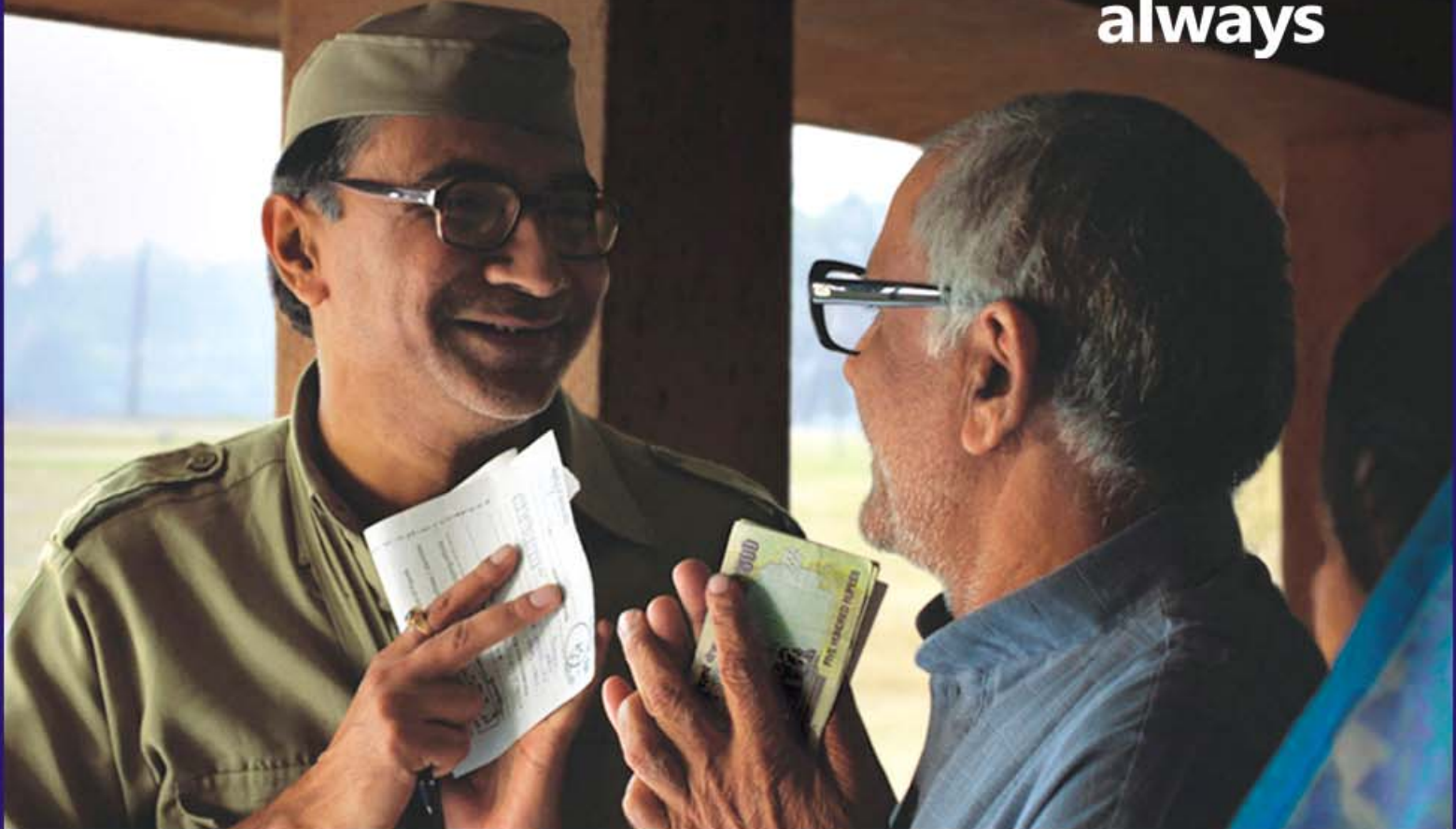
February 22, 2013

- ◆ Germany's Export Import data.

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