

WEEKLY | FUNDAMENTAL



OUR REPORTS

Fundamental

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Theme Based Report

Daily & Weekly

Fundamental Market Update
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Monthly

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India and Global Strategy Report
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Others

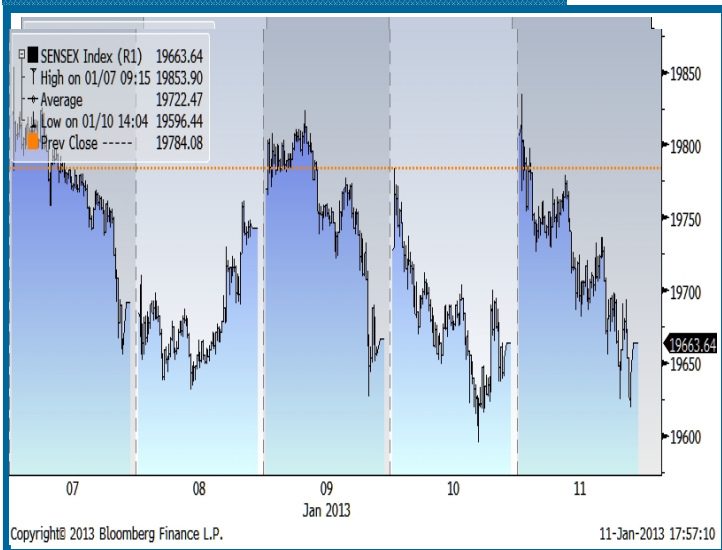
Event Based Report
RBI Monetary Review Report
Annual Budget Expectation Report
Annual Budget Review Report

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WEEKLY CHART OF SENSEX



WEEK IN RETROSPECT

After a positive start in the previous two-weeks, the Indian markets wrapped up the week ended January 11, 2013 in red. Volatility ruled the markets this week on account of major events such as November IIP numbers, HSBC manufacturing, Domestic Car Sales and results of blue-chip companies like Infosys.

On domestic front, India's Industrial Production growth contracted marginally by 0.1 percent YoY in November 2012, partly on seasonal factors and base effect.

On global front, China's trade surplus widened in December. China's trade balance for the month widened to USD31.6 billion. In the same period, imports rose 6 percent, while exports lifted by 14 percent.

OUTLOOK

The European Central Bank has left its benchmark interest rate unchanged at a record low of 0.75 percent.

The Bank of England also decided to leave its interest rate at 0.5 percent, a record low, and also held its program of economic stimulus at £375 billion, or USD600 billion.

Indian Markets is likely to remain range bound due to lack of major triggers. However, corporate earnings scheduled next week may induce stock specific volatility. Inflation data scheduled to be released on 14th Jan. is need to be watched closely as it may impact rate cut decision of the RBI policy on Jan. 29th. Important results during the week are RIL,ITC, HDFC Bank Axis Bank, Heromotocorp, Petronet LNG, Bajaj Auto, TCS, Wipro, HCL Tech, DCB, Essar Oil, South Indian Bank, TTK prestige, Exide Inds, Federal Bank, IDBI Bank, Blue Star , GIC Housing Ultratech Cement and others. BUY Hindalco ,Aditya Birla Nuvo for both trading & investment purpose.

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	13488.43	0.39	2.69	1.19	8.58	13.21	12.22	11.20	2.67	2.40	2.19
NASDAQ	3125.63	0.77	5.19	2.67	15.30	23.39	15.86	13.37	2.81	2.54	2.27
S&P 500	1472.05	0.38	4.13	3.04	14.19	14.79	13.29	11.92	2.20	2.03	1.86
FTSE 100	6121.58	0.52	3.37	5.66	8.60	15.75	11.38	10.38	1.79	1.62	1.50
CAC 40	3706.02	(0.64)	1.72	9.35	15.94	12.67	10.89	9.78	1.23	1.13	1.07
DAX	7715.53	(0.78)	1.56	6.67	25.59	14.92	11.26	9.99	1.47	1.34	1.25
NIKKEI 225	10801.57	1.06	10.92	26.57	27.07	27.82	20.06	16.45	1.37	1.31	1.24
HANG SENG	23264.07	(0.28)	2.91	10.06	21.14	11.92	11.28	10.24	1.55	1.39	1.29
STRAITS TIMES	3216.50	(0.27)	1.51	5.74	15.22	12.25	14.51	13.26	1.45	1.39	1.31
TAIWAN TAIEX	7819.15	0.16	1.56	5.13	8.87	23.24	14.70	12.95	1.67	1.68	1.60
KOSPI	1996.67	(0.75)	0.08	3.28	6.45	15.86	9.16	7.99	1.07	1.06	0.95
BRAZIL BOVESPA	61497.43	(1.64)	3.17	3.94	3.97	20.50	11.53	9.59	1.17	1.11	1.04
RUSSIAN RTS	1570.03	2.27	4.60	6.63	8.54	6.03	5.83	5.63	0.83	0.78	0.70
SHANGHAI SE COMPOSIT	2242.99	(1.49)	4.29	6.56	(0.07)	12.41	9.68	8.50	1.63	1.35	1.21
BSE SENSEX	19663.64	(0.60)	1.79	5.29	21.72	16.58	15.60	13.61	2.76	2.53	2.21
NSE S&P CNX NIFTY	5951.30	(1.07)	1.22	4.85	22.30	16.39	15.46	13.53	2.68	2.51	2.21

MSCI INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
MSCI WORLD	1381.94	0.86	4.25	5.81	15.06
MSCI AC WORLD	350.08	0.69	4.07	6.04	14.74
MSCI AC ASIA PACIFIC	131.82	(0.05)	3.44	9.14	12.77
MSCI EM	1073.04	(0.45)	2.89	7.66	12.60

VOLATILITY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M % CH	1Y% CH
CBOE SPX VOLATILITY	13.36	(3.39)	(21.41)	(17.22)	(36.10)
INDIA NSE VOLATILITY	13.23	(1.04)	(7.02)	(19.77)	(43.65)

10 YEARS BOND MARKETS					
NAME	YIELD	5D% CH	1M % CH	3M% CH	1Y% CH
US Generic Govt 10 Year Yield	1.86	(1.65)	12.91	11.84	(1.89)
UK Govt Bonds 10 Year Note Gen	2.08	(1.74)	15.66	16.77	3.84
Brazil Government Generic Bond	2.73	1.64	5.94	4.92	(31.29)
Japan Govt Bond Year to maturity	0.82	(0.72)	16.14	8.32	(15.37)
Australia Govt Bonds Generic M	3.46	0.75	10.90	14.38	(8.32)
India Govt Bond Generic Bid Yi	7.87	(0.79)	(3.74)	(3.61)	(4.68)

FOREX MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
DOLLAR INDEX SPOT	79.56	(1.16)	(0.62)	(0.26)	(2.19)
EUR-USD X-RATE	1.33	2.09	2.59	3.21	5.00
USD-GBP X-RATE	0.62	(0.40)	(0.12)	(0.54)	(4.99)
USD-BRL X-RATE	2.03	(0.06)	2.20	0.42	(11.37)
USD-JPY X-RATE	89.18	(1.15)	(7.46)	(12.15)	(13.82)
USD- X-RATE	54.76	0.57	(0.89)	(3.79)	(5.23)
USD-CNY X-RATE	6.21	0.23	0.47	0.99	1.60
USD-KRW X-RATE	1054.69	0.85	2.08	5.65	9.87

MONEY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BBA LIBOR USD 3M	0.30	(0.32)	(1.77)	(10.65)	(47.26)
MIBOR Offer Market 3M	0.19	0	5.56	(9.52)	(84.92)
India Indicative Call Rate	7.90	(2.47)	(1.25)	(1.86)	(7.06)

INDUSTRIAL METALS & ENERGY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COPPER (USD/T)	8045.00	(0.49)	(0.68)	(2.36)	3.40
ALUMINUM (USD/T)	2097.50	1.82	(0.87)	4.04	(3.11)
ZINC (USD/T)	2014.50	(1.25)	(3.15)	2.41	4.05
LEAD (USD/T)	2307.00	(1.22)	0.39	5.63	15.92
OIL (USD/BBL)	93.56	0.50	9.05	1.61	(7.24)
NATURAL GAS (USD/MMBTU)	3.32	1.21	(3.31)	(17.64)	(10.44)

PRECIOUS METALS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
GOLD (USD/OZ)	1662.80	0.43	(2.77)	(5.91)	1.26
SILVER (USD/OZ)	30.46	0.83	(7.65)	(10.37)	1.63

INDUSTRY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BALTIC DRY INDEX	706.00	1.00	(26.91)	(19.31)	(47.58)
BBG WORLD IRON INDEX	195.80	3.57	12.71	13.29	(3.12)

AGRO MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COFFEE (USD/IB)	153.35	4.07	2.57	(7.11)	(37.56)
COTTON (USD/IB)	75.62	0.76	0.96	5.91	(19.17)
SUGAR (USD/IB)	19.17	1.69	1.53	(6.26)	(19.25)
WHEAT (USD/BU)	754.75	1.00	(8.12)	(15.85)	3.78
SOYBEAN (USD/BU)	1373.25	0.43	(6.66)	(9.69)	12.56

INSTITUTIONAL FLOW IN Cr (07/13-11/13)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	17107.80	12815.10	4292.70
DII	5504.39	8883.18	(3396.79)
MF	853.20	1212.80	(359.50)

FII DERIVATIVE SEGMENT IN Cr (07/13-11/13)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	4648.37	4561.18	87.20
INDEX OPTION	64304.22	62613.10	1691.12
STOCK FUTURE	7413.83	8272.48	(858.66)
STOCK OPTION	10600.45	11162.26	(561.81)

BSE SECTORAL RETURNS VS INDICES

SECTORS	LAST PRICE	5D%	3M%	1YR%	3YR%	PE ratio
IT	6252.26	7.82	6.31	7.20	25.06	16.76
AUTO	11632.73	0.36	12.39	38.59	55.85	13.21
SENSEX INDEX	19663.64	-0.61	4.57	21.56	12.19	16.58
OIL & GAS	8788.06	-0.77	2.57	11.03	-17.09	10.98
HEALTHCARE	8139.87	-0.81	8.05	32.90	58.48	28.70
NIFTY INDEX	5951.30	-1.08	4.26	22.43	13.37	16.40
BANKEX	14498.54	-1.34	10.34	42.98	42.60	13.76
SMALLCAP	7454.76	-2.11	4.88	22.70	-15.81	41.66
MIDCAPS	7156.88	-2.15	7.28	29.99	2.12	17.40
CNXMCAP INDEX	8544.00	-2.32	7.94	30.50	11.20	15.12
REALTY	2144.82	-2.44	13.71	38.59	-48.67	25.19
METAL	10937.91	-3.12	2.92	6.09	-39.93	11.60
POWER	1967.58	-3.19	-3.59	2.01	-39.71	19.44
FMCG	5665.28	-3.72	-1.26	40.50	98.62	38.91
CONSUMER DURABLES	7589.08	-4.23	6.11	35.31	93.53	90.45
CAPITAL GOODS	10540.65	-5.01	-6.09	16.35	-26.45	19.49

TOP 10 PERFORMING STOCKS OF THE WEEK					
NIFTY			CNXMIDCAP		
COMPANY	INDUSTRY	RETURNS(%)	COMPANY	INDUSTRY	RETURNS(%)
INFOSYS	IT	15.43	UNITECH LTD	REALTY	6.55
TATA MOTORS	AUTOMOBILE	4.76	HAVELLS INDIA	ELECT.EQP.	5.72
WIPRO LTD	IT	4.04	JAIN IRRIGATION	PL.PRODUCTS	5.70
ONGC LTD	OIL & GAS	2.65	TECH MAHINDRA	IT	4.97
HCL TECH LTD	IT	1.70	SUZLON ENERGY	ENERGY	4.89
CIPLA LTD	PHARMA	1.29	HPCL	OMC	3.89
MARUTI SUZUKI	AUTOMOBILE	1.28	GVK POWER & INF.	CAPITAL GOODS	2.78
SUN PHARMA	PHARMA	0.56	CASTROL INDIA	OIL DISTRIBUTION	2.45
DRREDDY	PHARMA	0.56	ING VYSYA BANK	BANKING	2.26
TCS	IT	0.55	GMR INFRA.	INFRASTRUCTURE	2.26

BANKING

In keeping with Government's commitment to provide capital support for state-owned banks, the Cabinet approved infusion of Rs 12,517 crore into about ten banks during the current fiscal. An in-principle approval of the Cabinet has also been accorded for need-based additional capital infusion in public sector banks (PSBs) from 2013-14 to 2018-19 so as to help them conform to the Basel-III capital rules. Simply put, PSBs need not worry about capital support from the Government for adhering to the Basel-III capital norms. This could also imply that all the capital support provided by the Government in the Budgets for the 2013-14 to 2018-19 can be infused in various PSBs without obtaining further Cabinet nod. The exact amount — out of the Rs 12,517 crore — and mode of recapitalisation would be decided in consultation with the banks at the time of infusion. In 2011-12 and 2010-11, the Centre had infused Rs 12,000 crore and Rs 20,117 crore, respectively, in various banks. For 2012-13, the Government had in last year's Budget provided about Rs 15,000 crore for recapitalization of various PSBs.

Standard & Poor's Ratings Services assigned 'BBB-' long-term issue rating to a proposed issue of Singapore dollar-denominated senior unsecured notes by ICICI Bank Ltd. The rating on the notes reflects the long-term issuer credit rating on the bank. The proposed notes will constitute direct, un-conditional, unsecured, and unsubordinated obligations of the bank. They will rank at par with all other unsecured obligations of the bank. The bank will list the notes on the Singapore Exchange.

State Bank of India is not looking to consolidate any of its associates with itself during the current fiscal. SBI could look at consolidation next financial year. SBI has already merged State Bank of Saurashtra and State Bank of Indore with itself during the recent years.

Insurance giant LIC's home finance subsidiary LICHF launched a new loan product for women that is offering a 0.25 per cent discount on card rate. The product, christened "Bhagyalakshmi", will attract a 10 per cent interest for the first two years, which is 0.25 per cent lower than the company's card rate. After the completion of the two-year-term, it will turn into a floating interest rate product, with the interest rate being linked to the company's prime lending rate. Even after the migration to floating interest rate, the rate of interest will be 0.25 per cent lower. The floating rate "will be set at 25 bps lower than the rates applicable for other floating category home loans.

METAL & MINING

Iron ore producer NMDC has cut iron ore prices by almost six per cent in January, but the move has not provided any respite for end customers. The prices of iron ore lumps from NMDC are priced at Rs 5,060 a tonne for January against Rs 5,380 a tonne in December last year. Steel prices are dependent on the market demand-supply gap to a large extent and the six per cent price reduction announced for iron ore lumps by NMDC for January, is unlikely to create significant impact in the finished steel prices. Due to intense pressure from the local steel producers, NMDC had to introduce the price decrease to ensure parity with the imported iron ore prices. However, the prices for its majority of product mix (iron ore fines contributing to 75 per cent of total output) remains unchanged at Rs 2,610 a tonne. Given the anticipated impetus to steel demand in Q4 (FY 2012-13) owing to increased construction activity for expediting project completion before closure of financial year, domestic steel prices are expected to firm up in the current quarter. With the steel prices increasing internationally in the wake of upward movement in iron ore prices and promising demand, the domestic steel companies are also likely to pass on their increased cost over the last quarter to end customers in a phased manner. With a radical move from a yearly netback pricing system to monthly pricing, in order to counter the volatile effect on iron ore prices, NMDC has been working towards a price mechanism for streamlining its iron ore prices to mirror market trends.

The Coal Ministry has invited expression of interest (EIO) for providing consultancy for restructuring of Coal India Ltd (CIL). The objective is to study various issues for restructuring of CIL such as examining the recommendations of various Committees and the planning Commission regarding the need for restructuring and to assess the effectiveness of the current management structure. The consultant would also have to assess the scope for improving competition amongst coal mining companies and outline scope for better investment plans for enhanced production with suitable administrative control.

January 14, 2012

- ◆ India's WPI Inflation data for the month ended December, 2012.

January 15, 2013

- ◆ U.S. Advance Retail Sales data for the month ended December, 2012.
- ◆ U.S. empire manufacturing data for the month ended December, 2012.

January 16, 2012

- ◆ U.S. MBA Mortgage Application data for the week ended January 11, 2013.
- ◆ U.S. IIP data for the month ended December, 2012.

January 17, 2012

- ◆ U.S. Housing starts data for the month ended December, 2012.
- ◆ The U.S. Initial Jobless claims data for the week ended Jan 12, 2012.
- ◆ The Bloomberg Consumer comfort data for the week ended Jan 13, 2012.

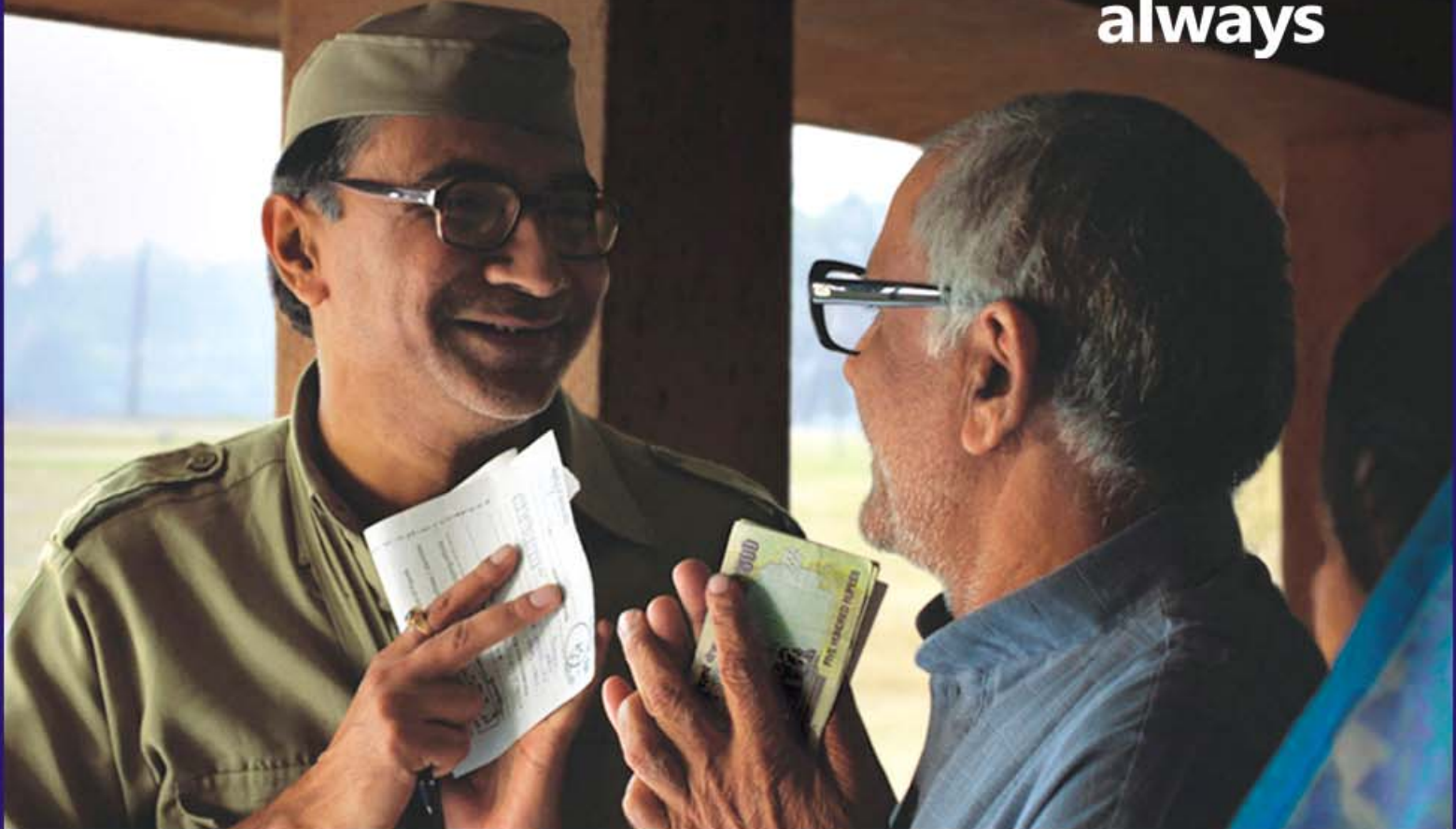
January 18, 2012

- ◆ Japan's IIP data for the month of November, 2012.
- ◆ U. of Michigan confidence data.

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