

WEEKLY | FUNDAMENTAL



OUR REPORTS

Fundamental

Company Report
Sector Report
Theme Based Report

Daily & Weekly

Fundamental Market Update
Technical Market Update
Derivative Market Update
Currency Report
Debt Mutual Fund Report

Monthly

India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly

India and Global Strategy Report
India Economy Report
Company Result Expectation
Company Result Analysis

Others

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

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MARKET UPDATE

WEEKLY CHART OF SENSEX



WEEK IN RETROSPECT

The Indian markets remained rangebound throughout the week due to lack of any trigger and the RBI's monetary policy failed to bring any kind of cheers in the market as well.

On domestic front, India's Manufacturing PMI decreased to 53.2 in January 2013 from 54.7 in December 2012.

India's Eight Core Industries grew 2.6% YoY for the month ended December 2012 against 1.6% YoY in November 2012.

India's GDP growth for FY2011-12 was revised down to 6.2% from 6.5% reported earlier. However, GDP growth estimate for FY2010-11 was sharply scaled up to 9.3% from 8.4% reported earlier and estimates for FY2009-10 were revised to 8.6% from 8.4%.

OUTLOOK

Indian Markets is likely to remain rangebound as there is no immediate trigger for the markets to react on. However improvement in U.S. markets may have some positive impact on the Indian markets. So far the results season have been a mixed bag. Eventually the markets will look up to the budgetary session which commences from February 21, 2013. Prices of Non-ferrous metals remain firm during the week, hence we expect some kind of buying in the metal space. Hike in diesel prices may keep the oil & gas sector in the limelight. Corporate earnings scheduled next week may induce stock specific volatility. Important results during the week are ACC, Ambuja, Apollo Tyres, and others. BUY ICICI Bank, Hindalco, Sterlite and in the midcap space NBCC, ILFS, Indian Bank, Pidilite Industries for both investment purpose.

On global front, China's Official Manufacturing PMI fell to 50.4 in January 2013 from 50.6 in December 2012. However, privately-compiled survey by HSBC, put the monthly PMI at 52.3, rising from the previous month's 51.5.

The U.S. GDP fell at a 0.1% annual rate in Q4 of 2012, after growing at a 3.1% in Q3. That was the worst performance since Q2 of 2009.

The U.S. Unemployment rate edged higher to 7.9% in January 2013 from 7.8% in December 2012.

U.S. Conference Board's index decreased to 58.6 in January 2013-the weakest since November 2011, from a revised 66.7 in December 2012.

The Fed in its two-day FOMC meeting confirmed that the economic growth stopped toward the end of the last year. The Fed also made it clear that it plans to continue its latest round of quantitative easing, in which it's buying USD85 billion in Treasuries and residential mortgage-backed securities a month, and that interest rates will remain at record lows until unemployment drops.

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	14009.79	0.82	4.27	7.00	8.92	13.71	12.59	11.51	2.79	2.51	2.28
NASDAQ	3179.09	0.93	2.49	6.60	9.41	23.81	16.40	13.92	2.81	2.57	2.29
S&P 500	1513.17	0.68	3.18	6.99	12.51	14.99	13.67	12.25	2.26	2.09	1.92
FTSE 100	6347.24	0.99	4.22	8.15	7.56	15.92	11.75	10.72	1.82	1.67	1.55
CAC 40	3773.53	(0.12)	1.16	8.04	10.08	12.83	11.18	10.13	1.25	1.16	1.10
DAX	7833.39	(0.17)	0.73	6.37	15.76	15.96	11.55	10.20	1.50	1.37	1.27
NIKKEI 225	11191.34	2.42	4.70	23.64	26.71	25.77	21.30	17.40	1.38	1.36	1.28
HANG SENG	23721.84	0.59	1.67	7.28	14.28	12.14	11.49	10.46	1.58	1.42	1.31
STRAITS TIMES	3291.14	0.66	2.04	8.23	12.79	12.47	14.81	13.54	1.49	1.41	1.34
TAIWAN TAIEX	7855.97	2.39	0.64	8.95	1.48	23.05	14.83	13.00	1.68	1.63	1.55
KOSPI	1957.79	0.57	(2.69)	2.03	(0.73)	15.56	9.19	7.98	1.05	1.05	0.94
BRAZIL BOVESPA	60351.16	(1.33)	(3.47)	3.37	(7.46)	19.94	11.26	9.64	1.15	1.06	1.01
RUSSIAN RTS	1634.12	(0.08)	7.01	13.15	0.52	6.00	5.93	5.73	0.85	0.80	0.73
SHANGHAI SE COMPOSIT	2419.02	5.57	6.23	14.26	3.80	13.33	10.42	9.16	1.76	1.46	1.31
BSE SENSEX	19781.19	(1.60)	(0.01)	5.47	12.36	16.57	15.76	13.72	2.77	2.57	2.27
NSE S&P CNX NIFTY	5998.90	(1.24)	(0.28)	5.28	12.63	16.36	15.66	13.67	2.69	2.56	2.24

MSCI INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
MSCI WORLD	1416.79	0.80	3.40	8.50	11.23
MSCI AC WORLD	357.76	0.74	2.89	8.28	10.04
MSCI AC ASIA PACIFIC	132.71	0.73	0.62	8.28	6.75
MSCI EM	1072.82	0.34	(0.47)	6.78	2.33

VOLATILITY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M % CH	1Y% CH
CBOE SPX VOLATILITY	12.90	0.07	(6.72)	(26.66)	(24.56)
INDIA NSE VOLATILITY	13.76	(6.83)	(2.91)	(0.73)	(42.88)

10 YEARS BOND MARKETS					
NAME	YIELD	5D% CH	1M % CH	3M% CH	1Y% CH
US Generic Govt 10 Year Yield	2.01	3.39	14.65	16.86	10.31
UK Govt Bonds 10 Year Note Gen	2.09	1.99	14.71	12.32	2.19
Brazil Government Generic Bond	2.90	5.52	13.42	14.32	(22.28)
Japan Govt Bond Year to maturity	0.77	7.08	(2.52)	(1.53)	(19.68)
Australia Govt Bonds Generic M	3.52	6.24	7.70	12.95	(4.16)
India Govt Bond Generic Bid Yi	7.90	0.31	(1.12)	(3.51)	(2.88)

FOREX MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
DOLLAR INDEX SPOT	79.12	(0.78)	(0.80)	(1.15)	0.25
EUR-USD X-RATE	1.36	1.30	3.30	5.38	3.64
USD-GBP X-RATE	0.63	0.68	3.52	2.77	0.88
USD-BRL X-RATE	1.98	2.11	3.19	2.18	(12.76)
USD-JPY X-RATE	92.77	(2.00)	(6.54)	(13.63)	(17.86)
USD- X-RATE	53.19	0.91	2.79	0.95	(7.37)
USD-CNY X-RATE	6.22	(0.07)	0.16	0.19	1.29
USD-KRW X-RATE	1097.38	(2.12)	(3.00)	(0.45)	2.64

MONEY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BBA LIBOR USD 3M	0.29	(1.66)	(3.43)	(5.51)	(44.98)
MIBOR Offer Market 3M	0.23	9.52	21.05	15.00	(79.46)
India Indicative Call Rate	7.50	(5.06)	(6.25)	(6.83)	(15.73)

INDUSTRIAL METALS & ENERGY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COPPER (USD/T)	8290.00	3.23	4.52	5.92	(1.77)
ALUMINUM (USD/T)	2125.00	3.86	2.50	9.53	(6.18)
ZINC (USD/T)	2176.00	4.61	4.61	15.19	2.11
LEAD (USD/T)	2451.00	4.07	5.19	15.25	9.66
OIL (USD/BBL)	97.77	1.97	6.48	12.26	0.16
NATURAL GAS (USD/MMBTU)	3.30	(4.67)	(1.90)	(13.08)	(3.39)

PRECIOUS METALS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
GOLD (USD/OZ)	1667.45	0.52	(0.47)	(2.73)	(4.35)
SILVER (USD/OZ)	31.82	2.02	4.87	(1.37)	(5.54)

INDUSTRY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BALTIC DRY INDEX	750.00	(6.01)	6.23	(23.93)	15.92
BBG WORLD IRON INDEX	194.20	1.67	(0.81)	10.42	(15.71)

AGRO MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COFFEE (USD/IB)	147.95	(0.23)	2.88	(6.48)	(35.30)
COTTON (USD/IB)	82.98	3.05	10.43	16.05	(12.94)
SUGAR (USD/IB)	18.89	2.77	(3.17)	(2.52)	(20.79)
WHEAT (USD/BU)	765.00	(1.48)	(1.67)	(13.38)	3.41
SOYBEAN (USD/BU)	1474.25	2.30	4.59	(3.86)	19.68

INSTITUTIONAL FLOW IN Cr (28/01-01/02)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	25584.80	19782.10	5802.70
DII	5407.95	10258.92	(4850.97)
MF	903.60	1650.50	(746.90)

FII DERIVATIVE SEGMENT IN Cr (28/01-01/02)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	14295.04	13885.99	409.05
INDEX OPTION	79514.17	75561.99	3952.18
STOCK FUTURE	35811.97	36074.49	(262.52)
STOCK OPTION	10705.96	10570.69	135.27

BSE SECTORAL RETURNS VS INDICES

SECTORS	LAST PRICE	5D%	3M%	1YR%	3YR%	PE ratio
CONSUMER DURABLES	7715.83	2.20	4.58	32.29	92.76	91.94
FMCG	5934.38	1.68	4.41	44.01	116.45	40.62
REALTY	2212.59	1.33	22.06	24.01	-34.90	25.67
HEALTHCARE	8079.30	1.10	4.72	26.01	67.45	27.75
MIDCAPS	6967.50	-0.10	4.85	15.24	6.91	16.72
CNXMCAP INDEX	8357.45	-0.20	6.11	14.11	15.48	14.58
BANKEX	14465.16	-0.69	9.89	24.23	52.17	13.49
METAL & MINING	10523.82	-0.71	2.02	-11.38	-34.41	10.48
IT	6367.29	-0.73	9.80	7.69	29.47	16.71
SMALLCAPS	7056.48	-1.21	-0.11	5.53	-15.44	23.24
NIFTY INDEX	5998.90	-1.25	5.29	12.64	23.81	16.37
POWER	1952.43	-1.29	-1.78	-9.67	-35.05	19.07
SENSEX INDEX	19781.19	-1.60	5.47	12.36	21.92	16.58
AUTO	10885.84	-1.67	1.83	14.31	56.83	12.37
OIL & GAS	9374.93	-1.69	12.03	7.89	-5.47	11.54
CAPITAL GOODS	10443.77	-2.94	-6.04	1.80	-20.29	19.76

TOP 10 PERFORMING STOCKS OF THE WEEK					
NIFTY			CNXMIDCAP		
COMPANY	INDUSTRY	RETURNS(%)	COMPANY	INDUSTRY	RETURNS(%)
AXIS BANK	BANKING	8.90	SUZLON ENERGY	ENERGY	19.19
COAL INDIA	COAL	4.59	GMR INFRA	INFRASTRUCTURE	8.00
CIPLA LTD	PHARMA	4.15	SUN TV NETWORK	MEDIA	7.88
ITC LTD	FMCG	3.22	J&K BANK	BANKING	7.33
DLF	REALTY	3.14	NHPC LTD	POWER	7.22
ASIAN PAINTS	PAINTS	3.11	PUNJ LLOYD LTD	CAPITAL GOODS	6.66
PNB	BANKING	3.03	KANSAI NEROLAC	PAINTS	6.51
HERO MOTOCORP	AUTOMOBILE	2.56	MARICO LTD	PERSONAL PRODUCT	5.91
LUPIN INDIA	PHARMA	1.74	BIOCON LTD	BIOTECHNOLOGY	5.06
CAIRN INDIA	OIL & GAS	1.13	APOLLO HOSPITAL	REAL ESTATE	4.83

BANKING

To encourage use of electronic payments and minimise use of cheques, an RBI discussion paper has recommended that the number of free cheque books given per year to individuals may be kept to a minimum. The charges levied by banks beyond this minimum number may range from moderate to steep (slab rate), depending upon the usage history of the customer. A quick look at the charges being levied by banks shows that generally they provide 20–50 cheque leaves to savings bank customers for free, either on a quarterly or annual basis. Few banks do not provide any free cheque books, while a few others provide free-of-cost cheques every quarter. Beyond this, the charges levied range from Rs 2 to 3 a cheque leaf. In most banks, current account holding customers are not given any free cheques, though the charges are very nominal ranging between Rs 3 and 4 a leaf.

State Bank of India has pared its minimum lending rate from 9.75 per cent to 9.70 per cent. This move comes a day after the Reserve Bank of India cut its key policy rate and the cash reserve ratio by 25 basis points each. However, India's largest lender left deposit rates unchanged. This can be attributed to the challenge the banking system is facing in garnering deposits as savers are buying gold and investing in mutual funds. SBI's new minimum lending rate, also known as base rate, will be effective from February 4.

To wean investors away from buying gold, Reserve Bank of India has decided to introduce inflation-indexed bonds (IIBs) in a new avatar. Gold imports have been a cause of concern for both the Reserve Bank of India as well as the Finance Ministry. Last week, in a bid to restrict gold imports, the Government hiked the import duty on gold to six per cent from four per cent. The central bank had introduced IIBs some years ago but it did not take off due to some design flaws. RBI has tried to re-design it. The most important change is that both principal as well as the coupon rate on the bond will be indexed to inflation.

Central Bank of India's board of directors approved raising of up to Rs 2,406 crore through preferential issue of shares in favour of the Government of India. The bank has called for an EGM of shareholders on March 18 to approve the proposal.

INFRASTRUCTURE

L&T Construction has secured new order totaling Rs 1,401 crore in various business segments spread across India and overseas in January 2013. The power transmission and distribution business has bagged orders worth Rs 605 crore from domestic and international clients. This includes a major EPC order from Power Grid Corporation of India Limited for the extension of 765 kv substations at Dharmjayagarh, Jabalpur, Bina, Indore and Aurangabad.

Neyveli Lignite Corporation (NLC) is planning to increase its power generation capacity to 4,240 MW with TPS-II Expansion (500MW) at Neyveli and a coal-based power plant of 1,000 MW at (NTPL), Tuticorin expected to commence operations in 2013-14. This would also help the state of Tamil Nadu to address its power shortage, which is currently around 4,000 Mega Watt (MW).

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The government has started road shows in five countries, including the US, the UK and Japan, for promoting the proposed Rs13,000 crore stake sale in power producer National Thermal Power Corp (NTPC). In November last year, the government approved 9.5% stake sale in NTPC. It currently holds 84.5% stake in the company, which come down to 75% would post the offer. NTPC will not raise any fresh equity through this offer.

February 04, 2013

- ◆ U.S. Factory orders data for the month ended December, 2012.

February 05, 2013

- ◆ U.S. ISM Non Manf sales data for the month ended January, 2013.

February 06, 2013

- ◆ U.S. MBA Mortgage Application data for the week ended February 01, 2013.

February 07, 2013

- ◆ U.S. Nonfarm productivity data .
- ◆ The U.S. Initial Jobless claims data for the week ended Feb 02, 2013.
- ◆ The Bloomberg Consumer comfort data for the week ended Feb 03, 2013.

February 08, 2013

- ◆ U.S. Trade Balance data for the month ended December, 2012.

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