

# WEEKLY | FUNDAMENTAL



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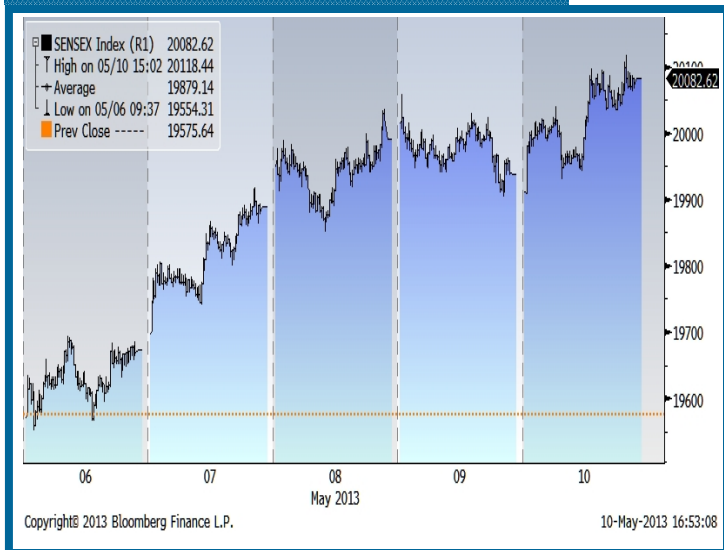
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Soumyadip Raha

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

# MARKET UPDATE

## WEEKLY CHART OF SENSEX



## OUTLOOK

Strong global cues led by unprecedented FII inflows led to continued rally of Indian markets. Nifty and Sensex gained further through the week as Oil & gas and FMCG continued to shine. Better than expected IIP numbers at 2.5% growth for the month of March 13 and expectation of lower WPI numbers to be announced on 14<sup>th</sup> May, expected at 5.45% on Bloomberg consensus, led to rally in heavyweights. Hike in diesel prices by 90 paise sends confirmatory note on diesel price deregulation, which again bodes well for the market. Major events and results during the week are BOB, Blue Star, Amara-Raja, Eicher Motors, BoI, UBI et al. We recommend to BUY Pidilite, LICHF, Exide, IL&FS Trans, Cairn India, Maruti, L&T, Dabur on dips as investments. Oil and gas companies like HPCL, BPCL, IOCL, Cairn, RIL, Oil India, ONGC can be accumulated with long term perspective as well. However, immediate spike of 6-8% in HPCL, BPCL, and IOCL can be seen in short term (2-3weeks).

## WEEK IN RETROSPECT

Indian markets settled on an optimistic note on the back of supportive global markets, consistent FII flows and in-line / better-than-expected quarterly results. IIP figures came in line with expectations.

**On domestic front,** India's Industrial Production grew by 2.5 percent YoY during March 2013 vis-a-vis a revised 0.5 percent YoY growth registered in February 2013. However, this recovery was not broad based and was largely due to strong growth in the Manufacturing sector. Among use based sectors, volatile Capital Goods supported the IIP number, even as Consumer Durables and Intermediate Goods continued to post weak numbers.

India's HSBC Services Purchasing Managers' Index (PMI) grew at its slowest pace in one-and-a-half years in April 2013. PMI stood at 50.7 during the month compared with 51.4 in March 2013.

**On global front,** The U.S. Initial Jobless Claims decreased by 4,000 to 323,000 in the week ended May 4, 2013 - the fewest since January 2008.

The U.S. posted its widest Budget Surplus in five years in April 2013. The Surplus increased to USD 112.9 billion, the biggest since April 2008, from USD59.1 billion a year earlier.

The Chinese Trade Surplus increased to USD 18.2 billion in April 2013 from a drop of USD 0.88 billion in the previous month. Exports rose 14.7 percent YoY to USD 187.1 billion in and Imports increased 16.8 percent YoY to USD168.9 billion during the month.

The Bank of England maintained its stimulus program and kept its key interest rate at 0.5 percent in its policy meeting. The bank reaffirmed its stimulus programme of quantitative easing (QE) to buy 375 billion pounds (USD 584 billion) of debt.

## 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	15118.49	0.96	1.70	8.12	17.92	14.60	13.60	12.52	2.92	2.74	2.50
NASDAQ	3436.58	1.71	4.29	7.49	17.13	24.42	18.30	15.49	3.02	2.84	2.56
S&P 500	1633.70	1.19	2.82	7.45	20.71	15.99	14.81	13.33	2.41	2.29	2.10
FTSE 100	6624.98	2.54	3.76	4.18	18.82	17.01	12.25	11.20	1.90	1.74	1.63
CAC 40	3953.83	1.04	6.02	6.90	26.33	16.83	12.27	10.92	1.26	1.24	1.17
DAX	8278.59	1.92	6.89	7.34	25.81	15.53	12.25	10.80	1.53	1.47	1.37
NIKKEI 225	14607.54	5.85	8.32	29.82	63.15	27.46	20.95	18.32	1.68	1.64	1.54
HANG SENG	23321.22	2.78	5.57	0.45	16.81	10.60	11.09	10.21	1.46	1.37	1.27
STRAITS TIMES	3443.77	2.19	4.54	4.32	19.43	14.01	15.41	14.09	1.53	1.49	1.41
TAIWAN TAIEX	8280.26	1.78	5.86	4.72	11.87	20.62	15.23	13.36	1.72	1.76	1.70
KOSPI	1944.75	(1.06)	1.06	(1.58)	1.44	377.21	9.48	7.99	1.06	1.05	0.94
BRAZIL BOVESPA	55107.80	(0.68)	0.26	(5.64)	(7.29)		12.35	9.78	1.05	0.93	0.89
RUSSIAN RTS	1433.48	0.25	1.99	(11.11)	(2.12)	5.55	5.57	5.42	0.71	0.69	0.63
SHANGHAI SE COMPOSIT	2246.83	1.87	1.81	(7.63)	(6.18)	12.05	9.74	8.55	1.53	1.35	1.20
BSE SENSEX	20082.62	2.59	10.08	2.42	23.26	16.22	14.08	12.42	2.69	2.26	2.00
NSE S&P CNX NIFTY	6094.75	2.53	10.24	2.72	23.65	15.87	13.92	12.32	2.62	2.24	1.98

MSCI INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
MSCI WORLD	1495.84	0.90	2.69	5.80	20.39
MSCI AC WORLD	374.24	0.89	2.74	4.89	18.81
MSCI AC ASIA PACIFIC	141.86	1.31	2.67	6.39	19.60
MSCI EM	1050.74	0.81	3.05	(1.32)	8.21

VOLATILITY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M % CH	1Y% CH
CBOE SPX VOLATILITY	12.59	(2.02)	4.39	(3.00)	(36.70)
INDIA NSE VOLATILITY	16.86	8.42	2.49	11.36	(25.00)

10 YEARS BOND MARKETS					
NAME	YIELD	5D% CH	1M % CH	3M% CH	1Y% CH
US Generic Govt 10 Year Yield	1.89	9.15	5.20	(2.69)	1.62
UK Govt Bonds 10 Year Note Gen	1.89	9.56	6.00	(9.78)	(4.88)
Brazil Government Generic Bond	2.76	1.06	(1.81)	(5.15)	(17.93)
Japan Govt Bond Year to maturity	0.69	23.18	19.17	(9.02)	(19.81)
Australia Govt Bonds Generic M	3.23	6.45	(1.55)	(6.93)	(3.34)
India Govt Bond Generic Bid Yi	7.559	(2.09)	(3.88)	(3.23)	(11.47)

FOREX MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
DOLLAR INDEX SPOT	83.14	1.24	0.74	3.61	3.78
EUR-USD X-RATE	1.29	(0.95)	(0.62)	(3.11)	0.41
USD-GBP X-RATE	0.65	1.40	(0.16)	1.95	5.11
USD-BRL X-RATE	2.02	(0.57)	(2.35)	(2.36)	(3.31)
USD-JPY X-RATE	101.62	(2.58)	(1.81)	(7.18)	(21.34)
USD- X-RATE	54.80	(1.57)	(0.50)	(1.72)	(2.51)
USD-CNY X-RATE	6.14	0.23	0.85	1.47	2.80
USD-KRW X-RATE	1106.39	(0.83)	2.67	(1.26)	3.24

MONEY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BBA LIBOR USD 3M	0.27	0	(0.72)	(5.78)	(41.07)
MIBOR Offer Market 3M	0.20	0	(4.76)	(13.04)	(71.01)
India Indicative Call Rate	7.35	(0.68)	(6.37)	(6.37)	(8.13)

INDUSTRIAL METALS & ENERGY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COPPER (USD/T)	7375.00	7.69	(2.64)	(11.08)	(9.00)
ALUMINUM (USD/T)	1870.00	3.25	(2.09)	(11.75)	(8.58)
ZINC (USD/T)	1859.00	2.19	(2.67)	(15.69)	(5.58)
LEAD (USD/T)	1994.00	2.73	(4.59)	(17.63)	(5.04)
OIL (USD/BBL)	95.61	2.80	1.22	(2.21)	(6.75)
NATURAL GAS (USD/MMBTU)	4.04	(4.31)	2.30	16.18	16.99

PRECIOUS METALS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
GOLD (USD/OZ)	1448.20	(1.53)	(7.08)	(13.13)	(9.14)
SILVER (USD/OZ)	23.87	(1.01)	(13.57)	(23.99)	(17.85)

INDUSTRY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BALTIC DRY INDEX	884.00	1.26	2.91	18.18	(22.86)
BBG WORLD IRON INDEX	166.19	1.80	1.07	(13.86 )	(14.53)

AGRO MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COFFEE (USD/IB)	144.45	2.52	4.41	(1.83)	(25.40)
COTTON (USD/IB)	86.48	0.05	(1.14)	2.99	5.01
SUGAR (USD/IB)	17.43	(0.05)	(2.51)	(5.47)	(19.93)
WHEAT (USD/BU)	704.25	(2.32)	0.17	(7.66)	3.45
SOYBEAN (USD/BU)	1399.00	0.84	2.30	(1.85)	7.43

INSTITUTIONAL FLOW IN Cr (06/05-10/05)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	14354.40	9436.20	4918.40
DII	3640.57	6558.66	(2918.09)
MF	977.40	1613.40	(636.10)

FII DERIVATIVE SEGMENT IN Cr (06/05-10/05)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	7683.76	4975.46	2708.30
INDEX OPTION	55160.11	54728.19	431.92
STOCK FUTURE	7079.48	8479.53	(1400.06)
STOCK OPTION	5565.76	5851.69	(285.93)

# BSE SECTORAL RETURNS VS INDICES

SECTORS	LAST PRICE	5D%	3M%	1YR%	3YR%
FMCG	6855.39	4.23	17.79	46.57	43.30
AUTOMOBILES	11263.33	3.99	4.20	15.85	13.44
CONSUMER DURABLES	7672.11	3.38	4.84	15.48	75.84
IT	6072.63	3.25	-6.25	9.61	15.48
BANKEK	14583.82	2.82	3.41	34.61	12.76
SENSEX INDEX	20082.62	2.59	3.07	22.31	16.34
NIFTY INDEX	6094.75	2.54	3.24	22.74	15.97
MIDCAPS	6519.29	2.25	-3.50	8.69	16.47
SMALLCAPS	6166.34	2.22	-9.24	-4.46	23.76
CNXMCAP INDEX	8009.45	1.42	-1.23	13.40	14.67
OIL & GAS	8817.28	1.27	-2.21	16.24	10.55
REALTY	1918.59	0.84	-10.88	22.41	21.26
POWER	1776.11	0.34	-4.99	-3.93	23.61
CAPITAL GOODS	9990.78	0.27	-1.74	12.33	20.86
HEALTHCARE	8768.68	0.11	11.36	30.75	26.27
METAK & MINING	8785.28	-0.01	-12.73	-14.10	9.07

## TOP 10 PERFORMING STOCKS OF THE WEEK

NIFTY		CNXMIDCAP			
COMPANY	INDUSTRY	RETURNS(%)	COMPANY	INDUSTRY	RETURNS(%)
TATA MOTORS LTD.	AUTOMOBILE	8.21	TV18 BROADCAST	MEDIA	16.07
HINDALCO INDS.	METAL S & MINING	8.06	MPHASIS LTD.	IT	15.12
INDUSIND BANK	BANKING	8.03	APOLLO HOSPI-TALS LTD.	HOSPITAL	13.65
ITC LTD.	FMCG	6.79	MOTHERSON SUMI	AUTO ANCILLARY	10.79
HEROMOTOCORP	AUTOMOBILE	5.81	CENTURY TEXTILE	TEXTILE	10.04
TCS	IT	5.46	M&M FIN. SER-VICES	NBFC	9.98
LUPIN LTD.	PHARMA	5.22	MRF LTD.	TYRES	9.36
ULTRATECH LTD.	CEMENT	4.84	BHEL	CAPITAL GOODS	8.39
RELIANCE INFRA	INFRASTRUCTURE	3.98	GLENMARK PHARMA	PHARMA	8.34
MARUTI SUZUKI	AUTOMOBILE	3.76	KARNATAKA BANK	BANKING	7.08



## BANKING

ICICI Bank will offer Money2India mobile application for non-resident Indians (NRIs) to track their money transfers to India. The application enables the bank's registered users to avail themselves of the money transfer tracking service through their smartphones. The application can be downloaded from the iOS App Store for iPhones and iPads, Android Marketplace and Windows 8 Store across five countries namely the US, Canada, UK, Singapore and Hong Kong.

**Online registration** To use this service, users need to complete a simple one-time online registration at Money2India.com and can avail themselves of the online service for tracking money transfers from any bank in eight countries — US, Canada, UK, Sweden, Switzerland, Singapore, Hong Kong and UAE — to any account with over 100 banks in India. Customers or NRIs can now easily track exchange rates, status of their money transfer requests and place new requests for tracking from their mobile phones.

Reserve Bank of India (RBI) has completed investigations against banks following the Cobrapost expose and will take action if they are found guilty of violating prudential banking norms. The regulator has done investigations, and has prepared an internal report. Some of the public sector banks and Life Insurance Corporation (LIC) have already taken action against 31 employees including suspension of 15 staff members. The investigations were still on. Certain private sector banks too have taken action against their employees.

Country's largest lender State Bank of India (SBI) expects to register a lower loan growth rate of 16 per cent for the current fiscal as the demand for advances from the industrial sector is "weak". Bank feels the loan environment is rather weak and hardly any demand in the industrial sector so whatever loan demand is coming is from consumer sector. Last fiscal, SBI posted 21 per cent and 15 per cent growth in advances and deposits, respectively.

## AGRICULTURE

With some major states slated to go to the Assembly polls this year, the government has initiated a move to examine the mandate of the Commission for Agricultural Costs and Prices (CACP), for the first time since 2005 & revisit its methodology to calculate the minimum support price (MSP). The move follows complaints that MSPs of farm produce, especially foodgrain, are inadequate to cover production costs. Delhi, Madhya Pradesh, Chhattisgarh & Rajasthan are slated to hold Assembly polls towards the year-end. Officials said the government had formed a committee under the chairmanship of Mr. Ramesh Chand, Director of National Centre for Agricultural Economics & Policy Research, to study the cost concepts for fixing MSP. Its first meeting was held on Thursday. The committee has been asked to suggest whether there is a need to reposition CACP or not, owing to the liberalization of Indian agriculture. Officials said the new committee would consider whether the methods to determine the value of family labor, the rental value of land, the interest on capital, the depreciation of fixed assets, etc — factors vital to calculating MSP — were appropriate or not. The committee will have representatives from the state governments of Andhra Pradesh, Uttar Pradesh, farmers' organizations & Department of Economic Affairs. CACP determines the MSPs of 25 agricultural commodities, including rice, wheat, pulses & oilseeds. The greatest impact of the entity's decision is seen in the case of wheat & rice as their MSPs are also the de-facto procurement prices.

The state government has drawn up large scale rubber and coffee plantation programme to be taken up on 85,000 acres of land in tribal dominated districts at an investment of Rs 738.49 crore. The programme is meant to encourage cash crop farming in these areas. The programme will run from 2013 to 2022 and is expected to benefit 85,000 tribal families in the state. As per the plan, 45,000 acres will be covered under rubber plantation through five Integrated Tribal Development Agencies (ITDA) in Mayurbhanj and Gajapati districts, which will offer job opportunities for 45,000 tribal farmers in next 10 years. The programme will run from 2013 to 2022 and is expected to benefit 85,000 tribal families in the state.

## May 13, 2013

- ◆ U.S. Advance Retail sales data for the month of April,2013.

## May 14, 2013

- ◆ India's WPI data for the month of April,2013.
- ◆ U.S. Import Price Index data for the month ended April,2013.

## May 15 , 2013

- ◆ U.S. MBA Mortgage Application data for the week ended May 10 ,2013.
- ◆ U.S. IIP data for the month of April,2013.

## May 16, 2013

- ◆ Japan's IIP data for the month ended March,2013.
- ◆ The U.S. Initial Jobless claims data for the week ended May 11,2013.
- ◆ The Bloomberg Consumer comfort data for the week ended May 12,2013.

## May 17 , 2013

- ◆ U. of Michigan confidence data the month of May,2013.
- ◆ U.S. Leading indicators data for the month of April,2013.

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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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