

WEEKLY | FUNDAMENTAL



OUR REPORTS

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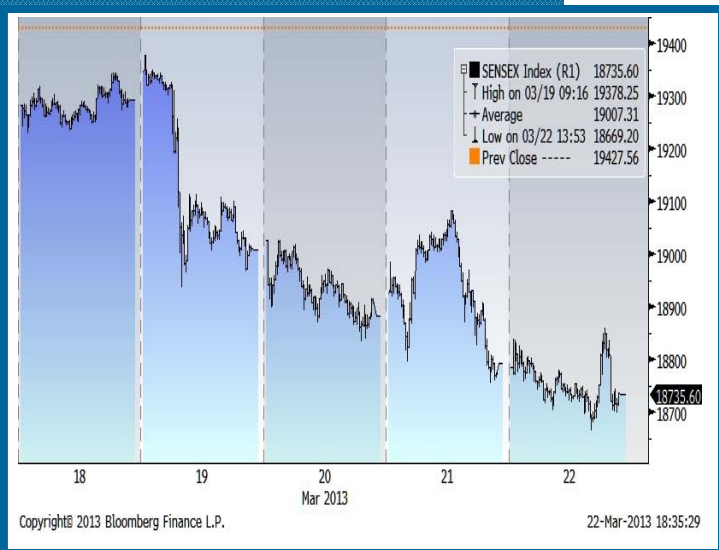
- Event Based Report
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- Annual Budget Review Report

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WEEKLY CHART OF SENSEX



OUTLOOK

Indian markets is likely to be volatile in the following week owing to executionary issues of the proposed policies across all the sectors. Precipitous political issue may keep the markets precarious. The RBI's cut of Repo rates by 25bps failed to bring the cheer in the market. It is advisable for the investors to adopt a prudent and cautious approach for their investment. Banking stocks and other rate sensitive stocks may hog the limelight due to the RBI's rate cut in it's monetary policy. We recommended a BUY for HUL, RIL, PetronetLNG, Pidilite Industries, Dabur India, M&M finance from the long term perspective.

WEEK IN RETROSPECT

It was a disappointing week for equity investors as all markets - domestic and global, ended in the negative zone. The Indian markets were battered by political uncertainty, DMK pulling out of the ruling Coalition and renewed eurozone concerns. On sectoral front, Realty, PSU, Power and Metal were worst hit over the week.

On domestic front, The Reserve Bank of India (RBI) in its Mid-Quarter Monetary Policy review cut the Repo Rate by 25 bps to 7.50 percent and leaves Cash Reserve Ratio (CRR) unchanged at 4.00 percent.

On global front, The U.S. Initial Jobless Claims increased by 2,000 to 336,000 for the week ended March 16, 2013 but it still remained near a five-year low.

The Cyprus parliament has finally passed three key bills in a desperate bid to rescue an EU bailout by a Monday deadline. But the contentious deposit tax has been left until Saturday to vote. Lawmakers on Friday voted to nationalize pension funds, pool state assets for a bond issue and peel good assets from bad in stricken banks. More bills will be brought for a vote over the weekend. **They include a crucial one that would impose a tax of less than 1 percent on all bank deposits.**

Cyprus must amass 5.8 billion euros on its own in return for a 10 billion euro bailout from the European Union. Without a deal by Monday, the European Central Bank has threatened to cut off cash for Cypriot banks, spelling certain collapse and possible ejection from the euro. **However, the eurozone officials said they had still not seen all the details and would have to discuss whatever final plan Cyprus presents.**

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	14512.03	(0.01)	5.28	10.45	10.94	14.13	12.96	11.89	2.86	2.60	2.37
NASDAQ	3244.99	(0.12)	4.13	7.71	5.77	24.56	17.02	14.35	2.85	2.64	2.34
S&P 500	1556.89	(0.24)	4.64	9.12	11.43	15.34	14.08	12.62	2.33	2.16	1.98
FTSE 100	6392.76	(1.49)	0.58	7.36	9.18	18.23	11.83	10.73	1.82	1.68	1.56
CAC 40	3700.29	(1.91)	1.31	3.22	8.46	14.53	11.43	10.26	1.23	1.17	1.11
DAX	7911.35	(1.63)	1.77	3.60	13.09	14.79	11.79	10.42	1.49	1.41	1.31
NIKKEI 225	12338.53	(0.34)	5.79	22.40	23.24	24.79	23.75	18.62	1.49	1.48	1.40
HANG SENG	22115.30	(1.85)	(3.08)	(1.89)	6.99	10.93	10.72	9.83	1.45	1.32	1.22
STRAITS TIMES	3258.57	(0.83)	(0.91)	2.84	8.98	10.74	14.83	13.54	1.45	1.44	1.36
TAIWAN TAIEX	7796.22	(1.65)	(1.90)	2.09	(3.47)	21.67	14.55	12.76	1.66	1.62	1.56
KOSPI	1948.71	(1.90)	(3.02)	(1.67)	(3.85)	30.40	9.30	8.04	1.04	1.05	0.94
BRAZIL BOVESPA	55243.40	(2.85)	(2.42)	(9.44)	(16.06)	22.84	11.18	9.35	1.05	0.99	0.94
RUSSIAN RTS	1470.25	(1.61)	(6.05)	(2.87)	(11.87)	5.43	5.59	5.40	0.76	0.71	0.65
SHANGHAI SE COMPOSIT	2328.27	(2.19)	0.10	5.18	(0.90)	12.88	9.97	8.75	1.69	1.39	1.25
BSE SENSEX	18735.60	(3.56)	(3.08)	(2.69)	7.91	15.90	14.50	12.64	2.59	2.29	2.03
NSE S&P CNX NIFTY	5651.35	(3.76)	(3.47)	(3.49)	7.07	15.49	14.42	12.60	2.52	2.28	2.00

MSCI INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
MSCI WORLD	1432.33	(0.84)	2.95	7.02	9.48
MSCI AC WORLD	358.75	(1.05)	2.11	5.75	7.89
MSCI AC ASIA PACIFIC	134.30	(1.72)	0.04	4.94	6.31
MSCI EM	1015.47	(2.56)	(3.69)	(2.70)	(2.54)

VOLATILITY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M % CH	1Y% CH
CBOE SPX VOLATILITY	13.57	20.08	(28.54)	(27.00)	(8.43)
INDIA NSE VOLATILITY	15.54	2.50	(7.11)	7.24	(33.41)

10 YEARS BOND MARKETS					
NAME	YIELD	5D% CH	1M % CH	3M% CH	1Y% CH
US Generic Govt 10 Year Yield	1.92	(3.24)	(1.88)	9.23	(15.49)
UK Govt Bonds 10 Year Note Gen	1.85	(4.34)	(12.18)	(1.75)	(20.41)
Brazil Government Generic Bond	3.22	1.32	5.36	25.41	(8.15)
Japan Govt Bond Year to maturity	0.56	(9.44)	(22.46)	(26.11)	(44.88)
Australia Govt Bonds Generic M	3.55	(2.06)	0.53	6.88	(15.67)
India Govt Bond Generic Bid Yi	7.96	1.22	2.07	(2.22)	(5.08)

FOREX MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
DOLLAR INDEX SPOT	82.37	0.14	1.09	3.46	3.31
EUR-USD X-RATE	1.29	(0.66)	(1.55)	(1.48)	(1.60)
USD-GBP X-RATE	0.65	(0.77)	(0.44)	5.85	3.87
USD-BRL X-RATE	2.01	(1.30)	(1.82)	3.51	(9.46)
USD-JPY X-RATE	94.46	0.86	(1.10)	(10.07)	(12.62)
USD- X-RATE	54.34	(0.58)	(0.28)	1.13	(5.74)
USD-CNY X-RATE	6.21	0.08	0.43	0.34	1.40
USD-KRW X-RATE	1119.28	(0.74)	(3.09)	(4.03)	1.04

MONEY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BBA LIBOR USD 3M	0.28	1.60	(1.21)	(8.19)	(39.91)
MIBOR Offer Market 3M	0.22	10	0	22.22	(73.17)
India Indicative Call Rate	7.72	(0.39)	(1.03)	(4.69)	(14.22)

INDUSTRIAL METALS & ENERGY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COPPER (USD/T)	7655.00	(1.25)	(1.87)	(2.24)	(7.66)
ALUMINUM (USD/T)	1947.00	(0.86)	(4.93)	(6.53)	(10.15)
ZINC (USD/T)	1952.00	(0.10)	(6.51)	(6.24)	(1.66)
LEAD (USD/T)	2189.50	(1.46)	(4.97)	(5.05)	10.41
OIL (USD/BBL)	93.71	0.27	0.62	5.69	(11.04)
NATURAL GAS (USD/MMBTU)	3.92	1.42	17.25	11.09	15.39

PRECIOUS METALS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
GOLD (USD/OZ)	1608.58	1.04	1.71	(2.93)	(2.26)
SILVER (USD/OZ)	28.74	(0.08)	0.008	(4.21)	(8.99)

INDUSTRY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BALTIC DRY INDEX	933.00	4.59	26.08	33.28	3.00
BBG WORLD IRON INDEX	168.47	(3.73)	(7.92)	(9.56)	(23.54)

AGRO MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COFFEE (USD/IB)	135.30	(1.60)	(5.91)	(9.40)	(29.89)
COTTON (USD/IB)	87.29	(5.63)	4.99	13.71	(2.97)
SUGAR (USD/IB)	18.20	(3.65)	0.27	(6.18)	(25.25)
WHEAT (USD/BU)	729.75	0.93	1.53	(9.00)	(2.71)
SOYBEAN (USD/BU)	1440.50	1.01	(0.22)	1.53	11.55

INSTITUTIONAL FLOW IN Cr (18/03-22/03)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	17939.90	15834.10	2105.90
DII	5624.57	6535.66	(911.09)
MF	1374.20	1419.20	(45.00)

FII DERIVATIVE SEGMENT IN Cr (18/03-22/03)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	10052.66	12365.68	(2313.02)
INDEX OPTION	134180.56	136400.31	(2219.75)
STOCK FUTURE	13594.63	13002.27	592.36
STOCK OPTION	9395.99	9619.79	(382.16)

BSE SECTORAL RETURNS VS INDICES

SECTORS	LAST PRICE	5D%	3M%	1YR%	3YR%	PE ratio
FMCG	5853.30	0.07	-1.20	34.47	109.27	39.93
HEALTHCARE	7952.69	-1.32	-1.33	23.94	52.60	22.70
IT	6787.91	-1.64	20.70	12.90	23.54	17.70
CONSUMER DURABLES	6825.22	-2.22	-10.50	5.38	65.65	85.32
SENSEX INDEX	18735.60	-3.56	-2.63	8.95	7.61	15.91
NIFTY INDEX	5651.35	-3.77	-3.36	8.09	8.57	15.50
MIDCAPS	6079.79	-4.80	-13.12	-3.69	-9.17	15.66
AUTO	10115.33	-4.80	-10.11	2.09	34.92	12.37
BANKEK	12866.93	-5.15	-9.08	9.86	24.39	11.89
OIL & GAS	8422.26	-5.24	0.99	5.12	-16.26	10.37
CNXMCAP INDEX	7317.25	-5.29	-12.20	-3.86	-2.99	13.25
SMALLCAP	5772.93	-6.58	-21.19	-12.53	-31.46	20.93
CAPITAL GOODS	9123.58	-6.79	-15.01	-9.13	-34.32	19.08
METAL	8625.34	-6.87	-21.87	-23.54	-50.86	8.76
POWER	1637.70	-7.32	-15.97	-22.59	-46.03	17.77
REALTY	1781.36	-13.04	-13.04	1.09	-44.53	20.66

TOP 10 PERFORMING STOCKS OF THE WEEK					
NIFTY			CNXMIDCAP		
COMPANY	INDUSTRY	RETURNS(%)	COMPANY	INDUSTRY	RETURNS(%)
LUPIN LTD.	PHARMA	2.91	KANSAI NEROLAC	PAINT	8.71
ITC LTD.	FMCG	1.23	GODREJ CONS.	PERSONAL PROD	4.93
HUL	FMCG	0.11	IGL	OIL & GAS	2.98
CIPLA LTD.	PHARMA	(0.46)	PIRAMAL ENTERP.	PHARMA	2.42
INFOSYS LTD.	IT	(0.52)	ASHOK LEYLAND	AUTO MOBILES	1.77
ASIAN PAINTS LTD.	PAINTS	(1.07)	BIOCON LTD	BIOTECH	1.53
JINDAL S&P	IRON & STEEL	(1.12)	GODREJ INDUS	COMMODITY CHEM	1.00
WIPRO LTD.	BANKING	(1.19)	MOTHERSON SUMI	AUTO ANCILLARY	0.83
GAIL INDIA LTD.	PHARMA	(1.30)	P&G	PERSONAL PROD	0.02
HERO MOTOC ORP	FMCG	(1.48)	THERMAX LTD.	HEAVY EL. EQP.	(0.45)

BANKING

Allow bankers to replace road project developers facing financial stress rather than declaring the projects as non-performing, National Highways Authority of India Chairman R.P. Singh has suggested. Projects under stress are those where the developers are finding it difficult to bring in equity or stick to the original repayment norms. "Banks can step in and replace developers under stress so that highway projects can be saved. At present, they step in only after a project is declared NPA," Singh told. To allow lenders to step in early, the concession agreement needs to be changed, said Singh. Recently, Finance Minister P. Chidambaram asked public sector banks to start taking steps to push stalled projects in the infrastructure sector, including roads. Bank lending to the road sector stood at Rs 114,383 crore in 2012, accounting for over 18 per cent of their total exposure to infrastructure. Typically, banks fund up to 80 per cent of a highway project. Many highway developers are reporting much lower toll collections than their original projections with a thinning of traffic because of the slowdown over the last two years. The cash flow of many projects has come under stress due to dip in revenues from toll earnings. However, early intervention by bankers will require a level of "lender activism" that is yet to be seen in the infrastructure space.

Thirty large banks have informed the Reserve Bank that they are ready to switch to the new uniform risk-based supervision system from April 1, which will enable them to assess their risks on a real-time basis. The new system will bring in a uniform methodology to check the health of the banking system, as against the CAMELS (capital adequacy, asset quality, management, earnings, liquidity and sensitivity to financial risks) framework used at present which follows a compliance-based and transaction-testing approach. The new system will bring the banking supervision practices in India at par with the best practices in the world. The CAMELS (capital adequacy, asset quality, management, earnings, liquidity and sensitivity to financial risks) framework was developed in the early 1970s by the US Fed to assess the health of a bank.

Notwithstanding money laundering allegation, insurance behemoth Life Insurance Corporation (LIC) bought 5.83 lakh shares of Axis Bank at an average price of Rs 1,333.6. LIC increased its stake in Axis Bank to 8.862 per cent from 8.742 per cent through open market purchases. LIC spent Rs 77.76 crore for the purchase that works out to an average price of 1,333.6 a share.

METALS & MINING

India's steel production was down 0.5 per cent at 6.2 million tonnes (MT) in February, although the global output was in the positive terrain. India, the fourth largest steel maker in the world, had produced 6.229 MT steel in February last year, World Steel Association (WSA) data has revealed. China's production at 61.8 MT was nearly 10 times higher than India and almost half of world's total production of 123 MT in February this year. The growth in production in China was 9.8 per cent higher over the same month last year. Globally, production grew by 1.2 per cent during the month. Japan produced 8.3 MT steel, while South Korea's output stood at 5 MT. Among the European Union nations, Germany produced 3.4 MT, Italy 2.1 MT, France 1.3 MT and Spain 1.2 MT in February. The US produced 6.7 MT steel in February 2013, down by 11.8 per cent over the same month last year, it said. Production of steel in Brazil was at 2.6 MT, down 6.2 per cent compared to the same month last year. The crude steel capacity utilization ratio in February 2013 rose to 80.5 per cent from 76.7 per cent in January 2013. Compared to February 2012, it is 0.8 percentage point lower.

Facing iron ore shortages for more than 18 months, JSW Steel said it plans to import 5 million tonnes of the raw material to operate plants in Salem, Tamil Nadu, and Dolvi, near Mumbai. Country's leading steel maker, which has already received some parcels, has plans to import about 5 MT iron ore annually to meet the requirements of the two plants till the crisis continues. The company is sourcing the ore from Australia and South American countries and has already received some parcels at Tuticorin port and JNPT, Mumbai. The plants, with a combined capacity of 4.3 million tonnes per annum (MTPA), account for about 30 per cent of JSW's total capacity at 14.3 MTPA.

The Government has decided to sell 5.82 per cent of its equity in Steel Authority of India Ltd (SAIL) at a floor price of Rs 63 a share. The sell off will take place on Friday. At this price, the Government is expected to get Rs 1,514.5 crore. This will take the total amount earned through disinvestment during 2012-13 to around Rs 23,900 crore. The Government has revised the disinvestment target to Rs 24,000 crore from Rs 30,000 crore as proposed in last year's Budget.

March 25, 2013

- ◆ Dallas Fed Manf. Activity data for the month of March,2013.

March 26, 2013

- ◆ U.S. Consumer confidence data for the month of March,2013.
- ◆ U.S. New Home sales data for the month ended February,2013.

March 27, 2013

- ◆ U.S. MBA Mortgage Application data for the week ended March 22 ,2013.
- ◆ U.S. Pending Home sales data for the month ended Feb,2013.

March 28, 2013

- ◆ U.S. 4Q GDP data.
- ◆ The U.S. Initial Jobless claims data for the week ended March 23,2013.
- ◆ The Bloomberg Consumer comfort data for the week ended March 24,2013.

March 29, 2013

- ◆ U. of Michigan confidence data.

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