

WEEKLY | FUNDAMENTAL



OUR REPORTS

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Others

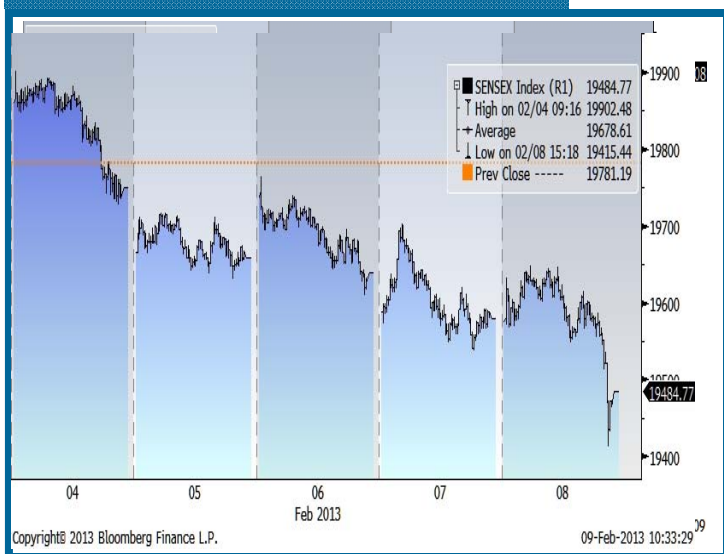
Event Based Report
RBI Monetary Review Report
Annual Budget Expectation Report
Annual Budget Review Report

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WEEKLY CHART OF SENSEX



OUTLOOK

Indian markets are likely to be volatile owing to the array of events which are scheduled in the following week. Economic indicators like IIP data and WPI Inflation data are scheduled during the week. Moreover some heavyweight results in the oil & gas, metal and banking spaces are going to hog the lime-light. Eventually the markets will look up to the budgetary session which commences from February 21, 2013. Important results during the week are SBI, ONGC, SAIL, Hexaware and others. We recommended a BUY for Bata India, Tube Investments, Pidilite Industries, Tata Global, JK Lakshmi Cement, Zydus Wellness in the midcap space from the long term perspective.

WEEK IN RETROSPECT

Indian equity markets settled sharply lower for the second consecutive week with Sensex and Nifty slipping below their psychological marks (19,600 and 6,000) on weak global cues and uninspiring results. A downgrade in GDP at 5% announced this week had disappointed the market sentiment. Most of the sectoral indices traded weak led by BSE Consumer durables, PSU and Metal.

On domestic front, During the current financial year, Indian economy is expected to grow by its slowest pace since FY2002-03. According to CSO estimates, India is likely to grow by 5.0 percent YoY for the year ending March 31st, 2013 against 6.2 percent YoY last year.

India's Services PMI increased to a year's high of 57.5 in January 2013, against 55.6 in the previous month.

India's foodgrain production is estimated to decline by 3.5 percent to 250.14 million tonne in 2012-13 crop year against 259.32 million tonne last year.

On global front, During the month of January 2013, China's Exports grew 25.0 percent from a year earlier to USD187.4 billion and Imports surged 28.8 percent to USD158.2 billion, resulting a Trade Surplus of USD29.2 billion.

The U.S. Factory Orders rose by a seasonally adjusted 1.8 percent in December 2012 against a fall of 0.3 percent in November 2012.

Industrial production in Germany rose 0.3 percent in December 2012 against a 0.2 percent fall in November.

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	13992.97	(0.12)	3.74	9.18	9.31	13.72	12.56	11.47	2.78	2.51	2.28
NASDAQ	3193.87	0.46	2.18	9.94	9.98	22.81	16.50	13.98	2.82	2.59	2.31
S&P 500	1517.93	0.31	3.11	10.00	13.05	14.97	13.71	12.28	2.26	2.10	1.93
FTSE 100	6263.93	(1.31)	2.32	8.56	7.03	16.51	11.71	10.66	1.80	1.66	1.54
CAC 40	3649.50	(3.28)	(1.52)	6.59	8.19	12.62	10.87	9.83	1.21	1.12	1.06
DAX	7652.14	(2.31)	(0.82)	6.82	14.33	15.77	11.30	9.98	1.46	1.34	1.25
NIKKEI 225	11153.16	(0.34)	3.25	27.35	24.65	24.70	21.65	17.50	1.36	1.35	1.27
HANG SENG	23215.16	(2.13)	(0.21)	8.56	11.69	11.88	11.25	10.23	1.55	1.39	1.28
STRAITS TIMES	3270.30	(0.63)	1.67	8.66	10.48	10.32	14.75	13.51	1.44	1.40	1.33
TAIWAN TAIEX	7906.65	0.94	1.95	8.50	2.58	22.94	14.93	13.08	1.69	1.65	1.56
KOSPI	1950.90	(0.35)	(2.29)	2.44	(2.14)	15.83	9.27	8.02	1.04	1.05	0.94
BRAZIL BOVESPA	58497.83	(3.07)	(4.87)	1.98	(8.59)	18.63	11.27	9.50	1.11	1.04	0.99
RUSSIAN RTS	1588.03	(1.51)	1.03	13.60	(0.95)	5.89	5.95	5.77	0.83	0.79	0.72
SHANGHAI SE COMPOSIT	2432.40	0.55	8.44	17.56	3.42	13.40	10.46	9.19	1.77	1.46	1.31
BSE SENSEX	19484.77	(1.49)	(0.90)	4.28	9.78	16.31	15.53	13.48	2.72	2.53	2.24
NSE S&P CNX NIFTY	5903.50	(1.59)	(0.80)	3.82	9.69	16.10	15.41	13.42	2.65	2.50	2.20

MSCI INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
MSCI WORLD	1410.44	(0.44)	2.06	10.53	11.08
MSCI AC WORLD	355.86	(0.53)	1.65	10.08	9.84
MSCI AC ASIA PACIFIC	133.05	0.25	0.93	9.70	6.56
MSCI EM	1060.87	(1.11)	(1.13)	7.05	1.79

VOLATILITY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M % CH	1Y% CH
CBOE SPX VOLATILITY	13.02	0.93	(2.54)	(30.03)	(37.37)
INDIA NSE VOLATILITY	15.16	10.17	14.58	5.49	(36.38)

10 YEARS BOND MARKETS					
NAME	YIELD	5D% CH	1M % CH	3M% CH	1Y% CH
US Generic Govt 10 Year Yield	1.95	(3.22)	4.36	20.75	(1.63)
UK Govt Bonds 10 Year Note Gen	2.09	(0.09)	3.30	18.16	(4.38)
Brazil Government Generic Bond	2.91	0.13	6.59	22.89	(20.98)
Japan Govt Bond Year to maturity	0.76	(0.77)	(8.49)	2.00	(22.88)
Australia Govt Bonds Generic M	3.47	(1.39)	1.57	10.28	(12.71)
India Govt Bond Generic Bid Yi	7.84	(0.79)	(0.79)	(4.24)	(4.81)

FOREX MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
DOLLAR INDEX SPOT	80.24	1.41	(0.80)	(1.15)	0.25
EUR-USD X-RATE	1.33	(2.01)	3.30	5.38	3.64
USD-GBP X-RATE	0.63	(0.69)	3.52	2.77	0.88
USD-BRL X-RATE	1.97	0.77	3.19	2.18	(12.76)
USD-JPY X-RATE	92.68	0.09	(6.54)	(13.63)	(17.86)
USD- X-RATE	53.50	(0.57)	2.79	0.95	(7.37)
USD-CNY X-RATE	6.23	(0.12)	0.16	0.19	1.29
USD-KRW X-RATE	1095.80	0.14	(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	(1.18)	(4.26)	(5.80)	(43.10)
MIBOR Offer Market 3M	0.23	0	21.05	21.05	(78.70)
India Indicative Call Rate	7.80	(0.64)	(1.89)	(1.89)	(10.34)

INDUSTRIAL METALS & ENERGY MARKETS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COPPER (USD/T)	8294.00	0.04	2.64	8.70	(3.33)
ALUMINUM (USD/T)	2119.00	(0.28)	2.51	10.07	(5.88)
ZINC (USD/T)	2205.00	1.33	9.15	14.30	4.25
LEAD (USD/T)	2421.00	(1.22)	3.97	9.64	11.00
OIL (USD/BBL)	95.72	(2.09)	2.75	12.49	(3.03)
NATURAL GAS (USD/MMBTU)	3.27	(0.87)	1.17	(12.02)	(8.14)

PRECIOUS METALS					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
GOLD (USD/OZ)	1667.20	(0.01)	0.48	(3.71)	(3.80)
SILVER (USD/OZ)	31.41	(1.29)	3.39	(2.83)	(7.53)

INDUSTRY INDICES					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
BALTIC DRY INDEX	748.00	(0.26)	(1.57)	(20.42)	4.61
BBG WORLD IRON INDEX	193.40	(0.41)	(0.09)	13.06	(16.23)

AGRO MARKET					
NAME	LAST PRICE	5D% CH	1M% CH	3M% CH	1Y% CH
COFFEE (USD/IB)	141.05	(4.66)	(4.79)	(10.07)	(39.97)
COTTON (USD/IB)	82.67	(0.37)	10.05	17.53	(14.83)
SUGAR (USD/IB)	18.14	(3.97)	(2.83)	(3.71)	(25.13)
WHEAT (USD/BU)	756.25	(1.14)	0.76	(17.48)	3.98
SOYBEAN (USD/BU)	1452.50	(1.47)	4.76	(1.62)	16.41

INSTITUTIONAL FLOW IN Cr (04/02-08/02)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	28828.40	12659.00	16168.60
DII	4145.32	8599.73	(4454.41)
MF	1966.30	3306.80	(818.50)

FII DERIVATIVE SEGMENT IN Cr (04/02-04/02)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	5134.82	7477.89	(2343.08)
INDEX OPTION	48111.11	44162.05	3949.06
STOCK FUTURE	8062.45	6602.03	1460.42
STOCK OPTION	4551.12	4835.94	(284.82)

BSE SECTORAL RETURNS VS INDICES

SECTORS	LAST PRICE	5D%	3M%	1YR%	3YR%	PE ratio
IT	6477.18	1.73	11.64	8.00	33.53	17.10
AUTOMOBILES	10809.65	-0.70	0.47	13.01	57.81	12.35
SENSEX INDEX	19484.77	-1.50	3.39	10.04	22.27	16.33
NIFTY INDEX	5903.50	-1.59	2.87	9.97	24.01	16.12
FMCG	5819.85	-1.93	0.40	40.70	114.39	39.84
BANKEKX	14102.99	-2.50	5.66	19.02	51.32	13.05
HEALTHCARE	7874.42	-2.54	0.89	23.15	65.86	26.13
CAPITAL GOODS	10167.80	-2.64	-7.33	-1.60	-21.68	19.14
REALTY	2152.75	-2.70	11.12	15.19	-35.36	24.32
CNXMCAP INDEX	8109.45	-2.97	1.79	9.06	13.08	14.06
MIDCAPS	6756.01	-3.04	0.43	9.65	5.06	16.18
SMALLCAPS	6794.14	-3.72	-4.56	-0.26	-17.06	22.08
OIL & GAS	9016.73	-3.82	8.68	1.73	-7.12	11.01
POWER	1869.39	-4.25	-5.87	-13.42	-37.19	18.07
METAL	10066.53	-4.35	-2.15	-16.43	-34.60	9.89
CONSUMER DURABLES	7317.83	-5.16	-1.51	19.82	85.40	86.33

TOP 10 PERFORMING STOCKS OF THE WEEK					
NIFTY			CNXMIDCAP		
COMPANY	INDUSTRY	RETURNS(%)	COMPANY	INDUSTRY	RETURNS(%)
TCS	IT	5.53	HEXAWARE	IT	5.86
HDFC	NBFC	3.97	BHUSHAN STEEL	METAL	3.84
SUN PHARMA	PHARMA	3.64	KANSAI NEROLAC	PAINT	3.80
ULTRATECH CEM	CEMENT	2.54	GREAT EASRTERN	SHIPPING	3.61
HDFC BANK LTD	BANKING	1.55	APOLLO HOSPITAL	HOSPITAL	3.31
TATA MOTORS LTD.	AUTOMOBILES	1.33	GODREJ INDUSTRY	COMMODITY CHEM	3.13
WIPRO LTD.	IT	1.18	IRB INFRA	INFRA	2.69
KOTAK MAHINDRA	BANKING	0.90	HAVELLS INDIA	CABLE	2.46
POWER GRID	POWER	0.72	CASTROL INDIA	OIL DISTRBN. COS	1.97
INFOSYS LTD.	IT	0.67	OIL INDIA	OIL & GAS	1.79

BANKING

Kotak Mahindra Bank has acquired the business loans portfolio aggregating Rs 700 crore from Barclays Bank (India Branch) and Barclays Investment and Loan (India) Ltd. Kotak Bank will gain access to around 6,000 business loan customers from the foreign bank. The business loan portfolio comprises unsecured loans. All these loans are classified as standard loans as per current RBI guidelines. Kotak Mahindra had last year acquired a part of the UK-based lender's local credit-card portfolio.

The National Housing Bank (NHB) has received applications from about half-a-dozen housing finance companies for raising \$1.06 billion through External Commercial Borrowings to support low-cost housing projects. Some of the applicants include LIC Housing Finance, PNB Housing and Dewan Housing Finance. However, developers' response has been lukewarm, with only two developers approaching the NHB so far. NHB is the nodal agency for deciding on the entities eligible for tapping ECBs for low cost affordable housing. As per current RBI guidelines, developers and housing finance companies (HFCs) can raise up to \$1 billion through the ECB route and this can be used either for developing low-cost housing projects or providing loans up to Rs 25 lakh to individuals for buying units priced Rs 30 lakh or less. Besides developers, NHB too can also raise ECBs for financing prospective owners of low-cost, affordable housing units. Slum rehabilitation projects would also be eligible for raising ECBs to fund affordable housing projects.

Axis Bank has deployed 500 cash deposit machines at its branches in over 300 cities. The cash deposit machines will give customers the convenience of depositing cash, with funds getting credited instantly to their accounts for all successful transactions without filling deposit slips, provides mini statement and account balance for all the card-based transactions. The machine segregates the notes as per each denomination, counts and displays them for the customer's confirmation before crediting the account. This reduces the customers' time to deposit cash from an average of 30 minutes to less than a minute.

Following the Reserve Bank of India's key policy rate cuts on January 29, Bank of Maharashtra (BoM) slashed its base rate by 25 basis points. The Pune-based public sector lender has reduced its base rate by 25 bps from 10.50 per cent to 10.25 per cent per annum on a monthly compounding basis. The new rates will be effective from February 9.

METALS & MINING

Coal India feels price pooling of domestic and imported coal would result in an extra burden on state power utilities which already owe over Rs 5,000 crore to the PSU. Coal India Ltd (CIL) has opposed price pooling of domestic and imported coal stating that states would oppose any such decision as this would result in extra burden on their plants, which were so far getting domestic coal on notified prices. Power utilities including state-run units in West Bengal, Tamil Nadu, Jharkhand and Madhya Pradesh owe over Rs 5,000 crore to CIL, adding that the Coal Ministry has mentioned the same in its 144-page note on price pooling to Cabinet. Of the Rs 5,000 crore, NTPC, which is yet to sign the fuel supply pact with CIL, has to pay more than Rs 1,000 crore to the coal PSU. Independent directors of the PSU are also opposed to any such price pooling mechanism, which according to them might impact the financials of the coal major. The Cabinet Committee on Economic Affairs yesterday had deliberated on averaging of prices of domestic and imported coal to get a uniform feedstock price in the country and had asked coal and power ministries to come back with specifics of the proposal. However, the final decision on the issue is pending for long due to differences between the Coal and Power Ministries on how the impact of higher imported coal prices will be shared between CIL and power companies.

The new steel policy, likely to be announced in a month, is expected to iron out issues related to foreign direct investments, land acquisitions and environment clearances. The draft of the new policy, seen as a stimulus measure, has been circulated for final comments and it would be announced soon. The sector is in the midst of a slowdown due to severe raw material crunch and a halt in commissioning of new projects. The policy is expected to have solutions to problems plaguing the sector — the recent ban on iron ore mining in Karnataka, Odisha and Goa, land acquisition problems and delays in getting environment clearances. The ban on iron ore mining has forced steel companies to import raw material, increasing costs. Steel projects — including those of ArcelorMittal and Posco — could not take off because of such issues. Policy could end land acquisition and green nod problems, and encourage foreign investors.

February 11, 2013

- ◆ U.K. Lloyds Employment confidence data for the month ended January,2013.

February 12, 2013

- ◆ India's IIP data for the month of December,2012.

February 13, 2013

- ◆ U.S. MBA Mortgage Application data for the week ended February 08 ,2013.
- ◆ U.S. Monthly Budget statement for the month ended January,2013.

February 14, 2013

- ◆ India's WPI inflation data for the month of January,2013.
- ◆ The U.S. Initial Jobless claims data for the week ended Feb 09,2013.
- ◆ The Bloomberg Consumer comfort data for the week ended Feb 10,2013.

February 15, 2013

- ◆ U.S. IIP data for the month ended January,2013.
- ◆ U. of Michigan confidence data.

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