



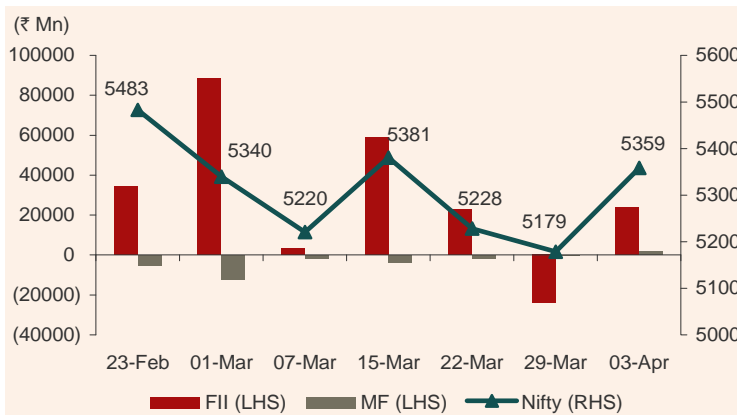
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## Major Event of the Week

**10-Yr Govt. benchmark bond yield hits 4-month high of 8.78%**

## Nifty & Institutional Flow



Source: NSE  
Note: As per Thursday closing

## Top Nifty Movers Shakers

<b>Cairn India 7.5%</b> ↑	<b>Bhel 6.4%</b> ↑	<b>Hcl Tech 5.3%</b> ↑	<b>Jaiprakash Asso 5.3%</b> ↑
<b>Siemens 4.4%</b> ↑	<b>SAIL 3.9%</b> ↑	<b>Reliance Power 3.2%</b> ↑	<b>SBI 3.2%</b> ↑
<b>Jindal Steel &amp; Power (3.8%)</b> ↓	<b>Dr. Reddy'S Lab. (3%)</b> ↓	<b>Bajaj Auto (2.7%)</b> ↓	<b>HUL (2.6%)</b> ↓
<b>Maruti Suzuki (2.6%)</b> ↓	<b>Ambuja Cements (2.4%)</b> ↓	<b>Bharti Airtel (2.3%)</b> ↓	<b>Hero Motocorp (2.1%)</b> ↓

Source: NSE

Developed Equity Markets	Last Close	% Change	
		WTD	YTD
U.S. (S&P)*	1,413	0.3	12.4
UK (FTSE)*	5,771	0.0	3.6
Japan (Nikkei 225)	9,820	(2.6)	16.1
Germany (DAX)*	6,857	(1.3)	16.3
France (CAC)*	3,365	(1.7)	6.5
Italy (FTSEMIB)*	15,539	(2.8)	3.0
Spain (IBEX)*	7,802	(2.6)	(8.9)

BRIC Equity Markets	Last Close	% Change	
		WTD	YTD
India (Sensex)	17,486	0.5	13.1
India (Nifty)	5,323	0.5	15.1
China (Shanghai)	2,263	0.0	2.9
Russia (Micex)*	1,522	0.3	8.6
Brazil (Ibov)*	64,284	(0.4)	13.3

Asian Equity Markets	Last Close	% Change	
		WTD	YTD
Hong Kong(HSI)	20,791	1.1	12.8
Korea (Kospi)	2,019	0.2	10.6

BSE Sector	Last Close	% Change	
		WTD	YTD
BSE Mid Cap	6,474	2.0	26.1
BSE Small Cap	6,845	3.3	23.3
Auto	10,064	(0.7)	23.6
Bankex	11,925	1.5	30.3
Capital Goods	10,359	3.3	28.4
Power	2,158	3.2	20.2
Realty	1,798	1.2	30.7
Technology	3,573	0.3	5.7
FMCG	4,504	0.2	11.6
Metal	11,355	0.1	22.2

Institutional Activity	Spot market		
	WTD	MTD	YTD
FII (Rs bn)*	23.8	14.2	450.9
MF (Rs bn)*	2.2	3.2	(55.5)

Commodities Update	Unit	Close	% Change	
			WTD	YTD
Crude Oil(Brent)**	\$/Bbl	124	1.2	15.8
Gold(OTC)**	\$/Oz	1,635	(2.0)	5.2
Silver(OTC)**	\$/Oz	32	(0.6)	15.2
Copper(LME)**	\$/MT	8,639	1.9	13.8
Aluminum(LME)**	\$/MT	2,084	(0.2)	4.5
Sugar(LIFFE)**	\$/MT	635	(1.4)	5.4
ZINC(LME)**	\$/MT	2,022	1.1	9.6

Currency	Close	% Change	
		WTD	YTD
INR/USD**	51.1	(0.5)	3.8
USD/EURO**	1.3	1.3	(1.5)
USD/JPY**	82.2	0.8	(7.0)

\* As per Thursday closing  
\*\* As per Friday 16:30 hrs IST  
Source: Bloomberg



### Top Corporate News during the week

#### Loans given to Lavasa may be classified as NPA's by various banks during Q4; Negative in short term for HCC.

As per media reports some of the lenders (ICICI, PNB etc) which have given loans to Lavasa (~65% subsidiary of HCC) will classify the loans given to Lavasa as NPA's during Q4. We believe this will further strain the company's financials and will be negative for HCC in the short term.

#### March auto sales numbers – continuing the regained momentum in Jan, thanks to pre-budget purchases.

**Maruti Suzuki** sales witnessed a little less than expected increase of 3.28% to 1.26 lac units from 1.22 lac units (YoY). The domestic volumes were up by 2% to 1.12 lac units, whereas export increased by 14.7% to 13228 units. Predominately, sales were driven by compact (Swift, Estilo, Ritz – 23.6%) & super compact (Dzire – 60.1%) segment as against bread and butter Maruti segment of mini cars (800, Alto, A-star and Wagon) segment, which de-grew by 10.2%

**M&M** continued its momentum of robust sales numbers in Mar as well sold 47001 units (YoY), an increase of 25.3%. Predominately, the pre-purchase of diesel segment (SUV) drove the growth of 33% to 23020 units vs 17320 units (YoY). Whereas, the high margin tractor has declined by 13% to 17405 units vs 20032 units.

**Tata Motors** reported 20% increase in total sales in Mar to more than 1 lac units on YoY. The domestic sales increased by 20% to 95047 units on YoY basis. The company witnessed a broad based growth across all segments CV (17% up), PV (30% up) and LCV (up by 37%).

**Two Wheelers: Hero Honda** continued to maintain its momentum, posted an increase of 2.4% to 5.28 lac units vs 5.15 lac units. TVS Motors started to face tough competition from peers and posted decline in volumes by 4.5% to 1.85 lac units vs 1.91 lac units (YoY)

### Macro Economy & Other News

#### Domestic

##### Current A/c deficit widens to \$19.6 bn in Dec Qtr

India's Oct-Dec current a/c deficit nearly doubled to \$19.6 bn from \$10.1 bn YoY due to a sharp slowdown in merchandise and services exports. The trade deficit for same period widened to \$47.7 bn from \$31.4 bn YoY

##### India's HSBC PMI slows for third straight month

HSBC India manufacturing PMI stood at 54.7 in March down from 56.6 in prior month as output and new order growth weakened amid power cuts leading to capacity constraints

##### 10-yr govt. yield touched 8.78%, 4-month high

Govt. bond yields climbed to a fresh 4-month high, after the debut auction in fiscal FY13 disappointed the market, sparking concerns over incremental demand for the heavy weekly supplies lined up going ahead.

#### International

##### China PMI data paint mixed manufacturing picture

China's manufacturing got a mixed assessment day, as the official survey for March improved to 53.1, highest in a year while survey by HSBC showed the index at 48.3 down from 49.6 in prior month.

##### Euro Zone unemployment rate rise to 10.8%

Euro Zone unemployment rose to 10.8% in February from 10.7% in the previous month. The number of unemployed totaled 17.1 mn. Spain had the highest unemployment rate of 23.6%.

##### FOMC Meet Minutes: No need for more U.S. Stimulus

The minutes from the FOMC last policy meeting suggested policymakers are not ready to embark on more bond purchases to tweak rates lower in a bid to stimulate the economy

##### Australia post surprise trade deficit in February

Australia swung to trade deficit of \$493 mn in Feb'12 as exports fell a seasonally adjusted 2% from Jan. and imports dropped 4%. The drop in exports included a 16% fall for shipments of coal, coke and briquettes etc.

Source: Economic Times, Business Line, Business Standard, Times of India, DNA Money, Mint, Financial Express, Bloomberg



## Global Equity Indices & Sectoral Performance

Developed		Index value	Index Return	Technology	Basic Materials	Financials	Telecom	Industrials	Utilities	Oil & Gas	Health Care	Consumer Goods
				%	%	%	%	%	%	%	%	%
US	DOW	13200	-0.09	-0.35	-0.03	-0.29	-0.61	-0.68	---	-0.57	0.3	1.1
UK	FTSE	5764	-0.08	1.54	0.34	-3.16	0.74	0.26	2.31	-0.79	-0.16	1.06
GERMANY	DAX	6852	-1.37	-0.96	-0.9	-3.48	-2.38	-1.26	-2.59	---	3.35	-0.25
FRANCE	CAC	3353	-2.06	-2.4	-0.58	-6.82	-3.7	-2.53	-2.58	-0.22	0.65	0.7
JAPAN	NIKKEI	9820	-2.61	-0.97	-2.5	-2.97	-1.86	-1.59	-0.2	-3.31	-3.06	-0.68
BRIC												
BRAZIL	BOVESPA	64284	-0.35	---	0.19	-4.19	-0.5	0.44	-0.49	-5.37	-3.03	-2.29
RUSSIA	MICEX	1512	-0.38	---	-0.25	0.13	0.74	---	-3.05	0.27	---	---
INDIA	NIFTY	5323	0.52	1.27	3.48	2.85	-0.51	3.32	2.88	2.98	2.28	-0.28
CHINA	SANGHAI	2263	0.00	-6.31	-7.41	-0.8	-5.62	-5.49	-3.76	-7.71	-5.99	-5.2
Asian												
HONG KONG	H S I	20791	1.15	0.45	-0.66	0.06	-0.4	-2.58	-0.79	-2.7	---	0.85
KOREA	KOSPI	2019	0.23	0.97	0.79	-1.04	-1.15	-2.45	-2.16	-0.58	0.74	4.4
SINGAPORE	STRAITS	2985	-0.84	---	---	-0.26	0.32	1.75	---	0.3	---	-1.41
TAIWAN	TWSE	7761	-2.17	-3.57	-1.13	-4.55	0.77	-3.33	-2.13	-0.19	-7.75	-6.24

Source: Bloomberg, ABML Research  
 Note: As per Friday 16:30 hrs IST

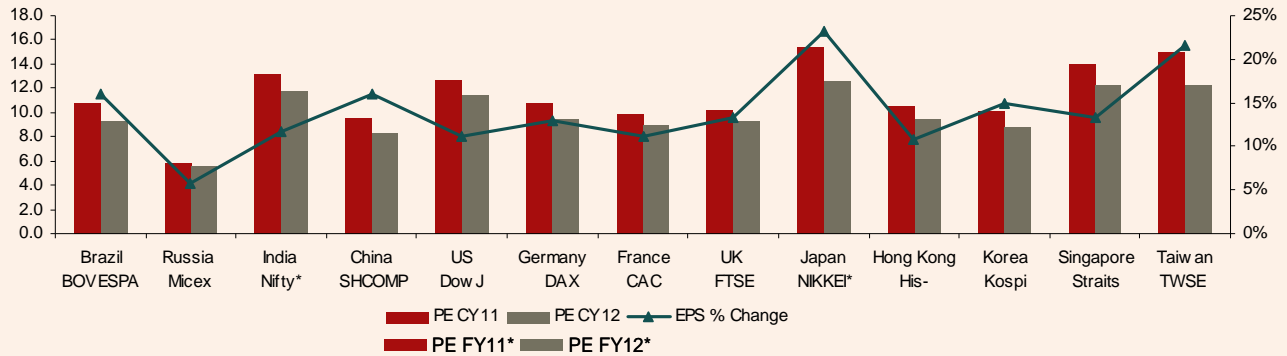
## Nifty Relative Valuation Metrics (1 Year Forward)



Source: NSE, ABML Research

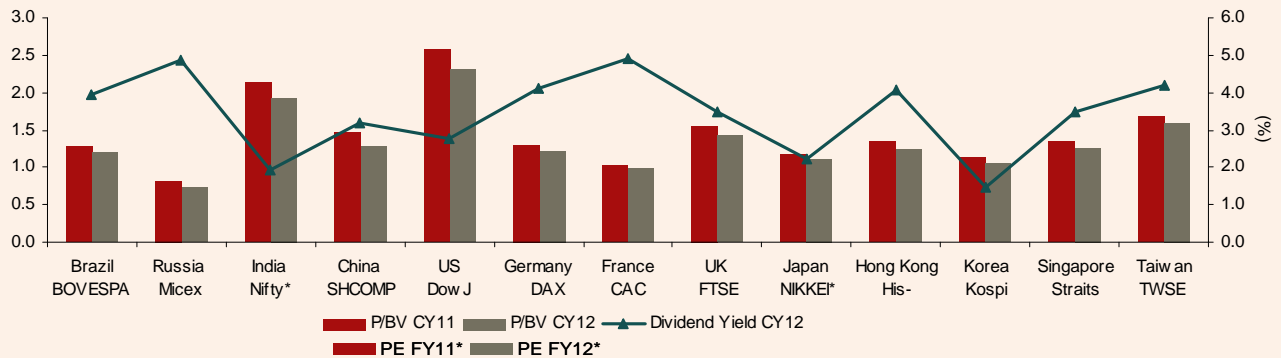


## Global Indices Forward P/E



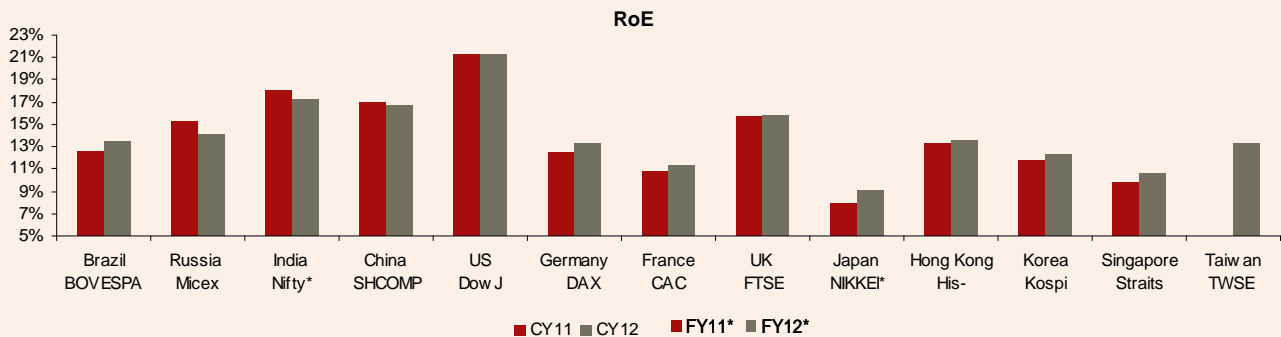
Source: Bloomberg, ABML Research  
Note: As per Friday 16:30 hrs IST

## Global Indices Forward P/BV



Source: Bloomberg, ABML Research  
Note: As per Friday 16:30 hrs IST

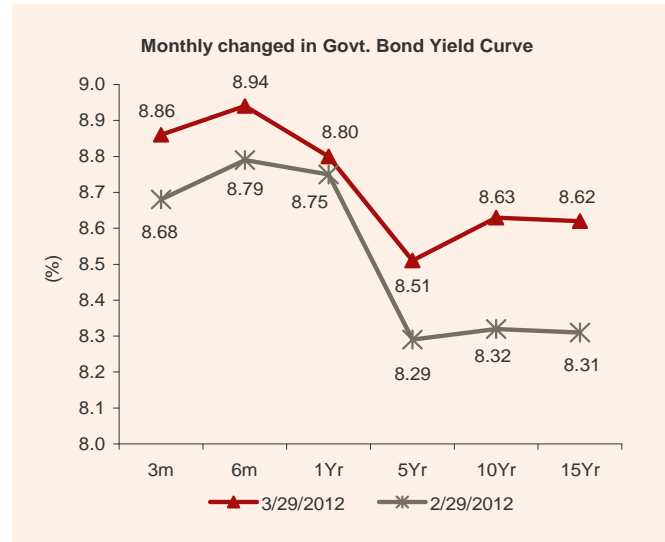
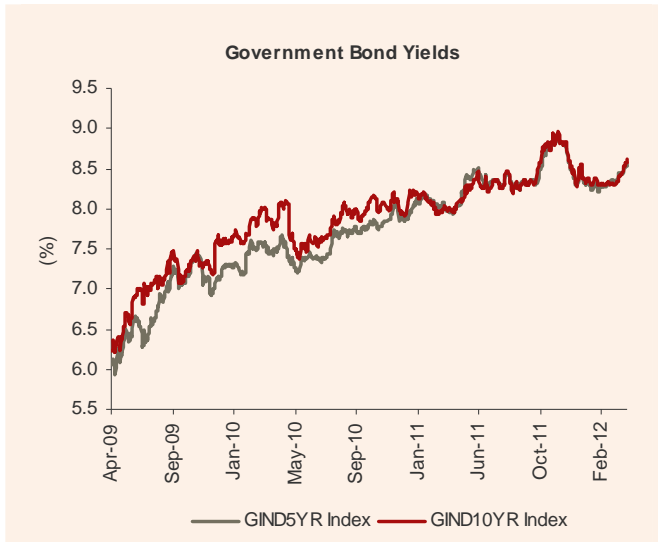
## Global Indices RoE



Source: Bloomberg, ABML Research  
Note: As per Friday 16:30 hrs IST

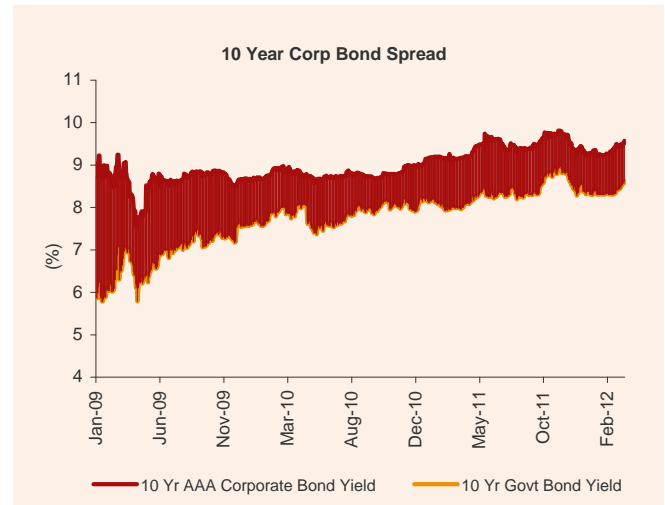
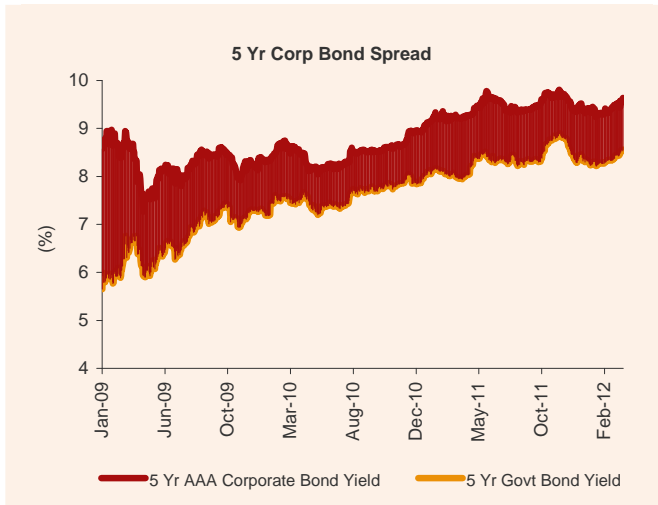


Government Bond Yield (India)



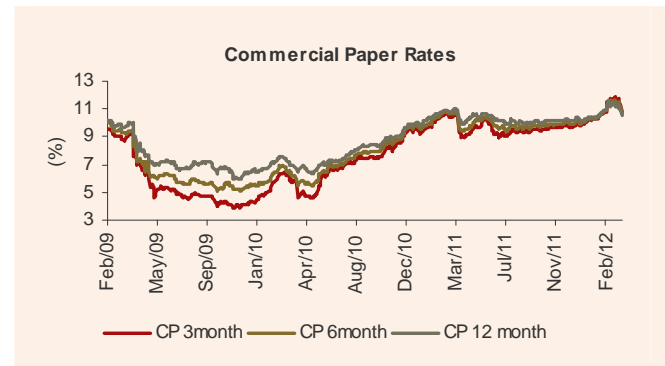
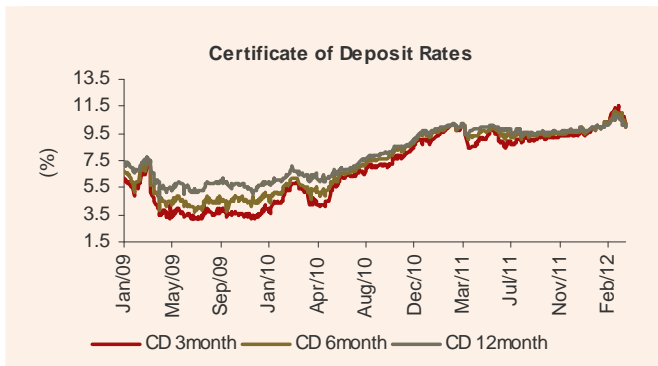
Source: Bloomberg, ABML Research

G-sec – AAA Corporate Bond — Spread (India)



Source: Bloomberg, ABML Research

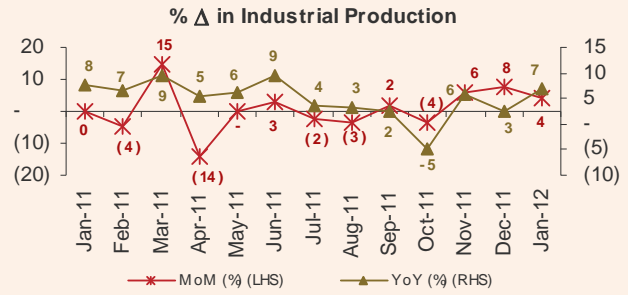
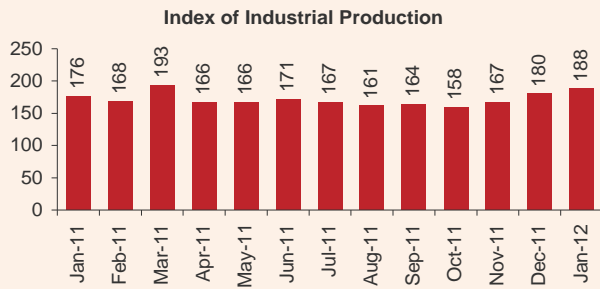
CD & CP Rates Movement



Source: Bloomberg, ABML Research

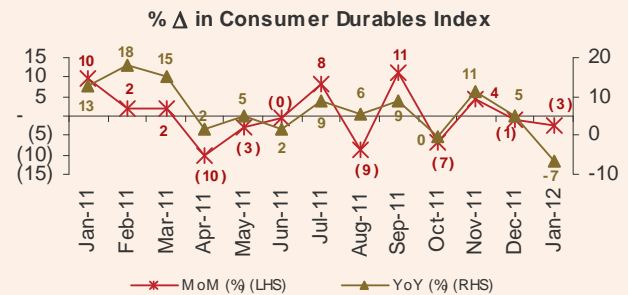
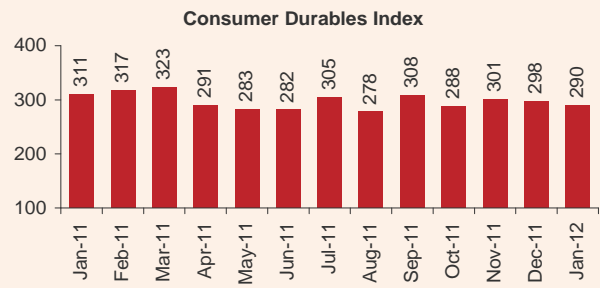


## Index of Industrial Production



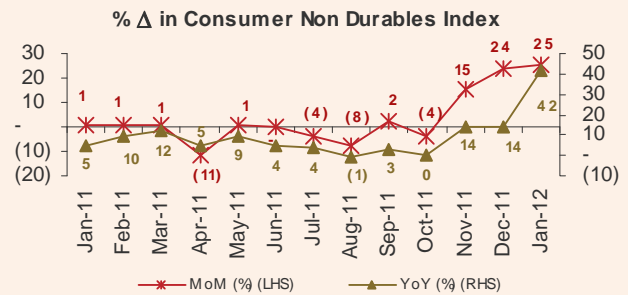
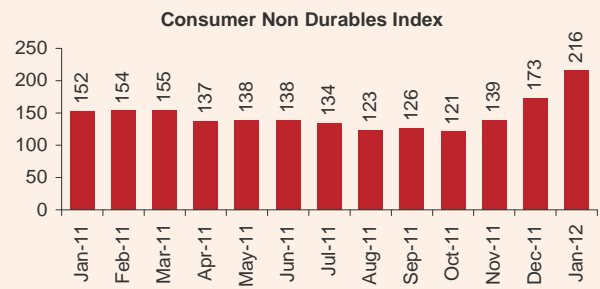
Source: Bloomberg, ABML Research

## Consumer Durables



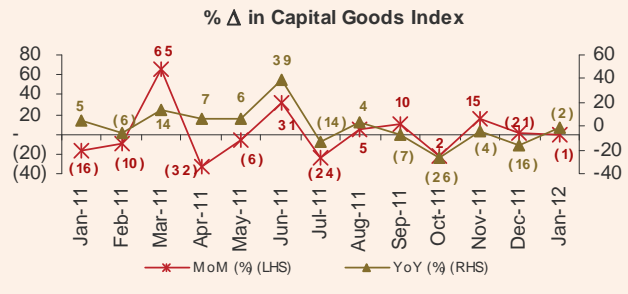
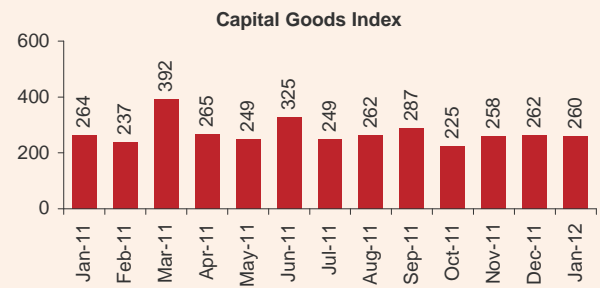
Source: Bloomberg, ABML Research

## Consumer Non Durables



Source: Bloomberg, ABML Research

## Capital Goods

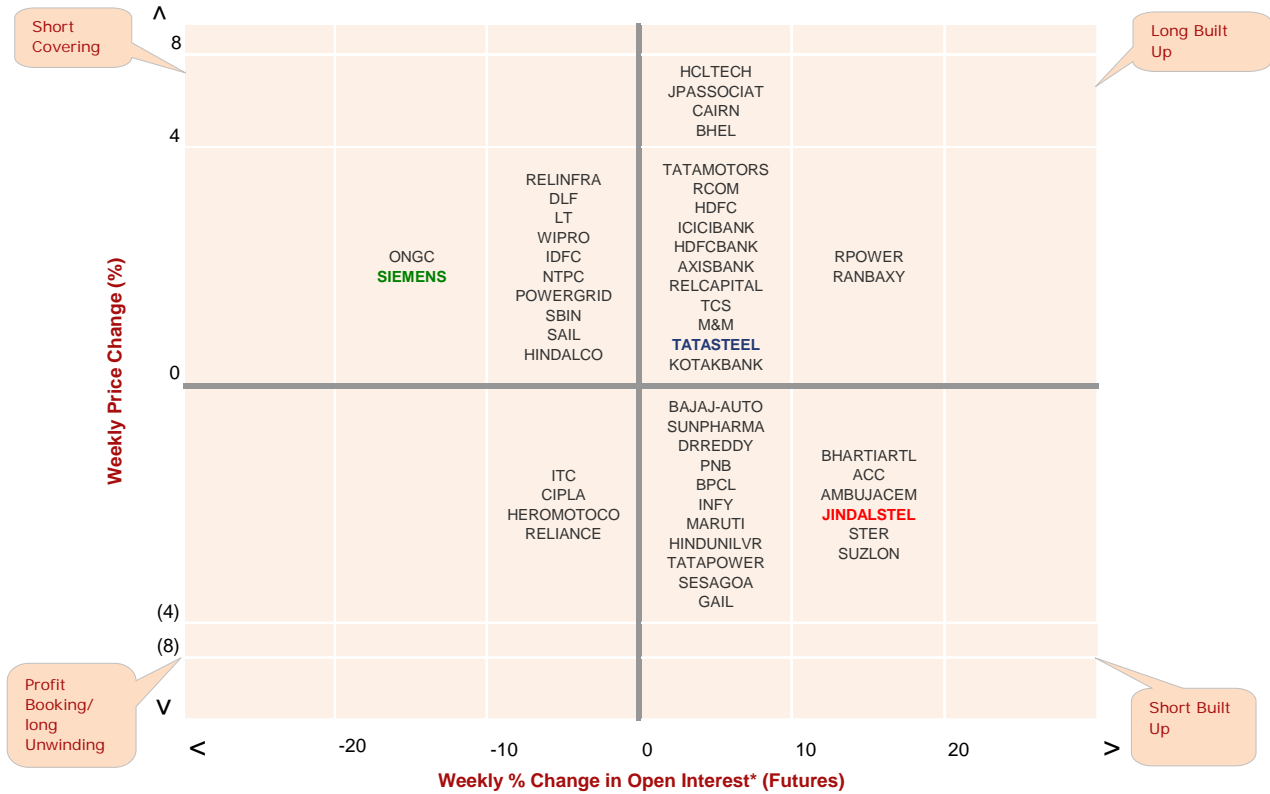


Source: Bloomberg, ABML Research



Derivatives Corner

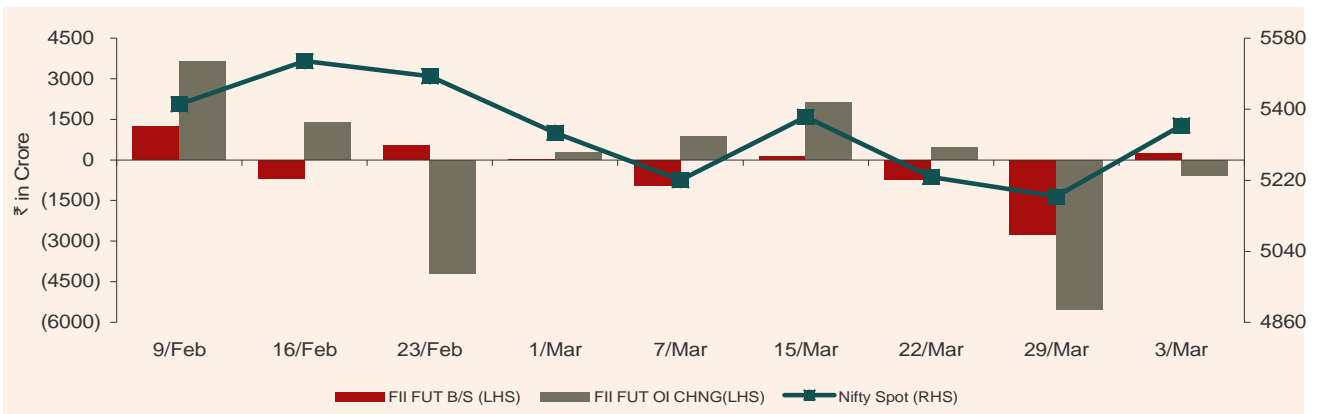
Nifty Grid — % Change in Price



■ Possible Long Candidates on dips    
 ■ Possible Short Candidates    
 ■ Probable Long Candidates

Note 1: Summation of three series of future.  
 Note 2: Take positions with proper stop losses.

FII Deri Watch



Source: NSE





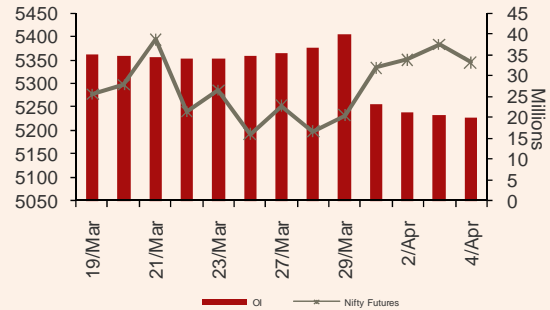
## Nifty Synopsis

Particulars	Spot	Future	Prem. / Disc.	Futures OI	PCR OI	PCR VOL	VIX (%)
Current	5322.9	5344.55	21.65	19846050	1.21	1.18	20.63
Previous	5295.55	5333.25	37.70	23018850	1.12	1.10	22.38
Change (%)	0.52	0.21	-	-13.78	-	-	-7.82

## Outlook

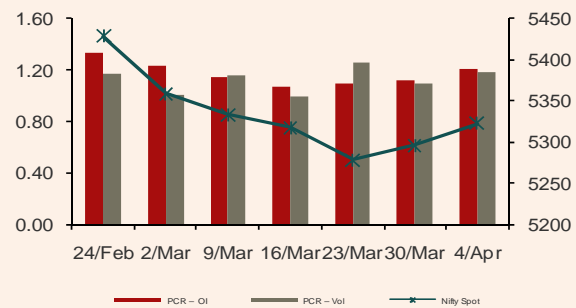
- In Index Futures FII's were net buyers to the tune of ₹ 233 Cr with an open interest decrease of around ₹ 596.73 Cr as compared to net selling to the tune of ₹ 2748 Cr with an open interest decrease of around ₹ 5508.60 Cr as of the previous trading week:** Indicating Short Covering in Index Futures by FII's.
- Nifty Futures open interest saw a decrease of around 13.78% and Nifty Futures saw a increase of around 0.21%:** Indicating Short Covering in Nifty.
- India VIX saw a decrease of around 7.82%:** Indicating positiveness for the market.
- The PCR for Nifty based on open interest is up at 1.21 as compared to 1.12:** Indicating positiveness for the market.
- High put option open interest build up of around 5.7 mn and 5.0 mn is seen at 5200 and 5100 strikes respectively:** Indicating that they will act as strong supports.
- High call option open interest build up of around 3.7 mn and 4.5 mn is seen at 5500 and 5600 strikes respectively:** Indicating that they will act as strong resistances.
- Nifty is trading at a premium of 21-22 points as compared to a premium of 37-38 points:** Indicating negativenes for the market.

## Nifty open interest vs Nifty Futures



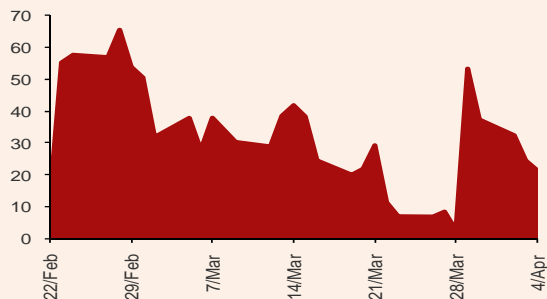
Source: NSE

## Nifty Spot vs PCR



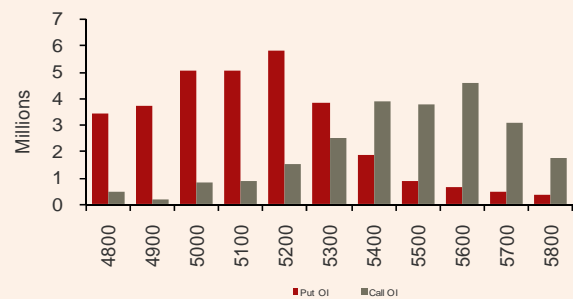
Source: NSE

## Nifty Premium / Discount



Source: NSE

## Nifty Options OI built up (Current expiry)



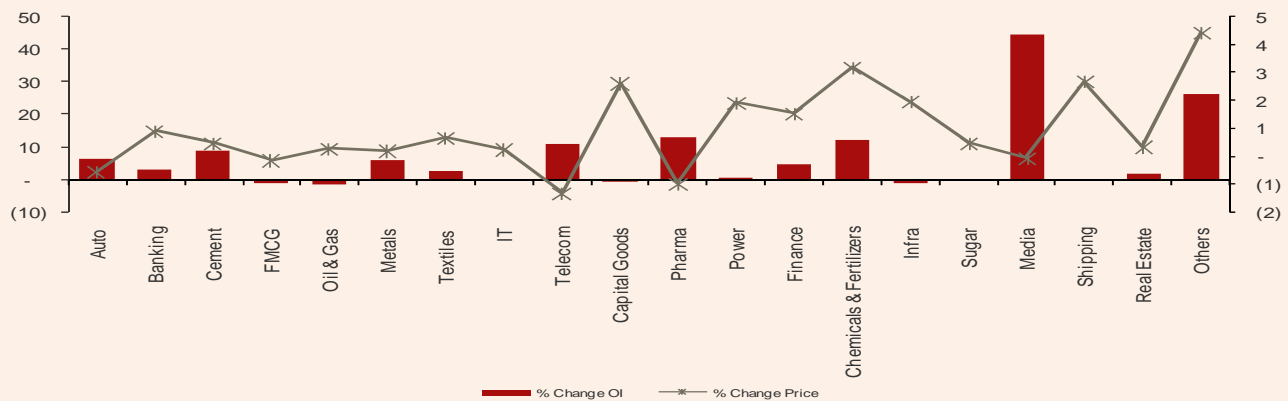
Source: NSE





## OI Weekly Play

### Sectoral Movement



Source: NSE

- **Long build up was seen in:** Banking and Finance.
- **Short build up was seen in:** Telecom and Pharma.
- **In Banking sector Long build up was lead by:** INDUSINDBK followed by FEDERALBNK and HDFCBANK.
- **In Finance sector Long build up was lead by:** HDFC followed by RECLTD and PFC.
- **In Telecom sector Short build up was lead by:** BHARTIARTL.
- **In Pharma sector Short build up was lead by:** GLAXO followed DRREDDY and SUNPHARMA.

### Open Interest Gainers

#### Long Buildup

Scrip	Price	% Price Change	% OI Change
BAJAJHLDNG	822.55	1.91	154.84
MAX	177.20	3.99	83.72
PANTALOONR	176.35	13.59	43.92
VIPIND	108.05	6.87	42.57
APIL	368.00	2.21	42.06

Source: NSE

#### Short Buildup

Scrip	Price	% Price Change	% OI Change
GLAXO	2265.50	-2.58	88.10
EXIDEIND	146.80	-1.58	72.62
IGL	376.55	-1.67	36.58
CUMMINSIND	488.85	-1.18	32.38
HINDZINC	129.30	-3.04	31.34

Source: NSE

### Open Interest Losers

#### Short Covering

Scrip	Price	% Price Change	% OI Change
SIEMENS	789.65	2.88	-12.46
IRB	196.90	4.40	-12.18
NMDC	168.80	3.53	-11.69
ONGC	275.10	1.85	-11.52
JISLJALEQS	103.35	4.24	-11.28

Source: NSE

#### Long Unwinding

Scrip	Price	% Price Change	% OI Change
BOMDYEING	583.70	-0.59	-12.28
BHUSANSTL	413.15	-1.44	-8.42
AUROPHARMA	115.35	-4.00	-2.54
DABUR	106.45	-1.25	-1.50
HEROMOTOCO	2013.35	-2.53	-0.98

Source: NSE



## Outlook

The markets were up 0.5% during this truncated week. Market action was mostly concentrated on power sector stocks and midcaps. The power sector index was up 3.2% while the BSE midcap and smallcap indices were up 2.0% and 3.3% respectively. The power sector witnessed improved sentiments as the Tamil Nadu Electricity Regulatory Commission (TNERC) approved a tariff hike of average 37% over the existing tariff sought for by the Tamil Nadu Generation and Distribution Co. (TANGEDCO) for FY13.

The 10-year benchmark yield has shot up post budget. Given the poor rabi crop and supply side issues, inflation and short term interest rates in the system are still far from desired, cutting down the expectation of a rate cut in the April 17th review. Internationally fresh concerns has emanated over Spanish economy. From next week onwards, domestically markets will start looking at Q4FY12 earnings results and that would drive company/sector specific investor action. We expect markets to be range bound with a negative bias and advise investors to continue to accumulate quality stocks which have fallen on account of recent market volatility

## Event Calendar

Economy	Thursday 05 Apr	Friday 06 Apr	Monday 09 Apr	Tuesday 10 Apr	Wednesday 11 Apr
<b>Domestic</b>					
<b>Global</b>	China: HSBC Services PMI MAR (Prior 53.9) US: Initial Jobless Claims 31-Mar (Exp 355K, Prior 359K) US: Continuing Claims 24-Mar (Exp 3350K, Prior 3340K)	US: Change in Nonfarm Payrolls MAR (Exp 201K, Prior 227K) US: Unemployment Rate MAR (Exp 8.3%, Prior 8.3%)	Japan: Trade Balance BOP Basis FEB (Prior -¥1381.6B) China: PPI (YoY) MAR (Exp -0.30%, Prior 0.00%) China: CPI (YoY) MAR (Exp 3.40%, Prior 3.20%)	Japan: Machine Tool Orders (YoY) MAR P (Prior -8.60%) Japan: BOJ Target Rate (Prior 0.10%) China: Trade Balance \$ MAR (Exp -\$3.15B, Prior -\$31.48B) China: Exports YoY MAR (Exp 7.00%, Prior 18.40%) China: Imports YoY MAR (Exp 8.40%, Prior 39.60%)	Japan: Machine Orders (MoM) FEB (Prior 3.40%) Japan: Machine Orders YoY FEB (Prior 5.70%) US: MBA Mortgage App. (Prior 4.80%) US: Fed's Beige Book

Source: Bloomberg



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