



KARVY BAZAAR BAATEIN

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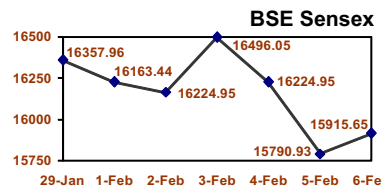
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NSE
52 Wk H/L : 5310.85/2539.45
Mcap : Rs56,11,016 cr.
BSE
52 Wk H/L : 17790.33/8047.17

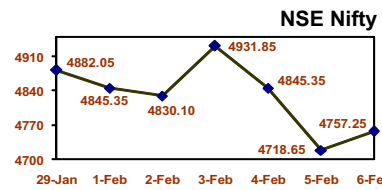
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15915.65
↓ 2.70%



4757.25
↓ 2.56%

Speed-breakers ahead...

It was another volatile week for the indices, as events unfolded in Europe and the US that left global markets reeling. Countries in the European Union (EU), such as Greece, Portugal, Spain and Ireland, are already staring at ballooning budget deficits. These have sparked off widespread fears among global investors of a possible sovereign default if the public finances of these nations are not brought under control.

While Greece announced austerity measures, Portugal's Socialist opposition passed a bill that could only exacerbate the fiscal situation in that country. Even as the EU is expected to stand by its members, the euro fell sharply against the dollar on fears of further weakness in the Euro-zone. With international investors increasingly encountering speed-breakers and bumps ahead of a full-fledged global economic recovery, the high-beta emerging markets, such as India and China, were not spared either.

The EU may have to look at relaxing its membership rules to accommodate its weaker member-economies for the time being. On the other hand, there is a view that the rising divergence with strong member-economies (Germany and France) may eventually force out some of the weak members from the Union as membership demands become increasingly unsustainable.

Last week, realty and banking stocks were the top losers, with BSE Realty and BSE Bankex falling 5.15% and 3.93% W/W, respectively. On the other hand, consumer durables witnessed buying as the sector rose 3.79% last week. FIIs turned net buyers—albeit marginally, for the first time in three weeks—worth about Rs400 crore of equity in the first four trading days of last week.

This week, buying is expected in energy, software and pharmaceutical stocks if the Nifty sustains above 4700 levels while infrastructure stocks are likely to witness buying at current levels ahead of budget expectations. Meanwhile, automobile, banking and realty stocks are likely to see selling pressure if the Index fails to breach 4800 levels on the upside. Overall, the Nifty is likely to trade in the 4600-4850 range this week.

KBB weekly recommendations for the week beginning 08th Feb.

Scrip	Action	CMP	Entry	Stop Loss	Target	Time Frame
Castrol	Buy	662.20	645-650	630	700-705	5-6 Days
Cummins India	Buy	475.95	460-465	450	490-492	5-6 Days
Lupin	Buy	1550.20	1545-1550	1525	1605-1610	5-6 Days
Triveni	Buy	128.35	126-128	123	135-136	5-6 Days
Inox	Buy	79.10	76-78	73	90-92	5-6 Days

Disclaimer: The above recommendations are purely based on technical analysis. Hence, the stop loss should be strictly adhered to.

KBB weekly performance monitor

Scrip	Action	Entry	SL	Target	Shares(#)	P/L	Return	Remark
Financial Tech	Buy	1500-1510	1470.00	1600-1610	83	-2,904.81	-2.33%	SLT
Ashok Leyland	Buy	49-50	46.50	56-58	-	-	-	NI
Axis Bank	Buy	1010-1020	990.00	1068-1070	123	6,645.30	5.32%	TA
Crompton Greaves	Buy	Above 440	435.00	460-462	283	-1,699.41	-1.36%	SLT
Rolta	Buy	Above 205	201.00	213-215	606	-3,031.72	-2.43%	SLT

Balance on inception (01- Jan- 10)	Balance last week (29-Jan-10)	Balance current week (06-Feb-10)	Abs. returns WoW (%)	Abs. returns since Jan 01, 2010(%)
5,00,000	4,99,628	4,98,637	(0.20)	(0.27)

TA - Target achieved; SLT - Stop loss triggered; CMP - Closing price as on last trading day; NI - Not initiated; # No. of Shares; SL - Stop Loss; P/L - Profit/Loss



FUNDAMENTALS

Fundamental view

Karur Vysya Bank (Rs402)

In Q3FY10, Karur Vysya Bank (KVB)'s net interest income grew 29.3% Y/Y, to Rs1.51 bn, in-line with our estimates of Rs1.59 bn; during the quarter, KVB's margin rose 5bps Q/Q, although it remained lower than the Q3FY09 level of 3.57%. The yield on advances grew by 10bps Q/Q, to 12.36%, but was lower than Q3FY09 level of 13.56%; the cost of deposits drifted down by 30bps (Q/Q) to 7.6%. The liability-side management mainly contributed to the increase in NII and improvement in margin. KVB reported operating profit of Rs1.34 bn, lower than our estimates of Rs1.53 bn, due to decline in treasury income. The bank reported 28% Y/Y growth in bottom-line, to Rs759 mn, which is lower than our estimates of Rs918 mn due to lesser treasury gains and higher operating overheads.

Robust business growth: In the quarter, KVB's total business grew 29% Y/Y, to Rs305 bn, on the back of 30% growth in deposits, to Rs179 bn, and 27% growth in net advances, to Rs124 bn.

Canara Bank (Rs393)

In Q3FY10, Canara Bank reported 18.8% Y/Y growth in net interest income, to Rs14.8 bn, which is higher than our estimates of Rs14.3 bn, mainly due to larger-than-expected contraction in the cost of funds. In Q3FY10, net interest margin expanded by 5 bps Q/Q, to 2.71%. The bank reported strong growth of 19.5% Y/Y in deposits, particularly in retail term deposits, which grew by 70% Y/Y in Q3FY10 and by 88% Y/Y in Q2FY10; most of the high-cost deposits were replaced by retail term deposits. Net advances grew by 14.3% Y/Y and remained flat sequentially. Contained operating expenses and higher NII and fee income reflected in higher operating profit growth of 21% Y/Y, to Rs14.7 bn, compared to our estimate of Rs13.9 bn. Canara Bank reported 50% increase in net profit, to Rs10.5 bn (higher than our estimates of Rs7.4 bn), on the back of strong NII, healthy fee income and contained operating expenses. In regard to profitability, the bank's performance was much better than our estimates.

Healthy growth in total business: Canara Bank's total business grew by 17% Y/Y, to Rs3.56 tn, on the back of 14.3% growth in advances, to Rs1.5 tn, and 19.5% growth in deposits, to Rs2.09 tn. Growth in deposits mainly came from retail term deposits.

Karur Vysya Bank		(Rs mn)	FY07	FY08	FY09	FY10E	FY11E
Bloomberg/ Reuters Code	nkvb@in/ KARU.BO	Total Net Income	4,663	5,240	6,756	8,014	9,946
Market Cap (Rs bn)	22	Profit before provisions	2,738	3,078	4,180	4,628	6,031
Market Cap (Rs mn)	466	NIM (%)	3.6	2.7	2.7	3.0	3.1
52-week range (Rs)	429/158	Net Profit	1,600	2,083	2,358	3,232	4,010
Shares in issue (mn)	54	EPS (Rs)	33	39	44	60	74
		EPS Growth (%)	16	18	13	37	24
		PE (x)	12	10	9	7	5
		Price/Book Value (x)	1.8	1.8	1.6	1.4	1.2
Major Shareholder (%)		Price/Adjusted Book Value (x)	1.9	1.8	1.6	1.4	1.2
Promoters	3.6	Dividend Yield (%)	2.7	1.7	2.0	2.2	2.2
Banks/FIs/MFs	4.3	Cost-to-income (%)	41.3	41.3	38.1	42.3	39.4
Pvt. Corp. Bodies	16.6	ROA (%)	1.6	1.6	1.5	1.7	1.6
Public	51.8	ROE (%)	16.5	18.5	18.6	22.1	23.3
FIIIs/NRIs/OCBs	23.8	Tier-1 Capital (%)	14.0	12.1	12.6	11.8	10.9

Source: Company & KSBL Research.

Improvement in asset quality: In Q3FY10, KVB's gross NPA (GNPA) remained flat at Rs2.1 bn compared to Q2FY10 level; net NPA (NNPA) decreased marginally to Rs242 mn from Rs260 mn in Q2FY10. On Y/Y basis, GNPA decreased by 5.8%. In percentage terms, GNPA and NNPA were 1.69% and 0.19% compared to 1.75% and 0.22% in Q2FY10.

Valuations: We estimate that KVB's total business and operating profit would show a 27% and 20% CAGR, respectively, while

bottom-line would grow by 30.4% CAGR over FY09-11. The bank would report RoAE of 18.6-23% in FY10-11. We increase our FY10E and FY11E earnings by 3.5% and 18%, respectively, to factor in much higher volume growth in credits. We raise our target price by 10.3% to Rs658 from our previous price target of Rs597. At the current market price, the stock quotes at 1.2x FY11E adjusted book value. Based on our target price, the stock would trade at 1.95x FY11E ABV. We rate the stock as a BUY with price target of Rs658.

Meanwhile, advances grew largely through SMEs and agriculture segments; the retail segment grew by 19.4% Y/Y, to Rs214 bn. In the retail segment, home loans and educational segments reported a robust growth of 27% and 28%, respectively. Advances to the infrastructure sector grew 64% Y/Y and 9.6% Q/Q, to Rs265 bn.

Marginal deterioration asset quality: In Q3FY10, gross NPAs (GNPAs) rose 11.6% Q/Q, to Rs26.2 bn, and net NPAs increased by 16.6%, to Rs19.7 bn. In percentage terms, GNPA and NNPA rose to 1.77% and 1.6%, respectively. The provisions coverage ratio, including written-off accounts, reached 74%; on exclusion, the coverage ratio was 24.5%.

During FY09-11, we estimate the bank's total business and bottom-line would report 20.4% and 29% growth on CAGR basis; the bank would report RoAA of 1.0-1.4% and RoAE of 23-29%. On profitability side the bank's performance was much better than our estimates. We revise our earnings estimates upward for FY10 and FY11 by 76% and 57%, to Rs34 bn and Rs34.3 bn, respectively, and increase our target price by 68%, to Rs646. We have valued the bank on Gordon Growth Model, with 24% RoAE and 14.3% cost of equity, besides sustainable constant growth of 5.0%. We upgrade our rating on the stock to BUY with a target price of Rs646, reflecting 2.04x FY11E adjusted book value.

Canara Bank		(Rs mn)	FY07	FY08	FY09	FY10E	FY11E
Bloomberg/ Reuters Code	CBK IN/ CNBK.BO	Total Net Income	54,778	57,507	70,290	85,557	99,322
Market Cap (Rs bn)	161	Profit before provisions	29,125	29,594	39,638	54,013	61,996
Market Cap (USD bn)	3.47	NIM (%)	2.78	2.11	2.43	2.44	2.55
52-week range (Rs)	437/144	Net Profit	14,208	15,650	20,724	34,003	34,255
Shares in issue (mn)	410	EPS (Rs)	35	38	51	83	84
FII limit	20	EPS Growth (%)	6.0	10.1	32.0	64.0	1.0
		P/E (x)	11.3	10.3	7.8	4.7	4.7
		Price/Book Value (x)	2.0	1.9	1.6	1.3	1.0
Major Shareholder (%)		Price/Adjusted Book Value (x)	2.2	2.1	1.8	1.4	1.2
Promoters	73.2	Dividend Yield (%)	1.8	2.0	2.0	3.4	3.8
Banks/FIs/MFs	9.7	Cost-to-income (%)	46.8	48.5	43.6	36.9	37.6
Pvt. Corp. Bodies	0.4	ROA (%)	1.0	0.9	1.0	1.4	1.2
Public	5.2	ROE (%)	18.8	19.1	22.6	29.7	24.0
FIIIs/NRIs/OCBs	11.6	Tier-1 Capital (%)	7.2	7.0	8.0	8.8	8.5

Source: Company & KSBL Research.

Market pulse

Bulk Deals

Company	Wt. Avg. Price (Rs.)	Traded Qty	Acquirer/Seller
Buy			
Bharati Shipyard	314.63	227568	Credit Suisse (Singapore) Ltd.
Hyderabad Industries	593.60	122188	Central India Ind.
Spicejet	52.00	4500000	Reliance MF
Sell			
ICSA (India)	158.37	320000	Deutsche Securities Mauritius
Subex	66.92	457000	Credit Suisse (Singapore) Ltd
Atlas Cycles	213.17	19264	Indian Overseas Bank
Inox Leisure	70.54	340000	Reliance Capital

Top Gainers (Weekly)

Company	06-Feb	29-Jan	%Change
BPCL	578.55	540.85	6.97
GAIL	419.25	394.05	6.40
Hero Honda	1584.35	1559.00	1.63
HDFC	2396.60	2383.85	0.53
Axis Bank	1030.75	1025.70	0.49
Sun Pharma	1480.00	1473.05	0.47
L&T	1429.90	1423.85	0.42
Rel Infra	1037.40	1034.20	0.31
Wipro	648.10	647.95	0.02
ONGC	1094.00	1096.40	-0.22

Top Losers (Weekly)

Company	06-Feb	29-Jan	%Change
Ranbaxy	408.05	454.25	-10.17
J P Associates	128.00	137.80	-7.11
SBI	1912.45	2056.60	-7.01
DLF	314.55	333.65	-5.72
Suzlon	73.25	77.25	-5.18
Reliance	993.75	1046.20	-5.01
Rel Cap	765.45	805.00	-4.91
PNB	855.45	898.65	-4.81
HUL	231.00	242.30	-4.66
Unitech	70.85	74.30	-4.64

FII Invt (Rs.cr)

MF (Rs.cr)

Date	Purchases	Sales	Purchases	Sales
1-Feb-10	3940.00	3742.60	595.10	562.50
2-Feb-10	2345.50	2394.30	417.60	664.60
3-Feb-10	2810.10	2799.20	752.30	746.10
4-Feb-10	2374.40	1888.80	561.70	857.90
5-Feb-10	1741.60	1784.10		
Total	13211.60	12609.00	2326.70	2831.10

Corporate Actions

Company	Date	Purpose
AIA Engineering	8-Feb-10	Interim Dividend
Fortis Healthcare	10-Feb-10	Raising of Funds
Patni Computers	11-Feb-10	Audited Results
Tata Steel	16-Feb-10	Consolidated Results

(Compiled by Krishnaveni M)

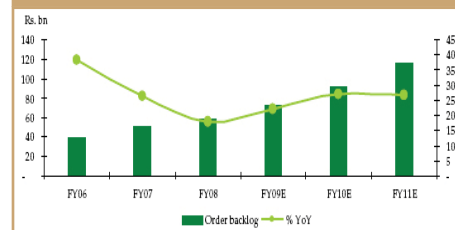
Patel Engineering (Rs439)

Revenue growth broadly in-line with expectations: PEL reported net sales growth of 28% to Rs6.33 bn (against our expectation of Rs6.50 bn) in Q3FY10 compared to Rs4.94 bn in Q3FY09. The revenue mix for the quarter comprises 52% from the hydro segment, 20% from the irrigation segment, and remaining from the transportation and other segments. The company's current order backlog consists of 33% from AP irrigation projects. The political turmoil due to the Telangana issue has delayed the work-bill payments on the ongoing projects, resulting in increased working capital from 165 days in Q3FY09 to 190 days in Q3FY10. Going ahead, we believe the company would slow down the execution of irrigation projects in AP, reducing revenue growth.

Improvement in EBIDTA margin by 70bps: PEL reported improvement in EBIDTA margin by 70bps, to 18.8% in Q3FY10 from 18.1% in Q3FY09, due to greater contribution from hydro projects coupled with cost management. The EBIDTA has grown 33.4% to Rs1.19 bn in Q3FY10 from Rs893 mn in Q3FY09, which is higher than the growth in top-line. We expect the company to report EBIDTA margin of 17.1% and 17.2% in FY10 and FY11, respectively, driven by higher contribution from hydro and irrigation projects. Net profit has gone up by 34.6% to Rs443.5 mn (against our expectation of Rs335 mn), driven by lower interest cost and higher operating margins.

Order backlog of Rs 63bn: PEL has order book position of Rs. 63bn which works out to 2.7x of book to bill ratio at FY09 earnings which is providing strong revenue visibility for next 3 years. The company has not got any new order during the quarter. The company is lowest bidder for worth Rs. 30bn and pre-qualified for the projects worth of Rs. 100bn.

Order Book Trend



Looking at the prospect of infrastructure projects and prequalification for projects; we expect the order backlog would grow at CAGR of 25% in next two years to Rs. 115bn by end of FY11E.

Real estate and power projects: During the quarter, PEL launched pre-sales of residential projects in the affordable housing category in Bangalore and Noida. The company is in the progress of developing a 1,320-MW power plant (1,200-MW thermal power plant in Tamil Nadu and 120-MW hydro power in Arunachal Pradesh).

Valuation: PEL is currently trading at a P/E multiple of 11.5x FY11E and EV/EBIDTA multiple of 5.7x FY11E. The company continued to report higher operating margins, driven by increasing contribution of hydro projects in the revenue mix. We have valued the core business of PEL using the EV/EBITDA methodology at its historical trough multiple of 6x. The company has started pre-sales of real estate property in Bangalore and Noida which has got a good response. We believe PEL would again speed up the development process of real estate projects. The real estate division is valued at a significant discount to the NPV and the value of raw land. The company's power venture is still in the preliminary stage and would attain financial closure in H1 FY11. Therefore, we have not assigned any value to the power projects. We rate the company as an Outperformer with a price target of Rs527 based on SOTP valuation.

Patel Engineering (Consolidated)	In Rs. Mn	FY07	FY08	FY09	FY10E	FY11E
Reuters/ Bloomberg Code	PENG.BO/ PATELENG	12,956	18,596	24,599	29,528	39,301
Market Cap. (Rsbn)	29.4	1,533	2,740	3,896	5,079	6,799
Market cap. (US\$mn)	624.9	1,127	1,540	1,851	1,773	2,549
Shares Outstanding (mn)	66.9	18.9	25.8	31	26.5	38.1
52-week High/Low (Rs)	527/103	29.89	36.69	20.13	-14.53	43.78
EBIDTAM%		11.8	14.7	15.8	17.2	17.3
NPM%		8.9	8.8	7.9	6.4	6.9
PER (X)		22.7	16.1	13.6	15.5	11.5
P/BV (x)		3.7	3.1	2.6	1.9	0.6
Promoter/Majority	53.2	2.2	1.9	1.6	1.3	0.8
FII	10.6	18.5	12.7	10.3	7.3	5.7
Banks/Fis/MFs	7.6	1.3	1.5	1.6	2.5	3.0
Public & others	26.1	12.6	13.1	13.0	16.7	17.0
Corporate holding	2.6	16.4	19.2	19.0	12.5	14.6

Source: Company & KSBL Research.

- Karvy Equity Desk

Plan for your child

The need for wealth creation

The birth of a child brings great joy and happiness to the parents and all the near and dear ones. However, this little ‘bundle of joy’ comes with loads of responsibilities as parents have to ensure an all-round development of the child, be it in terms of education or the child’s personality.

Nowadays, the profession pursued by an individual largely depends on the kind of education he has received. Hence, the quality of education (especially in regard to higher education) is usually considered the most important pre-requisite for a person to be successful in life.

All good things in this world come at a cost and education is no exception. The cost of education, especially higher education (for graduation or post-graduation level), has been continuously rising due to inflation. For instance, assuming an average rate of inflation at 7% p.a., the fee for an MBA course at a premier institute in India will increase from Rs10,00,000[@] at present to approximately Rs27,60,000 by 2025.

[@] Average cost of an MBA program for academic session 2009-2011 in the top 20 private business schools in India

Moreover, there are other factors, besides inflation, that contribute to the rising cost, and that is the ever increasing demand for quality education. For instance, the cost of an MBA program was approximately Rs4,00,000^{@@} in 2003. If we assume an average rate of inflation of 7% p.a., then the same MBA should have cost Rs6,00,000 now. However, this cost has increased to Rs10,00,000, mainly due to an huge increase in demand for quality education. Thus, parents have to take rising costs into consideration when it comes to creating enough wealth to provide for the complete education of their child.

^{@@} Average cost of an MBA program for academic session 2003-2005 in the top 20 private business schools in India

Table 1 gives an idea of the approximate value of wealth that a parent would need to provide for their children, taking his/her child’s age to be three years currently.

Need for an estate

A systematic long-term wealth creation plan, if implemented successfully, can meet the above financial goals of any parent as long as he is able and present to provide for the child. Life, however, is uncertain. An unfortunate event of death or disability of a parent would adversely impact the income, thereby derailing the achievement of the child’s life goals. Hence, to prevent such a scenario, parents need to create assets that would facilitate long-term goals like your child’s higher education or marriage. A “child plan” helps in the creation of such long-term assets.

Table 1: Typical life goals for a child

Age of child	Planned objective that requires financing	Current cost	Goal period	Future value# over the goal period
16-18 years	High school (or) intermediate studies	Rs50,000	14 years	Rs1,29,000
19-22 years	Graduation	Rs2,00,000	17 years	Rs6,31,000
23-25 years	Post-graduation	Rs10,00,000	21 years	Rs41,40,000
27 years	Marriage	Rs10,00,000	24 years	Rs50,72,000

At 7% p.a. rate of inflation, the average time to achieve the goal has been considered for calculation of future value of the cost.

So how is a child plan structured? Usually, under a child plan, a life insurance cover is available on the life of the parent, with the child as the beneficiary. The policy tenure typically coincides with the period for which the particular life goal of your child has to be met, including higher education or marriage. During the entire policy tenure, the premium paid by the parent goes towards wealth creation, besides the parent’s life cover. The amount of premium payable is calculated after taking into consideration the compounding effect of the premium to be paid over the entire policy term.

In case of death of the parent during the policy term, the sum assured value is immediately paid to the child or the nominee (who is the guardian of the child, after the parent). Moreover, all future premiums payable under the policy are waived off and contributed by the insurance company itself. This arrangement ensures that the wealth creation continues as originally planned by the parent even in your absence. The wealth thus created is paid at maturity of the policy to facilitate your child’s important life goals. A child plan, therefore, helps in the creation of assets to meet your child’s life goals and to protect him from the uncertainties of life.

The investment angle

A child plan aims towards assured creation of wealth and the investment component of the policy is managed under stipulated investment avenues.

- ◆ A traditional child plan invests in ‘safe’ avenues, such as fixed deposits, government securities, high credit-rating corporate bonds, among others.
- ◆ A unit-linked child plan provides the opportunity to invest in capital markets, including equities, which is the preferred wealth accumulation avenue for the long term. In these plans, the policyholder (the parent) has the option to choose from one or more investment funds— ranging from predominantly equity to balanced to predominantly debt—available under the plan. Currently, most child plans introduced in the Indian insurance industry belong to the unit-linked category.

Table 2: Recommended child plans (unit-linked)

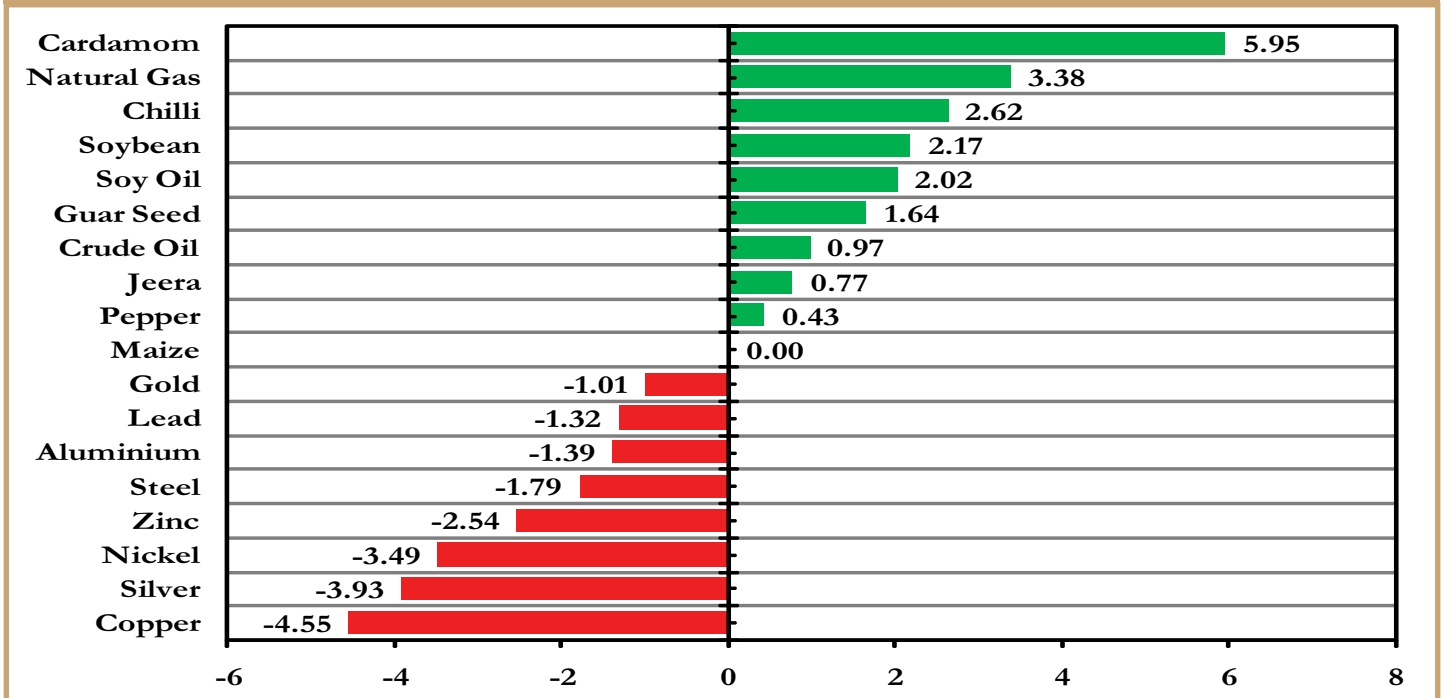
Policy	Insurer
Bright Stars	Bharti AXA Life Insurance Co. Ltd.
Young Scholar	Aviva Life Insurance Co. India Ltd.
Secure Child Plan	Reliance Life Insurance Co. Ltd.
Smart Kid	ICICI Prudential Life Insurance Co. Ltd.

COMMODITIES STATISTICS

Weekly commodity price trends

	02/04/2010	01/29/2010	Change (%)	52-week high	Change from 52-week high (%)	52-week low	Change from 52-week low (%)
Comex Gold (\$/oz)	1083	1063	-1.85	1227.5	-11.77	865	25.20
Comex Silver (\$/oz)	16.19	15.35	-5.19	19.48500061	-16.91	11.72500038	38.08
Nymex Crude Oil (\$/bbl)	72.89	73.14	0.34	83.94999695	-13.17	33.54999924	117.26
Nymex Natural Gas (\$/mmbtu)	5.131	5.416	5.55	6.108000278	-16.00	2.409000158	112.99
LME Copper 3 Month (\$/t)	6745	6390	-5.26	7796	-13.48	3139	114.88
LME Nickel 3 Month (\$/t)	18500	17725	-4.19	21325	-13.25	9250	100.00
LME Zinc 3 Month (\$/t)	2110	2021	-4.22	2736	-22.88	1070	97.20
LME Lead 3 Month (\$/t)	2025	1964.5	-2.99	2690	-24.72	980	106.63
LME Aluminium 3 Month (\$/t)	2079	2044	-1.68	2394	-13.16	1279	62.55

Weekly gainers and losers (M/M%)



Source: bloomberg.com

(Compiled by Veeresh Hiremath)

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Welcome to the new trading platform!

In a welcome addition to the existing network, mutual fund units can now be bought and sold on the stock exchanges. To facilitate this, on November 30, 2009, the NSE launched the MFSS (Mutual Fund Service System), a platform on which mutual fund units can now be traded. Close on the heels of the NSE launch, the BSE launched the StAR MF trading platform on December 4, 2009. Both these platforms will help investors to buy and sell mutual fund units electronically through their stockbrokers. The members of these exchanges can use the existing infrastructure to transact in mutual fund schemes. For instance, using BSE's StAR MF platform, investors can transact mutual fund units through the exchange's 40,000 terminals across India, while NSE has a network of 2,00,000 broker terminals.

The following are some of the highlights of these platforms:

- ✓ The platforms will be available for placing of orders on all business days between 9 AM and 3 PM. Any order placed beyond these timings will be applicable for the next trading day. Within this time period, you can request your broker to correct mistakes, if any, including order cancellation or placing a fresh order altogether.
- ✓ Through these platforms, besides equity funds, you can also buy balanced funds, debt schemes, gilt funds, monthly income plans, among others.
- ✓ Investors have a choice of holding units either in physical or in demat form.
- ✓ SIPS, SWPs, STPs and switches, however, are disallowed through

these platforms.

- ✓ The process of buying is simple in that you needn't fill any tedious application forms. All you need to do is call up your broker or log on to your online trading platform.
- ✓ Any order placed through these platforms before the cut-off time of 3PM will receive the same-day NAV, to be declared later in the day.
- ✓ For MF subscriptions, you will have to issue a cheque from a designated bank account to your broker, who will transfer the money to the respective AMCs through the exchange clearing house. The MF units will be credited to your account on a T+1 settlement basis.
- ✓ You will be charged brokerage/commission for services rendered on these platforms.
- ✓ Your existing equity trading and demat account can be used for mutual fund transactions as well, provided you give an undertaking to your existing broker.
- ✓ The AMC/registrar will process the redemption request (pay-outs) at transaction-day NAV and directly credit the proceeds to the investor's bank account.
- ✓ For demat transactions, the maximum value of subscription or redemption for a single order is pegged at Rs1 crore and there is no restriction on the number of orders that can be placed. In regard to redemption of physical units, there is a maximum limit of Rs1,00,000 per order.

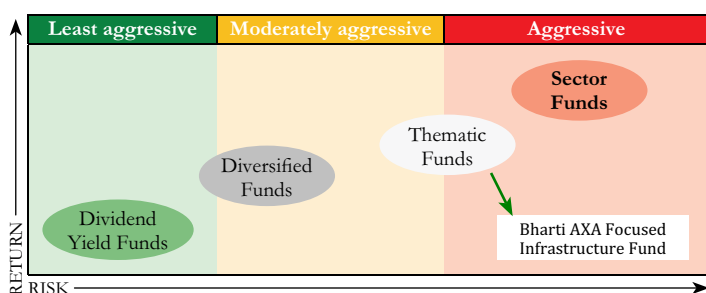
- Satyan Nair, Atul Stanley Hermit and Pradeep Kumar S.

NFO: Bharti AXA Focused Infrastructure Fund

Bharti AXA Focused Infrastructure fund is an open-ended equity fund which will predominantly invest in equity and equity-related instruments of companies engaged in infrastructure and infrastructure-related sectors. The fund is called "Focused Infrastructure Fund" because it has restricted infrastructure-related industries to a very small number.

Risk-return profile

The fund aims to invest primarily in stocks that are likely to benefit from the growth in the infrastructure sector. The fund is suitable for long-term investors in the backdrop of rising demand and increased government spending towards infrastructure development in India. The risk-return potential of the fund is higher than that of a diversified fund (refer grid below).



Suitability

The fund is suitable for investors with high appetite for risk. Investors with a high risk tolerance and looking for higher returns should invest in the fund.

Preferred investment duration

As infrastructure projects take time to deliver value on investments, an average investment duration of three years and more is advisable.

Which sectors will it invest?

Cement and cement products, construction, energy, industrial manufacturing, metals, services (only infrastructure-related services, e.g., transportation), telecom and financial services (related to infrastructure).

Snapshot

Scheme Name	Bharti AXA Focused Infrastructure Fund
Category	An Open-Ended Equity Scheme
Investment Objective	The Scheme seeks to generate long term capital appreciation through a portfolio of predominantly equity and equity related securities of companies engaged in infrastructure and infrastructure related sectors. The Scheme is not providing any assured or guar
Fund Manager	Mr. Prateek Agrawal
NFO Opening date	January 20, 2010
NFO Closing date	February 15, 2010
Re-opening date	March 11, 2010
Entry Load	Nil
Exit Load	1% if redeemed within 1 year from the date of allotment
Benchmark	BSE 100 Index
Investment Options	- Growth Option for capital appreciation - Quarterly Dividend Option offering Dividend Re-investment and Dividend Pay-out facilities - Regular Dividend Option offering Dividend Re-investment and Dividend Pay-out facilities
Special Products Available	Daily SIP; Daily STP; Monthly SIP; Monthly STP

- Pradeep Kumar S.

Technical view

Indraprastha Gas Limited (IGL)

CMP: 235.25

Despite the negative broader market, IGL closed positively last week on the back of encouraging news flows. During Saturday's session, the stock witnessed significant buying to produce a technical breakout above 210, rising 12.84% last week. The stock bounced from its 50-day EMA levels last week on the back of fresh participation. The 14-day RSI surged to the overbought territory, and a marginal profit-booking is expected to bring the stock down to 60-65 levels of the scale, which could be a good entry point. The immediate support is placed around 220 and 215 levels. A sustained move close to this level will raise fresh buying interest, which will guide the stock to test higher levels in the short term. Investors are advised to assume long positions in the stock in the range of 210-215 levels for an upside target of 250-265 levels in the short term. All long positions in the stock should be protected with a stop loss below 190 levels on a closing basis.

R Media

CMP: 92.35

Due to indecisive market direction, R Media has been facing selling pressure since its listing. However, thereafter, the stock found support around 68-70 levels and staged a bounce-back. Although it was trading below its moving averages, the recent rally has prompted the stock to surge above its 8-day and 21-day EMAs, indicating value buying. The stock has its 50-day EMA at 96 levels, which could act as a strong resistance. One can stay invested in the stock if it breaches and sustains above the 96 levels. The 14-day RSI has bounced back from the oversold territory and is close to 50 levels. Any dip towards 78-80 level will attract fresh buying interest, which will guide the stock to test higher levels of 98-100 in the short term. Investors are advised to assume long positions in the stock in the range of 80-85 levels for an upside target of 98 and 100 in the short term. All long positions in the stock should be protected with a stop loss below 70 levels on a closing basis.

Hotel Leela

CMP: 44.75

Hotel Leela witnessed a good rally after it gave an ascending triangle breakout on December 8, 2009, at around 43.5 levels, to register a 52-week high. Recently, it recorded a double-top formation (a bearish signal) and slipped to its target levels of 45-46. However, fresh buying interest was evident in this stock as it bounced back from important support levels of 45-46 (50-day EMA) levels. The stock is trading with a positive bias and could gain momentum in the coming sessions. The 21-day EMA is placed at 48 levels, which needs to be observed closely in the near term. The stock has immediate resistance around 48-48.65 levels, beyond which it could move up to 52-54 levels in the short term. Investors are advised to assume long positions in the stock above 48.65 levels for an upside target of 52 and 54 levels in the near term. All long positions in the stock should be protected with a stop loss below 46 levels on a closing basis.

- A Kalyan C. Reddy

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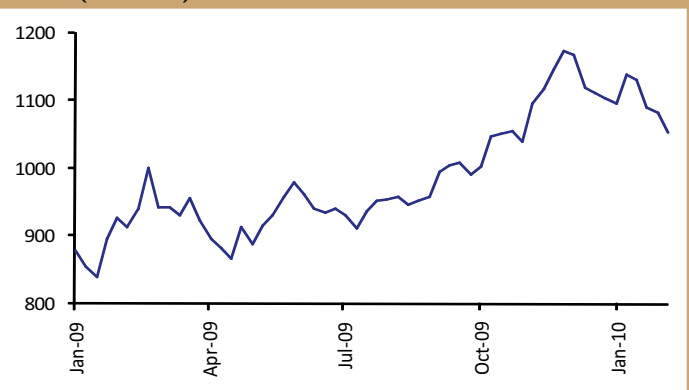
Domestic indices: Weekly performance

	Close (Feb 06)	Close (Jan 29)	Weekly (%)	6M (%)	12M (%)	P/E Ratio
Sensex	15915.65	16357.96	-2.70	0.53	72.96	23.76
Nifty	4757.25	4882.05	-2.56	6.16	67.33	23.49
BSE 500	6378.30	6509.90	-2.02	6.12	90.92	21.93
BSE Auto	6864.29	6953.20	-1.28	25.79	180.44	48.40
BSE Bankex	9274.50	9654.09	-3.93	14.36	94.69	14.21
BSE Capital Goods	12910.54	13125.06	-1.63	0.95	111.41	31.41
BSE Consumer Durables	3943.16	3799.29	3.79	30.86	143.44	12.82
BSE FMCG	2710.05	2725.38	-0.56	6.09	32.34	30.63
BSE Healthcare	4753.21	4765.14	-0.25	26.02	77.33	45.66
BSE IT	4845.86	4977.71	-2.65	23.65	119.85	21.49
BSE Oil & Gas	9694.48	9939.00	-2.46	1.42	53.06	18.22
BSE Metal	15608.38	15962.05	-2.22	28.55	205.89	-
BSE Realty	3320.05	3500.22	-5.15	-9.71	134.66	18.06
BSE PSU	9187.45	9473.93	-3.02	11.82	80.64	17.53
BSE Power	2974.49	3061.52	-2.84	4.44	69.34	29.95
BSE Tech	3075.17	3151.77	-2.43	8.10	70.63	20.10

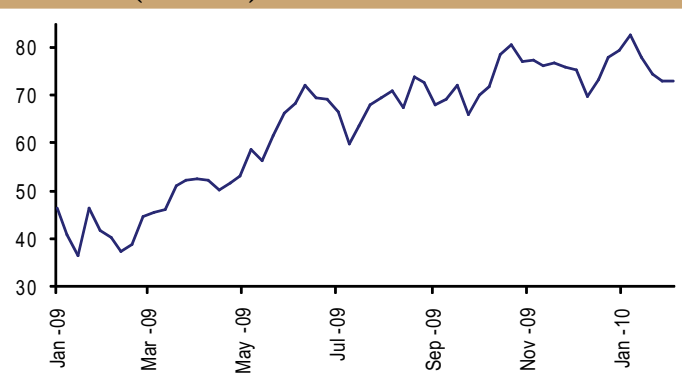
Global indices: Weekly performance

	Close (Feb 5)	Close (Jan 29)	Weekly (%)	6M (%)	12M (%)	P/E Ratio
GLOBAL INDICES						
MSCI World Index	1095.48	1119.54	-2.15	3.04	25.81	26.29
MSCI Asia Pacific Ex Japan	376.54	390.03	-3.46	4.43	59.95	26.31
ASIA						
Hang Seng	19665.08	20121.99	-2.27	-3.49	44.01	19.89
Singapore Straits Times (STI)	2683.56	2745.35	-2.25	5.26	56.44	21.67
S. Korea	1567.12	1602.43	-2.20	-0.56	29.49	20.93
Nikkei 225	10057.09	10198.04	-1.38	-3.41	24.52	-
AMERICA						
Dow Jones	10012.23	10067.33	-0.55	6.85	20.91	15.03
S&P 500	1066.19	1073.87	-0.72	5.51	22.75	18.34
NASDAQ	2141.12	2147.35	-0.29	7.04	34.52	33.65
Brazil Bovespa	62762.70	65401.77	-4.04	11.42	46.79	19.31
EUROPE						
FTSE-100	5060.92	5188.52	-2.46	6.96	17.92	38.03
DAX 30	5434.34	5608.79	-3.11	-0.45	17.00	28.54
CAC 40	3563.76	3739.46	-4.70	1.21	14.12	15.12

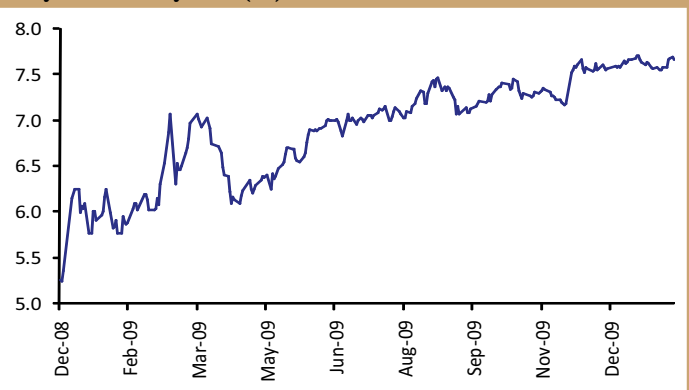
Gold (US\$/oz)



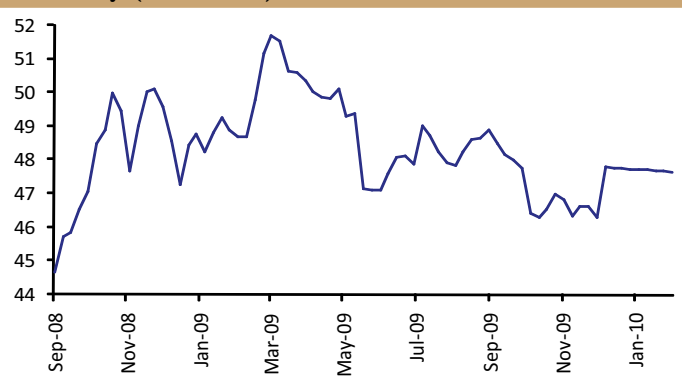
Crude oil (US\$/bbl)



10-year bond yield (%)



Currency (US\$/INR)



Source: Bloomberg

(Compiled by Amit Chopra)

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