KARVY BAZAAR BAATEIN

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NSE

52 Wk H/L : 4693.20/2252.75

Mcap : Rs47,22,273 cr.

BSE

52 Wk H/L : 15600.30/7697.39

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by **S. Gopichand** on behalf of Karvy Stock Broking Limited.

Editor: **S. Gopichand**

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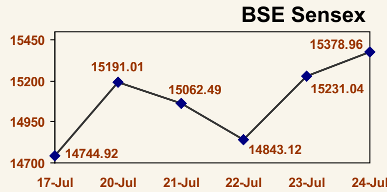
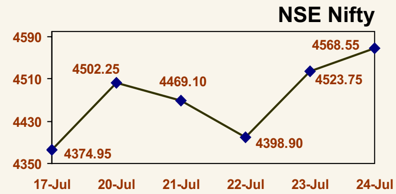


15378.96 ↑ 4.30%



4568.55 ↑ 4.43%

Bulls continue to dominate...

The Indian stock markets continued to advance last week after having recorded one of the biggest weekly gains of this year in the penultimate week (ending July 17). Both the benchmark BSE Sensex and S&P CNX Nifty rose by nearly 4.5% last week on the back of positive global cues and in-line corporate earnings.

Clearly, economic data points emanating from the US continued to remain positive last week. In the Euro-zone, business confidence in Germany rose for a fourth consecutive month in July, indicating that the recession is moderating in the region. It must be remembered that positive news flow from the developed markets, particularly the US, has been one of the driving factors for the global stock market rally since March this year, and last week was no different. As a result, global markets across Asia, Europe and America rallied sharply by 4-7%, with investors increasingly building up hopes of an early economic revival in the US. Of course, while economists are unanimous in their view that the worst is over for the US, they remain divided about the speed at which a possible revival could take place.

The Indian stock markets were also driven by the Q1 corporate results, many of which were in line with market expectations. Companies like ACC, TCS, Wipro, Idea and Bharti more or less beat market expectations. Moreover, crude oil and metal prices also advanced during the week on optimism over increase in demand due to economic recovery, resulting in fund flows into emerging market equities. The week was marked with heavy buying interest in software, metals, construction, and automobile stocks, all of which rose in excess of 8%.

We believe that market movement this week will be influenced by global trends, corporate earnings, and other key policy announcements from the RBI. The central bank's monetary policy review is scheduled for July 28. The key policy rates, however, may remain unchanged, particularly considering the excess liquidity in the system.

KBB weekly recommendations for the week beginning 27th July.

Scrip	Action	CMP	Entry	Stop Loss	Target	Time Frame
Suzlon	Buy	103.35	100-102	95.00	120-122	10-12 Days
Essar Oil	Buy	139.85	132-135	129.00	150-152	5-6 Days
Tata Steel	Buy	442.50	Above 445	435.00	468-470	7-8 Days
Unitech	Buy	87.20	83-85	80.80	100-102	5-6 Days
NTPC	Buy	210.65	205-208	200.00	223-225	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
Rel Capital	Buy	860-865	848.00	910-912	255	-3,696.77	-1.68%	SLT
Infosys	Buy	1860-1865	1840.00	1918-1920	-	-	-	NI
Sasken	Buy	133-135	129.80	148-150	1641	-6,892.20	-3.13%	SLT
HCC	Buy	102-104	98.10	116-118	-	-	-	NI
FSL	Buy	Above 22.50	19.00	34-35	9730	31,621.92	14.38%	CMP
Total						21,032.96		

Balance on inception (26- Jan- 09)	Balance last week (17-July-09)	Balance current week (24-July-09)	Abs. returns WoW (%)	Abs. returns since Jan 26, 2009(%)
5,00,000	6,59,683	6,80,716	3.19	36.14

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

Technical view

LIC Housing Finance CMP: 584.00

LIC Housing Finance witnessed a rising trend until June, following which it consolidated within a range. However, the recent results induced some selling pressure in the stock which reflects lower-than-expected results. In the last four trading sessions, the stock witnessed significant declines on the back of increasing volumes, inducing further caution. Although the 14-day RSI was hovering close to 60 levels, the recent decline has bought the RSI line to the levels of 40. The trigger continues to remain on the sell side. The stock has its 50-day EMA placed at 550 levels which needs to be observed closely in the near term. The stock has an immediate resistance around the all-time highs of 650 levels. If it breaches and holds this level, then the stock could move up to 750 levels in the short term, which is 38.20% of the price extension. Investors are advised to assume long positions in the stock in the range of 550-560 levels for an upside target of 650 and 750 levels in the short term. All long positions in the stock should be protected with a stop loss below 520 levels on a closing basis.

Ispat Industries CMP: 22.55

Ispat Industries declined sharply after touching a high of 28 levels. However, the stock found support around 16 levels and staged a bounce back. The stock slipped below its 200-day EMA levels and bounced back, indicating that the recent rally is likely to be a case of value buying. The stock has its 50-day EMA levels placed at 20 levels, which needs to be held for the momentum to stay in the stock. The 14-day RSI has bounced back from the oversold territory and is close to 60 levels. The RSI continues to indicate a buy trigger. Immediate support is placed at around 20 and then at 16 levels. If the stock manages to sustain close to 20 levels, then it will witness fresh buying interest that will guide it to test higher levels of 30 in the short term. Investors are advised to assume long positions in the stock in the range of 20-22 levels for an upside target of 30 and 35 levels in the short term. All long positions in the stock should be protected with a stop loss placed below 16 levels on a closing basis.

NIIT Ltd CMP: 64.80

NIIT witnessed significant movement pre-budget and saw a significant decline post the event. The stock faced stiff resistance around 60 levels and broke past it in Friday's session. Immediate supports are placed at around 58 levels (8-day, 21-day EMAs) and 52 levels (50-day EMA). The 14-day RSI is around 60 levels and is hinting further momentum from the current levels. Immediate resistance is placed at around 75 levels which is the recent high and a move beyond that would guide the stock to 90 levels in the medium term. Investors are advised to assume long positions in the stock in the range of 63-65 levels for an upside target of 75 and 90 in the medium term. All long positions in the stock should be protected with a stop loss placed below 58 levels on a closing basis.

- Kalyan C. Reddy

Fundamental view

Reliance Industries (Rs1,876)

Reliance Industries Ltd (RIL) continues to advance on a growth trajectory with the commencement of gas production from the Krishna Godavari (KG) Basin and commissioning of the new refinery. We believe that there could be further positive news coming from the exploration & production (E&P) business, which would act as a catalyst for the stock. The company's gas-based petrochemical plant helps it to weather the global downturn. We rate the stock as an 'Outperformer' with a price target of Rs2,169.

Investment argument

E&P business has taken-off with the KG Basin gas production: RIL operates the block KG-D6 in the Krishna-Godavari Basin, which is the largest natural gas discovery in India. The company commenced production of natural gas from KG-D6 block on April 2, 2009. The exploration business is expected to give a boost to the valuation of the company as the blocks under exploration / yet to be explored are likely to have significant reserves of oil and gas. We expect the E&P business to contribute at least 30% to the company's total EBITDA after the commissioning of the KG Basin gas production.

Refining earnings to be boosted once the new refinery stabilizes: After the merger of RPL with RIL, RIL's refining capacity has increased from 33 mn tonnes p.a. to 62 mn tonnes p.a. The new refinery, i.e., RPL has a distillation capacity of 5,80,000 barrels per day (bpd). Such a large scale of operations should provide economies of scale, leading to a relatively lower operating cost base. The new refinery has been designed to have a Nelson Complexity Index of 14.0, which makes it amongst the most complex refineries in Asia. Since the new refinery is located in a special economic zone (SEZ), it will have significant tax benefits.

Petrochemical cycle down, but gas-based cracker limits the impact on RIL: Although the global petrochemicals cycle is down, gas-based petrochemical plants are less affected due to their lower input cost as compared to the plants which use naphtha as the input. Gas-based plants have the cost advantage as the gas price is generally 0.5x of the naphtha. The merger of IPCL has helped RIL to acquire a gas-based cracker having vastly superior economies of these plants as against naphtha-based ones. Moreover, RIL is building the largest integrated petrochemical complex—based on gas as a feedstock—with capacity of 2 million tonnes per annum at Jamnagar SEZ. The project is expected to be commissioned by FY10-11.

Reliance Industries		Rsbn	FY07	FY08	FY09E	FY10E	FY11E
Reuters/ Bloomberg Code	RELI.BO/ RIL@IN	Net Sales	1,137.7	1,371.5	1,639.2	1,734.5	2,189.6
Market Cap. (Rsbn)	2,952.4	EBITDA	201.3	231.4	235.7	328.5	425.0
Market cap. (US$bn)	62.6	Net Profit	115.4	195.8	157.9	202.0	257.4
Shares Outstanding (bn)	1.6	EPS Adjusted (Rs)	82.8	134.7	100.3	123.0	156.7
52-week High/Low (Rs)	2,535/930	EPS Growth (%)	21.5	62.7	(25.5)	22.6	27.4
		EBITDA margin (%)	17.7	16.9	14.4	18.9	19.4
		PER (x)	22.7	13.9	18.7	15.3	12.0
		P/BV (x)	3.8	3.2	3.1	2.8	2.3
Major Share Holders (%)	Mar-09	Price/sales (x)	2.6	2.2	1.8	1.7	1.3
Promoter	49.0	EV/EBITDA (x)	1,429	1,734	2,058	1,625	1,378
FIIs	16.0	Dividend Yield (%)	0.6	0.7	0.7	0.7	0.7
Others	24.1	ROCE (%)	15.9	13.9	11.6	15.0	16.6
Public	10.9	ROE (%)	19.4	25.5	17.4	19.7	21.3

Source: Company and KSBL Research

Market pulse

Bulk Deals			
Company	Wt. Avg. Price (Rs.)	Traded Qty	Acquirer/Seller
Buy			
Punj Lloyd	239.11	3088175	Deutsche Securities Mauritius Ltd
Maytas Infra	76.49	2222500	CLSA (Mauritius) Limited
Aban Offshore	931.80	194123	Credit Suisse (Singapore) Ltd
Shoppers Stop	162.03	462000	Reliance Capital Mutual Fund
Sell			
Orchid Chemicals	89.39	482480	Fidelity Trustee Company Private
Emami Limited	354.01	400000	Reliance Trading Enterprises Ltd
Automat Axle	135.00	470466	Reliance Life Insurance

Top Gainers (Weekly)			
Company	24-July	17-July	%Change
DLF Ltd	393.75	332.65	18.37
Tata Motors	372.85	315.80	18.07
Maruti	1378.25	1181.45	16.66
Unitech	87.20	76.25	14.36
Tata Steel	442.50	392.35	12.78
Hindalco	93.80	84.30	11.27
Stelrite	654.10	588.30	11.18
TCS	482.00	434.10	11.03
Idea Cellular	81.55	73.95	10.28
HCL Tech	234.50	215.45	8.84

Top Losers (Weekly)			
Company	24-July	17-July	%Change
HDFC	2413.50	2522.80	-4.33
Ambuja Cements	95.10	98.10	-3.06
BPCL	452.55	459.35	-1.48
BHEL	2210.65	2227.20	-0.74
Tata Comm	489.70	491.35	-0.34

	FII Invt (Rs.cr)		MF (Rs.cr)	
Date	Purchases	Sales	Purchases	Sales
20-Jul-09	2846.60	2586.60	1251.60	781.00
21-Jul-09	2578.90	1872.90	1005.80	901.30
22-Jul-09	2547.40	2497.30	982.20	1267.10
23-Jul-09	2936.40	2790.90	1112.30	946.30
24-Jul-09	5307.00	4597.10	-	-
Total	**16216.30**	**14344.80**	**4351.90**	**3895.70**

Corporate Actions		
Company	Date	Purpose
GMR Industries	27-07-2009	Unaudited Results
Bank of India	27-07-2009	Unaudited Results
Tata Motors	27-07-2009	Audited Results
Kotak Mahindra Bank	28-07-2009	Unaudited Results
Power Grid	29-07-2009	Unaudited Results
Tata Steel	29-07-2009	Audited Results

(Compiled by Krishnaveni M)

Valuation: RIL is currently trading at a P/E of 11.2x and EV/EBIDTA of 7.8x based on our FY11E estimates. We have analyzed one-year forward multiples of P/E, EV/EBIDTA and P/BV for RIL in the last five years. Based on the same, we have arrived at a target price of Rs2,169. At our target price, the stock would trade at a one-year forward P/E of 13x and EV/EBIDTA of 9x based on FY11E estimates, which is in line with its normal range—except for the brief spurt between June 2007 to January 2008. We rate the stock as an 'Outperformer'.

Dr Reddy's Lab (Rs752)

Revenues for the quarter were up by 21% to Rs18,189 mn. The main revenue growth drivers were the US markets which has been powered by Imitrex. A growth of 9% in domestic formulations was a welcome surprise. The negative news came from Betapharm (which has de-grown by 38% to US$28 mn) and the Russia and CIS market (which has reported de-growth due to currency turmoil). Dr Reddy's gross margins were higher at 56% compared to 50%, mainly due to Imitrex. Operating margins for the quarter were higher at 18.1% as compared to 7.4% in the corresponding quarter of the previous year. The higher OPM has been despite the €7.2 mn charge on account of Betapharm re-structuring and US$1.5 mn on account of closure of the Atlanta research facility. Amortisation charge also includes a charge on the Beta brand. Profits for the quarter were up 120% to Rs2,445 mn.

We have downgraded our revenues by 3.6 % due to lower traction in Betapharm and the Russia and CIS market. The company believes that better traction in India and the US should compensate for the de-growth in these markets and will maintain its revenue guidance of 10% for the year. We have increased our gross margins to 52.3% due to better outlook in the current year. We have decreased our R&D expenses to 6% as against 7% earlier. Moreover, we have provided for higher amortisation charge in line with the quarterly run-rate on account of higher provision for the Beta brand. We marginally increase our FY10 EPS estimates by 2.16% to Rs47.4 while we maintain our FY11E estimates at 56.6. Due to price performance, we are downgrading our rating on the stock to 'Outperformer' with a price target of Rs925 based on 16x FY11E.

Key highlights

Sumatriptan clocked revenues of US$42 mn for the quarter. The revenue growth without Sumatriptan has been 7%.

Dr Reddy's hedged its cash flow to the tune of US$134 mn and the same have been booked in the range of Rs47- 50 per dollar. As a result, the company recorded MTM losses to the tune of Rs100 mn for the quarter.

In the German market, the AoK tender started in June 2009, but the company faced de-growth of 36% due to de-stocking in the market. The company's sales force has been re-structured from 110 in March 2009 to 50 as of June 2009. Dr Reddy's June performance in Russia and CIS has been heartening with a flat growth as against de-growth of 2% for the industry.

The gross margin drivers have been on account of lower raw material prices, business mix, cost improvement measures initiated, benefit of higher forex rates, and Sumatriptan revenues.

The company's GSK deal will be a mutually exclusive deal and the brands would be under the GSK label. Both the companies are in the process of identifying the products for some of the markets. In markets where DRL is present, GSK could also sell the products under its own brand. It will be revenue accretive for the company.

DRL (Consolidated)		Rs Mn	FY07	FY08	FY09	FY10E	FY11E
Reuters/ Bloomberg Code	REDY.BO/ DRRD.IN	Net sales	65,095	50,006	69,441	73,746	82,858
Market Cap(Rs bn)	126.20	EBITDA	11,157	3,251	(2,580)	11,510	13,564
Market Cap(US$ mn)	2591.39	Net Profit	9,327	4,678	(6,151)	7,963	9,692
Shares Outstanding(mn)	167.82	EPS(Rs)	55.6	27.8	(36.6)	47.4	57.6
52-week High/Low(Rs)	810/372	EPS growth (%)	422.5	(49.9)	(231.5)	(229.5)	21.7
		EBITDA margin(%)	16.0	6.5	(3.7)	15.6	16.4
Major Shareholders (%)		PER(x)	13.5	27.0	(20.6)	15.9	13.0
Promoters	25.80	EV/EBITDA (x)	11.3	40.6	(51.4)	11.3	9.5
FIIs/NRIs/ADRs	39.58	P/S (x)	2.0	2.5	1.8	1.7	1.5
Banks/FIs/MFs	19.77	RoCE(x)	17.9	6.8	(5.7)	17.8	18.6
Public	14.85	RoE(%)	29.2	10.6	(13.8)	17.4	18.0

Source: Company and KSBL Research

- Karvy Equity Desk

Maha Anand

Maha Anand is a unit-linked policy from SBI Life Insurance Company Limited. This policy does not participate in the profits of the insurance company.

Unique features

Easy to purchase: It is very easy to purchase the policy with minimal and easy-to-complete formalities.

No medical tests: No medical tests are required to be undertaken by the policyholder / life assured for taking this policy.

Top-up premiums: Top-up or additional premiums can be paid to enhance the investment value under the policy. The minimum value of top-up premium is Rs1,500. The total top-up premium paid under the policy is subject to a maximum 25% of the basic regular premium paid until date.

Policy benefits

Death benefit: In the unfortunate event of death of the life assured during the policy term, the nominee will receive either the sum assured value or the investment fund value (accumulated up to the time of death), whichever is higher.

If the life assured is aged less than 7 years at the time of death, then only the investment fund value will be paid to the nominee.

Maturity benefit: If the life assured survives the policy term, then the accumulated investment fund value at that time will be paid to the policyholder.

The maturity benefit can be received either as lumpsum benefit or in instalments spread over a tenure of up to a maximum of five years under the settlement option.

Eligibility parameters

Age at entry: Minimum – 0 years; maximum – 55 years

Maximum age at maturity: 65 years

Policy term:* 10 years / 15 years / 20 years

Annualized premium value: Minimum – Rs.6,000; maximum – Rs.30,000

Premium payable: Annually, semi-annually, quarterly or monthly. Monthly premium can be paid through bank standing instructions/ ATMs/ECS /internet only, with three months premium to be paid in advance.

Value of sum assured: Five times the annualised premium value. The maximum value of sum assured is Rs1.5 lakhs and the total sum assured value under all Maha Anand policies is restricted to Rs3 lakhs.

** In case of minor lives, policy term should be appropriately chosen to ensure that at the time of policy maturity the life assured is a major.*

The policy provides the option of switching the existing investment value from one fund to the other depending on the change in market conditions and financial priorities of the policyholder. The minimum switch amount is Rs2,000 and four switches are available free-of-charge in a policy year.

Moreover, the future premium payable under the policy can be re-directed to a different investment fund. This facility is available once a year, from the second year onwards, and will be free of charge.

Policy charges

Premium allocation charge: This charge is applicable as a percentage of the premium paid under the policy before the premium is allocated to the chosen investment fund(s). The details are:

Policy Year	Year 1	Year 2 & 3	Year 4 & year 5	Year 6 onwards
Premium allocation charge (as % of regular premium)	30%	7.5%	5%	3%

Note: Premium allocation charge for top-up premium is 1%.

Mortality charge: This charge is applicable on a daily basis for the provision of life assurance coverage. This charge is based on the entry age of the life assured and the value of sum at risk*.

* Sum at risk = sum assured value – investment fund value

Policy administration charge: This charge is applicable on a monthly basis at the rate of Rs40 per month (for FY09-10). It is subject to an increase of 5% every financial year, up to a maximum of Rs300 per month.

Fund management charge: This charge is applicable for the management of the investment value under the policy. The details are:

Fund Name	Equity Fund	Equity Optimizer Fund	Bond Fund
Fund management charge	1.50% p.a	1.50% p.a	1.00% p.a.

The charge is subject to an increase of 2.5% for Equity Optimizer Fund and 2.0% for Equity Fund and Bond Fund.

Switch charge: A switch subsequent to four free-of-charge switches in a policy year will be charged at the rate of Rs100 per switch.

Surrender charge: This charge will be applicable as a percentage of the investment fund value in the policy year in which the surrender has been opted for. The investment fund value less the surrender charge as applicable will be paid to the policyholder. The details are:

Policy Year	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10 and onwards
Surrender Charge	60%	50%	10%	9%	4%	3%	2%	1%	0%

Partial withdrawals

Partial withdrawals can be availed under the policy after the completion of five policy years or after the life assured attains 18 year of age, whichever is later, to meet any unforeseen expenses. Two partial withdrawals can be made during a policy year and are free of charge.

Policy surrender

The policy will acquire a surrender value after payment of at least one full year's premium and will be payable after the completion of three policy years. The surrender charges will be applicable as discussed in the policy charges section above.

Tax benefits

The premium paid under this policy is deductible under the provisions of Section 80C of the Income Tax Act, 1961. The policy benefits are exempt from tax under Section 10(10D) of the Act.

In this policy, the risk in the investment portfolio is borne by the policyholder.

Investments fund options: The policyholder can choose one or more funds from three investment funds. The details of these funds are:

Fund Name	Investment Objective	Risk Return Profile	Investment Allocation in Equities	Debt Instruments	Money Market instruments
Equity Fund	To provide high returns for long term capital gains through high equity exposure	High	80-100%		0-20%
Equity Optimizer Fund	To provide high returns for long term capital gains through balanced equity exposure	High	60-100%		0-40%
Bond Fund	To invest in debt securities which are relatively safer and help in reducing investment volatility	Medium to Low	0%	60-100%	0-40%

- Atul Stanley Hermit

Commodities review

Precious metals review

Bullion: Gold prices have been trading on a positive note for the last two weeks due to weak US dollar. Gold prices rallied to $957.50 per troy ounce from $907.50 per troy ounce. At the time of writing this report, COMEX gold futures prices were trading at $950 per troy ounce levels. The performance of the US dollar has been worse vis-à-vis the euro in the past two weeks as the dollar index declined by 3.14%, and is currently trading at 78.930 levels. The US dollar tumbled marginally last week despite absence of economic data either from the US or from the Euro-zone. On the ETF front, the holdings in the SPDR Gold Trust have been declining—it stood at 1086.41 tonnes on July 23, 2009. The continuous decline of demand from gold ETFs signifies that the real demand for gold is neither from jewellers nor for investment. The rise in bullion prices is seen only because of the weakness in the US dollar.

This week, major economic events from the US are New Home Sales, Durable Goods Order, and the GDP, the data of which are expected to be mixed for gold prices. However, a recent statement made by Federal Chairman Mr. Ben S. Bernanke regarding inflation may be a cause for concern for gold prices in the near term. Moreover, on the technical front, gold is finding resistance at $960 and then at 970 levels. Likewise, the support is placed in the range of $930-940.

Energy review

Crude oil: Crude oil futures traded on a positive note for the second consecutive week. Prices gained by 5.5% over the penultimate week and traded above US$67 per barrel on speculation that the economy is easing out of the recession. Most of the economic indicators were positive during the week. Coming to inventories, the US Department of Energy (DOE) inventory data showed that oil inventories are falling while gasoline and distillate inventories continue to rise as per expectations. According to the DOE, crude oil inventory fell by 1.796 million barrels last week while gasoline and distillate inventory increased by 813,000 barrels and 1.218 million barrels, respectively. Equities continued to play a major role in guiding the prices as the Dow Jones Industrial Average and the S&P 500 Index were up by 3.8% each over the penultimate week. Furthermore, the Asian and European indices were trading on a positive note with a few minor falls in between. The OPEC is expected to reduce its shipments by 1.7% in the four weeks ending August 8 due to refinery maintenance and faltering demand. The dollar index was bearish for most of the week.

The crude oil prices are expected to trade on a positive note this week taking cues from the equity market. However, fundamental factors are not suggesting any rise in prices due to higher inventory levels.

Base metals review

Base metals futures prices staged a strong rally last week. Most of the metals surged above 4% with the sole exception of nickel, which gained by a mere 1.71%. The fall in the US dollar by 0.45% over the penultimate week and rise in crude oil prices by more than 5%, lent support to the base metals prices. Zinc was the top performer with gains of 4.88%. Aluminium and copper inventory at the LME warehouses rose by 40,425 tonnes and 7.575 tonnes, respectively. Moreover, better-than-expected economic data like housing development and industrial orders supported the base metals rally. With the ease in Chinese monetary policy, the demand for base metals is likely to recover soon. The sudden rise in prices was due to the volatility instilled in the market as shown by consecutive rise in Producers Price Index and Consumer Price Index in the penultimate week. Last week, the US Housing Price Index came out with the June data of 0.9% against -0.2% recorded in May. On the production front, Russia's primary aluminium, lead and nickel output fell by 8%, 35.8% and 73%, respectively, in the first six months of the year. As per the International Copper Study Group, the world's refined copper consumption exceeded its production by 37,000 tonnes between Jan-April 2009 versus a deficit of 1,47,000 tonnes in the same period a year ago.

This week, the economic releases are expected to be mixed for the market. However, firm equity market and rising oil prices are expected to provide support to the market. We anticipate the metal complex to correct in the first half of the week and recover later.

- Commodities Research Desk

NFO: Religare Business Leaders Fund

Scheme Features

Name of scheme	**Religare Business Leaders Fund**
Type of scheme	An open-ended equity scheme
Offer period & price	10 July 2009 to 31 July 2009, Offer price: Rs.10/-
Investment objective	To generate long-term capital appreciation by investing in equity and equity-related instruments, including equity derivatives of companies which in our opinion are leaders in their respective industry or industry segment. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns.

Asset allocation

Instruments	Indicative Allocation (% of total assets)	Risk Profile
Equity & Equity Related Instruments#	80% - 100%	High
Money Market Instruments & Debt Securities*	0% - 20%	Low to Medium

Of companies which in our opinion are leaders in their respective industry or industry segment; * Investment in securitized debt, including pass-through certificates (PTCs) shall not exceed 20% of the net assets of the Scheme. The Scheme will not invest in foreign securitized debt.

Options: ➢ Growth ➢ Dividend Payout ➢ Dividend Reinvestment

Minimum amount of investment

Lumpsum purchase: Rs5000/- and in multiples of Re.1/- thereafter.

Systematic Investment Plan

Options	Minimum Amount	Minimum Installments
Monthly	Rs1000/- per month and in multiples Re1/- thereafter	6
Quarterly	Rs1500/- per quarter and in multiples of Re1/- thereafter	4

Load structure: During the New Fund Offer period

Entry load

For lumpsum purchase / switch-in
For each investment amount < Rs2 crore: **2.25%**
For each investment amount => Rs2 crore and < Rs5 crore: **1.25%**
For investment amount = > Rs5 crore: **Nil**
By fund of funds (regardless of amount): **Nil**
For purchase application received directly (not routed through any distributor / agent / broker): **Nil**
For SIP purchase: Nil

Load structure — **Exit load**

For lumpsum purchase / switch-out
For investment amount < Rs5 crore: 1%, if redeemed / switched on or before one year from the date of allotment.
Nil, If redeemed / switched after completion of one year from the date of allotment
Nil: For investment amount => Rs5 crore
For SIP purchase
For each investment < Rs5 crore: 1%, if redeemed on or before two years from the date of allotment.
Nil: For investment amount => Rs5 crore

Fund manager	Mr. Vetri Subramaniam
Benchmark	S&P CNX Nifty

Who are Business Leaders?

Companies which are leaders in their respective industry or industry segment are defined as business leaders. These companies are expected to do better than others in their industry in all economic environments in terms of growth, margins and profitability. Due to their inherent strengths, they display greater resilience than others during difficult times for their industry or for the economy. Typically, companies which are leaders in their respective industry or industry segment are expected to exhibit one or more of the following attributes:

➢ Better pricing power; ➢ Superior cost structure/efficiencies; ➢ Significant and sustainable competitive advantages such as technology, execution etc.; ➢ Better access to capital.

These above advantages are then reflected in the company:

➢ Ranking among the Top 3-5 in terms of market share in industry or industry segment.; ➢ Margins better than industry or industry segment average; ➢ Growth rates better than industry or industry segment average.

In addition, these companies are increasingly becoming significant players on the global stage and are on the investment radar of global investors. The ability of business leaders to survive the hard times and thrive in good times makes them an attractive long-term investment proposition.

- Pradeep Kumar S.

Mutual Fund performance

Equity Diversified

Scheme Name	NAV (Rs)	1 Year	3 Yrs	5 Yrs
IDFC Premier Equity-A(G)	20.36	9.21	30.68	-
Reliance Reg Savings-Equity(G)	22.33	12.07	27.76	-
DBS Chola Opportunities(G)	34.17	1.55	24.91	26.03
HDFC Top 200(G)	152.47	19.05	22.91	31.86
Reliance Growth-Ret(G)	341.40	6.46	22.77	35.18
Baroda Pioneer Growth(G)	42.90	14.19	22.60	29.50
DSPBR Top 100 Equity(G)	76.27	11.13	22.31	30.40
Birla SL Frontline Equity(G)	65.27	13.12	22.02	29.18
Sahara Growth(G)	67.13	12.29	21.98	28.67
Tata Equity P/E(G)	32.49	2.46	21.66	25.19

ELSS

Scheme Name	NAV (Rs)	1 Year	3 Yrs	5 Yrs
Taurus Tax Shield(G)	26.54	8.02	26.45	26.34
Sundaram BNPP Tax Saver(G)	35.03	11.05	21.79	-
Sahara Tax Gain(G)	26.80	16.67	19.12	10.28
Fidelity Tax Advantage(G)	14.98	9.31	18.77	-
Principal Personal Tax saver(G)	73.90	-6.27	16.80	22.02
Franklin India Taxshield(G)	147.65	7.04	14.70	24.45
Tata Tax Advantage-1	11.97	6.89	13.86	-
Reliance Tax Saver (ELSS)(G)	14.81	13.23	13.76	-
HDFC TaxSaver(G)	155.05	10.67	12.93	30.11
Kotak Tax Saver(G)	13.98	-3.70	12.79	-

Income Funds

Scheme Name	NAV (Rs)	3 Mths	1 Year	3 Yrs
Canara Robeco Income(G)	19.07	0.54	28.61	14.15
ICICI Pru Income-Ret(G)	29.55	0.34	26.23	12.74
DWS Premier Bond-Reg(G)	15.12	-0.57	21.94	8.93
Fortis Flexi Debt-Reg(G)	15.62	2.81	21.04	12.86
Reliance Income(G)	30.39	-0.23	19.41	10.84
Kotak Bond-Reg(G)	25.71	0.25	19.30	11.22
IDFC Dynamic Bond-A(G)	18.17	-0.30	19.08	12.06
Kotak Bond-Deposit(G)	23.94	0.25	19.00	10.02
Birla SL Income Plus-Ret(G)	41.05	-0.20	18.06	11.73
HDFC Income(G)	21.01	-0.10	17.51	8.95

Gilt Funds

Scheme Name	NAV (Rs)	3 Mths	1 Year	3 Yrs
ICICI Pru Gilt-Invest-PF	18.48	2.54	44.20	18.86
ICICI Pru Gilt-Invest(G)	31.92	0.88	32.14	14.97
JM G-Sec-Reg(G)	28.95	-0.41	30.32	11.89
DSPBR GSF(G)	31.51	-1.53	27.03	12.30
Templeton India G-Sec-LTP(G)	22.77	-0.03	23.49	13.06
Escorts Gilt(G)	20.35	-1.07	23.07	12.69
Birla SL Govt Sec-LT(G)	24.68	0.12	22.88	8.75
Templeton India G-Sec-PF(G)	14.34	-0.22	21.84	11.84
Templeton India G-Sec-Composite(G)	32.66	-0.22	21.84	11.82
ING Gilt(G)	15.77	0.65	21.32	9.93

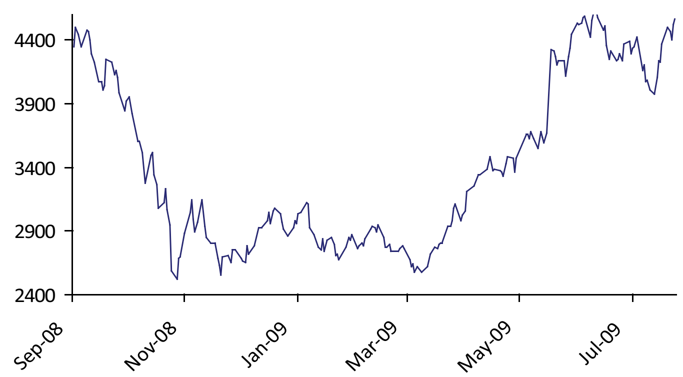
Source: Acemf Note: All NAV as of July 23, 2009

(Compiled by Pradeep Kumar S.)

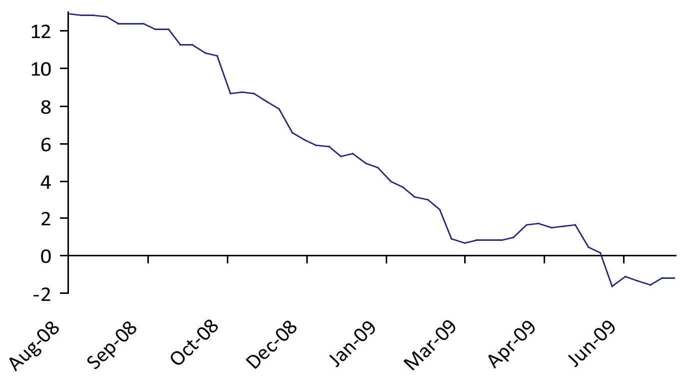
RNI Regn. No.APENG/2007/20423 Registered: L II/RNP/H-HD-1089/2008-10

Market Data

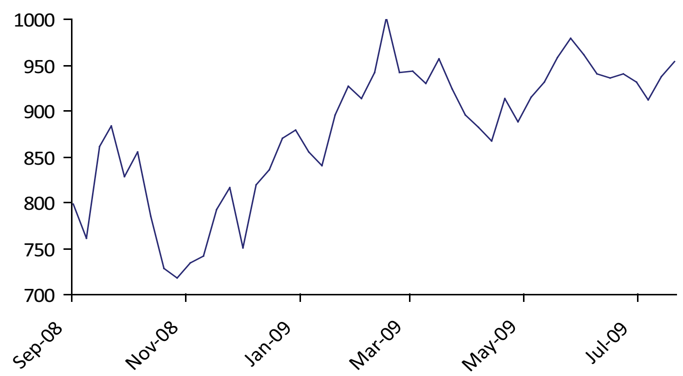
Nifty movement



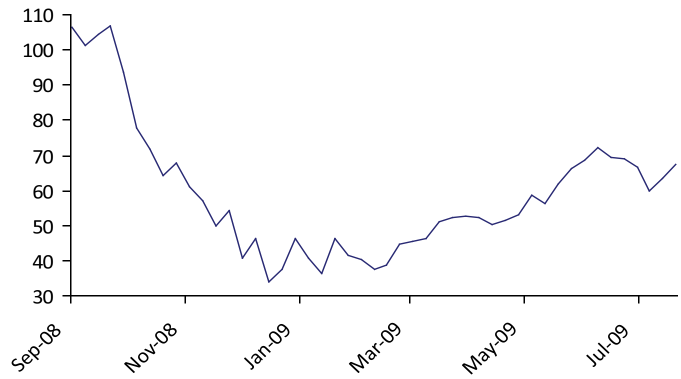
Inflation is at -1.17%



Gold (US$/oz)



Crude oil (US$/bbl)



Global indices: Weekly performance

	Close (July 24)	Close (July 17)	Weekly (%)	6M (%)	12M (%)	PE Ratio
ASIA						
Hang Seng	19982.79	18805.66	6.26	58.86	-13.45	17.93
STI	2533.43	2430.96	4.22	50.33	-14.93	14.45
S. Korea	1502.59	1440.10	4.34	37.42	-7.60	32.05
Nikkei 225	9944.55	9395.32	5.85	28.40	-26.90	-
AMERICA (closing as on July 23)						
Dow Jones	9069.29	8743.94	3.72	12.28	-20.09	12.49
S&P 500	976.29	940.38	3.82	17.35	-22.06	16.18
NASDAQ	1973.60	1886.61	4.61	33.60	-13.44	31.74
Brazil Bovespa	54249.36	52072.49	4.18	42.27	-5.55	21.43
EUROPE (closing as on July 23)						
FTSE-100	4559.80	4388.75	3.90	13.24	-14.42	35.65
DAX 30	5247.28	4978.40	5.40	25.95	-18.28	29.44
CAC 40	3373.72	3218.46	4.82	18.91	-22.08	11.99

Source: Bloomberg

Domestic indices: Weekly performance

	Close (July 24)	Close (July 17)	Weekly (%)	6M (%)	12M (%)	PE Ratio
Sensex	15378.96	14744.92	4.30	77.29	4.07	17.58
Nifty	4568.55	4374.95	4.43	70.56	3.05	17.80
BSE 500	5825.06	5581.78	4.36	81.78	3.26	17.50
BSE Auto	5545.30	5069.86	9.38	133.91	47.05	18.04
BSE Bankex	8335.02	8132.16	2.49	85.86	16.35	13.49
BSE Capital Goods	12578.88	12139.36	3.62	109.79	3.79	26.12
BSE Consumer Durables	3139.03	2906.46	8.00	81.95	-14.00	10.48
BSE FMCG	2579.65	2499.86	3.19	33.20	21.73	24.90
BSE Healthcare	3865.97	3719.69	3.93	42.32	-7.59	39.29
BSE IT	3778.67	3505.28	7.80	82.62	4.09	17.89
BSE Oil & Gas	9595.25	9194.80	4.36	68.98	-4.18	16.48
BSE Metal	12118.27	11133.20	8.85	173.74	-4.55	13.15
BSE Realty	3790.65	3347.10	13.25	150.43	-27.52	15.60
BSE PSU	8225.67	8125.29	1.24	68.53	22.26	58.09
BSE Power	2903.37	2852.95	1.77	70.24	9.38	28.32
BSE Tech	2853.44	2711.71	5.23	67.02	-4.44	18.34

(Compiled by Amit Chopra)

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