



KARVY BAZAAR BAATEIN

A Weekly Investment Newsletter From KARVY
A Research Product of Karvy The Finapolis

14 Dec 2009 to 20 Dec 2009

Volume 3 : Issue 37

URL: <http://www.karvy.com/market/docs/mktnews.pdf>

CONTENTS

- Editorial : 1
- Weekly recommendations : 1
- Performance monitor : 1
- Technicals : 2
- Fundamentals : 2
- Market pulse : 3
- Commodities : 3
- Insurance : 4
- Mutual funds : 5-7
- Market data : 8

NSE
52 Wk H/L : 5182.55/2539.45
Mcap : Rs55,78,504 cr.
BSE
52 Wk H/L : 17493.17/8047.17

Editor : S. Gopichand

Managing Editor : Satyan Nair

Deputy Editors : Bhuvan Yadav, Kalyan C Reddy, Pavan Katta.

Research Team : JK Jain, Atul Stanley Hermit, Krishna Veni, Raj Deepak Singh, Pradeep Kumar S.

Production : Amit Chopra, Vijayendra Kumar Ch, Raju.A.

For subscription enquiries please contact
Aswin Panda ☎:040-44507254

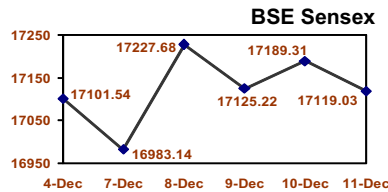
For advertising enquiries please contact
Pavan Katta ☎:040-23312454 ext:152

Published from Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad-500034.
Printed at Harshitha Printers, 6-2-985/G, Yusuf Building, Adj. Railway Gate, Khairatabad, Hyderabad- 500 004.

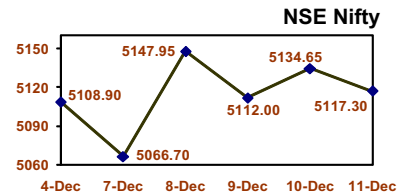
by **S. Gopichand** on behalf of Karvy Stock Broking Limited.

Editor: **S. Gopichand**

RNI Regn. No.APENG/2007/20423



17119.03
↑ 0.10%



5117.30
↑ 0.16%

Robust IIP, disappointed markets

Based on global cues, the domestic indices were cruising along strongly in the first half of Friday's session, but the announcement of industrial production figures dampened sentiments. Although the Index of Industrial Production (IIP) for October showed a robust growth of 10.3%, it came in below street expectations of 12-13%, prompting the market to react sharply in the latter half of Friday's session. Clearly, on the back of strong Q2 GDP growth of 7.9% in the penultimate week, India's high IIP growth underlines the resilience of India's growing economy as it increasingly positions itself as one of the most attractive investment destinations in the world today.

Some economists feel that these positive developments should signal an early withdrawal of the stimulus measures, both monetary and fiscal, particularly in the backdrop of an unwieldy fiscal deficit and rising inflation, especially after the food prices hit near-20% levels in late November. However, the RBI Governor reiterated his stand last Monday, stating that food inflation was a supply-side issue and monetary policy was not the right tool to control it. Moreover, with the impact of the monsoon failure to be felt in the December quarter, policymakers may want to take a wait-and-watch attitude before making any move to raise interest rates. Developed nations, meanwhile, can continue with its accommodative monetary stance for some more time, considering that there are no inflationary pressures yet.

Last week, telecom stocks continued to see buying interest even as the market traded flat week-on-week. However, the upside in the sector may be limited from current levels. While banking stocks traded on a bearish note, the capital goods sector witnessed buying towards the end of the week even as metals stocks remained highly volatile.

This week, buying is expected in cement, pharma, capital goods and realty stocks from lower supports of the Nifty at 5050 levels while banking, automobile and FMCG stocks are likely to witness selling pressure on every rise. Overall, the Nifty is likely to trade in the range of 5000-5200 levels this week.

KBB weekly recommendations for the week beginning 14th Dec.

Scrip	Action	CMP	Entry	Stop Loss	Target	Time Frame
Shoppers Stop	Buy	389.70	Above 390	378	413-415	5-6 Days
Jindal Steel & Power	Buy	744.85	737-740	727	788-790	5-6 Days
Bajaj-Auto	Buy	1725.25	Above 1725	1698	1800-1805	5-6 Days
BHEL	Buy	2371.30	Above 2380	2362	2461-2462	5-6 Days
TWL	Buy	341.30	340-342	334	368-370	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
Mphasis	Buy	Above 700	685.00	756-760	327	0.00	0.00%	CMP
Indian Oil	Buy	Above 312	305.00	330-332	733	13,195.32	5.75%	TA
Divis Labs	Buy	Above 675	665.00	705-710	339	-3,733.69	-1.63%	SLT
Opto Circuits	Buy	Above 225	218.00	240-242	-	-	-	NI
Tata Motors	Buy	Above 720	705.00	755-758	-	-	-	NI

Total						9,461.64		
Balance on inception (26- Jan- 09)	Balance last week (04-Dec-09)	Balance current week (11-Dec-09)	Abs. returns WoW (%)	Abs. returns since Jan 26, 2009(%)				
5,00,000	6,88,357	6,97,819	1.37	39.56				

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

Infosys

CMP: 2460.75

Infosys has been on a rising trend since the lows of March this year before which it had largely underperformed the broader index. The stock surged significantly in recent sessions, registering an all-time high of 2488.65 levels on Friday. In the recent past, the stock has many a time bounced back from the 50-day EMA, which has proved to be a crucial support. It has its 8-day EMA at 2430 levels, which is the immediate support for the short term. The 14-day RSI bounced back from 50 levels and crossed the 60 levels, indicating rising momentum in the stock. On the RSI scale, the stock may test 70-75 levels and witness a marginal cool-off. A sustained move close to this level will bring about profit-taking. The stock had a resistance around the 2400 levels which it surpassed in the recent sessions, beyond which it could move up to 2500 and 2600 levels in the short term. Investors are advised to assume long positions in the stock in the range of 2440-2450 levels for an upside target of 2600 levels in the short-term scenario. All long

positions in the stock should be protected with a stop loss placed below 2350 levels on a closing basis.

Chambal Fertilizers

CMP: 60.10

Chambal Fertilizers largely underperformed the broader market in the last couple of months. The stock rallied in the last 10 sessions, breaking past the 57 levels backed by significant increase in volumes. It has found support around 46 levels, making a double bottom at 46 and staging a breakout above the 56-57 levels, indicating strong bullishness. The 14-day RSI is already hovering around the overbought territory which is a cause for concern. Another lead indicator, MACD, which showcases the strength of the ongoing trend, is signalling further strength. On the RSI scale, the stock could move until 75-80 levels. A sustained move close to this level would induce profit-taking in the stock. It has immediate resistance around the 65 and 70 levels beyond which the stock could move up to 85 levels in the medium term. Investors are advised to assume long positions in the stock in the range of 58-62 levels for an upside target of 70 levels in the short term.

All long positions in the stock should be protected with a stop loss below 54 levels on a closing basis.

Hotel Leela

CMP: 44.75

Hotel Leela was on a northward trend since the March lows, backed by significant increase in volumes. However, the stock has been moving sideways in the last three months with a positive bias and picked up momentum in recent sessions. Last week, the stock broke past the 40 levels, backed by strong volumes, indicating creeping interest. On the weekly charts, it has staged a strong breakout above the recent highs which is extremely bullish. The stock has its 21-day EMA at 41 levels, which needs to be observed closely in the near term. It has immediate resistance around the highs of 54-55 levels beyond which the stock could move up to 62 levels in the short term. Investors are advised to assume long positions in the stock above 45 levels for an upside target of 55 and 60 levels in the medium term. All long positions in the stock should be protected with a stop loss below 39 levels on a closing basis.

- A Kalyan C. Reddy

Fundamental view

NTPC (Rs210)

According to media reports, NTPC has identified 2-3 more mines in Indonesia. The company has mandated Australian firm Macquarie to carry out the due diligence on a mine in Indonesia, which it had identified earlier.

In order to secure fuel at a cheaper rate for the long term, NTPC is pursuing coal block acquisitions in Indonesia, South Africa and Mozambique. Moreover, the company is scouting for mines in Australia and Canada through International Coal Ventures (ICV). Given the constraints regarding coal availability in India, the company is scouting for coal mining assets abroad to improve fuel security on its own. The entity, ICV, is incorporated to carry out business of overseas acquisition and operations of coal mines/blocks/companies for securing coking and thermal coal supplies.

Given the deepening coal supply constraints, which are expected to worsen in the future, the company has commenced developing captive mines. NTPC is developing eight coal blocks allocated to it, out of which, 2 blocks

are in a 50:50 joint venture (JV) with CIL. With total reserves of 5,907 MT, the mines are expected to produce 68 metric tonnes per annum (MTPA), if run on full capacity.

For FY10, the company requires 150 million tonnes (MT) of coal. To offset for the shortage of coal in the domestic market, NTPC has plans to import 12.5 MT, out of which, it has already received 3.7 MT in H1FY10. In FY09, the company imported 5.4 MT of coal as against 2.8 MT in FY08.

We believe that the acquisition of mining assets abroad would be a positive for the company, given the likely shortage of coal in India in the future. However, due to lack

of clarity, we have not yet factored the same in our model. We believe that the company is unlikely to take any debt to acquire coal mining assets abroad, as it has sufficient cash in its book to do the same. At the end of FY09, the company had a cash and bank balance of Rs173 bn and we expect the same to be at Rs124 bn at the end of this financial year.

Valuation: NTPC is currently trading at 2.8x FY10E BV of Rs75.58 and 2.6x FY11E BV of Rs81.84. We retain our estimates and target price of Rs245/share for NTPC, based on 3x FY11E BV and 65x EV/MW of FY10 capacity. Therefore, we rate the stock as a 'Market performer'.

NTPC	Rsmn	FY08	FY09	FY10E	FY11E	FY12E
Reuters/ Bloomberg Code	NTPC.BO / NATP@IN					
Market Cap. (Rsmn)	17,30,310.7	386,823	443,138	501,762	540,712	611,128
Market cap. (US\$mn)	37,412.10	117,352	107,218	127,661	140,586	164,559
Shares Outstanding (mn)	8,245.50	74,699	80,925	85,347	92,618	105,794
52-week High/Low (Rs)	233 / 151	9.1	9.8	10.4	11.2	12.8
		8.3	8.3	5.5	8.5	14.2
		30.3	24.2	25.4	26	26.9
		23.2	21.4	20.3	18.7	16.4
Major Share Holders (%)	9-Sep	3.3	3.0	2.8	2.6	2.4
Promoter/Majority	89.5	4.5	3.9	3.4	3.2	2.8
FII's	2.5	16	18.2	16.4	15.5	13.8
MF/FI's	4.7	1.7	1.7	1.9	2.0	2.3
Others	1.2	11.8	8.9	9.2	8.8	9.2
Public	2.1	14.7	14.6	14.2	14.3	15.0

Source: Company & KSBL Research

- Karvy Equity Desk

Market pulse

Bulk Deals

Company	Wt. Avg. Price (Rs.)	Traded Qty	Acquirer/Seller
Buy			
COX KINGS	393.17	550000	Reliance Equity Opp Fund
Sell			
Logix Microsystems	51.75	86879	India Investment Partners Ltd
Indraprastha Gas	185.23	3525000	Genesis Indian Investment Co
Temptation Food	37.62	347960	Goldman Sachs Invest Mauritius

Top Gainers (Weekly)

Company	11-Dec	04-Dec	%Change
Idea Cellular	59.75	54.75	9.13
BHEL	2371.30	2208.80	7.36
Bharti Airtel	331.55	310.10	6.92
Suzlon	83.15	79.30	4.85
L&T	1690.65	1622.90	4.17
Ambuja Cements	98.00	94.90	3.27
Infosys	2460.75	2383.60	3.24
Jindal Steel & Power	744.85	724.20	2.85
RCom	183.60	179.20	2.46
HCL	347.50	339.90	2.24

Top Losers (Weekly)

Company	11-Dec	04-Dec	%Change
Sterlite	841.85	889.20	-5.33
Cipla	340.40	358.95	-5.17
Tata Steel	546.55	575.95	-5.10
Hindalco	141.90	147.25	-3.63
Cairn India	271.95	280.15	-2.93
Sun Pharma	1442.25	1482.70	-2.73
SBI	2266.45	2328.05	-2.65
Axis Bank	1003.75	1027.05	-2.27
IDFC	164.35	168.15	-2.26
Unitech	86.65	88.20	-1.76

FII Invt (Rs.cr)

MF (Rs.cr)

Date	Purchases	Sales	Purchases	Sales
7-Dec-09	2303.80	1858.90	545.70	903.70
8-Dec-09	1937.00	1939.90	726.60	956.00
9-Dec-09	2873.70	1879.60	515.90	977.20
10-Dec-09	2105.80	2402.70	751.90	810.30
Total	9220.30	8081.10	2540.10	3647.20

Corporate Actions

Company	Date	Purpose
Godrej Consumer Products	15-Dec-09	Raising of Funds
GAIL (INDIA) Ltd	16-Dec-09	Interim Dividend
ONGC	18-Dec-09	Interim Dividend
MRF Ltd	21-Dec-09	Audited Results/Dividend

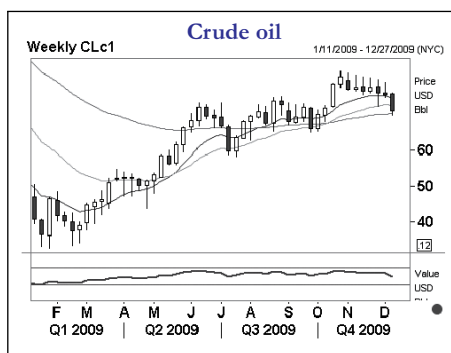
(Compiled by Krishnaveni M)

Commodities review

Energy

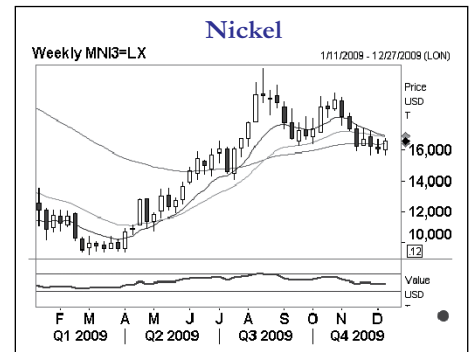
The crude oil prices on the NYMEX tumbled sharply last week and even traded below US\$70 per barrel, as it reacted to comments made by the Fed chairman that the US will face a weak labor market and tight credit. This raised some doubts over the economic recovery. Although the DOE inventory data showed that there was demand from refineries, the consumption side was pretty weak, leading to decline in prices. The Initial Jobless Claims rose while Continuing Claims fell, indicating some adjustments in the US employment scene. The US trade balance and monthly budget statement for October and November, respectively, showed a narrowing deficit. The dollar rose during the week while equities stood almost unchanged. The NYMEX crude oil traded in the range of US\$69.81-76.10 per barrel during the week.

The volatility in the market is expected to rise as the OPEC meeting (Dec 22nd) nears. Although economic indications for the week look good, while weak product demand and high fuel inventories will weigh on prices. This week, the market is expected to trade higher due to speculation over emphasis of better compliance by OPEC on its members. Moreover, better economic indicators may improve oil demand.

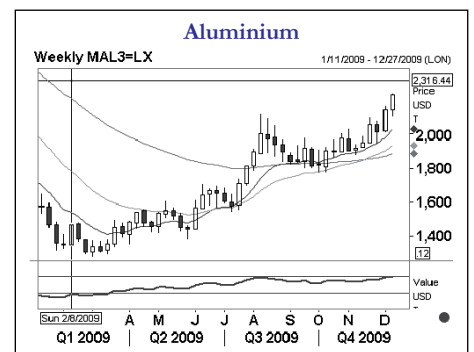


Base metals

The base metals ended the week on a mixed note as global factors were unable to provide a direction to the market. The US markets ended marginally up by 0.16%, the dollar index was up by 0.18% while the euro fell 0.83%, with the US and the UK facing a credit rating cut by Fitch. Crude oil declined by more than 6% as inventories of gasoline and distillate rose unexpectedly. Among the



base metals complex, the losers were zinc (4.18%), lead (3.85%), and copper (3.27%). Aluminium and nickel fell by 2.56% and 1.72%, respectively. In terms of inventory levels at the LME, copper added 15,550 tonnes while aluminium shed 4,100 tonnes last week. The fundamental picture remains bearish as total inventories at the LME rose to new historic highs. China is re-exporting its more-than-enough oversupply of metals (aluminium, copper and zinc) at its Shanghai warehouses to LME-listed Asian warehouses. Among the economic data releases, the US international trade deficit in October 2009 decreased 7.6% to US\$32.9 billion. Exports rose 2.6% to US\$136.8 billion and imports increased 0.4% to US\$169.8 billion. The surplus of aluminum in China is expected to narrow by 54%, to 1.19 million tonnes from 2.57 million tonnes in 2010. This could prove to be positive for prices. The market is witnessing a substantial fall in lead prices as China, the largest consumer and importer of lead, raises issues pertaining to 'new standards' of E-bikes on permitted weight and maximum speed. Hence, if the standards are laid down, then the market would see a considerable fall in lead demand. This week, we expect metals to indicate mixed trends, with better data expectations and bullish fundamentals news to show in quite a few metals, although technically some downside can be expected.



- Commodities Research 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-ofcharge in a policy year.

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

Moreover, the future premium payable under the policy can be redirected 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.

Mutual fund performance

Equity diversified

Scheme name	NAV	1 Year	2 Year	3 Year
IDFC Premier Equity - A (G)	25.97	111.50	2.20	107.80
Reliance RSF - Equity (G)	27.50	110.20	6.50	81.00
UTI Dividend Yield Fund (G)	26.86	86.90	5.20	76.80
Tata Equity P/E Fund (G)	43.19	115.40	-1.90	76.60
ING Dividend Yield (G)	18.91	110.30	7.10	75.40
Sundaram S.M.I.L.E Fund (G)	31.44	132.60	-2.70	75.60
Birla SL Dividend Yield (G)	69.42	101.00	12.30	72.00
UTI Opportunities Fund (G)	23.66	97.80	4.90	70.80
HDFC Top 200 Fund (G)	178.98	99.30	7.10	68.20
Baroda Pioneer Growth (G)	49.40	92.50	4.90	66.80

ELSS

Scheme name	NAV	1 Year	2 Year	3 Year
Taurus Tax Shield (G)	31.58	99.90	-6.90	88.40
Can Robeco Eqty TaxSaver (G)	21.63	98.60	3.10	70.60
Sahara Taxgain (G)	32.41	93.90	-1.80	60.90
Sundaram Tax Saver (G)	42.04	77.90	-7.60	58.40
Fidelity Tax Advantage (G)	18.00	89.00	-5.40	51.00
DSP-BRTax Saver Fund (G)	14.90	89.50	-13.30	49.00
Religare Tax Plan (G)	14.70	92.40	-3.50	47.00
Franklin India Tax Shield (G)	175.28	79.50	-10.40	41.00
Tata Tax Advantage Fund-1(G)	13.97	79.80	-7.00	38.70
Principal Personal Tax Saver	88.99	92.50	-23.50	37.50

Equity (Tech)

Scheme name	NAV	1 Year	2 Year	3 Year
DSP-BR Technology.Com -RP (G)	29.51	102.80	-13.80	37.10
Birla SL New Millennium (G)	18.14	76.80	-20.10	-1.90
Franklin Infotech Fund (G)	51.54	111.70	14.20	-2.80
ICICI Pru Tech. Fund (G)	13.24	112.90	-12.70	-3.80
SBI Magnum IT Fund	19.38	121.70	-17.60	-11.60

Equity (FMCG)

Scheme name	NAV	1 Year	2 Year	3 Year
Franklin FMCG Fund (G)	50.85	68.90	25.00	46.20
SBI Magnum FMCG Fund	20.98	76.90	27.20	45.20
ICICI Pru FMCG Fund (G)	51.86	68.30	3.90	28.90

Equity (Pharma)

Scheme name	NAV	1 Year	2 Year	3 Year
Reliance Pharma Fund (G)	42.62	131.40	54.20	122.50
Franklin Pharma Fund (G)	47.26	125.70	66.10	69.90
UTI Pharma & Health (G)	30.13	68.90	32.60	43.00
SBI Magnum Pharma Fund (G)	35.57	101.10	5.60	2.80

Equity (Banking)

Scheme name	NAV	3 mth	6 mth	1 Year
Reliance Banking Fund (G)	77.41	15.20	29.70	100.90
UTI Banking Sector (G)	33.83	15.30	26.90	93.90
Sahara Bkg & Fin. Services (G)	23.91	14.60	27.10	128.00
Religare Banking Fund -RP (G)	15.94	16.50	32.40	89.80
ICICI Pru Bkg & Fin Serv-RP(G)	14.94	14.20	27.90	93.30
Sundaram Fin-Serv. Opp.-RP (G)	16.08	14.00	21.70	83.40

Equity (Speciality)

Scheme name	NAV	1 Year	2 Year	3 Year
Birla SL Basic Industries (G)	94.83	98.30	-19.90	41.10
Birla Sun Life Buy India (G)	36.32	99.20	1.50	36.50
JM Basic Fund (G)	18.34	102.20	-50.80	0.90
JM Financial Services Fund (G)	9.13	20.40	-52.20	-8.70
JM Telecom Sector Fund (G)	8.16	27.80	-45.70	-18.40
Reliance Diver. Power - RP (G)	76.59	94.10	-2.90	114.90
Reliance Media & Entertain (G)	26.01	79.80	-33.40	22.00
Tata Life Sc & Tech Fund (G)	61.68	129.80	14.80	34.30
UTI Energy Fund (G)	10.99	76.70	-22.20	12.80
UTI Services Industries (G)	53.91	85.40	-24.70	12.10

Source: moneycontrol.com; Note: All NAV as of December 10, 2009, all returns are expressed in percentage terms.

(Compiled by Amit Chopra)

EVERYBODY PROMISES STOCK MARKET ON YOUR MOBILE PHONE!!!

We provide trading tips for you to profit

SUBSCRIBE FOR STOCK MARKET SMS DURING TRADING HOURS

How do you stay connected to the market while on the move? Simple, subscribe to **Karvy Stock Messaging Service**. You will have the trading tips on your Mobile.



For any clarifications please write to aswin@karvy.com, 040-44507254

PLAN	AMOUNT	HOW YOU BENEFIT
1 Month	Rs.3,000	Daily 5-6 trading recommendations+ 1 yr Finapolis subscription free
3 Months	Rs.8,000	Daily 5-6 trading recommendations + 2 yrs Finapolis subscription free+ Attractive discounts
6 Months	Rs.12,000	Daily 5-6 trading recommendations +3 yrs Finapolis subscription free+ Attractive discounts
1 Year Base Plan	Rs.15,000	Daily 5-6 trading calls recommendations + Karvy Bazaar Baatein(Soft Copy)+ Trade Winds(Soft Copy) free+Attractive discounts
1 Year Power Plan	Rs.20,000	Daily 5-6 trading recommendations +Weekly Karvy Bazaar Baatein(Soft Copy)+ Trade Winds(Soft Copy)+3 yrs Finapolis subscription free+Attractive discounts

Mode of payment : Please pay by DD in favour of "Karvy Stock Broking Ltd." payable at Hyderabad.

Please send in your payment details along with the DD to Mr.Shomesh Kumar, Karvy Stock Broking Ltd.,

Karvy House,46, Avenue 4, St.No.1, Banjara Hills, Hyderabad-500 034.

For online payment logon to www.karvy.com

NFO

DSP Blackrock World Mining Fund NFO

(NFO closes on December 18, 2009)

Good way to Play Global Metals Opportunity

Overview

- ✓ The fund is positioned as a fund of funds scheme which will predominantly invest into the Blackrock Global Funds (BGF) - World Mining Fund.
- ✓ The fund is a focused, large-cap oriented sector fund, which will invest in mining companies across the globe.
- ✓ The fund will typically invest in stocks of iron ore, copper, aluminum, coal, gold and platinum mining companies.
- ✓ Generally bottom-up research with a strong overlay of macroeconomic themes.
- ✓ High emphasis on portfolio construction and risk management.

Issue Terms

- ✓ Entry Load: Nil
- ✓ Exit Load: If redeemed/switched within less than one year, 1%, else Nil.
- ✓ Minimum Application Amount: Rs5,000 and in multiples of Re1 thereafter
- ✓ NAV offer price: Rs10 per unit
- ✓ NFO Period: November 23 – December 18, 2009.

Positives

- ✓ The fund is managed by Blackrock's highly experienced natural resources fund management team which has worked together for a number of years and possesses a considerable investment and domain expertise in the fields of geology and engineering. The current natural resources team manages more than \$30 bn in assets across various funds and \$13.7 bn in the mining fund alone.
- ✓ The fund is predominantly invested in large cap stocks with exposure across commodities and geographies. Moreover, due to a cap of 30% on exposure to any one mineral, the fund managers have ensured that there is no excessive concentration on any single commodity.
- ✓ We believe the current outlook for mining sector is significantly better than it was at the start of 2009. Commodity prices have rallied on the back of easing of global financial crisis and a pick-up in

Sundaram PSU Opportunities

(NFO closes on December 23, 2009)

Opportunity in PSUs

PSUs are vertical monopolies in many businesses: The Navratnas in India, honoured by the Government of India, are the crown jewels of the nation. These Navratnas are the best Indian homegrown companies, which have become the flag-bearers in their respective area of activity. For e.g., companies like ONGC, NTPC, SBI, etc. have almost become synonymous with oil, power and banking, respectively, in India.

The mini-ratna companies in India are getting ready to break into the big league, standing out for their efficiency and performance. With more and more PSUs like NHPC and Oil India entering the market and many more on the roadmap, the opportunities are ever-expanding.

The total income of the top-18 navratnas is equal to 15% of India's

economic activity across the globe. However, during the peak of the financial crisis, there was a sharp cutback in development spending. The appetite for development risk continues to be low and not many shelved projects are being revived. The scaling back of new supply has meant many commodities are constrained on the supply side. While we see demand recovery due to increased spending by governments on infrastructure activities, the supply-side tightness should provide strong support for commodity prices in the medium term.

- ✓ The fund has a creditable track record having clocked a CAGR of 18% in the last five years.

Performance*	6 months	1 year	3 years	5 years
DSPBR World Mining Fund	49.8%	80.1%	4.2%	18.5%
HSBC Global Mining (cap)	46.8%	79.9%	5.2%	17.7%

* Performance in terms of USD; Performance of above one year is in CAGR

Current Portfolio

Stock	% of Fund	Geography	Commodity	PE 2010
Vale	10.1	Global	Diversified	14.3
Rio Tinto	9.7	Global	Diversified	12.8
BHP Billiton	8.8	Global	Diversified	14.8*
Xstrata	5.8	Global	Diversified	11.8
Teck	5.0	Canada	Diversified	12.7
Freeport-McMoran C&G	4.4	Indonesia	Copper	11.6
Impala	4.4	South Africa	Platinum	26.5*
Buenaventura	3.7	Latin America	Gold	17.5
Newcrest	3.3	Australia	Gold	29.2*
Anglo America	3.2	Global	Diversified	12.4
Total	5.8			

Risks

While the return potential in the fund is high, the volatility is also high at an annualised 42% in the last three years. This is typical of cyclical commodities. The time-tested fund management team and its grasp over the markets will help mitigate the risk.

Recommendation

The fund is a convenient vehicle to take exposure to the global commodities play in the precious and base metals space. It is a high risk-high return opportunity and in the fund on offer, we have the advantage of a fund management team with proven track record. We recommend DSP Blackrock World Mining Fund NFO for subscription by investors with a 24-30 months perspective for a maximum of 10% of the portfolio.

- Karvy Private Wealth

GDP: Religare PSU Equity Fund will invest in such public sector undertakings (PSUs) in India, and give us the chance to be the modern-day Akbar.

Investment style: Aggressively managed fund with sector, stock, trading and cash calls as well as a call to stay outside the theme to the extent permitted if conditions warrant.

Approach: Dedicated vehicle to play the PSU theme that will become an ever bigger part of the market in the decade ahead.

Breadth of the theme: Disinvestment stage to partial privatization to life-after-privatization (at least three years from date of full privatization).

Suitability: Appropriate for an investor who has a sizable exposure to diversified funds. Investors must view PSUs as a theme and this should be a part of a thematic portfolio.

Preferred duration: Three years and more

Why PSUs

Strong fundamentals: Unlike popular perception, most of the PSU companies in India are leaders in their respective areas of operation and in many sectors they have a virtual monopoly. In addition, many of the PSU companies have a presence in core sectors and, therefore, considering the government thrust for infrastructure, these companies offer strong growth potential for years to come. Six of the top-10 companies in India are public sector companies.

Low debt-equity ratio: Many of the PSU companies have low debt or have surplus cash on their books, which puts them in an advantageous position in comparison to their private-sector counterparts when it comes to funding their expansion programmes. Due to the low debt-equity ratio, the cost of servicing debt lowers the fixed costs and makes PSUs less vulnerable to a slowdown in earnings growth.

Available at attractive valuations:

Index	Price/Earnings	Price/Book value
BSE PSU Index	16.14	3.00
BSE Sensex	18.86	3.32
BSE 200	19.32	2.97
BSE 500	19.98	2.82

As the table suggests, currently PSU companies are attractively placed in terms of valuations vis-à-vis the broader markets and the BSE Sensex. The BSE PSU Index is trading at relatively attractive trailing P/E multiples of 16.14 as against 18.86 P/E for Sensex companies,

with better earnings growth rate than the Sensex. Valuations, as measured by the P/B multiple, also suggests that PSUs are better placed than the Sensex companies.

Dividend gains: While the growth potential clearly exists, there is another aspect that adds to the need to look at PSU companies closely; that is, they have a strong dividend payout history. PSU companies provide attractive dividends and this dividend-paying habit of PSU companies has been seen in the bear phases of the market too.

Snapshot

Investment objective	Capital appreciation
Nature of scheme	Open-ended equity scheme
Offer price	Rs10 per unit
Options	Growth, dividend payout and dividend reinvestment
SIP	Rs250 per month; Rs750 per quarter
Fund manager	J. Venkatesan
Benchmark	CNX PSE Index
Load structure	<i>Entry Load:</i> Nil <i>Exit Load:</i> 1% if redeemed within twelve months from the date of allotment
Asset allocation	Equity instruments in the targeted theme: 65-100%; equity instruments other than the targeted theme: 0-35%; fixed income and money market instruments: 0-35%; up to 35% of assets may be invested in overseas securities and shall be only related to the theme

- Pradeep Kumar S

Disclaimer : The information and views presented in this report are prepared by Karvy Stock Broking Limited. The information contained herein is based on our analysis and upon sources that we consider reliable. We, however, do not vouch for the accuracy or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred based upon it. The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither Karvy nor Karvy Stock Broking nor any person connected with any associate companies of Karvy accepts any liability arising from the use of this information and views mentioned in this document. The author, directors and other employees of Karvy and its affiliates may hold long or short positions in the above mentioned companies from time to time. Every employee of Karvy and its associate companies is required to disclose his/her individual stock holdings and details of trades, if any, that they undertake. The team rendering corporate analysis and investment recommendations are restricted in purchasing/selling of shares or other securities till such a time this recommendation has either been displayed or has been forwarded to clients of Karvy. All employees are further restricted to place orders only through Karvy Stock Broking Ltd. This report is intended for a restricted audience and we are not soliciting any action based on it. Neither the information nor any opinion expressed herein constitutes an offer or an invitation to make an offer, to buy or sell any securities, or any options, futures or other derivatives related to such securities.

Subscribe to Karvy Publications

Yes, I wish to subscribe to Karvy Publications. (please tick below)

I would like to subscribe to Karvy Bazaar Baatein..(Soft copy) for a period of 6 months : Rs.1000 1 year : Rs.1500



Only Soft Copy

A weekly Equity & Commodities investment newsletter from Karvy

Subscribers will receive SMS alerts on when to initiate & when to close Karvy Bazaar Baatein...recommendations

I would like to subscribe to Trade Winds (Soft copy) for a period of 6 months : Rs.2000 1 year : Rs.3000



Only Soft Copy

A weekly Futures and Options trading newsletter from Karvy

Subscribers will receive SMS alerts on when to initiate & when to close Trade Winds recommendations

I would like to subscribe to the Finapolis (Hard copy) for a period of : 1yr:Rs.250 2 yrs : Rs.475 3 yrs : Rs.650



Hard Copy & Soft Copy

A monthly magazine on Personal Finance

Subscribe to Mega offer: **Rs.4,500 =** { 1 year 'Karvy Bazaar Baatein' + 1 year 'Trade Winds' + 1 year 'Karvy the Finapolis' }

Subscription Tenure	No. of Issues	Subscription Price
6 months	26	1000
1 year	52	1500

Subscription Tenure	No. of Issues	Subscription Price
6 months	26	2000
1 year	52	3000

Subscription Tenure	No. of Issues	Cover Price @ Rs.25 per issue	Subscription Price	You Save
1 year	12	300	250	17%
2 years	24	600	475	21% (Best offer)
3 years	36	900	650	28%

Mode of payment : Please pay by Cheque / DD in favor of "Karvy Stock Broking Ltd.," payable at Hyderabad. For outstation (other than Hyderabad)

cheques, please add Rs.25/- as collection charges to the above amount. This Subscription Request Form, along with your Cheque / DD may please be sent to : Shomesh Kumar, Editor-in-chief, The Finapolis, Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034. **Phone** - 040-44507254, **email** - shomeshk@karvy.com. Email your cheque/DD No. and amount to **aswin@karvy.com** to enable us to start your subscription to **The Finapolis** right away.

Subscription Request Form Please write in BLOCK CAPITALS

Mr/Mrs/Ms/ _____ First Name _____ Last Name _____ Age _____ Address _____
Pin: _____ Tel No. _____ e mail : _____

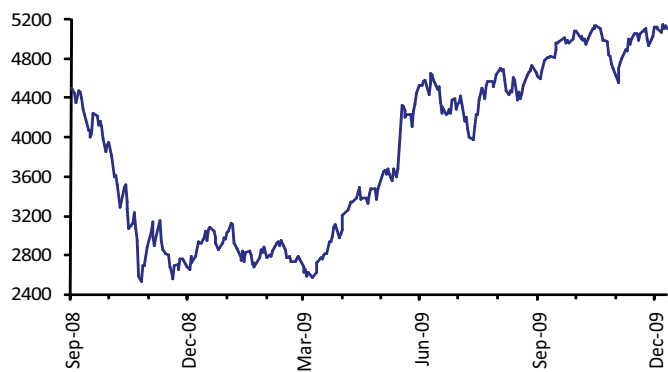


KARVY BAZAAR BAATEIN

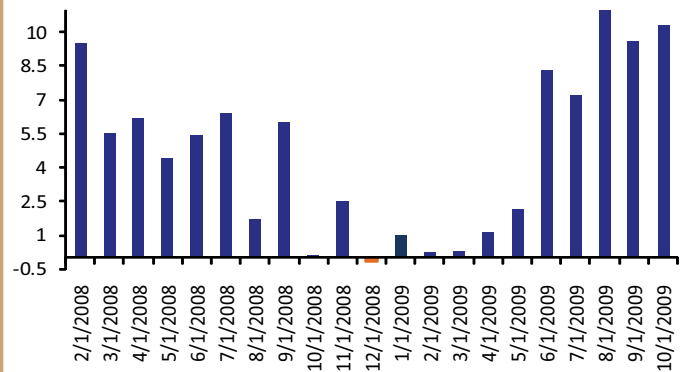
KARVY the **Finapolis**
Your Personal Finance Advisor

MARKET DATA

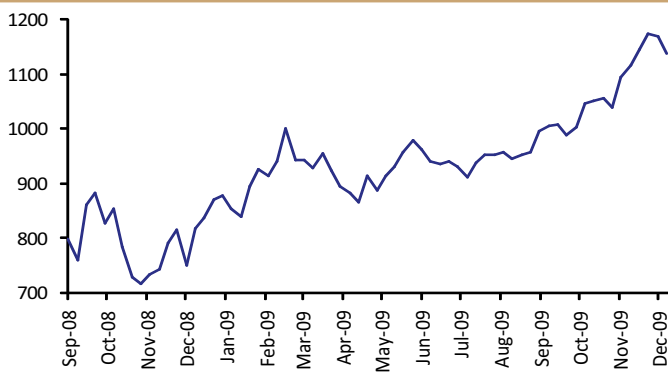
Nifty movement



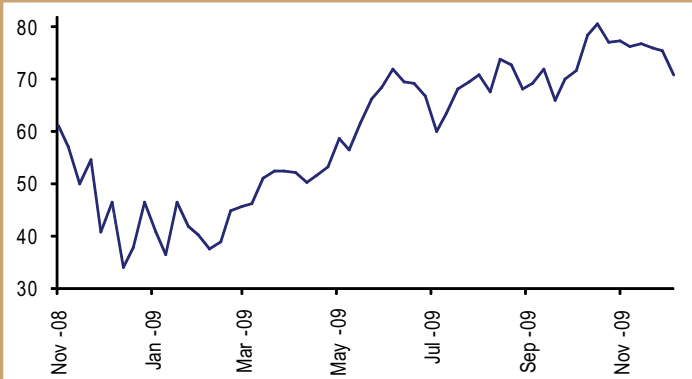
Indian Industrial Production (%)



Gold (US\$/oz)



Crude oil (US\$/bbl)



Global indices: Weekly performance

	Close (Dec 10)	Close (Dec 04)	Weekly (%)	6M (%)	12M (%)	PE Ratio
GLOBAL INDICES						
MSCI World Index	1154.07	1168.90	-1.27	15.77	29.34	32.09
MSCI Asia Pacific Ex Japan	405.75	411.67	-1.44	21.39	65.83	30.16
ASIA (closing as on Dec 11)						
Hang Seng	21902.11	22498.15	-2.65	16.56	40.27	22.91
Singapore Straits Times (STI)	2800.75	2791.01	0.35	17.59	56.10	22.61
S. Korea	1656.90	1624.76	1.98	16.73	43.53	22.59
Nikkei 225	10107.87	10022.59	0.85	1.27	15.91	-
AMERICA						
Dow Jones	10405.83	10388.90	0.16	18.64	21.49	16.21
S&P 500	1102.35	1105.98	-0.33	16.66	26.19	22.19
NASDAQ	2190.86	2194.35	-0.16	17.64	45.29	41.68
Brazil Bovespa	68728.29	67603.52	1.66	28.68	78.43	20.89
EUROPE						
FTSE-100	5244.37	5322.36	-1.47	18.81	20.80	60.10
DAX 30	5709.02	5817.65	-1.87	13.05	21.12	62.11
CAC 40	3798.38	3846.62	-1.25	14.76	15.76	16.30

Source: Bloomberg

Domestic indices: Weekly performance

	Close (Dec 11)	Close (Dec 04)	Weekly (%)	6M (%)	12M (%)	PE Ratio
Sensex	17119.03	17101.54	0.10	11.08	77.48	22.85
Nifty	5117.30	5108.90	0.16	10.34	75.24	23.04
BSE 500	6714.66	6720.26	-0.08	15.59	92.16	22.12
BSE Auto	7199.17	7186.23	0.18	43.44	202.79	52.85
BSE Bankex	10106.17	10244.63	-1.35	23.05	101.99	15.08
BSE Capital Goods	13877.95	13347.43	3.97	3.05	128.01	35.75
BSE Consumer Durables	3549.43	3493.69	1.60	15.61	109.60	11.83
BSE FMCG	2848.82	2868.53	-0.69	25.15	46.50	31.39
BSE Healthcare	4932.29	5038.70	-2.11	33.09	75.00	40.05
BSE IT	4900.47	4796.53	2.17	48.26	107.72	22.24
BSE Oil & Gas	10368.86	10475.35	-1.02	0.02	72.67	19.40
BSE Metal	16419.26	16867.93	-2.66	36.96	212.56	38.90
BSE Realty	3922.62	3953.61	-0.78	4.45	91.57	21.05
BSE PSU	9306.83	9282.09	0.27	10.11	97.14	18.02
BSE Power	3052.59	3008.75	1.46	0.65	73.85	31.44
BSE Tech	3159.49	3072.49	2.83	15.31	56.03	20.63

(Compiled by Amit Chopra)

Head Office:

S. Gopichand, Editor, Karvy Stock Broking Ltd.,
529, Road No.10, Banjara Hills, Hyderabad - 500 034.
Ph: 040-44507254.

For further details on Karvy network visit: www.karvy.com

Subscriber's Address: