



KARVY BAZAAR BAATEIN

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NSE
52 Wk H/L : 5298.85/2252.75
Mcap : Rs32,21,274 cr.
BSE
52 Wk H/L : 17735.70/7697.39

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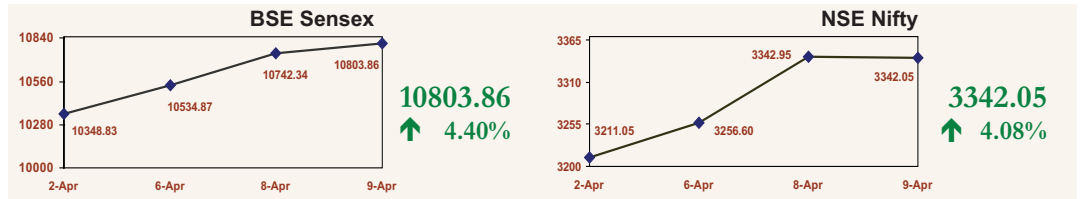
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by **S. Gopichand** on behalf of Karvy Stock Broking Limited.

Editor: **S. Gopichand**

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The optimism continues...

The Indian stock indices continued to rise for the fifth consecutive week, as positive global cues and FII inflows raised the sentiment in the markets. Despite two trading holidays during the week, the indices outperformed key global and Asian markets last week. The Nifty closed at 3342 levels while the Sensex closed at 10804 levels, an increase of 4.08% and 4.40% W/W respectively. In fact, since its lows on March 9, both indices have risen more than 30%.

Despite unemployment in the US hitting a 25-year high of 8.5%, a few good numbers emanated from the US that drove up global financial markets by 20-30% in March. That's not all. The \$500-billion US bank rescue plan and the concerted efforts by the G20 leaders to arrive at an early consensus triggered a rally in global markets.

Having risen more than 30%, is this a sign of an early global recovery, especially considering that stock markets are a leading indicator? Or is it merely a bear market rally? While most experts believe that markets may not fall below the October lows, they are unanimous in their view that an early economic recovery in the US is key to the resurgence in global stock markets. In fact, many strongly endorse the view that emerging markets like India and China will come back strongly on any signs of a sustained recovery in the US.

While no one can really be sure when that will materialize, one thing is quite evident—the Obama administration is leaving no stone unturned to ensure a soft landing for the US economy, and his continued popularity worldwide will help facilitate and smoothen the hard edges as economies make a concerted and painful effort to come back to normalcy.

In the short-term, however, given that Indian markets are highly correlated by global cues, any profit-booking across the globe could lead to the same in India as well. Meanwhile, corporate results will start getting announced this week, and, we believe, that most negatives have already been discounted in the prices. As far as polls are concerned, given the highly fractured politics prevailing in the country today, investors should take a cautious approach until the election results. Meanwhile, they can also use the current rally to weed out the duds from their portfolio.

KBB weekly recommendations for the week beginning 13th April.

Scrip	Action	CMP	Entry	Stop Loss	Target	Time Frame
Praj Inds	Buy	66.90	64-66	61.10	78-80	8-10 Days
JP Associates	Buy	113.90	112-114	108.00	125-126	5-6 Days
RNRL	Buy	56.15	54-56	51.80	67-68	5-6 Days
NTPC	Buy	194.20	190-192	185.10	203-205	5-6 Days

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

KBB weekly recommendations monitor

Scrip	Action	Entry	SL	Target	Shares(#)	P/L	Return	Remark
Punj Lloyd	Buy	106-108	101.10	125-126	1845	11,626.44	5.89%	CMP
IDFC	Buy	Above 63	59.80	72-74	3134	9,873.25	5.00%	CMP
ABG Shipyard	Buy	93-95	88.00	108-110	-	-	-	NI
Cairn	Buy	Above 200	193.80	223-225	987	-1,184.79	-0.60%	CMP

Balance on inception (26- Jan- 09)	Balance last week (02-Apr-09)	Balance current week (09-Apr-09)	Abs. returns WoW (%)	Abs. returns since Jan 26, 2009(%)
5,00,000	5,92,394	6,12,709	3.43	22.54

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

ABG Shipyard

CMP: 135.60

ABG Shipyard was on a decline mode for almost a year after it made a peak around 1133 levels. The stock registered a new low in the most recent session; however, thereon the stock has jumped back with heavy volumes due to value buying. The recent rally has seen the stock move beyond its short-term moving averages of 8, 21 and 50-day EMAs which is a positive sign. The 14-day RSI is in the over-bought territory and is hinting marginal profit-taking from the current levels. On the RSI scale, the stock could find support around the 58-60 levels. Immediate support is placed around 120 levels. A sustained move close to this level, and the stock could face fresh buying interest which will guide it to test higher levels of 165 and 180 in the short term. Investors are advised to assume long positions in the stock in the range of 130-135 levels for an upside target of 165 and 180 levels in the short term. All long positions in the stock should be protected with a stop loss placed below 115 levels on a closing basis.

Reliance

CMP: 1735.75

Reliance moved significantly in the recent past; being a major heavyweight, the stock moved in-line with the broader index. Lately, it has been the prime contributor to the index rally. The stock was consolidating within a broad range since the October debacle last year. It was moving within a range of 1000-1400, after which it recently broke past the range and staged a sharp rally. The breakout has aided the stock to move past all the moving averages, which increases the strength of the up-move. The stock climbed above the 200-day EMA last week, a positive takeaway that would act as a strong support in the future. The 14-day RSI has entered the over-bought territory, hinting a cautious stance. Hence, the stock may witness some cool-off due to profit-taking which can be taken as an opportunity to enter around the lower supports of 1500 levels. Investors are advised to assume long positions in the stock within the range of 1700-1735 levels and average the same at 1500 levels for a short-term target of 1900 and 2000 levels. All long positions in the stock should be protected

with a stop loss placed below 1450 levels on a closing basis.

Godrej Industries

CMP: 67.50

Godrej Industries remained sideways since the debacle of October last year. It almost breached the October lows and reversed the trend with improving volumes, indicating fresh buying in the stock. Thereon, the stock picked up and witnessed a breakout above the consolidative range. The rally has aided the stock to climb above its 8, 21 and 50-day EMAs and is heading towards its 100-day EMA which would be the immediate resistance level. The 14-day RSI has found support around the 40 levels and heading north, indicating further momentum to prevail in the stock. However, the stock has crucial resistance placed around 72 and 106 levels where the 200-day EMA is currently placed which will be the critical point of observation. Investors are advised to assume long positions in the stock in the range of 65-67 levels for a medium-term target of 106-110 levels. All long positions in the stock should be protected with a stop loss placed below 50 levels on a closing basis.

Fundamental view

Andhra Bank (Rs48)

We are revising our FY10E estimates for Andhra Bank to factor-in higher non-performing assets (NPAs), restructured loans, and much higher credit costs. Moreover, we are reducing our incremental estimates for fee income and increasing our estimates for operational overheads. Hence, we are reducing our FY10E earnings estimates by 11.3% to Rs5.24 billion from our earlier estimates of Rs5.9 billion, and also reducing our price target by 14.9% to Rs74. We maintain our BUY rating on the stock. At the current market price, the stock is quoting at 0.56x FY10E adjusted book value, but according to our target, the stock would trade at 1.05x FY10E adjusted book value.

Expected increase in NPA levels—the biggest worry: With the reduction in its GNPA levels by 11.5% Y/Y, Andhra Bank has become the best performer on the NPA front among all state-owned banks. However, going forward in FY10E, the NPA level is expected to go up substantially. We are factoring in an 86% increase in GNPA and a 140% jump in NNPA to Rs7.6 billion and Rs2.3 billion, respectively, which in

percentage terms would increase to 1.42% and 0.44% from December-end levels of 0.89% and 0.21%.

Andhra Bank's restructured loans could increase to Rs2.6 billion (62% Y/Y) and Rs5.7 billion (126% Y/Y) in FY09E and FY10E, respectively, from Rs1.6 billion in FY08. We are increasing our credit cost estimates to 0.55% in FY10E (earlier estimates of 0.48%) from 0.38% in FY09E. As on December-end 2008, retail loans contributed to almost 20% of the bank's loan portfolio and, according to the industry-wise exposure, the bank's

loan book is mainly exposed to textile, steel, power and construction sectors.

Business growth would moderate: We have not changed Andhra Bank's business growth estimates. We expect the bank's total deposit and loan book to grow by 17.9% each in FY10E. We also expect the bank's credit-deposit ratio to be at 74.8% and current account and savings account (CASA) deposit share to remain at 28.5% in FY10E.

Margins would drift slightly: We expect the bank's margins to decline by 22 bps (from

Andhra Bank	(Rs mn)		FY06	FY07	FY08	FY09E	FY10E
Bloomberg/Reuters Code	ANDB@IN/ ADBK.BO	Total Net Income	15,605	18,644	20,012	22,972	25,709
Market Cap Rs.Bn	23.3	Profit before provisions	7,026	9,312	10,569	12,127	12,809
Market Cap USD Mn	465.6	NIM (%)	3.3	3.3	2.8	2.7	2.6
52-week range	88/35	Net Profit	4,855	5,379	5,756	6,128	5,242
Shares in issue	485.0	EPS (Rs)	12	11	12	13	11
FII limit	20.0	EPS Growth (%)	(9.4)	(5.8)	7.0	6.5	14.5
		P/E (x)	4.1	4.3	4.0	3.8	4.4
		Price/Book Value (x)	0.8	0.7	0.7	0.6	0.6
Major Shareholder (%)		Price/Adjusted Book Value (x)0.9	0.8	0.8	0.7	0.7	0.7
Promoters	51.6	DividendYield (%)	8.3	7.9	8.3	8.3	8.3
Banks/FIs/MFs	16.0	Cost-to-income (%)	55	50	47	47	50
Pvt. Corp. Bodies	2.6	ROA (%)	1.3	1.2	1.1	1.0	0.7
Public	14.5	ROE (%)	20.5	17.8	18.0	17.8	13.9
FIIs/NRIs/OCBs	15.3	Tier-1 Capital (%)	12.2	10.0	8.5	7.2	6.7

Source: Company and KSBL Research

Market pulse

Bulk Deals

Company	Wt. Avg. Price (Rs.)	Traded Qty	Acquirer/Seller
Buy			
Megasoft	13.92	342414	Morgan Stanley
United Brew	107.50	20689427	Deutsche Securities
Everonn Systems	147.23	133921	Carlson Fund Equity - Asian Small Cap
IB Real Estate	112.67	1500000	Copthall Mauritius Investment Ltd
Sell			
Reliance Infra	567.72	1304191	Quantum (M)
Fag Bearings India	290.00	300000	ICICI Prudential Life Insurance Co
Balaji Telefilms	37.63	1180000	Genesis Indian Investment Co
Alok Industries	13.71	1098577	HI Growth Corprate
Indage Vin	55.20	384584	Small Cap World

Top Gainers (Weekly)

Company	09-Apr	02-Apr	%Change
Tata Steel	261.10	225.10	15.99
L&T	832.45	717.75	15.98
HCL Tech	122.20	106.95	14.26
Rel. Infra	655.10	575.25	13.88
Rel. Capital	468.05	411.90	13.63
Suzlon	57.50	50.90	12.97
Unitech	42.10	37.50	12.27
Tata Motors	226.80	203.65	11.37
ICICI Bank	397.80	360.70	10.29
DLF	222.65	202.55	9.92

Top Losers (Weekly)

Company	09-Apr	02-Apr	%Change
ACC	586.55	602.20	-2.60
BHEL	1498.65	1535.95	-2.43
SBI	1140.30	1147.05	-0.59
Grasim	1595.10	1602.35	-0.45
Cairn	199.15	199.35	-0.10

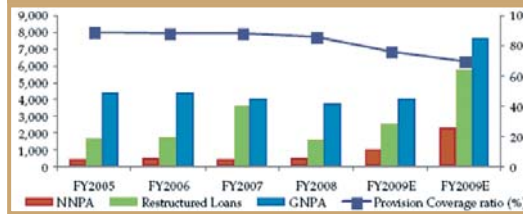
FII Invt (Rs.cr) MF (Rs.cr)

Date	Purchases	Sales	Purchases	Sales
2-Apr-09	1640.90	2172.30	1023.00	777.80
6-Apr-09	1695.20	1460.40	570.50	793.40
7-Apr-09	2761.50	2065.30	-	-
8-Apr-09	2619.80	2447.50	-	-
Total	8717.40	8145.50	1593.50	1571.20

Corporate Actions

Company	Date	Purpose
Shree Cements	13-Apr-2009	Interim Dividend / Record Date
Prism Cement	14-Apr-2009	Audited Accounts and Dividend
Infosys	15-Apr-2009	Audited Financial Results And Dividend
Power Finance Corporation	17-Apr-2009	Unaudited Financial Results
Axis Bank	20-Apr-2009	Audited Annual Results

NPA and Restructured Loans



FY08 level) and 11 bps from the estimated level of FY09E while the estimated net interest income (NII) is expected to show a 17% CAGR in FY08-10E, to Rs19.4 billion. We have slightly reduced our NII estimates by 1.15% to Rs19.4 billion.

Moderation in fee-income growth: We expect Andhra Bank's core fee-income growth momentum to moderate to 9.3% Y/Y, to Rs2.56 billion, from the expected level of 10% Y/Y in FY09E and 17% Y/Y

in FY08. However, we have not made any substantial changes in our core fee income or other income estimates.

We expect the bank's NII to grow by 16.9% (CAGR FY08-10) to Rs19.4, while we expect the net profit to de-grow by 4.6% (CAGR FY08-10E) to Rs5.2 billion in FY10. In FY10E, the estimated book value and the adjusted book value are expected to be Rs81 and Rs70 respectively. Our valuation of the bank is based on the Gordon Growth Model through which we have arrived at an intrinsic worth of Rs74 per share. Hence, we maintain our Buy rating on the stock. At the current market price, the stock is quoting at 0.56x FY10E adjusted book value, but according to our target, the stock would trade at 1.05x FY10E adjusted book value.

JSW Steel (Rs311)

Surpassing Tata Steel as the largest private sector steel player in India

JSW Steel has delivered a healthy crude steel production performance in 4QFY09 after a disappointing performance on both production and sales front during 3QFY09. Although volumes have shown an uptrend, we believe that there could be lower steel price realization compared to consensus estimates. Hence, we downgrade our rating from BUY to Market Performer due to price performance and overhang of lower price realizations.

Production update for 4QFY09 and outlook for FY10E:

In February 2009, JSW Steel commissioned its new blast furnace with a capacity of 2.8 million tonnes. This capacity addition has made it the largest private-sector steel company in the country with a total steel-making capacity of 7.8 million tonnes. Earlier, the top position was held by Tata Steel with a steel-making capacity of 6.8 million tonnes. JSW Steel's 2.8 million tonnes expansion project was commissioned in a record 31 months.

India's and global steel prices might correct further due to lower raw material prices:

We expect iron ore and coking coal contracts to be negotiated at ~50-60% lower than the contract rates of FY09E. The iron ore and coking coal contracts might be finalized at US\$50 per tonne and US\$120 per tonne, respectively, for FY10E. This will further pressurize steel prices in the near term.

Despite being largely non-integrated, JSW Steel is a low-cost producer:

JSW Steel's cost of production is surprisingly lower than that of Tata Steel (India), considering that its level of integration is much lower than that of Tata Steel (India). While Tata Steel (India) is integrated for both iron ore and coking coal supplies at 100% and 70%, respectively, JSW Steel is only integrated for iron ore to the tune of 25%. However, JSW Steel's employee and other costs per tonne are significantly lower than those of Tata Steel.

Domestic producers gain as imports reduce:

There was a sharp jump in imports in November 2008 due to the wide differential between domestic and import prices from CIS countries. However, Indian companies could counter the flow of imports by cutting HRC prices by US\$100/tonne in December 2008. Going forward, we believe that the preference for domestic producers over imports could continue due to the benefits like less order-to-delivery time, no requirement of letter-of-credit, lack of any exchange rate risks, etc.

Valuation: For FY09E, we expect the company's adjusted profits to decline by 36.5% to Rs11,787 million. Our EPS estimate for FY09 is Rs59 while our FY10E EPS is expected to be Rs82 based on sales volume of 6.2 million tonnes in FY10E. We maintain our target price of Rs334 at which the stock would quote at a P/E of 4.1x FY10E and EV/EBIDTA of 4.6x FY10E. Due to the recent surge in the stock price, we change our rating from BUY to Market Performer.

Importance of long-term investing in the equity markets

The power of compounding plays a crucial role of multiplying your money over time, thus facilitating long-term wealth accumulation. The table below highlights the benefits of investing in the equity markets for the long term, using SIP (systematic investment plan) or the lumpsum mode. The table shows the one-year, five-year, 10-year and 15-year rolling returns on the BSE Sensex since its inception.

On a one-year rolling basis, which is tantamount to a one-year investment horizon, the Sensex showed a negative return in 10 of the 29 years, or 35% of the total. This further fell to 12%, 5% and 0% on a five-year, 10-year, and 15-year rolling bases, indicating the importance of holding your investments for the long-term as the market ups and downs get smoothed out over time.

The importance of long-term investing

No.	Year-end	Sensex	Rolling 1-yr	Rolling 5-yr	Rolling 10-yr	Rolling 15-yr
0	Mar-79	100				
1	Mar-80	129	29%			
2	Mar-81	173	34%			
3	Mar-82	218	26%			
4	Mar-83	212	-3%			
5	Mar-84	245	16%	20%		
6	Mar-85	354	44%	22%		
7	Mar-86	574	62%	27%		
8	Mar-87	510	-11%	19%		
9	Mar-88	398	-22%	13%		
10	Mar-89	714	79%	24%	22%	
11	Mar-90	781	9%	17%	20%	
12	Mar-91	1168	50%	15%	21%	
13	Mar-92	4285	267%	53%	35%	
14	Mar-93	2281	-47%	42%	27%	
15	Mar-94	3779	66%	40%	31%	27%
16	Mar-95	3261	-14%	33%	25%	24%
17	Mar-96	3367	3%	24%	19%	22%
18	Mar-97	3361	0%	-5%	21%	20%
19	Mar-98	3893	16%	11%	26%	21%
20	Mar-99	3740	-4%	0%	18%	20%
21	Mar-00	5001	34%	9%	20%	19%
22	Mar-01	3604	-28%	1%	12%	13%
23	Mar-02	3469	-4%	1%	-2%	14%
24	Mar-03	3049	-12%	-5%	3%	15%
25	Mar-04	5591	83%	8%	4%	15%
26	Mar-05	6493	16%	5%	7%	15%
27	Mar-06	11279	74%	26%	13%	16%
28	Mar-07	13072	16%	30%	15%	8%
29	Mar-08	15644	20%	39%	15%	14%
Average return			28%	19%	18%	18%
Loss / total years			10/29	3/25	1/20	0/15
Loss as % of total			35%	12%	5%	0%

Mutual Fund performance

Equity (Diversified)

Scheme Name	1 year	2 year	3 year
Birla Sun Life Asset Allocation Aggressive	-14.96	- 1.65	0.90
UTI MNC	-17.11	-6.36	-8.95
UTI Dividend Yield	-17.59	2.09	1.58
Sahara Growth	-18.43	3.20	4.27
UTI Opportunities	-18.77	3.54	-3.93
IDFC Imperial Equity Plan A	-18.83	3.00	2.95
Birla Sun Life Dividend Yield Plus	-18.96	-2.18	-4.38
UTI Contra	-20.54	-4.10	NA
DSPBR Top 100 Equity Inst	-20.71	0.69	4.07
FT India Life Stage FoF 20s	-20.87	-3.37	-1.45

Equity (Tax Planning)

Scheme Name	1 Year	2 Year	3 Year
Canara Robeco Equity Tax Saver	-23.51	-2.64	-0.64
Reliance Tax Saver	-24.71	-10.71	-8.58
HSBC Tax Saver Equity	-25.04	-8.12	NA
Sahara Tax Gain	-25.64	-1.82	-3.88
Sundaram BNP Paribas Taxsaver	-26.03	-2.52	-1.80
Fidelity Tax Advantage	-26.54	-6.32	-1.31
Franklin India Taxshield	-26.94	-5.87	-5.09
Taurus Tax Shield	-27.31	7.75	-1.70
Franklin India Index Tax	-28.47	-5.92	-1.19
Religare Tax Plan	-30.27	-3.39	NA

Balanced Fund

Scheme Name	1 Year	2 Year	3 Year
Birla Sun Life Balance	-7.32	1.96	3.39
UTI CCP Advantage	-8.73	-2.78	-0.22
Birla Sun Life Asset Allocation Moderate	-9.57	2.09	3.41
FT India Life Stage FoF 30s	-11.83	0.09	0.92
ICICI Prudential Advisor-Moderate	-12.20	-0.74	2.20
Reliance Regular Savings Balanced	-12.63	3.18	4.44
ICICI Pru Equity & Derivative Wealth Optimiser	-15.84	-6.60	NA
Birla Sun Life 95	-16.13	-1.54	1.61
Templeton India CAP Gift Plan	-17.29	-4.36	0.82
FT India Balanced	-18.09	-1.66	2.16

Monthly Income Plan (MIP)

Scheme Name	1 Year	2 Year	3 Year
Birla Sun Life MIP II Savings 5	17.30	13.75	11.18
Reliance MIP	17.04	11.01	9.00
Tata MIP	7.95	7.84	6.79
Templeton MIP-DM	7.32	7.78	6.58
Birla Sun Life Monthly Income	6.87	8.16	7.74
DSPBR Savings Manager Aggressive	5.84	6.11	6.96
Birla Sun Life MIP	5.69	7.50	6.87
UTI Monthly Income Scheme	5.21	8.15	6.82
DSPBR Savings Manager Moderate	5.16	5.63	5.97
ICICI Prudential MIP	4.82	6.60	6.29

Commodities

Precious metals review

Bullion: Bullion prices continued to decline last week as economic revival measures resulted in positive sentiments across equity markets. Prices fell to \$865 per troy ounce after breaching the crucial support of around \$880 levels. This was due to a string of better-than-expected US economic data and significant steps announced at the G20 Meet. The G20 members pledged more than \$1 trillion in emergency aid to deal with the global recession. Clearly, as global stock markets rose more than 25% from its March 9 lows, there was a migration from bullion to equity markets.

Moreover, poor economic data from the Euro-zone dragged down gold futures prices. The euro-zone GDP contracted by 1.6% Q/Q against the expected and previous figure of -1.5%, while retail sales in the region, too, declined. Prices displayed lackluster performance as the week came to an end with no major economic trigger.

Nevertheless, prices recovered from its weekly lows on speculation that losses may have been overdone. Moreover, concerns regarding quarterly earnings of US-based companies and skepticism over their economic recovery enhanced the appeal for precious metals. The minutes of the FOMC meeting brought back the gloom about the economy, wherein most federal officials expressed concern about a deepening financial rout. They feared a significant downside risk to the economy, which was gripped with rising unemployment,

weakening business, and lower consumer spending. This, in turn, boosted the appeal of the yellow metal as a safe refuge.

Meanwhile, GFMS Ltd. announced on Monday that gold may “easily” reach \$1,000 an ounce, and might climb to a record this year as demand for a hedge against inflation outpaces an expanding scrap supply and weaker usage by jewelers. The organization also said that gold will surpass last year’s record considering that inflation will accelerate, fuelled by government programs to bail out failing banks and ease the recession.

On a weekly basis, as on Wednesday, gold prices ended down by 2.81% at \$897.30 per troy ounce while silver declined by 3.98% to \$12.735 levels. The Euro-zone and German industrial production, US trade balance, and manufacturing, industrial and housing data will be crucial to watch out for now. We expect prices to remain sideways with lower bias this week.

Agri market review

Soy complex: Soybean futures staged a strong rally last week from prolonged buying interest in the domestic market from crushers. Robust demand for Indian soy meal from South East Asian countries resulted in a sharp rise in the soybean prices in the spot and futures market. During the week, soybean spot prices rose to Rs2,460 a quintal from a low of Rs2,320 a quintal quoted in the previous week, with arrivals declining to 55,000 bags from 75,000 bags. A strong trend in the overseas market also lent support to the market. Bullish export data and lower-

than-expected planting report helped the CBOT soybean futures to trade above \$10 a bushel. According to USDA, during the March 20-26 period, net sales of soybeans from the US were 599,800 tonnes, up by 40% from the previous week, and 53% from the prior four-week average. In 2009, US farmers intend to plant on 76 million hectares of land, which is slightly higher than 75.718 million hectares sown last year. In 2008, the US produced 80.53 million tonnes of soybeans, up from 72.86 million tonnes produced in 2007. Based on the planting intentions, the 2009 US soybean production would be more or less the same as that of last year given normal climatic conditions. Soybean prices are expected to continue its upward trend on continued buying interest coupled with robust demand for its by-products like soy oil and soy meal. The firm trend in overseas markets is likely to support the prices.

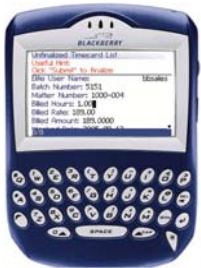
Sugar: Sugar futures witnessed a sharp rally last week on strong buying interest from physical traders on speculation that the summer season would create more demand for the sweetener. Lower-than-expected free sale quota and lower production estimates supported the upward trend in prices. For April-June quarter, the central government has fixed 4.7 million tonnes of sugar as free-sale quota against the market expectation of 5.7 million tonnes. The Indian Sugar Mills Association (ISMA) has projected India’s sugar production at 14.5 million tonnes against 25.4 million tonnes produced last year. Sugar prices are expected to continue its upward trend on the strong summer demand.

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Life Maker Platinum

Life Maker Platinum is a unit-linked insurance policy (ULIP) from Max New York Life Insurance Company Limited.

Unique features

Increasing insurance cover: The death benefit available under the policy comprises both policy sum assured and fund value. Hence, the insurance cover under the policy keeps on increasing with increase in the fund value.

Persistency units: The policy provides persistency units for continuation of the policy and premium payments being made according to policy schedule. The persistency units are in addition to those which are credited to the investment fund(s) in the normal course of the policy. The persistency units are credited to the chosen investment fund(s) during the last policy year and will be equal to 2.5% of the annualized premium value multiplied by the policy term. This value is, however, subject to the value of the units not exceeding the amount of one annualized premium.

Option to increase the sum assured value: The policyholder has the option to increase the sum assured value any time during the policy term, subject to the underwriting guidelines and policy conditions. An increase in the sum assured value will result in an increase of the premium payable under the policy. Here, the premium allocation charge and all charges applicable towards the increased portion of the premium payable will be equivalent to that of a new policy in the marketplace.

Top-up premium: Top-up premium can be paid to enhance the investment fund value. The minimum top-up premium payable is Rs2,500. This premium will, however, not effect the life assurance cover (or sum assured) value. Also, the cumulative top-up premium amount should not exceed 25% of the cumulative top-up premium paid to-date.

Policy benefits

Death benefit: In the unfortunate event of death of the life assured during the policy term, the nominee / beneficiary will receive both the sum assured value and the investment fund value.

Maturity benefit: With the life assured surviving at the end of the policy term, the policyholder will receive the investment fund value which is inclusive of the persistency units. The maturity benefit can be received by the policyholder as either a lumpsum or in instalments spread up to 5 years from maturity.

Eligibility parameters

Age at entry: Minimum – 12 years; maximum – 60 years

Maximum age at maturity: 70 years

Policy term available: Minimum – 10 years; maximum – 58 years

Minimum annual premium amount: Rs10,000. The premium payable under the policy is calculated on the basis of the choice of the sum assured and the policy term.

Minimum sum assured value: Rs50,000

Investment funds

The policy provides an option to invest in one or more of the four investment funds. The details of these funds are:

Fund name	Investment objective	Risk return profile	Asset allocation			
			Equities	Money market instruments / cash	Corporate bonds	Government securities
Growth Fund	To provide potentially higher returns by investing primarily in equities	High	20% to 70%	0% to 20%	0% to 30%	0% to 30%
Balanced Fund	To provide balanced returns from investments in both fixed income securities and equities	Moderate	10% to 40%	0% to 20%	20% to 40%	20% to 50%
Conservative Fund	To provide stable returns by investing in assets of relatively low to moderate level of risk.	Low	0% to 15%	0% to 20%	0% to 50%	50% to 80%
Secure Fund	To provide stable returns by investing in relatively low risk assets.	Very low	0%	0% to 20%	0% to 50%	50% to 100%

The policy provides the facility to switch the investment value from one fund to the other. The minimum switching amount is Rs5,000. There are six free-of-charge switches in a policy year. The policy also provides the facility for re-direction of the future premiums to change asset allocation of the investment funds as per the changing investment requirements of the policyholder. There are three free-of-charge premium re-directions available in a policy year.

Policy charges

Premium allocation charge: This charge is levied as a percentage of the premium amount and depends on the policy term chosen. The details for this charge are:

Policy years	Premium allocation charge as a % of the premium for policy term		
	10-14 years	15-19 years	20 years and above
Year 1	55%	60%	65%
Year 2	20%	20%	20%
Year 3 and thereafter	5%	5%	5%

Premium allocation charge for top-up premiums is 3%.

Mortality charge: This charge is levied for the provision of life insurance cover under the policy. It is levied at the beginning of the policy month by cancellation of units from the investment fund(s). It will be levied on the net 'sum at risk' which is equal to the sum assured minus the fund value (as on the relevant policy month-anniversary). The mortality rates are guaranteed during the policy period.

Fund management charge: This charge is levied for management of the investment value under the chosen investment fund(s) and is appropriated on a daily basis. The details are:

Fund name	Growth Fund	Balanced Fund	Conservative Fund	Secure Fund
Fund management charge	1.25% p.a.	1.10% p.a.	0.90% p.a.	0.90% p.a.

This charge is subject to an increase to a maximum of 2% p.a. subject to prior approval of the IRDA.

Policy administration charge: This charge is a fixed amount of Rs50 per month and is levied at the beginning of each month by cancellation of the units from the chosen investment fund(s). The charge will increase every year at the rate of 5% p.a., compounded annually.

Rider premium charge: If the policyholder has opted for the Dread Disease Rider and/or Personal Accident Benefit Rider, the rider charges mortality or morbidity charges as the case may be, and subject to policy conditions, will be deducted by cancellation of units from the chosen investment fund(s) at each month-anniversary.

Switching charge: Every subsequent switch after the six free-of-

charge switches in a policy year will be subject to a charge of Rs500 per switch. This charge can be increased to a maximum of Rs1,000 per switch with the prior approval from IRDA.

Partial withdrawal charge: Every subsequent partial withdrawal after the three free-of-charge partial withdrawals in a policy year will be subject to a charge of Rs1,000 per partial withdrawal. This charge can be increased to a maximum of Rs2,000 per partial withdrawal with prior approval from the IRDA.

Premium re-direction charge: Every subsequent premium re-direction after the three free-of-charge premium re-directions in a policy year will be subject to a charge of Rs1,000 per premium re-direction. This charge can be increased to a maximum of Rs2,000 per premium re-direction with prior approval from the IRDA.

Surrender charge: A charge of 5% of the fund value will be applicable if the policy is surrendered before premiums equivalent to four annualized regular premiums have been paid.

Partial withdrawals

The partial withdrawal facility is available after the initial three policy years. The withdrawals can be made up to 50% of the fund value in any policy from a chosen investment fund account. The minimum value of a partial withdrawal should be Rs10,000 and the minimum fund value remaining in a fund account after any partial withdrawal should not be less than the value of one annualized regular premium. Here, it will be important to mention that each top-up premium will have a lock in of three years for partial withdrawals (except in the last three policy years). Partial withdrawal before the age of 18 of the life insured is not allowed.

Policy surrender: The policy surrender option is available under the policy after initial three policy years. A policy will not acquire a surrender value unless a premium value equivalent to three annualized regular premiums has been paid in the first three policy years. The surrender value payable will be subject to deduction of the surrender charge as applicable.

Riders available: The policy provides the following riders to choose from at the policy inception or on any policy anniversary. The individual rider sum assured cannot exceed the basic sum assured under the policy.

Personal Accident Benefit (PAB) Rider: provides a lumpsum amount in case of death of the life assured caused by an accident. Also, if the life assured suffers from a total and permanent disability while being involved in an accident, benefit is available under this rider.

Dread Disease (DD) Rider: provides a lumpsum amount on the life assured being diagnosed with any of the ten dreaded diseases covered or the life assured undergoing the surgery covered.

Tax benefits: The premium paid under the policy is eligible for deduction under Section 80C of the Income Tax Act, 1961. The benefits received under the policy are exempt from tax under Section 10(10D) of the Act. If, however, the premium paid (regular premium plus top-up premium) in a financial year exceeds 20% of the sum assured value, both the above tax benefits will not be available under the current tax laws.

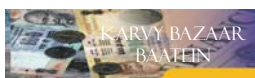
IMPORTANT: In this policy, the investment risk in the investment portfolio is borne by the policyholder.

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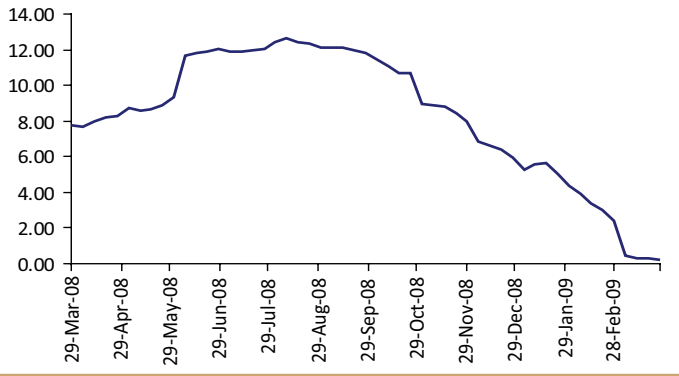


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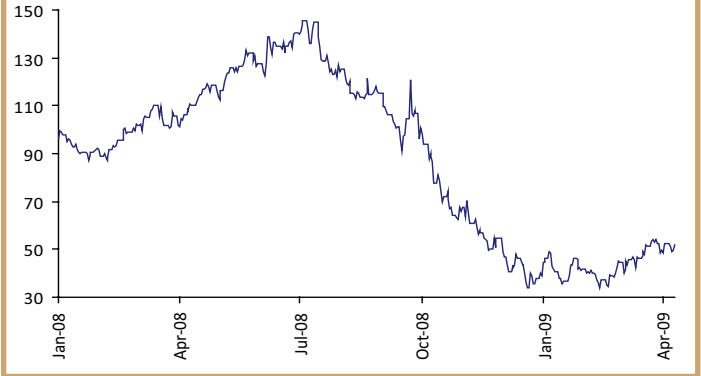


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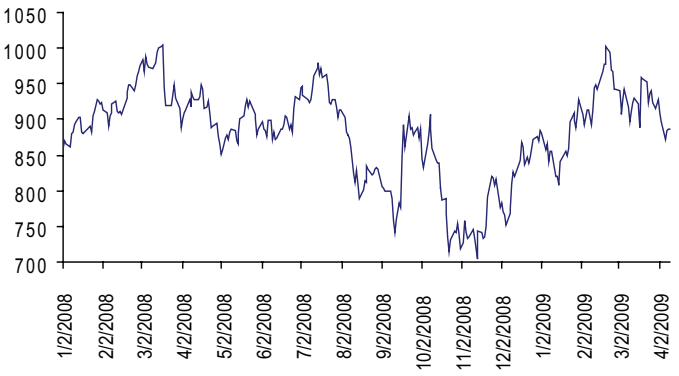
Inflation fell marginally to 0.26%...



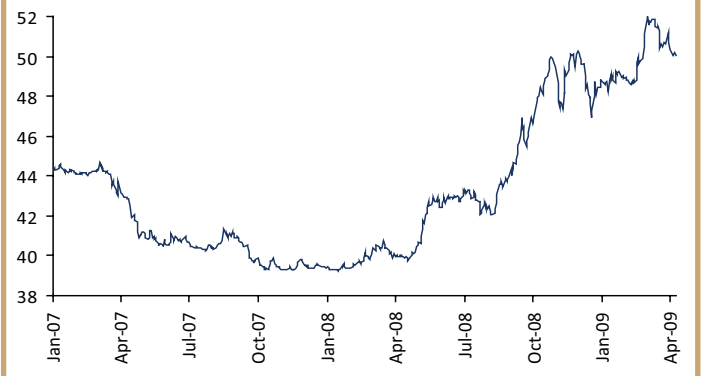
Crude oil



Gold



Rs/US\$



Global indices: Weekly performance

	Close (Apr 09)	Close (Apr 02)	Weekly (%)	6M (%)	12M (%)	PE Ratio
ASIA						
Hang Seng	14474.86	14545.69	-0.49	-6.54	-37.87	13.29
STI	1783.96	1820.87	-2.03	-13.04	-40.82	8.80
S. Korea	1262.07	1283.75	-1.69	1.66	-24.98	18.47
Nikkei 225	8595.01	8749.84	-1.77	-2.64	-32.00	28.14
AMERICA (as of March 08 closing)						
Dow Jones	7837.11	8017.59	-2.25	-8.65	-37.44	14.77
S&P 500	825.16	842.50	-2.06	-9.32	-39.08	12.19
NASDAQ	1590.66	1621.87	-1.92	-3.31	-31.50	21.54
Brazil Bovespa	44181.98	44390.98	-0.47	19.15	-30.40	14.20
EUROPE (as of March 08 closing)						
FTSE-100	3925.52	4029.67	-2.58	-8.85	-34.29	17.87
DAX 30	4357.92	4384.99	-0.62	-9.91	-34.50	17.12
CAC 40	2921.06	2958.74	-1.27	-14.83	-39.85	9.64

Domestic indices: Weekly performance

	Close (Apr 09)	Close (Apr 02)	Weekly (%)	6M (%)	12M (%)	PE Ratio
Sensex	10803.86	10348.83	4.40	-4.63	-31.58	11.13
Nifty	3342.05	3211.05	4.08	-4.88	-29.60	11.23
BSE 500	3931.42	3737.65	5.18	-7.55	-36.95	10.36
BSE Auto	3294.69	3166.92	4.03	-4.30	-25.42	8.88
BSE Bankex	5045.27	4822.39	4.62	-12.60	-38.41	9.34
BSE Consumer Durables	1950.52	1717.17	13.59	-18.05	-51.04	6.22
BSE FMCG	2050.14	2026.30	1.18	5.28	-13.17	21.26
BSE Healthcare	2934.37	2859.73	2.61	-12.26	-25.97	16.10
BSE IT	2499.34	2454.72	1.82	-7.47	-32.54	11.22
BSE Oil & Gas	7978.05	7671.79	3.99	2.33	-24.53	12.14
BSE Metal	6801.56	6224.19	9.28	-5.66	-50.64	3.93
BSE Realty	2041.33	1795.47	13.69	-28.23	-72.01	4.39
BSE PSU	5696.51	5503.80	3.50	-1.70	-22.14	41.10
BSE Power	2026.33	1932.66	4.85	-0.38	-34.38	20.43
BSE Teck	2031.23	1956.88	3.80	-10.31	-33.86	12.72

Source: Bloomberg

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