

# VALUE *Plus*

Monthly Newsletter

(For private circulation only)

Issue : August, 2012



## Olympics 2012



STAY AWAY! YOU'RE  
SUBVERTING  
DEMOCRACY!



# ARI - Movers & Shakers

## INDIAN INDICES

Indices	July-12	Jun-12	Change %
SENSEX	17236.00	17429.98	-1.11
S&P CNX NIFTY	5229.00	5278.90	-0.95
BANK NIFTY	10384.00	10340.65	0.42
CNX MIDCAP	7168.50	7351.80	-2.49
S&P CNX 500	4126.45	4170.65	-1.06
CNX IT	5695.00	6144.60	-7.32
CNX REALTY	218.30	222.95	-2.09
CNX INFRA	2349.55	2415.90	-2.75

(Source: BSE & NSE)

## BSE-SECTORAL INDICES

Indices	July-12	Jun-12	Change %
AUTO	9114.00	9457.91	-3.64
BANKEX	11910.00	11908.71	0.01
CD	6296.85	6208.83	1.42
CG	9600.00	10025.35	-4.24
FMCG	5045.50	4992.03	1.07
HC	7141.64	6883.89	3.74
IT	5345.00	5765.16	-7.29
METAL	10477.61	10785.38	-2.85
OIL&GAS	8158.00	8075.67	1.02
PSU	7104.99	7258.21	-2.11
REALTY	1637.64	1667.87	-1.81
TECK	3162.42	3344.39	-5.44

(Source: BSE)

## GLOBAL INDICES

Indices	July-12	Jun-12	Change %
DOW JONES	13008.00	12880.00	0.99
NASDAQ	2647.00	2618.00	1.11
HANG SENG	19796.00	19441.00	1.83
FTSE	5635.00	5571.00	1.15
NIKKEI	8695.00	9006.00	-3.45

(Source: Telequote software)

## COMMODITIES and FOREX

Particular	July-12	Jun-12	Change %
MCX GOLD	29749.00	29665.00	0.28
MCX SILVER	53974.00	51987.00	3.82
MCX CRUDE OIL	4921.00	4695.00	4.81
MCX-SX USDINR	55.83	56.11	-0.50

(Source: Telequote software)

## FII ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jul 2012	49,557.40	39,284.80	10,272.60
Total for 2012 *	<b>3,72,003.59</b>	<b>3,19,738.11</b>	<b>52,265.80</b>

(Source: SEBI)

## MF ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jul 2012	8,825.90	10,795.60	-1,969.70
Total for 2012 *	<b>71,966.20</b>	<b>80,155.70</b>	<b>-8,189.50</b>

\* Till July 2012

(Source: SEBI)

## Market Commentary

Where is the water? The month of July 2012 remained range bound on account of various domestic and global factors. The sentiments of poor monsoon in June 2012 weighed in July 2012 adding to the woes of already ailing Indian economy. However, monsoon picked up marginally during the month easing up some worry but still not the expected results. Finally Sensex ended the month at 17236 shaving off 193.98 points, declining 1.11% while CNX S&P Nifty closing down 0.95% to settle at 5229.

On the sectoral front, BSE HC (healthcare) and BSE CD (consumer durables) substantially outperformed the Sensex, gaining 3.74% and 1.42% respectively while BSE IT and BSE Teck were the biggest dampeners, recording declines of 7.29% and 5.44% respectively.

On the positive side, July 2012 saw good inflows in the Indian equities from overseas investors with foreign institutional investors (FIIs) making net purchases of Rs 10,272 crore of equities during the month. On the other hand the domestic mutual fund houses turned net sellers of equities to the tune of Rs 1,969 crore over the same period.

July marked the beginning of corporate earnings announcement for Q1FY13 that did not make any positive difference. In fact investor's sentiment was hurt by Q1FY13 corporate earnings with biggest disappointment coming from IT major Infosys that revised downwards both earnings and revenue growth guidance for the year ending March 2013 in dollar terms after reporting disappointing Q1 June 2012 results. Banking sector results also hurt by increasing NPA.

Industrial production grew at a higher pace of 2.4% in May 2012 driven by manufacturing output. Industrial production declined 0.9% in April 2012. The annual rate of inflation, based on monthly wholesale price index (WPI) eased to 7.25% for the month of June 2012 from 7.55% for the previous month and 9.51% during the corresponding month of the previous year.

Seeing high inflation as a bigger danger than the slowest growth in almost a decade, the Reserve Bank of India (RBI) in its much awaited first quarter monetary policy review on 31<sup>st</sup> July 2012, left its policy rates unchanged at 8% (repo) and 7% (reverse repo) respectively. Also, cash reserve ratio (CRR) remained untouched at 4.75%. However, the world's most aggressive central bank, in a surprise, did slash its Statutory Liquidity Ratio (SLR) of scheduled commercial banks from 24% to 23% to ease liquidity.

On the political front, Pranab Mukherjee, former finance minister and senior leader of the ruling Congress party, was elected as the new President of India on 22<sup>nd</sup> July 2012. The country's 4,896 lawmakers in state assemblies and parliament cast their votes for the president, a ceremonial post.

The Indian government on 31<sup>st</sup> July 2012, announced a key cabinet reshuffle with Home Minister P. Chidambaram named as the new Finance Minister. Power minister Sushil Kumar Shinde was named as the new Home Minister. Minister of Corporate Affairs M. Veerappa Moily has been assigned the additional charge of the Ministry of Power.

The monsoon rainfall until July 31<sup>st</sup> was 19% below the long-term average, with some areas getting little or no rain and some others seeing excessive rain and flooding. There will be an impact on food grain output, but it is too early to give any estimate, Mr. Pawar said. The worst affected states due to scanty rains are Punjab, Haryana, Karnataka, and parts of Maharashtra and Gujarat.

On the global front, Euro zone debt worries eased after European Central Bank (ECB) President Mario Draghi on Thursday, 26<sup>th</sup> July 2012, said the ECB will do whatever is necessary to protect the euro zone from collapse, raising hopes for action to ease strains for highly indebted euro zone member states facing pressures to seek a bailout. After this positive news in the last days of the month markets moved positive.

Going forward the near term equity performance shall depend on mainly Government action on policy reforms, the outcome of the Q1FY13 results season for corporate India and the monsoon scenario.

## Key News and Events in July 2012

### Domestic News:

- **June 2012 WPI inflation drops at 7.25%:** The wholesale price index (WPI), India's main inflation gauge, rose 7.25% for the month of June 2012, as compared to 7.55% for the previous month and 9.51% during the corresponding month of the previous year.
- **May 2012 IIP growth at 2.4%:** India's annual industrial output growth measured by index of industrial production (IIP), showed better growth at 2.4% for the month of May 2012 versus a negligible growth figure of 0.1% in April 2012, which later was revised to show a contraction of 0.9%.
- **June 2012 exports shrink by 5.45% Y-O-Y:** Trade deficit narrows to \$10.3 billion. Driven by the weak demand in traditional markets such as Europe and the US, India's export, which is largely consumed by these developed economies, shrank 5.45% in June 2012 to \$25.07 billion from \$26.51 billion in the same month last year. Imports into the country, for the month under review, stood at \$35.37 billion after declining by 13.46%, leaving a trade

deficit of \$10.3 billion.

- **FDI extends declining trend in May 2012:** Showing the sign of slowing global economy, foreign direct investment (FDI) in India extended its decline in May 2012 with inflows slipping to \$1.32 billion from \$4.66 billion in the same month last year.
- **Government clears 14 FDI proposals worth Rs 1,584 crore:** The central government has approved 14 foreign direct investments (FDI) proposals worth Rs 1,584 crore, in line with the recommendations from Foreign Investment Promotion Board (FIPB).
- **Q1FY13 Monetary Policy:** The Reserve Bank of India (RBI) in its April-June quarter monetary policy on Tuesday left the key policy rates unchanged. However, it has cut the statutory liquidity ratio (SLR) to 23% from 24% earlier. Now, the repo rate or the rate at which banks borrow from RBI remained at 8% while the reverse repo rate at which, the banks lend to RBI at 7%.

### Auto sales registered growth in July 2012

Sales numbers reported by auto companies for the month of July 2012 have been weak, with a clear indication of a continuing slowdown across most segments. Based on our interaction with dealers, and persistently challenging macro economic factors, we expect the weakness to continue through the festive season, and till the end of FY13. The biggest challenges for auto sector growth in FY13 continue to be high fuel costs, high borrowing costs and persistent inflation. Post our last round of channel checks (which were conducted in the month of May 2012), various articles and statements in media suggest that inventory has been piling up across all segments, which is a bad sign for wholesale numbers ahead of the festive season, as well as company margins. The trailing 12 month yoy% growth trend in the domestic market shows continuing weakness post January 2012, and yoy growth is consolidating at about 10%.

Market Leader Hero Moto Corp's July sales fell for the first time in FY13 on a yoy basis, with July unit wholesales being less than 5 lakhs for the first time in 11 months. They sold 4.84 lakh units in July, lower by 1.5% yoy. Bajaj's domestic numbers at 2.18 lakh units reflected a 0% yoy growth for July, and their exports at 1.25 lakhs registered a fall of 13%. Bajaj's exports have come under pressure with headwinds faced in SriLanka and Egypt. TVS's numbers at 1.61 lakh units have been the weakest among all domestic two wheeler players throughout FY13. Maruti sold a total of 82,000 units in July, well supported by the latest launch Ertiga. Even though Maruti's domestic sales reflected a 6.8% yoy growth for the month of July, a "normalized and adjusted" yoy growth number of -13% (fall) is more realistic, considering that July 2011 was a month with lower production on account of labour problems. Tata Motors managed wholesales of 73,491 units, a growth of 15% yoy. However, their heavy commercial vehicles segment

continued to remain deep in negative territory, in line with the overall slowdown in core infrastructure growth. M&M clocked 63,580 units in July, an increase of 13%, but their all important domestic tractor segment continued to struggle with a fall of 1%.

### Q1FY13 Result Update: Nifty Companies

#### Positive Performance:

- **ICICI Bank**, the second largest bank by assets, registered a rise of 36.24% in its net profit at Rs 1,815.05 crore for the quarter under review as compared to Rs 1,332.20 crore for the same quarter in the previous year.
- **GAIL (India)**, recorded a surge in net profit by 15.14% at Rs 1,133.78 crore for Q1FY13 as compared to Rs 984.67 crore for the same quarter in the previous year.
- **NTPC**, the largest power generating company in India, posted a rise of 20.37% in its net profit at Rs 2,498.67 crore for Q1FY13 as compared to Rs 2,075.78 crore for the same quarter in the previous year.
- **ACC's** net profit rose by 24.16% at Rs 417.93 crore for the quarter ended June 30, 2012 as compared to Rs 336.59 crore for the same quarter in the previous year.
- **Ambuja Cements'** net profit jumped by 34.93% at Rs 468.90 crore for Q1FY13 as compared to Rs 347.50 crore for the same quarter in the previous year.
- **BHEL** registered a jump of 12.92% in its net profit at Rs 920.90 crore for the quarter under review as compared to Rs 815.51 crore for the same quarter in the previous year.
- **ITC's** net profit zoomed by 20.21% at Rs 1,602.14 crore for the quarter under review as compared to Rs 1,332.72 crore for the same quarter in the previous year.
- **PNB** registered a rise of 12.72% in its net profit at Rs 1,245.67 crore for Q1FY13 as compared to Rs 1,105.07 crore for the same quarter in the previous year.
- **Power Grid** posted a rise of 23.37% in its net profit at Rs 870.11 crore for the quarter under review as compared to Rs 705.29 crore for the same quarter in the previous year.
- **HCL Technologies**, a leading offshore IT & software development company's net profit zoomed by 70.84% at Rs 658.75 crore for the quarter ended June 30, 2012 as compared to Rs 385.59 crore for the same quarter in the previous year.
- **HUL**, India's largest consumer goods company, reported surge in net profit by 112.26% at Rs 1,331.19 crore for the quarter under review as compared to Rs 627.16 crore for the same quarter in the previous year.
- **Larsen & Toubro**, posted a rise of 15.75% in its net profit at Rs 863.65 crore for Q1FY13 as compared to Rs 746.15 crore for the same quarter in the previous year.
- **Hero MotoCorp**, world's single largest two-wheeler motorcycle company, posted a rise in net profit by 10.32% at Rs 615.46 crore for Q1FY13 as compared to Rs 557.89 crore for the same quarter in the previous year.

- **Bajaj Auto**, India's leading two wheeler manufacturer registered a marginal rise of 1.03% in its net profit at Rs 718.39 crore for the quarter under review as compared to Rs 711.06 crore for the same quarter in the previous year.
- **AXIS Bank**, recorded a surge in net profit by 22.41% at Rs 1,153.52 crore for the quarter ended June 30, 2012 as compared to Rs 942.35 crore for the same quarter in the previous year.
- **HDFC Bank's** net profit showed a whooping jump of 30.64% at Rs 1,417.39 crore for the quarter under review as compared to Rs 1,084.98 crore for the same quarter in the previous year.
- **TCS**, India's top software services provider, posted an impressive rise of 35.64% in its net profit at Rs 2,797.59 crore for the quarter ended June 30, 2012 as compared to Rs 2,062.43 crore for the same quarter in the previous year.
- **Infosys** recorded a jump in its net profit by 33.25% at Rs 2,204 crore for the quarter under review as compared to Rs 1,654 crore for the same quarter in the previous year.
- **HDFC** posted a rise of 18.63% in its net profit at Rs 1,001.91 crore for Q1FY13 as compared to Rs 844.53 crore for the same quarter in the previous year.

#### Negative Performance:

- **Wipro**, the IT conglomerate, recorded a decline in net profit by 5.03% at Rs 1,158 crore for the quarter under review as compared to Rs 1,219.30 crore for the same quarter in the previous year.
- **Cairn India**, reported a net loss of Rs 33.88 crore for the quarter ended June 30, 2012, against net loss of Rs 16.31 crore for the corresponding period last fiscal.
- **JSW Steel**, posted a fall of 53.49% in its standalone net profit at Rs 269 crore for the quarter ended June 30, 2012 as compared to Rs 578.32 crore for the same quarter in the previous year.
- **Grasim Industries**, registered a decline of 13.11% in its net profit at Rs 272.94 crore for the quarter ended June 30, 2012 as compared to Rs 314.13 crore for the same quarter in the previous year.
- **Jindal Steel & Power** had showed a surprising fall of 97.36% in its net profit at Rs 12.42 crore for the quarter ended June 30, 2012 as compared to Rs 470.16 crore for the same quarter in the previous year.
- **Sesa Goa's**, net profit declined by 66.17% at Rs 227.66 crore for the quarter under review as compared to Rs 672.98 crore for the same quarter in the previous year.
- **Reliance Industries**, India's largest private sector enterprise, net profit fell by 20.98% at Rs 4,473 crore for the quarter ended June 30, 2012 as compared to Rs 5,661.0 crore for the same quarter in the previous year.
- **Dr Reddy's** posted a surprising fall of 60.87% in its net profit at Rs 177.66 crore for the quarter ended June 30, 2012 as compared to Rs 454.05 crore for the same quarter in the previous year.

# ARI - Equity Outlook and Currency Pick

## Technical Equity Market Outlook

Markets displayed range bound activity with mild negative bias in the month of July, 2012 due to global and domestic uncertainties. On the sectoral front IT, Teck and Capital Goods ended on the losing side whereas Health Care and Consumer Durable ended with decent gains. The Sensex closed with a net loss of 1.11% whereas the Nifty lost 0.95% vis-à-vis the previous month.



### Technical Observation

#### On the monthly chart

- The prices have managed to close above the 5&20-Month EMA and formed a narrow range body formation. This suggests indecisiveness prevailing at current level.
- We reiterate our view that the current price activity has challenged the ongoing lower top lower bottom formation by making a higher bottom at 4770. This suggests high probability of a trend reversal.

#### On the weekly chart

- We are observing that prices have retraced the preceding up move within 50% (5059) and 61.8 % (4991) range by making a low of 5032.
- Broadly the 50% and 61.8% Fibonacci retracement level act as support for the prices.

#### On the daily chart

- We are observing that the downward Gap in the range of 5260 – 5300 level is the immediate resistance for the indices going forward.
- Since the prices have closed above the short term 5&20-day EMA the undertone remains cautiously positive.

### Conclusion

Combining all the above pattern formation it is evident that the downward gap area in the range of 5267 – 5300 levels remains major resistance for the market. Only a sustainable up move with good volume would result in upside momentum. In such scenario Nifty may test 5450 – 5600 levels in couple of weeks. On the downside 5100 level which is the 200-day SMA and the recent swing low of 5032 may act support for the month.

## Currency Pick: JPY-INR

**SELL**



### Fundamental Outlook:

Japan's economic data will start releasing in the current month with the current account data expected on 8<sup>th</sup> August 2012 indicates a positive trend, as the data is forecasted to be higher than the previous figure. On 9<sup>th</sup> August 2012, the crucial Bank of Japan press conference and rate statement are expected which might have a strong impact on JPY-INR, and could extend a bearish trend if they announce any intervention to boost their exports. On the other hand, the same day China will release its consumer price index, forecasted lower than the preceding month indicating that JPY-INR may take a correction at that time. After that, Japan prelim GDP is scheduled in mid month which might have a strong impact on the JPY-INR. At the end of the month, it will react on the trade balance. Any disappointment could add a negative trend for it.

### Technical Outlook:

The month ahead is expected to be volatile for JPY-INR currency pair as there are a number of events that may trigger volatility. However, if we look on technical grounds, the market is showing resistance at Rs 72.30. For three consecutive weeks, prices have not been sustaining above the strong resistance of Rs 72.30. A lot of indecision is seen on the top as there are couple of indecisive candle sticks patterned here. Also, the momentum indicator like RSI (14) which is trading at Rs 0.72 is in an overbought mode. However, the indicator is giving a positive cross over with its moving average (9).

### Recommendation:

**We recommend going short in JPY-INR August contract at Rs 71.80-71.70 for target price of Rs 69.35-69.00 with stop loss at Rs 72.35**

# ARI - Stocks to Watch

## DRREDDY

Target Price: ₹ 1720-1745

**CMP: ₹ 1,673.45**

**Stop-Loss: ₹ 1,620.00**

Moving Averages		Trends	
13-DMA	1634	Short	Down
50-DMA	1628	Medium	Up
200-DMA	1643	Long	Up

Support / Resistance	
R2	1710.00
R1	1685.00
CMP	1673.45
S1	1640.00
S2	1625.00



**Dr. Reddy's Laboratories Limited (Drreddy)** is an integrated global pharmaceutical company which is involved in three businesses - pharmaceutical services and active ingredients, global generics and proprietary products. It has been trading in down trend from its peak of Rs 1,815.85 on 20<sup>th</sup> April, 2012. The stock made a 52-week low of Rs 1386.10 on 22<sup>nd</sup> Aug, 2011 and a 52-week high of Rs 1,815.85 on 20<sup>th</sup> April, 2012. The stock has bounced from Rs 1,526.40. It has been taking support at 200 at 1643. Further momentum indicator CCI (Commodity Channel Index) is showing positive signal. All the indicators are suggesting that stock can move further upside in couple of weeks.

**Hence, we recommend a BUY and accumulate on DRREDDY at Rs 1,670-1,650 with a stop loss of Rs 1,620 and a price target of Rs 1,720-1,745 for short to medium term.**

## GODREJ IND

Target Price: ₹ 265-285

**CMP: ₹ 252.15**

**Stop-Loss: ₹ 230.00**

Moving Averages		Trends	
13-DMA	243	Short	Up
50-DMA	242	Medium	UP
200-DMA	224	Long	Up

Support / Resistance	
R2	270.00
R1	262.00
CMP	252.15
S1	245.00
S2	232.00



**Godrej industries (GODREJIND)** a part of Godrej group, is India's leading manufacturer of oleochemicals and makes more than a hundred chemicals for use in over two dozen industries.

The stock made a 52-week low of Rs 166.80 on 23<sup>rd</sup> Jan, 2012 and a 52-week high of Rs 283.35 on 10<sup>th</sup> April, 2012. The stock has consolidated on daily chart and is taking support at 200 DMA at Rs 225. Further momentum indicator stochastic is showing positive signal. All the indicators are suggesting that stock can move further upside in couple of weeks.

**Hence, we recommend a BUY and accumulate on GODREJIND at Rs 250-240 with a stop loss of Rs 230 and a price target of Rs 265-285 for short to medium term.**



# ARI - Commodity Pick

## Commodity Pick: Silver

**BUY**



A complex corrective phase in silver which is more than one year old now, is looking to take a halt here and prices are consolidating for a possible positive breakout towards new uptrend perhaps even higher than gold. We can say this on the grounds that as far as availability in the earth surface is concerned, it is lesser than gold while on the demand side too it has advantage over gold as silver is extensively used in electronics and other industrial products. Technically, COMEX silver is having a crucial support at \$26.00 and its MCX counterpart at 52500.

In COMEX, this is for the third time prices returned back from support at \$26. On monthly chart, there is lot of indecision as 2 doji candle sticks are patterned consecutively. Prices are expected to be more bullish if it sustains above \$28.80 (upper trend line resistance shown in the chart above) then they are expected to retrace till \$31.37 and then \$34.30. In the Indian markets also, the scenario is more or less the same where resistance is seen at Rs 54,500 while on sustained rise above this level, we may see prices to test the next resistance of Rs 56,330 and then Rs 57,850. Volumes rose significantly last month along with the open interest and that too in a range bound market. This fact also signals a short term trend reversal.

### Recommendation:

**Buy in Silver Sept above Rs 53,450 and add more above Rs 54,000 targeting Rs 56,400 and then Rs 57,800 with stop loss at Rs 52,000.**

## Commodity Pick: Mentha Oil

**BUY**



### Fundamental Outlook:

Mentha Oil future prices are expected to rise in the coming days owing to high export demand from China and other countries. This demand is not being supported by sufficient arrivals in the key markets of menthol. Spot market prices of the commodity are currently in the range of 1,500-1,505 per kg, that are expected to influence the future prices upwards.

### Technical Outlook:

Prices are expected to remain on an upside as they are sustaining above the short and medium term moving averages. Long white candle stick witnessed in the weekly chart is indicating bullish mode for the coming few weeks also. A rounding bottom trend reversal pattern has been spotted. In the daily chart also a bullish consolidation pattern is spotted signaling upside. Volumes have risen on the lower levels pointing short term trend reversal. Resistance is seen at Rs 1,465 – 1,500 – 1,550 while, support is seen at Rs 1,350–1,320–1,285.

### Recommendation:

**Hence, we recommend buying in MCX Mentha Oil Aug, with a strategy to start buying at Rs 1,375 and further accumulating at Rs 1,350 with a target of Rs 1,500 and then Rs 1,545 with SL of Rs 1,280.**

# ARI - Mutual Fund Update

## Mutual Fund Roundup

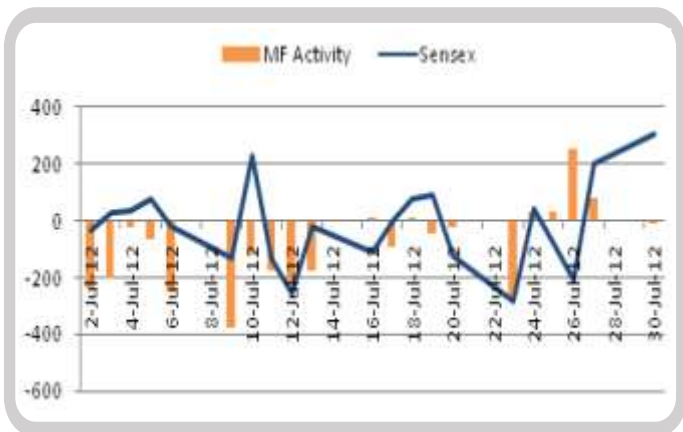
The Indian equity markets ended the month of July with marginal decline owing to a host of domestic and global factors including lukewarm Q1FY13 results from corporate, deficient monsoon, Euro zone worries, high and persistent food inflation. The S&P CNX Nifty finally ended the month with 0.95% loss to settle at 5229 while the BSE Sensex declined by 1.11% to settle at 17236. CNX Midcap index lost 2.49% and ended at 7168. On the sectoral front IT (-7.29%), Teck (-5.44%) and Consumer Goods (-4.24%) faced huge decline while Healthcare (3.74%), Consumer Durables (1.42%), and FMCG (1.07%) registered gains during the month of July 2012.

Indian mutual fund houses turned net sellers of equity for the month of July 2012 to the tune of Rs 1,969.70 crore. The fund houses made the highest selling in the second week of the month with net sales of Rs 1,068.50 crore. While the fund houses stayed cautious and booked profits in Indian equities, the foreign institutional investors (FIIs) were bullish and bought Rs 10,272.60 crore worth of equities over the same period.

## Mutual Fund Activity in July, 2012

(₹ in Crores)	Gross Purchases	Gross Sales	Net Investment
1 <sup>st</sup> Week	2,061.60	2,847.90	-786.10
2 <sup>nd</sup> Week	1,685.20	2,753.70	-1,068.50
3 <sup>rd</sup> Week	2,061.50	2,196.00	-134.40
4 <sup>th</sup> Week	2,292.00	2,157.90	134.30
5 <sup>th</sup> Week	725.60	840.10	-114.50
<b>Total</b>	<b>8,825.90</b>	<b>10,795.60</b>	<b>-1,969.70</b>

(Source : SEBI )



## Gainers and losers –

In the equity diversified fund category the schemes Sundaram Equity Multiplier Fund (3.50%), Templeton India Equity

Income Fund (3.45%) and SBI Magnum Sector Funds Umbrella - Emerg Buss Fund (3.03%) topped the chart in the said category. On the other hand Sundaram CAPEX Opportunities Fund (-4.35%), HSBC Progressive Themes Fund (-4.22%) were the worst performer during the month of July 2012.

## Monthly Best Performer: All Equity Diversified Funds

Scheme Name	NAV (Rs)	Last 1-Month return (%)
Sundaram Equity Multiplier Fund - G	13.16	3.50
Templeton India Equity Income Fund - G	19.84	3.45
SBI Magnum Sector Funds Umbrella - Emerg Buss Fund - G	48.28	3.03
Tata Equity Management Fund - G	14.47	2.85
Franklin India Smaller Companies Fund - G	13.87	2.56

(Returns are absolute as on 31<sup>st</sup> July 2012)

In sectoral fund category SBI Magnum Sector Funds Umbrella - Pharma outperformed among all schemes, delivering a whopping return of 5.27% followed by UTI Pharma and Healthcare Fund (3.96%). The schemes providing negative return among all sectoral funds was ICICI Prudential Technology Fund (-6.89%) closely followed by Franklin Infotech Fund with -6.73% return.

## Monthly Best Performer: All Sectoral Funds

Scheme Name	NAV (Rs)	Last 1-Month return (%)
SBI Magnum Sector Funds Umbrella - Pharma - G	52.77	5.27
UTI Pharma and Healthcare Fund - G	43.29	3.96
Reliance Pharma Fund - G	60.74	3.86
Birla Sun Life Buy India Fund - G	40.34	2.65
ICICI Pru Banking and Financial Services Fund - Retail - G	18.03	2.50

(Returns are absolute as on 31<sup>st</sup> July 2012)

In the debt fund category, the top performing debt funds were Birla Sun Life Short Term Opportunities Fund - Retail (1.46%), SBI Magnum Income Fund (1.31%), and the schemes that turned as the black swan were DWS Hybrid Fixed Term Fund (-2.85%) and Axis Hybrid Fund - Series 1 (-1.71%) delivered negative return in this category.

## Monthly Best Performer: All Debt Funds

Scheme Name	NAV (Rs)	Last 1-Month return (%)
Birla Sun Life Short Term Opportunities Fund - Retail - G	17.47	1.46
SBI Magnum Income Fund - G	26.88	1.31
DSP BlackRock Dual Adv Fund - Series 3 - 36 Months - G	10.18	1.28
DWS Hybrid Fixed Term Fund - Series 1 - G	10.38	1.26
Tata MIP Plus - G	17.48	1.25

(Returns are absolute as on 31<sup>st</sup> July 2012)



# ARI - News From Arihant



## Seminar Outline



Arihant Capital Markets Limited in association with MCX India Limited jointly organized an investor education seminar on 7<sup>th</sup> July 2012, at Barod on equities and commodities segment.

Mr Srimal from Arihant briefed the audience regarding the basic rules governing trading and investment in equities markets. He also took them through the Arihant growth story and various product and services offered by Arihant across all segments. Mr Alok Thakkar from MCX explained various trading strategies in commodities markets and emphasized the benefits of trading through formal exchanges rather than unauthorized sources.

The audience was overwhelmed by the interesting insights and participated with fervor. The programme was concluded with a Q&A session.



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# ARI - Special Article

## Start Saving: 6 Easy Steps to Saving Big

Many of us have been planning to start saving and building a portfolio but find it very hard to save with so many expenses in hand. But it's amazing how easy it can be to squeeze some extra cash out of your budget - if you know how. As a famous philosopher once said, the longest journey begins with but a single step. So here's how to get motivated, and start achieving that savings goal.

### BUDGET

First, work out your budget. Take a look at your last few bank statements and enter all of your income (salary, benefits etc.) in one column, and all of your expenses (rent, bills, insurance premiums, childcare fees, travel costs, entertainment, food etc.) in another.

It's easier to do than you imagine – you can collect your bills and total them up and fill the details in an excel. By subtracting your expenses from your income you'll see how much money you have left over each month to save.

### CUT YOUR EXPENSES

First, pare down your bills. Cancelling subscriptions to the gym (you never go), extra dinner and lunches in restaurants (which you have been thinking of cutting down) or any other luxuries can save thousands per month and could be more cheaply replaced with a daily run around the local park and nice home-made healthy meal with friends. Likewise, finding telephone and broadband deals can boost those coffers greatly.

Next you need to reduce those living expenses. Work out where your money goes (your statement and a spending diary can help).

Some smart ways to cut your expenses: -

- Write a menu for the week and only buy what you need from the supermarket – do not get tempted by the extras that the supermarkets display to tempt the buyers. Strictly Stay away from them.
- Find the best deals on your mobile phone to cut down the extra costs.
- And of course, bringing lunch to work will save a fortune compared to spending Rs 200+ each day.

### BE REALISTIC

But while you need to cut back, don't go crazy. The main reason budgets fail is because many of us get over-excited when compiling them and leave ourselves with ridiculously meagre sums to survive on. Allocate a reasonable budget for food and necessities and allow yourself a few small luxuries each month - you'll be far more likely to be able to stick to this long term. You should now have an idea of how much you need to live on each

month - and how much you'll have left over to save.

### START SAVING

Now it's time to find a home for those savings and watch them grow. As much as it is important to save, it is also important that the money you save is deposited where you earn the maximum yield with minimum tax. Else you will start losing the value of your savings. Our recommendations:

- Ultra short term plans of mutual funds are a great place to park your savings. They offer better rate of interest than a Bank Savings Account and are even more tax efficient.
- If you are saving for the long term, then you might consider putting the amount in a 5-year fixed deposit offered by banks which will also provide you the tax benefit under IT Section 80C.

### HOW TO SAVE MORE

But could you save more?

**Sell:** Have you got a house full of books, CDs, DVDs, computer games, toys, or gym equipment you never use? Then sell it and make a few thousands and create extra room in your house. You can sell your un-required items at [www.ebay.in](http://www.ebay.in). Its easy to register and start selling your items.

**Car sharing** or car pooling can almost halve your petrol bill (not to mention reduce wear and tear on your vehicle). Find three other like-minded souls and you could free up hundreds each month. You can also car-pool with your office colleagues to save up on costs.

**Online Shopping:** If you shop online, you can check prices at [www.ebay.in](http://www.ebay.in), <http://shopping.rediff.com>, [www.futurebazaar.com](http://www.futurebazaar.com), [www.naaptol.com](http://www.naaptol.com) and find the best deal for your electronics, home appliances, kitchen items, apparels, home décor and many more. Online stores offer very good deals, which can help you cut down your costs drastically.

**Discount Vouchers and Deals:** Cut down on your entertainment and health and beauty care bills by checking out the discount vouchers and deals available through websites like [www.snapdeal.com](http://www.snapdeal.com), [www.taggle.com](http://www.taggle.com) or [www.sosasta.com](http://www.sosasta.com) or you get through various membership programs you are registered with.

But beware of indulging in purchases of items you don't need. Online shopping can be addictive.

### SPEND WISELY

If you're careful, but realistic, you should be able to save a surprising amount of money.

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