ARIHANT's VALUE Plus

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ARI - Movers & Shakers

INDIAN INDICES

Indices	Jun-13	May-13	Change %
SENSEX	19395.81	19760.30	-1.84
S&P CNX NIFTY	5842.20	5985.95	-2.40
BANK NIFTY	11617.25	12475.65	-6.88
CNX MIDCAP	7342.40	7821.80	-6.13
S&P CNX 500	4510.90	4681.45	-3.64
CNX IT	6634.15	6472.05	2.50
CNX REALTY	192.25	213.75	-10.06
CNX INFRA	2255.20	2341.30	-3.68

(Source: BSE & NSE)

BSE-SECTORAL INDICES

Indices	Jun-13	May-13	Change %
AUTO	10715.77	11166.34	-4.04
BANKEX	13257.76	14261.24	-7.04
CD	6134.72	7695.00	-20.28
CG	9111.38	9407.38	-3.15
FMCG	6458.09	6772.13	-4.64
HC	8845.26	8846.91	-0.02
IT	6255.10	6065.34	3.13
METAL	7753.76	8503.01	-8.81
OIL&GAS	8900.41	8654.79	2.84
PSU	6162.99	6655.84	-7.40
REALTY	1511.02	1684.92	-10.32
TECk	3679.08	3602.53	2.12

(Source: BSE)

GLOBAL INDICES

Indices	Jun-13	May-13	Change %
DOW JONES	14909.60	15115.00	-1.36
NASDAQ	2909.45	2981.00	-2.40
HANG SANG	20803.00	22392.00	-7.10
FTSE	6215.47	6583.00	-5.58
NIKKEI	13677.00	13774.00	-0.70

(Source: Telequote software)

COMMODITIES and FOREX

Particular	Jun-13	May-13	Change %
MCX GOLD	25669.00	27046.00	-5.09
MCX SILVER	40208.00	43616.00	-7.81
MCX CRUDE OIL	5763.00	5273.00	9.29
MCX-SX USDINR	59.38	56.49	5.12

(Source: Telequote software)

FII ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jun 2013	55,321.40	66,348.50	-11,026.90
Total for 2013*	414,311.09	342,133.00	72,178.20

(Source: SEBI)

MF ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jun 2013	9,582.30	9,851.10	-268.80
Total for 2013*	55,143.20	68,016.70	-12,873.50

*From Jan - Jun, 2013

(Source: SEBI)

Market Commentary

Indian equity markets witnessed tumultuous sessions in the month of June hitting to their multi-month lows after the US Fed indicated that it may wind down its quantitative easing programme. Though, the global cues played the major spoil sport but the lull in industrial activity, drop in core sector growth and slow capex cycle on the domestic front also raised concerns about the growth of the economy. The continuous slump in rupee to its all time low, too added pressure on the weak sentiments.

Indian markets shut shop on weak note as S&P BSE Sensex shaved off 1.84% settling the month at 19395.81 and CNX Nifty losing 2.40% ending the month at 5842.20. On the sectoral front, IT turned out to be the best performing sector in June 2013 clocking gains of 3.13% followed by Oil & Gas (2.84%) and TECK (2.12%). Consumer Durables was the worst performer in the pack plummeting 20.28% followed by Realty, Metal, PSU, Bankex, FMCG and Auto that lost 10.32%, 8.81%, 7.40%, 7.04%, 4.64% and 4.04% respectively.

On the institutional side, foreign institutional investors (FIIs) remained bearish during the month and sold equities worth Rs 11,026.90 crore in June 2013 while the domestic mutual fund houses sold Rs 268.80 crore of equities during June, 2013.

On the global front, the world markets ended the month of June 2013 on a negative note. Hangseng and FTSE were the worst two performers, which ended the month with loss of 7.10% & 5.58% respectively. Dow Jones, Nasdaq and Nikkei declined 1.36%, 2.40%, and 0.70% respectively.

The month started on a dismal note for Indian equity markets with dull manufacturing growth that slowed to its lowest levels since March 2009 indicated by HSBC Purchasing Managers' Index that stood at 50.1 in May against its previous reading of 51.1 in April. Government's efforts to promote India as an investment destination was not that effective, as the FDI inflows registered 38% decline to $22.42 billion in 2012-13 compared to the previous year. Initially it was the weakness in rupee that spiraled to its all time low against the US dollar which took a toll on the markets with foreign investors withdrawing money. However, the major jolt came as India's industrial output growth measured by index of industrial production (IIP) came at a dismal 2.3% in April, 2013 from 3.4% (revised) a month ago. Not only this, the consumer prices index (CPI), despite easing in the month of May at 9.31%, remained marginally lower from 9.39% a month ago. The Wholesale Price Index (WPI), on the other hand, fell to a 43-month low of 4.70% in May from 4.89% a month ago. As the descending rupee had diminished hopes of a rate cut by the Reserve Bank of India (RBI) in its mid quarter monetary policy, the markets reacted positively when the central bank left the repo rate and the cash reserve ratio (CRR) unchanged at 7.25% and 4% respectively. However markets reacted negatively in the ensuing trading sessions when India's trade deficit for May widened to $20.1 billion from $17.8 billion a month ago, on the back of high imports of cheaper gold.

Sentiments turned jubilant in the last two sessions of the June month as markets snapped a three-week losing streak, after a steep hike in natural gas price led to a buying spree in energy shares. Further, RBI surprised the markets by announcing lower-than-expected current account deficit at 3.6% of GDP for Jan- March quarter in sharp contrast to 6.7% of GDP, a year earlier. Thus, easing of worries about deficit funding and the strengthening rupee against the US dollar also boosted market sentiments and helped in recovering indices levels.

On the international front, global markets remained under intense pressure during the month after World Bank revised down growth prospect of global economy to 2.2% in 2013 as against 2.4% forecast earlier this year. Global market sentiments further deteriorated after Federal Reserve Chairman Ben Bernanke stated that the central bank may begin to scale back its bond-buying program later this year. On the other hand, China's HSBC manufacturing PMI contracted to 49.2 in May, the lowest level since October, 2012. Global markets bounced back sharply in the last week of June month following US consumer spending numbers, employment benefit claim and housing data which came in better than estimated. Furthermore, US GDP expanding at a less than estimated 1.8% annualized pace in the first quarter, bolstered the view that Fed would continue the rate of its quantitative easing until late this year or early in 2014.

Outlook

Going forward, we believe that the quarterly result season and Reserve Bank of India (RBI)'s monetary policy review, which is slated to be announced on July 30, 2013 would set the tone of D-street for near term future. Further, investors will continue to track rupee momentum, which depreciated to record low levels, hurt by broad global gains in the US currency on hopes that the US Federal Reserve might curb its asset purchases later this year. On the political front, though the government machinery is working overtime to assuage fears, investors are not buying into it. Most political parties are already in election mode and the reform agenda could take a back seat. Hence, we suggest investors to take a cautious approach and work in select stocks that exhibit strength fundamentally.

Key News and Events in June 2013

- RBI keeps key policy rates unchanged:

  The Reserve Bank of India kept key policy rates unchanged in its mid-quarter review of the monetary policy for 2013-14, by keeping the repo rate unchanged at 7.25%. The reverse repo rate was adjusted to 6.25%. The cash reserve ratio (CRR) was kept unchanged at 4%.

- India's industrial growth weakens to 2.3% in April:

  India's industrial growth moderated to 2.3% in April 2013 from 3.4% (revised) a month ago. The country's industrial production had contracted 1.3% in April last year. The moderation in industrial growth is primarily on account of a sharp slowdown in the capital goods segment during the month. The manufacturing sector, which accounts for three-fourth of the total weight of the Index of Industrial Production, grew 2.8% in April 2013, as against 4.2% in March and (-)1.8% in the year ago period. Electricity output rose 0.7% on year, while mining output contracted 3.0%.

- India May trade deficit widens to $20.1 bn on high gold imports:

  India's trade deficit widened to a 7-month high of $20.14 bn in May 2013 from $17.8 bn in April 2013 on account of high imports of cheaper gold, increasing pressure on the current account balance. In Apr-May 2012-13, while trade deficit rose to $37.93 bn from $30.97 bn a year ago, exports were up only 0.21% to $48.67 bn. India's exports slid 1.1% on year to $24.51 bn in May 2013, the first such fall for this calendar year, mainly due to measures taken by the government to curb gold trading in Special Economic Zones.

- India May WPI inflation falls to 43 month low of 4.70%: The wholesale price index (WPI), India's inflation, fell to a 43 month low of 4.70% in May 2013 from 4.89% in the preceding month. The decline was mainly on account of lower prices of crude, petroleum products and coal during the month. A high base effect also aided the fall. The inflation rate was 7.55% in May last year. The latest inflation is the lowest since October 2009, when the number was 1.79%. The retail inflation rate, as measured by the Consumer Price Index, has marginally lower in May, but almost double of WPI. The inflation rate based on Consumer Price Index (Combined) eased marginally to 9.31% in May from 9.39% a month ago.

- India's current account deficit fell to 3.6% in Jan-Mar: India's current account deficit stood at $18.1 bn, or 3.6% of the GDP in the Jan-Mar quarter, sharply lower from the historically high level of 6.7% seen in the Oct-Dec quarter. However, the current account gap for the full fiscal year ending in March 2013 widened $87.8 bn, which was 4.8%

of GDP, compared with $78.2 bn or 4.2% of GDP, a year earlier. The balance of payments for the Jan-Mar quarter was at $300 mn surplus, compared with a $600 mn deficit a year earlier.

- Apr-Jun advance tax trend positive; Banks and Financial services lead:

  Advance tax collection for the first quarter of the current financial year has been reasonably good in Mumbai circle with banking and financial services companies leading in terms of growth over the previous year. State Bank of India paid Rs 1,202 crore in advance tax for the first quarter as against Rs 1,173 crore in the same period year ago. Mukesh Ambani led Reliance Industries' outgo has increased to Rs 779 crore as against the Rs 768 crore in the same period year ago. Banks and financial services providers have shown 20-50% year-on-year growth in advance tax payment for Apr-Jun. HDFC Bank is the highest advance taxpayer for the quarter in this region with a payment of 685 crore , up 37% from the year-ago period. Oil refining and marketing company BPCL has also paid advance tax of 103 crore for Apr-Jun, an increase of 51.5% on year. Cement and metal companies are seen paying lower tax in Apr-Jun.

- SEBI tightens buyback norms and eases FIIs investment: SEBI has tightened the norms for buyback of shares by the companies. While tightening the norms, SEBI has increased the compulsory buyback amount from 25% of the offer size to 50% and reduced the buyback time frame from 12 months to 6 months. It has also asked companies to keep 25% of the buyback offer money in an escrow account. Moreover, 2.5% of this offer money will be forfeited for failing to buy at least 50% of what was announced. SEBI has also simplified the foreign investment rules to revive capital inflows into the country. It approved the creation of single category of overseas investors called the Foreign Portfolio Investor (FPI), which would include foreign institutional investors as well as qualified foreign investors. As per the new norms, FPIs' stake in the company should not be more than 10% and purchase above this limit will be regulated under the foreign direct investment rules.

Auto Sector June Sales

June auto domestic sales numbers continue to be weak, sluggishness continues across all sub segments, with the CV segment remaining the weakest. Market leaders Maruti Suzuki and Hero Moto reported negative growth in June 2013. M&M's tractor numbers however continue to be a positive surprise for a third consecutive month, reporting 18% growth. Global 2W companies like HMSI and Yamaha have performed well on a "relative" basis. Erstwhile fast growing segments like SUVs and LCVs are showing clear signs of slowing momentum. Heavy trucks continue their disappointing run.

Domestic companies:

Market leader Hero Moto continues to face market pressure and overall slowdown in motorcycles. Bajaj has suffered a production loss of 20,000 motorcycles due to the labour unrest at Chakan. Domestic demand for motorcycles continues to be weak. This is the fifth consecutive month of negative sales growth for TVS. Its toughest competition has come in the scooter segment. Maruti's all petrol "mini" segment momentum has not picked up, while the Dzire variant will now face competition from the Honda Amaze. Maruti's SUV (Ertiga) momentum has slowed a bit, but competition in the SUV space is expected to get higher with the Ford EcoSport launch. Tata Motors domestic volumes continue to be the biggest disappointment of the season. LCV growth as also slowed down, this is a second consecutive month of negative growth for LCVs (some of our channel checks reveal that there could be a bit of overcapacity in certain cities with respect to LCVs). A clear sign in M&M's trailing three month numbers are the slowdown in SUV volumes, the excise duty hike in budget for SUVs and high diesel prices are clearly having a having a negative effect. M&M's tractor sales growth at 19% is a positive surprise for a third consecutive month, heavy dealer stocking ahead of monsoons is a confident sign. (IMD expects normal monsoon this year, at 98% of Long Period Average) Ashok Leyland's M&HCVs continue deep in negative territory and LCV Dost sales have also slowed down in line with the overall LCV segment.

Global Companies:

The global two-wheeler pack continues to perform relatively well, compared to the domestic pack. We see Honda as the biggest threat in the domestic 2W sector, with their incremental capacity in Karnataka coming into effect this year. The global four wheeler pack performance has been "mixed", with certain new launches like the "Honda Amaze" witnessing higher volume traction. Renault India has also maintained a positive momentum. Honda has sold more than 18000 of its new launch "Amaze", which has pushed up its domestic numbers significantly. Honda Amaze waiting period is between 2-6 months depending on the region and the variant.

Summary:

June sales numbers released over the last few days confirm a continuation of weakness in the domestic auto industry. We expect sales to remain muted in H1FY14, but easing of macro pressures post H1FY14 / towards FY15 could result in re-entry of buyers and a "moderate" improvement of sentiment in certain segments.

ARI - Equity Outlook & Commodity Pick

Technical Equity Market Outlook

Nifty:

Markets witnessed selling in month of June 2013 due to sharp decline in Indian rupee putting a question mark on the growth story of India. On the sectoral front Consumer Durable, Realty, Metal and PSU triggered the fall whereas IT and Oil & Gas ended on the losing side. The Sensex closed with a net loss of 1.84% whereas the Nifty lost 2.40% vis-à-vis the previous month.

Technical Observation

On the monthly chart

- We are observing a sideways movement which gives no clear indication of the trend.

On the weekly chart

- We can see that the prices have marginally closed above the median line of the `pattern'. The said pattern will get negated if indices trade and close below 5566 level.

On the daily chart

- We are observing that prices have closed above the 200-day SMA which is a positive sign. Further, the upward gap area in the range of 5699 to 5749 is likely to act as support for the prices.

Future Outlook:

Combining the above pattern formation it is evident that 5863 levels holds significance going forward. Any sustainable up move above 5863 level would activate the bullish engulfing pattern mentioned above. In such scenario Nifty is likely to test 5943 - 6047 - 6133 - 6200 level. On the downside the upward gap area in the range of 5699 to 5749 formed on the daily chart remains important support going forward.

Broadly we expect the markets to trade in the range of 5560 to 6230 levels in current month.

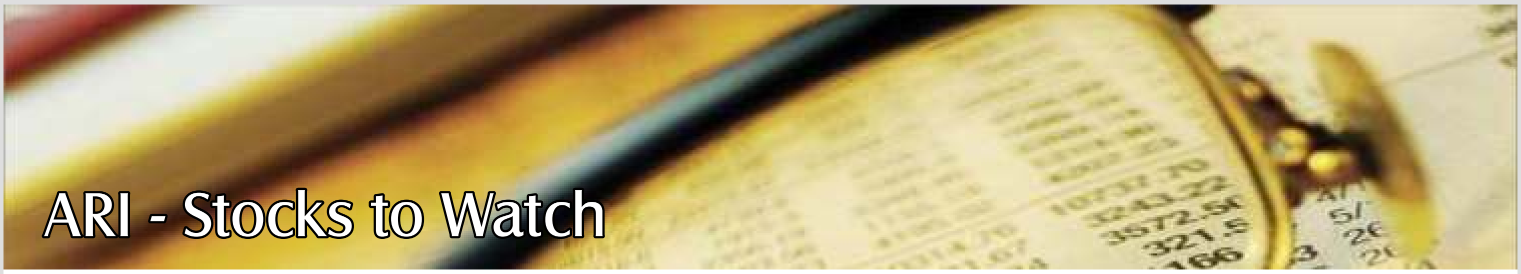
* EMA : Exponential Moving Average , SMA : Simple Moving Average

ZINC BUY

Zinc- The 'blue-eyed boy'

Zinc is the fourth widely used metal in the world. Apart from being instrumental in construction, electrical and paint industry, Zinc has a unique characteristic to its credit-it also plays an important role in normal human physical growth and taste development. Ironically, in last 6 years Zinc prices have seen little ups and many downs-just like the humanly economies which are experiencing sour taste of recession.

From trading at a top of Rs 210 to reaching a terrifying bottom of Rs 49, Zinc is slowly emerging out of its previous levels. In the last 2-3 months, the bluish-white lustrous metal has well broken above its two years long consolidation phase. On analyzing monthly chart, it becomes clear that prior to consolidation phase, Zinc saw a major correction of around 40% in first six months of 2010 which in next two years shaped up into a symmetrical triangle pattern. The breakout of this triangle however took place in Sep 2012 but it was only in May this year when it clearly showed up after a traders' remorse stage. If we look at these from an Elliott wave perspective, it emerges that wave 'C' of the impulsive wave 2 is in progress. Also, a positive divergence is seen in MACD which is travelling above its zero line. To conclude, mid to long term traders can Buy MCX July contract in the range of Rs 110.00-109.50 with stop below Rs 107.50 for targets of Rs 117.20 and Rs 120.50.



ARI - Stocks to Watch

Godrej Industries Ltd BUY

CMP: ₹ 315.00 (As on 4th July, 2013)

Target Price: ₹ 335.00-350.00

Buy: ₹ 315.00-300.00

Stop-Loss: ₹ 290.00

Godrej Industries is India's leading manufacturer of oleo chemicals and makes more than a hundred chemicals for use in over two dozen industries. Godrej group is engaged in chemicals, vegoils and real estate. It delivers international quality product, exports its products to North America, South America, Asia, Europe, Australia, and Africa. Besides its three businesses, Godrej Industries also runs four divisions Corporate Finance, Corporate HR, Corporate Audit and Assurance and Research and Development which operate on behalf of the entire Godrej Group.

Technical Outlook:

On the daily chart, we are witnessing that prices have taken 200 DMA support and given triangle breakout. According to said pattern, we can see the further upmove in coming days.

Hence, we recommend buy and accumulate Godrej Industries at 315 or on a decline up to Rs 300 levels with a stop loss of Rs 290 for a target of Rs 335-350 levels.

Tata Consultancy Services BUY

CMP: ₹ 1,538.30 (As on 4th July, 2013)

Target Price: ₹ 1,580.00-1,600.00

Buy: ₹ 1,538.00-1,500.00

Stop-Loss: ₹ 1,478.00

Tata Consultancy Services Limited (TCS), a Tata group company, is the largest IT services company in India by revenue and market capitalization. The company has built strong domain capabilities in a range of industry verticals, including banking, financial services and insurance, retail and consumer packaged goods, telecom, media, etc positioning itself as a strategic partner capable of reliably delivering innovative technology-led solutions to business problems. TCS has operation in more than 100 countries, majorly North America and Europe.

Technical Outlook:

On the weekly chart, prices are trading in a channel. Further, the momentum indicators are positively poised and stock taking support 50WMA, which suggests that prices are heading to test the upper trendline of the channel. The value of the upper trendline of the channel is in the range of Rs 1,600 – 1,620 levels.

On the basis of above, we recommend buying TCS at 1,538 or on a decline up to Rs 1,500 levels with a stop loss of Rs 1,478 for the target of Rs 1,580 – 1,600 levels.

ARI - Currency Pick & Fixed Income Note

USD - INR BUY

Last month, USD-INR attempted an extreme bullish rally, towards Rs 61.15, as per the forecast in our June, 2013 value plus addition. According to the Pennant pattern, the previous trend is strong and profit booking is not witnessed, indicating that bullish rally will continue but after minor consolidation. Fibonacci retracement drawn from the high of Rs 57.52 to low of Rs 50.76 is suggesting upward moves till 168% or Rs 62.10 and above levels. Based on the

Contracting Symmetrical Triangle on the weekly chart, Spot USD-INR hit Rs 60.75, (given the breakout at Rs 54.80, and height of the triangle from high point (Rs 57.32) to low point (Rs 50.50) is Rs 6.82), which bounded resistance at Rs 61.62. The triangle chart pattern is a non-trending chart pattern. It tends to indicate impending volatility. A breakout at Rs 60.75, May gives a strong bias to the upside towards Rs 61.62 and above levels.

Important events during the month:

The Indian economic data and events are likely to start from 12th July with the release of IIP for May & WPI Inflation on 14th July will determine the trend for the dollar as well as may give hint for the coming RBI policy. RBI first quarter review of monetary policy for 2013-14 is due on 30th July, while fiscal deficit numbers to be released on 31st July 13, which is likely to add some volatility for the USD-INR.

The U.S. Fed hinted at a withdrawal of stimulus (QE) to an end if economic conditions warrant such a move. Further, it is expected that the Fed would act as soon as September to start withdrawing from QE. This will further lead to strong rally in the dollar versus other major currencies including rupee. Rising concern on cash crunch in China, the world's second largest economy is putting pressure on the domestic currency.

All above factors are providing bullish sentiment to the dollar in the coming months. We could see a potential buying with a rally from Rs 59.00 to Rs 62.25 or even above up to Rs 63 levels. We recommend going long in the dollar on every dip around Rs 59 levels targeting Rs 61.25-62.54 with stop loss of Rs 58.37.

Corporate FDs

Are you tired of facing the volatility of the stock markets ? Is safety of your funds a major concern for you ? Do you want your savings to grow at a healthier rate than offered by Bank FDs ? If the answer to all these questions is in affirmative, then Corporate FDs are best suited to meet your needs. Let us understand how Corporate FDs fare as an investment product:

What is Corporate FD ?

The deposit placed by investors with companies for a fixed term carrying a prescribed rate of interest. It is similar to a bank FD, the only difference being that the money is raised by corporates here.

Why do Companies issue Corporate FDs ?

Companies seek to raise capital for various purposes like repayment of existing high interest loans, business expansion, meeting working capital needs, etc. Since they have to pay higher interest rates to bank for borrowing money, hence this is an alternative route for raising funds.

Why should I invest in Corporate FDs?

Corporate FDs are attractive investment avenue for conservative investors as they provide a fixed and relatively safe and stable return on investment. Further, there are multiple duration and interest frequency options available unlike bank FDs.

Are these regulated ?

Yes; deposits mobilized by companies are governed by the Companies Act under Section 58A.

How are interest payments made in case of Company FDs?

Interest is paid on monthly/quarterly/half yearly/yearly or on maturity basis and is sent either through cheque or ECS facility to investors.

When is TDS deducted on the interest from Company Fixed Deposits?

TDS is deducted if the interest on fixed deposit exceeds Rs 5,000/- in a financial year.

How should I decide a good corporate fixed deposit scheme ?

- Check On Credit Ratings
- Check on financials and promoter credibility of the Company
- Regular/Cumulative Option
- Past track record of timely repayment of principal and interest by the Company

Below is a list of Corporate FDs recommended by us:

ARIHANT capital markets ltd.

Ongoing Corporate FDs Recommendation Sheet

Name of the Company	Rating		Minimum Amount	Interest frequency	Sr. Citizen	(Interest rates %) (Period				Documents required
						6	12	24	36	
Jaipraksh Associates Ltd.	N.A.	Jai Prakash Associates Ltd is presently engaged in the business of Heavy Civil Engineering Construction, Cement and Real Estate & Hospitality.	20,000	Qtrly	Nil	11.50	11.75	12.25	12.50	Self attested copy of PAN
			20,000	Cumm (Yield)	Nil	11.50	12.40	13.80	15.07	
Jaypee Infratech Ltd	N.A.	Jaypee Infratech Limited (JIL) is incorporated as a Special Purpose Vehicle. The Jaypee Group is a diversified infrastructure conglomerate in India with interests in Engineering & Construction, Power, Cement, Real Estate, Hospitality, Expressways, Sports & Education (not-for-profit).	20,000	Qtrly	Nil	11.50	11.75	12.25	12.50	Self attested copy of PAN
			20,000	Cumm (Yield)	Nil	11.50	12.40	13.80	15.07	
HDFC Ltd. Regular Deposits	FAAA	A pioneer and leader in housing finance in India, since inception, HDFC has assisted more than 4.02 million customers to own a home of their own, through cumulative housing loan approvals of over `4.63 trillion and disbursements of over `3.74 trillion as at March 31, 2012				**12-23**	**24-35**	**36-47**	**48-60**	Self attested copy of PAN, Add Proof, Photo
			40,000	Monthly	0.25	8.55	8.70	8.80	8.55	
			20,000	Qtrly	0.25	8.60	8.75	8.85	8.60	
				Half Yearly	0.25	8.70	8.85	8.95	8.70	
				Annual	0.25	Nil	9.05	9.15	8.90	
				Cumm	0.25	8.90	9.05	9.15	8.90	
HDFC Ltd. Platinum Deposits	FAAA	A pioneer and leader in housing finance in India, since inception, HDFC has assisted more than 4.02 million customers to own a home of their own, through cumulative housing loan approvals of over `4.63 trillion and disbursements of over `3.74 trillion as at March 31, 2012				**15**	**33**			
			40,000	Monthly	0.25	9.05	9.05			
			20,000	Qtrly	0.25	9.10	9.10			
				Half Yearly	0.25	9.20	9.20			
				Annual	0.25	Nil	9.40			
				Cumm	0.25	9.40	9.40			
Shriram Transport Finance (Shriram Unnati FD Scheme)	FAA+	With a track record of about 30 years in this business, STFC is among the leading organized finance provider for the commercial vehicle industry				**12**	**24**	**36-60**		Self attested copy of PAN, Add Proof
			25,000	Yearly	0.25	9.25	9.75	10.75		
				Half Yearly	0.25	9.05	9.52	10.47		
				Qtrly	0.25	8.95	9.41	10.34		
						12	**24**	**36**	**48-60**	
				Cumm (Yield)	0.25	9.25	10.2	11.94	12.60 - 13.32	
DHFL - Aashray Deposit Scheme		Dewan Housing Finance Ltd (DHFL) is the second housing finance company to be set up in the private sector in India.				**12**	**24**	**36**	**48-60**	Self attested copy of PAN, Add Proof, Photo
	FAAA		10,000	Cumm (Yield)	0.50	10.51	11.07	11.36	12.29/12.97	
			10,000	Yearly	0.50	10.50	10.50	10.50	10.50	
			10,000	Half Yearly	0.50	10.25	10.25	10.25	10.25	
			10,000	Qtrly	0.50	10.13	10.13	10.13	10.13	
			20,000	Monthly	0.50	10.05	10.05	10.05	10.05	
14 Months			10,000	Cumm (Yield)	0.50	10.88				
40 Months			2,000	Cumm (Yield)	0.50	12.20				
Mahindra & Mahindra Finance	FAAA	Mahindra and Mahindra Financial Services Limited is one of India's leading non-banking finance companies.				**12**	**18**	**24**	**36 / 48 - 60**	Self attested copy of PAN, Add Proof, Photo
			10,000	Cumm (Yield)	0.25	9.25	10.07	10.50	11.34 /11.85	
			25,000	Half Yearly	0.25	9.00		9.75	10/9.50	
			50,000	Qtrly	0.25	8.90		9.65	9.90/9.40	
PNB Housing Finance Ltd.	FAA+	PNB Housing Finance (PNBHF) is a subsidiary of Punjab National Bank and a partner of Destimoney Enterprises Pvt. Ltd. PNBHF was incorporated in 1988 and is based in New Delhi.	10,000	Cumm	0.25	9.40		9.40	9.40	Self attested copy of PAN, Add Proof, Photo
			20,000	Half Yearly	0.25	9.40		9.40	9.40	

NOTE : All interest rates are subject to revision without prior intimation.

For further details please contact us at ipo@arihantcapital.com or call us at 0731-4217261

ARI - Mutual Fund Update

Mutual Fund Commentary

Indian equity markets plunged nearly 2.4% in June 2013, breaking all their nearest support levels. Sensex ended the month with a loss of 1.84% closing at 19395.81 and Nifty ended at 5842.20 after touching a low of 5566.25. On the sectoral front, most sectoral indices ended the month with negative returns, Capital Goods delivered extremely disappointing returns plummeting (-)20.28%, followed by Realty (-10.32%) and Metal (-8.81%). IT sector was the best performer in June 2013 clocking gains of 3.13% followed by Oil & Gas (2.84%) and TECK (2.12%).

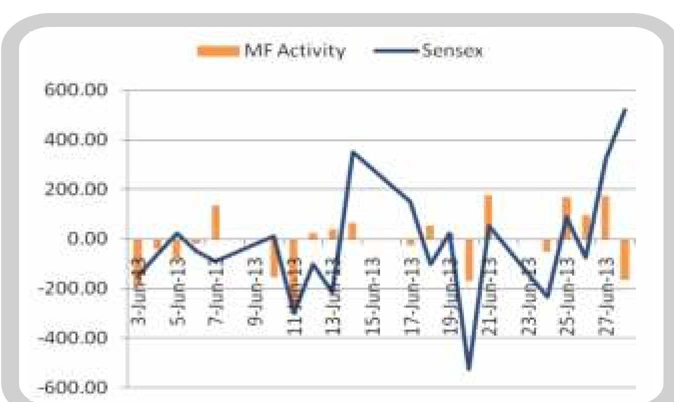
MF Activity

There was a wide sell-off in the Indian equities during the month wherein not only were the domestic fund houses net sellers but even FIIs went on a selling spree of Indian equities to the tune of Rs 11,027 crore. On the equity side, the Indian mutual funds made net sales of Rs 268.80 crore in June 2013. Highest selling was recorded in the second week of the month when the fund houses made total net sales of Rs 332.60 crore of equities while in the last week they were actually net buyers to the tune of Rs 211.1 crore.

Mutual Fund Activity in Jun 2013

(₹ in Crores)	Gross Purchases	Gross Sales	Net Investment
1st Week	1996.20	2194.00	-197.80
2nd Week	2231.90	2564.50	-332.60
3rd Week	2205.30	2154.80	50.50
4th Week	3148.90	2937.80	211.10
Total	9582.30	9851.10	-268.80

(Source : SEBI)



Movers and Shakers

Equity Category : Amid the turbulent market conditions, in the equity diversified category, barring BNP Paribas Dividend Yield Fund (3.57%), and Birla Sun Life India Opportunities Fund (1.64%), all the schemes ended the month with a dent in investors' portfolios.

Monthly Best Performer: All Equity Diversified Funds

Scheme Name	Last 1-Month return (%)
BNP Paribas Dividend Yield Fund (D)	3.57
ICICI Prudential Service Industries Fund (G)	1.88
Birla Sun Life India Opportunities Fund (G)	1.64
Tata Ethical Fund (G)	-0.94
PPFAS Long Term Value Fund (G)	-1.00

(Returns are absolute as on 30th Jun 2013)

In the sectoral category, the schemes focusing on the technology stocks generated positive returns for investors with ICICI Prudential Technology Fund and Franklin Infotech Fund being the best performer of the month with a 3.42% absolute return in June 2013 while all other sectoral funds including the defensives FMCG and Pharma funds ended the month with negative returns.

Upward move in the yields in the debt market coupled with poor performance of Indian equities had a toll on the performance of hybrid funds as well. All balanced funds ended with negative returns and in the Monthly Income Plan category, except a few schemes that clocked modest positive returns, the rest ended the month with negative returns for investors.

Monthly top gainers: Open-ended Hybrid Funds

Balanced Funds	1-Month %	Monthly Income Plans	1-Month %
LIC Nomura MF Balanced Fund (G)	-0.46	Sahara Classic (G)	0.57
Escorts Balanced Fund (G)	-0.58	Birla SL MIP (G)	0.57
JM Balanced Fund (G)	-1.37	SBI Magnum MIP-Floater Plan (G)	0.47

Debt Category

The debt funds also came under pressure during the month as the falling rupee and higher current account deficit would limit RBI's rate cut scope in first mid-quarter monetary policy for FY2014. The yields of longer maturity papers moved up in June that resulted in lackluster performance of long-term floating rate funds, long-term income funds and long-term gilt funds compared to that seen in the month of May 2013. Performance of liquid and ultra short term funds also took some hit with their gains falling relatively down. Going forward, we recommend investors to avoid getting into long term maturity papers and switch to short term papers and other short term products.

Monthly Best Performer: All Debt Funds

Scheme Name	Last 1-Month return (%)
Sundaram Gilt Fund (G)	1.78
Birla SL ST Oppor Fund (G)	1.31
Birla SL Medium Term Fund (G)	1.09
SBI Magnum Income FR-LTP-Reg (G)	0.74
Escorts Liquid Plan (G)	0.74

Capital Movement

The mutual fund industry reported a 2.67% rise in its average asset under management (AUM), q-o-q, to Rs 8.38 lakh crore for the quarter ending June 2013, as per the data released by the Association of Mutual Funds of India (AMFI).

The top five fund house of the country, namely HDFC MF, Reliance MF, ICICI Prudential MF, Birla Sunlife MF and UTI MF saw a good improvement in their average AUMs in the quarter with HDFC Mutual Fund's adding Rs 7,839.61 crore in its kitty taking its total AAUM at Rs 1,04,357.57 crore, an increase of 8.12%.

New kid on the block, IIFL Mutual Fund, recorded the highest increase in its AUM in percentage term (owing to its low base) with its AUM rising 144.30% to Rs 210.15 crore followed by Indiabulls MF and IDFC MF that saw a jump of 31.35% and 29.21% in their AAUMs respectively while ICICI Prudential Mutual Fund was the biggest gainer of AUM in absolute terms, adding Rs 10,877.70 crore to its corpus totaling it to Rs 90,468.02 crore as on 30 June 2013.

While overall the MF industry saw increase in its AUM, some fund houses' corpus saw major depletion with Daiwa MF being the biggest loser, in percentage terms, with its corpus shrinking over 50%, q-o-q, to Rs 131.35 crore in June 2013 while Canara Robeco MF saw biggest decline in absolute terms as it witnessed an erosion of a whopping Rs 1,415.25 crore (-16.26%) from its kitty this quarter bringing down its AAUM to Rs 7,290.75 crore.

AUM CHANGE OF FUND HOUSES

TOP GAINERS - AUM

MF Name	Average AUM (Rs in cr)		Q-o-Q Change	
	30th Jun 2013	31st Mar 2013	Absolute	In%
ICICI Pru. Mutual Fund	90,468.02	79,590.32	10,877.70	13.67
IDFC Mutual Fund	38,719.11	29,965.93	8,753.18	29.21
SBI Mutual Fund	59,061.27	50,834.29	8,226.98	16.18
UTI Mutual Fund	74,108.72	65,924.29	8,184.43	12.41
Birla Sun Life Mutual Fund	79,383.41	71,476.82	7,906.59	11.06
HDFC Mutual Fund	1,04,357.57	96,517.96	7,839.61	8.12
Reliance Mutual Fund	98,884.98	91,552.92	7,332.06	8.01
Kotak Mahindra Mutual Fund	37,250.00	31,068.32	6,181.68	19.90
DSP Blackrock Mutual Fund	32,711.06	28,130.08	4,580.98	16.28
L&T Mutual Fund	13,757.52	10,901.08	2,856.44	26.20

TOP LOSERS - AUM

MF Name	Average AUM (Rs in cr)		Q-o-Q Change	
	30th Jun 2013	31st Mar 2013	Absolute	In%
Canara Robeco Mutual Fund	7,290.75	8,706.00	-1,415.25	-16.26%
Union KBC Mutual Fund	2,477.07	3,117.95	-640.88	-20.55%
JM Financial Mutual Fund	6,754.46	7,359.65	-605.19	-8.22%
PRINCIPAL Mutual Fund	4,843.90	5,366.25	-522.35	-9.73%
Goldman Sachs Mutual Fund	4,309.24	4,799.73	-490.49	-10.22%
IDBI Mutual Fund	5,515.32	5,954.36	-439.04	-7.37%

FOUR RED FLAGS IN EQUITY INVESTMENT

- Promise of guaranteed return in any equity investment
- Insider tips- experts can't equity investment
- Company is all talk of future projections with no real earning at the moment
- Offerings of 'quick returns', 'double your money', 'special access'

SHRIRAM TRANSPORT FINANCE COMPANY LTD

(STFC) Public Issue of Secured Non Convertible Debentures (NCDs)

Particulars of the Issue:

Issue Date	July 16, 2013 - July 29, 2013
Issue Price	FV of Rs 1,000 per debenture
Coupon rate	Effective yield 9.65% p.a. to 11.15% p.a.
Type of Instrument	Secured Redeemable Non-convertible Debenture
Issue Size	Rs 375 crs with an option to retain over-subscription up to Rs 375 crs
Minimum application	Rs 10,000/- for 10 NCDs, thereafter in multiples of 1 NCD
Maximum application	500 NCDs, Rs.5,00,000 (retail category)
Credit Rating	AA/stable" by CRISIL and "CARE AA+" by CARE
Listing	On both NSE and BSE, available in demat form only

About the Company:
STFC was established in 1979 and has a long track record of over three decades in commercial vehicle financing industry in India. It has been registered as a deposit-taking NBFC with RBI. STFC is a part of Shriram group of companies which has a strong presence in financial services in India, including commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products.

Issue Structure:

Series	I		II		III		IV		V	
Frequency of Interest Payment	Annual		Annual		Monthly		Not Applicable		Not Applicable	
Coupon (% per annum) - (A)	9.65%		9.80%		9.40%		Not Applicable		Not Applicable	
Additional Incentive on Coupon (% pa) on Record Date - (B)	Individuals	Individuals	Individuals	Non Individuals	Individuals	Non Individuals	Not Applicable		Not Applicable	
	1.25%	Nil	1.35%	Nil	1.23%	Nil				
Aggregate of Coupon and Additional Incentive on Record Date (% pa)=(A)+(B)	Individuals	Non Individuals	Individuals	Non Individuals	Individuals	Non Individuals	Not Applicable		Not Applicable	
	10.90%	9.65%	11.15%	9.80%	10.63%	9.40%				
Effective Yield (%pa) on Record Date	Individuals	Non Individuals	Individuals	Non Individuals	Individuals	Non Individuals	Individuals	Non Individuals	Individuals	Non Individuals
	10.90%	9.65%	11.15%	9.80%	11.15%	9.80%	10.90%	9.65%	11.15%	9.80%
Tenure	Thirty six months		Sixty months		Sixty months		Thirty six months		Sixty months	
Redemption Date (from deemed date of allotment)	36 months		50% at the end of 48 months and balance 50% at the end of 60 months.		60 months		36 months		50% redemption at the end of 48 months and balance 50% at the end of 60 months	
Redemption Amount (Rs./NCD)	Face Value plus interest plus Additional Incentive		50% of Face Value payable at the end of the 48 months and remaining 50% at the end of the 60 months, payable together with interest lus additional incentive		Face Value plus interest plus Additional Incentive		Individuals	Non Individuals	Individuals	Non Individuals
							Rs.1,364.33 per NCD*	Rs. 1,318.67 per NCD*	Rs.763.37 per NCD* at the end of 48 months and Rs. 848.48 per NCD* at the end of 60 months	Rs.726.93 per NCD* at the end of the 48 months and Rs.798.17 per NCD*at the end of 60 months

*subject to applicable tax decucted at source, if any.

For further details please contact us at ipo@arihantcapital.com or call us at 0731-4217261


INVESTMENT ADVICE
HAS YOUR GOOSE STOPPED LAYING GOLDEN EGGS?
HAS YOUR GIANT BEANSTALK BEEN REPOSSESSED?
WAS YOUR FAIRY GODMOTHER A FRAUD?
PONZI SCHEME
DO NOT LOSE YOUR FAITH IN FAIRY TALES.
NOW IS THE TIME TO REINVEST IN FANTASY!
START BY ASSEMBLING A TEAM OF EXPERTS.
MAP OUT YOUR FUTURE.
MYSTIC MOUNTAINS
PRECIPITOUS PLATEAU
CAUSTIC CITY
BRACKISH BAY
DANGEROUS DUNES
SLEEPY SUBDIVISION
FOREBODING FOREST
CRAGGY CLIFFS
EMBRACE UNCERTAINTY AND RISK.
EXPECT HIGH RETURNS.
FIND NEW MARKETS TO EXPLORE AND CONQUER.
DIVERSIFY YOUR PORTFOLIO... *OF DRAGONS!*

Investor Awareness Programme: Bina

Arihant Capital Markets Limited (Arihant) conducted an investor awareness seminar with HDFC Mutual Fund Ltd at Hotel Gomti Nandan Palace, Bina on 22nd June, 2013. Mr. Rohit Raj Mathur from HDFC Mutual Fund and Mr. Gaurav Jain from Arihant were the key speakers at the conference. Mr. Rohit Raj Mathur explained investors at length regarding importance of investing in equities market and benefit of investing in mutual fund SIP's. Mr. Gaurav Jain explained new avenues of investment offered by Arihant for retail investors in these tough times. Both the speakers attended investor queries and concluded the seminar.

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