ARIHANT's
# VALUE Plus

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Monthly Newsletter (For private circulation only) Issue: May 2013

# ARI - Movers & Shakers

INDIAN INDICES

| Indices | Apr-13 | Mar-13 | Change % |
|---|---|---|---|
| SENSEX | 19504.18 | 18835.77 | 3.55 |
| S&P CNX NIFTY | 5930.20 | 5682.55 | 4.36 |
| BANK NIFTY | 12561.55 | 11361.85 | 10.56 |
| CNX MIDCAP | 7818.60 | 7401.60 | 5.63 |
| S&P CNX 500 | 4641.75 | 4438.35 | 4.58 |
| CNX IT | 6047.70 | 7219.05 | -16.23 |
| CNX REALTY | 241.25 | 223.95 | 7.72 |
| CNX INFRA | 2429.40 | 2209.80 | 9.94 |

(Source: BSE & NSE)

BSE-SECTORAL INDICES

| Indices | Apr-13 | Mar-13 | Change % |
|---|---|---|---|
| AUTO | 10957.88 | 9994.23 | 9.64 |
| BANKEX | 14363.74 | 13033.35 | 10.21 |
| CD | 7432.45 | 7094.55 | 4.76 |
| CG | 9718.80 | 9017.59 | 7.78 |
| FMCG | 6548.52 | 5919.19 | 10.63 |
| HC | 8691.20 | 8008.09 | 8.53 |
| IT | 5709.64 | 6885.46 | -17.08 |
| METAL | 8651.05 | 8758.32 | -1.22 |
| OIL&GAS | 8711.02 | 8326.60 | 4.62 |
| PSU | 6864.61 | 6481.16 | 5.92 |
| REALTY | 1901.32 | 1780.09 | 6.81 |
| TECk | 3474.24 | 3900.94 | -10.94 |

(Source: BSE)

GLOBAL INDICES

| Indices | Apr-13 | Mar-13 | Change % |
|---|---|---|---|
| DOW JONES | 14700.00 | 14578.00 | 0.84 |
| NASDAQ | 2887.00 | 2818.00 | 2.45 |
| HANG SANG | 22737.00 | 22300.00 | 1.96 |
| FTSE | 6430.00 | 6411.00 | 0.30 |
| NIKKEI | 13860.00 | 12397.00 | 11.80 |

(Source: Telequote software)

COMMODITIES and FOREX

| Particular | Apr-13 | Mar-13 | Change % |
|---|---|---|---|
| MCX GOLD | 26905.00 | 29394.00 | -8.47 |
| MCX SILVER | 44833.00 | 53072.00 | -15.52 |
| MCX CRUDE OIL | 5014.00 | 5400.00 | -7.15 |
| MCX-SX USDINR | 53.79 | 54.27 | -0.88 |

(Source: Telequote software)

**FII ACTIVITY (₹ in cr)**

| Date | Gross Purchases | Gross Sales | Net Pur/Sales |
|---|---|---|---|
| Total for Apr 2013 | 61,007.30 | 55,593.10 | 5,414.10 |
| Total for 2013 * | 284,520.69 | 223,484.41 | 61,036.30 |

(Source: SEBI)

**MF ACTIVITY (₹ in cr)**

| Date | Gross Purchases | Gross Sales | Net Pur/Sales |
|---|---|---|---|
| Total for Apr 2013 | 6,321.00 | 7,744.00 | -1,422.90 |
| Total for 2013 * | 36,493.60 | 45,590.30 | -9,096.80 |

*From Jan - Apr, 2013

(Source: SEBI)

## Market Commentary

Indian stock markets witnessed a renewed buying interest in the month of April 2013, clocking gains of over 3.5% during the month (rebounding after several weeks of underperformance), with widespread optimism over improved domestic macro environment. The month saw S&P BSE Sensex gained 3.55% settling the month at 19504.18 while the broader CNX Nifty gained 4.36% ending the month at 5930.20. On the sectoral front, FMCG (10.63%) gained across the board with reports of normal monsoon being the major trigger. Interest rate sensitive sectors also made handsome gains during the month with Bankex (10.21%), Auto (9.64%) and Realty (6.81%) ending in green with impressive returns. Street's darling IT turned out to be the worst performer of the month plummeting -17.08% and following the suit was TECk that tanked -10.94% owing to concerns over proposed US immigration bill, slowing growth and stronger rupee. Infosys, a stock that is part of every investor's portfolio, witnessed an erosion of 29.89% during the month ending at Rs 2,903 as on 30th April 2013.

The month of April started on a disappointing note owing to political concerns, selling by foreign institutional investors (with India's growth slowing the focus of FIIs shifted towards other emerging markets) and burgeoning current account deficit (CAD). However, the sentiments turned around towards the second half right after the inflation numbers were released. The wholesale price index (WPI) inflation slumped to a 40 month low of 5.96% for the month of March 2013 from 6.84% in the previous month. The fall in inflation numbers brought cheer to the government that has been caught up in a tug-of-war between rising prices and sliding economic growth since long. Steep fall in gold and crude prices also brought cheer to the policymakers as it would be a great aid in putting a check on burgeoning CAD. To add icing to the cake, the fall in other commodity prices eased headline inflation confirming expectations of a rate cut by RBI and spread jubilant mood on the bourses. Furthermore, statement from the Finance Minister P. Chidambaram that the CAD would be halved in 1-2 years and reform initiatives would be taken in order to boost country's economic growth also improved market sentiments.

On the global front, the major world markets also ended the month of April with a positive bias. Dow Jones, Nasdaq, Nikkei, Hang Sang and FTSE clocked gains of 0.84%, 2.45%, 11.80%, 1.96%, & 0.30% respectively.

On the institutional side, domestic mutual fund houses continue to be net sellers of Indian equities making total net sales to the tune of Rs 1,422.90 crore. While the foreign institutional investors (FIIs) remained bullish and purchased equities worth Rs 5,414.10 crore during the month; a cautious stance was seen on their side as the pace of purchases was down from Rs 9,124 crore in the earlier month.

Though better than expectations, the index of industrial production (IIP) slipped to 0.6% in February 2013, showing an overall slump in the economy, on account of contraction in power generation and mining output. The industrial output had grown by 2.4% in January 2013 and 4.3% a year ago. However better than expected growth in capital goods segment helped maintain the figure above street expectations.

One of the major drivers of the market in the month of April 2013 was the steep fall in gold prices coupled with decline in silver and crude prices. Gold's appeal as a safe haven was hurt over speculation that US economic recovery has suffered a blow and concerns over Cyprus gold sale that also sparked pressure of gold selling by other heavily indebted euro zone nations such as Italy and Portugal.

On the positive side, falling gold and crude prices is expected to reduce the import bill of India. Meanwhile, the Indian rupee continued to remain firm against the American currency on persistent selling of dollars by banks and exporters in view of renewed capital flows from foreign funds into equity markets.

The Prime Minister Economic review for the current fiscal has estimated normal monsoon this year and has given a forecast of growth and inflation at 6.4% and 6% respectively. The prospect of normal monsoons is expected to help boost growth, rural incomes and moderate stubborn food prices that have hovered around double-digits.

On the international front, the austerity measures that European economies have adopted in the recent years, to cut surging government deficits, are beginning to take a blow as search for growth intensifies via stimulus packages. The statement of European Council President and the outlook of French and Italian governments show a widespread concern over increase in growth and jobs in the European region. On the other hand, Chinese economy is also slowing after an almost unprecedented three decades of strong economic growth.

### Outlook

Going forward, we believe that the ongoing quarterly result season would be one of the key drivers domestically for the markets in the coming month. Internationally, expectation of euro-zone nations using their gold reserves to repay their debt and speculation over quantitative easing in the US coming to an end, may affect the overall sentiments of the market. Further, we believe that political uncertainty in the run-up to the 2014 general elections is likely to slow down the appetite for reforms, which could impinge the equity markets. Investors can use this as an opportunity to hoard value picks and fundamentally strong companies.

## Key News and Events in April 2013

- India Feb industrial production moderates to 0.6% in Feb, 2013:

  India's industrial production growth slipped to 0.6% in February as against 2.4% in January 2013 and 4.3% a year ago. This was mainly on account of contraction in power generation and mining output and poor performance of manufacturing sector. The Indian industry has performed poorly so far this financial year, with output contracting in six out of the last 11 months. The industrial production in Apr-Feb, the first 11 months of 2012-13, grew 0.9% compared with 3.5% in the same period of last year.

- Mar WPI inflation to 40 month low of 5.96%:

  The wholesale price index (WPI), India's inflation slumped to a 40 month low of 5.96% in March 2013 as against 6.84% in February 2013. The deceleration in growth rate was observed on account of decline in food and non-food articles. This is the lowest figure recorded since November 2009, when inflation was 4.73%.

- India's trade deficit fell to a 23 month low in Mar:

  India's trade deficit fell to a 23 month low of $10.32 bn in March from $14.92 bn in February and $13.54 bn a year ago. The easing of deficit was facilitated by rise in exports that grew at a 13 month high of 6.97% to $30.84 bn in March 2013, against $28.8 bn in the year ago period. On the other hand, imports contracted 2.9% to $41.16 bn, against $42.4 bn in the year-ago period. However, for the period Apr- Mar 2012-13, India's trade deficit rose to $191 bn from $184 bn, a year ago.

- Finance Bill for fiscal year 2013-14 passed by Lok Sabha:

  The Finance Bill has been passed by the Lok Sabha without any debate for the first time in almost a decade. The bill was passed with 12 minor amendments. One of the most significant amendments was removal of wealth tax on farm land that was proposed by the Finance Minister. Another significant amendments included reduction of withholding tax on interest payments to foreigners on government and corporate debt to 5% from 20% for a two-year period from 1st June, 2013 to 31st May, 2015.

- FY14 annual supplement of Foreign Trade Policy 2009-2014:

  The Government of India, Ministry of Commerce and Industry announced Annual Supplement 2013-2014 to the Foreign Trade Policy 2009-2014 to boost exports and revive SEZs. The government extended the zero percent Export Promotion Capital Goods (EPCG) Scheme to all sectors to boost India's manufacturing sector. Norway and Venezuela have been added to Focused Market Scheme while engineering, pharma and textiles have been added under Focused Product Scheme.

## Auto Sector April Sales

The first month of fiscal FY14 started on a tepid note, with market leaders like Hero Moto and Maruti reporting flat to negative numbers. A few specific trends witnessed in April 2013 numbers are positive surprises on account of M&M's tractors (38% yoy growth), signs of correction of growth in the SUV segment (evidenced by weak sales of M&M and Maruti), and "stabilization" of LCV volumes (compared to normal growth levels recorded in early FY13). Based on our interaction with auto dealers / channel checks, the overall mood is "cautious", with mild to moderate growth expected in H1FY14. So far the Baisakhi season has also proven to be a dampener.

Hero's fall in numbers reflect the high degree of competition in the 2W segment, (Honda 2W has actually grown by 30% in April 2013, and is catching up sharply). Bajaj's exports have recorded another weak month. TVS Motors has come under attack in all "sub segments" on the 2W industry. It has been hardest hit in the scooter segment (due to higher competition from Yamaha, HMSI and Hero Moto) Maruti's Dzire continues to grow at 25%, but we note that Honda has already begun despatches of its "Amaze" sedan at a little under 5,000 units in April. Maruti's top selling SUV, Ertiga is also showing signs of correction, in line with the overall correction in SUV industry volumes over the past 2 months. Tata Motors domestic volumes continue to be the biggest disappointment of the season. LCV growth has also slowed down (which could suggest signs of over capacity in the LCV segment, as LCV growth of Ashok Ley and M&M has also slowed). A clear sign in April's numbers is the slowdown in M&M's SUV volumes, the excise duty hike in budget for SUV's can result in a bit of downward pressure in the near term. Only the "Quanto" will escape the hike among M&M's SUV's.

The biggest positive surprise comes from a 38% increase in tractor volumes, which could be a sign that the company expects a good monsoon and is building up inventory (IMD expects normal monsoon this year, at 98% of Long Period Average) Ashok Leyland's M&HCV's continue deep in negative territory, and LCV sales have also slowed down in line with the overall LCV segment.

The "global 2W pack" continues to perform well, HMSI and Yamaha's total sales have grown by 30% and 44% yoy respectively. 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 4W pack" has had another weak month, Hyundai's domestic numbers fell by 7.6% yoy. Other automobile companies, barring Renault, have also registered negative to flat sales. Renault India continues its impressive performance, with Duster sales of 5,362 units in April 2013. Honda has despatched 4,852 units of its new launch "Amaze", which has pushed up its domestic numbers significantly. April 2013 sales numbers released over the last few days have been weak once again, signalling a continuation of weakness in the domestic auto industry. We believe that easing of macro pressures post H1FY14 / towards FY15 could result in re-entry of buyers and a "moderate" improvement of sentiment in certain segments. Lack of considerable fiscal and monetary push factors over FY14, combined with continuing challenging domestic conditions (especially from high fuel prices and interest rates) make our approach "cautious" on near term prospects for the domestic auto sector.

## Q4FY13 Result Update: Nifty Companies

Positive Performance: 👍

- Axis Bank, the third largest private sector lender in the country, reported a 21.76% rise in net profit at Rs 1,555.15 crore for the quarter ended March 31, 2013 as compared to Rs 1,277.27 crore for the quarter ended March 31, 2012.
- Cairn India Ltd reported a net profit of Rs 1,554.57 crore for the quarter ended March 31, 2013 as compared to a net loss of Rs 3.52 crore for the quarter ended March 31, 2012.
- HCL Technologies Ltd, India's fourth-biggest software services provider, reported a 108.16% rise in net profit at Rs 832.96 crore for the quarter ended March 31, 2013 as compared to Rs. 400.15 crore for the quarter ended March 31, 2012.
- HDFC Bank, India's second largest private sector lender reported a 30.06% rise in net profit at Rs 1,889.84 crore for the quarter ended March 31, 2013 as compared to Rs 1453.08 crore for the quarter ended March 31, 2012.
- Hindustan Unilever, India's largest FMCG Company reported a 14.65% rise in net profit at Rs 787.20 crore for the quarter-ended March 31, 2013 as compared to Rs 686.61 crore for the quarter ended March 31, 2012.
- ICICI Bank reported a 21.15% rise in net profit at Rs 2,304.07 crore for the quarter ended March 31, 2013 as compared to Rs 1,901.76 crore for the quarter ended March 31, 2012.
- IndusInd Bank reported a 37.61% jump in its net profit at Rs 307.40 crore for the quarter ended March 31, 2013 as compared to Rs 223.38 crore for the quarter ended March 31, 2012.
- Jindal Steel and Power reported a 12.88% rise in net profit at Rs 520.47 crore for the quarter-ended March 31,

# ARI - Equity Outlook

2013 as compared to Rs 461.07 crore for the quarter ended March 31, 2012.

- Maruti Suzuki India reported a 143.79% jump in net profit at Rs 501.29 crore for the quarter ended March 31, 2013 as compared to Rs 205.62 crore for the quarter ended March 31, 2012.
- Reliance Industries Ltd reported a 31.94% jump in net profit at Rs 5,589 crore for the quarter ended March 31, 2013 as compared to Rs. 4,236 crore for the quarter ended March 31, 2012, helped by an increase in refining margin.
- TCS , country's largest software exporter reported a 17.84% jump in net profit at Rs 3,014.78 crore for the quarter ended March 31, 2013 as compared to Rs. 2,558.34 crore for the quarter ended March 31, 2012.

Negative Performance:

- Hero Motocorp reported a 4.86% decline in net profit at Rs 574.23 crore for the quarter ended March 31, 2013 as compared to Rs 603.59 crore for the quarter ended March 31, 2012.
- Infosys Ltd, India's second largest IT services provider, reported a 16.46% decline in net profit at Rs 2,305 crore for the quarter ended March 31, 2013 as compared to Rs. 2,759 crore for the quarter ended March 31, 2012.
- Sesa Goa reported a net loss of Rs 174.93 crore for the quarter ended March 31, 2013 as compared to net profit of Rs 648.21 crore for the quarter ended March 31, 2012.
- UltraTech Cement reported a 16.27% decline in net profit at Rs 726.20 crore for the quarter ended March 31, 2013 as compared to Rs 867.32 crore for the quarter ended March 31, 2012.



## Technical Equity Market Outlook

Nifty:

Equity markets embarked on an upward journey during the month of April 2013 with steep fall in gold and crude prices easing concerns of mounting current and fiscal deficit. Further, expectations of rate cut in the RBI monetary policy also aided to create a rally during the month. On the sectoral front FMCG, Bankex, Auto and Healthcare led the rally whereas IT, Teck ended on the losing side. The Sensex closed with a net gains of 3.55% whereas the Nifty gained 4.36% vis-à-vis the previous month.

### Technical Observation


On the monthly chart

- We maintain our stance that the Bearish Engulfing pattern has been activated but is not confirmed as we have not seen a monthly close below 5671.

On the weekly chart

- We are observing a positive candle with long shadow which indicates that markets are circumspect at higher level.

On the daily chart

- We are observing a pattern that resembles a Harami candlestick or one can termed it as an Inside Day pattern. Both the patterns imply that market has poor chances of rising.

Future Outlook:

Combining the above pattern formation on three time frames, we are of the opinion that the sharp upswing of 542 points has challenged the current down trend. On the downside, indices have support at 5900 – 5820 – 5750 levels. Any strong reversal near the above mentioned levels should be used to go long in these markets. On the other hand, if current up move sustains convincingly above 6020 level, then it may test the prior swing high of 6111 and head higher to test the upper trendline of the channel. The value of upper trendline is in the zone of 6250 – 6300 levels.

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

# ARI - Commodity & Currency Pick

## Crude Oil BUY

After a strong upward movement in March 2013, Crude oil tumbled heavily in first 3 weeks of April 2013 correcting around 15% and sending prices as low as Rs 4,737 for MCX June contract & $85.90 at NYMEX. On analyzing the daily chart of NYMEX Crude, the price cycle of last 3 months i.e. February, March and April, 2013 led us to an Elliott wave based reversal structure called 'Double Three'. A 'Double Three' pattern usually has 2 set of corrective ABC waves which are joined by an 'X' wave of opposite direction. The low of $85.90 at NYMEX has already turned into a completion point of the above pattern and the phenomenal bounce back seen in last two weeks confirms the presence


of enough impulsion in days to come. Thus, from here we can foresee the impulsive momentum unfolding into a full-fledged bullish structure comprising of the orthodox 5 sub-waves. All in all, ample opportunities for crude oil traders (bulls) are lying ahead in the month.

In last week, we saw two sessions of sharp correction (up to Rs 4,872) filling the space of 2nd wave which immediately formed after a 10 days long 1st wave (Rs 4,737 – Rs 5,165). We are now into 3rd wave which began its run in an electrifying way on 2nd of May, Thursday and broke out on Friday with important fundamental support from highly positive US employment, NFP data and falling gasoline inventories which overshadowed the surplus crude inventory numbers. Momentum indicators are also going strong in favor coupled with high volume and a decent open interest. We recommend buying MCX June contract above Rs 5,225 with stop loss below Rs 5050 for targets of Rs 5,500 and Rs 5,620.

## GBP - INR SELL

MONTHLY CHART VIEW :

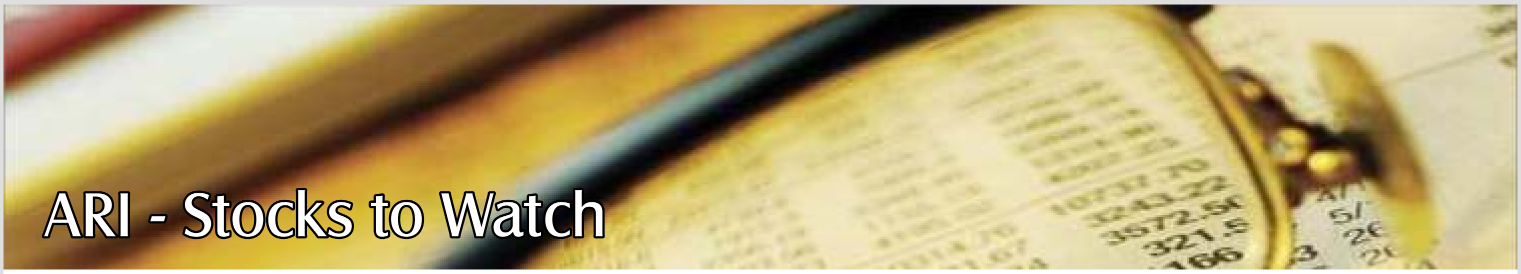
GBP-INR settled at Rs 83.47 as on 30th April 2013, slightly higher than the last month close of Rs 81.99. The readings of the weekly chart suggests that the prices have breached the lower band of the Raff Regression channel and are expected to stay on the negative side after a slight bounce back till the lower band line i.e. Rs 85.20-85.30. The momentum indicator RSI (14) is treading at 0.56 and is moving higher to make a hook with its Moving Average (9). Lack of volumes during the rebound is signaling that the current retracement in the prices do not last long and bearish trend may continue.

In the daily chart of GBP-INR, we can see that there is a conflict between demand and supply factors for attaining equilibrium of prices. Consequently, we have got the Wolf Wave pattern formation on the daily chart. Wolf wave is a 5 wave pattern formation shown in the chart. As per the pattern, GBP-INR prices are expected to rise till Rs 85.20-85.30 for the 5th wave formation (as 5th wave is to exceed the trend line created by wave 1st and 3rd). Further, from Rs 85.20-85.30 levels, prices are expected to take a sharp dip.

From the above analysis, we recommend selling on rise of Rs 85.00-85.20 for the target of Rs 83.60 and then Rs 83.00 with stop loss above Rs 85.85.

Impact of Major Economic Events & Data:

This month, UK economic data will start with the crucial MPC rate statement and interest rate decision which might have a strong impact. It is widely expected that BOE is likely to keep interest rate and asset purchase facility program unchanged which may augur negative for the currency. On the same day, manufacturing production data release may add bearish sentiment for pound, as numbers are being forecast much lower than the previous figure. After that, consumer price index is due to come out on 21st May, as a result of which some selling pressure could be witnessed if the data comes lower than forecast of 2.8%. On 23rd May, UK is set to release significant second estimate GDP data which may appear to bring significant moves for the pound. At the end of the month, pound may react on G8 Meetings.



# ARI - Stocks to Watch

## Shriram Transport Finance Co Ltd BUY

**CMP:** ₹ 745 (As on 30th Apr 2013)

Target : ₹ 800-850-900

Buy : ₹ 745-725

Stop-Loss: ₹ 705

Chennai based Shriram Transport Finance Company Limited (STFC) is India's largest player in commercial vehicle finance, was established in the year 1979. As on Sep 30, 2012, STFC had a network of 528 branches and service centres. The company has a niche presence in financing pre-owned trucks and Small Truck Owners (STOs).


Technical Outlook:

- On the weekly chart, we are witnessing that prices have taken support at the lower trendline of the upward channel.
- The stock has potential to test the upper trendline of the channel. The value of the said trendline is in the range of Rs 875 – 900 levels.

Hence, we recommend accumulating STFC at current levels or on a decline up to Rs 725 levels with a stop loss of Rs 705 for a target of Rs 800 – 850 – 900 levels for the coming month.

## Tata Consultancy Services BUY

**CMP:** ₹ 1,378 (As on 30th Apr 2013)

Target : ₹ 1,500-1,550-1,600

Buy : ₹ 1,467-1,450

Stop-Loss: ₹ 1,420

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 operations 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 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
- Hence we are of the opinion that the stock has made a bottom out at Rs 1,365 level and is heading towards Rs 1,600 levels.

On the basis of above, we recommend buying TCS at current levels or on a decline up to Rs 1,450 levels with a stop loss of Rs 1,420 for the target of Rs 1,500 – 1,550 – 1,600 levels for the coming month.

# ARI - Mutual Fund Update

## Mutual Fund Commentary

The first month of new financial year starts off with a positive vibe as Indian equities gain over 4% in April 2013 with FMCG and Bank Nifty being the star performers of the month clocking over 10% gains. Sensex closed the month up 3.55% to settle at 19504.18 while CNX Nifty gained 4.36% to settle at 5930.20. On the sectoral front, most sectoral indices ended the month with positive returns, with FMCG (10.63%) and Bankex (10.21%) leading the pack, excepting the ugly ducklings IT (-17.08%), TECk (-10.94%) and Metal (-1.22%) that ended in red.

## MF Activity

On the equity side, the Indian mutual funds continue to be net sellers during April 2013 by selling off Rs 1,422.90 crore worth of Indian equities in net.

### Mutual Fund Activity in April 2013

| (₹ in Crores) | Gross Purchases | Gross Sales | Net Investment |
|---|---|---|---|
| 1st Week | 1488.10 | 1633.00 | -144.60 |
| 2nd Week | 1031.70 | 1073.90 | -42.40 |
| 3rd Week | 1455.30 | 1702.80 | -247.50 |
| 4th Week | 1328.00 | 2064.90 | -736.90 |
| 5th Week | 1017.90 | 1269.40 | -251.50 |
| Total | 6321.00 | 7744.00 | -1422.90 |

(Source : SEBI )

## Movers and Shakers

Equity Category : In April 2013, the performance of top performing schemes in the equity diversified category was almost at par with the sectoral funds. Within the diversified funds, funds with high exposure to the Banking and FMCG outperformed the category with JM Core 11 Fund (9.7%) topping the best performer chart followed by Reliance Vision (9.49%). In the diversified category all schemes ended the month with positive returns - barring Birla Sunlife Opportunities Fund that clocked -2.95% returns. Overall the diversified category generated an average return of 3.92% during April 2013.

### Monthly Best Performer: All Equity Diversified Funds

| Scheme Name | NAV (Rs) | Last 1-Month return (%) |
|---|---|---|
| JM Core 11 Fund - Dir - Growth | 3.76 | 9.70 |
| Reliance Vision - Dir - Bonus | 43.88 | 9.49 |
| IDBI India Top 100 Equity Fund - Dividend | 12.03 | 7.89 |
| Birla Sun Life India GenNext Fund - Dir - Growth | 31.73 | 7.78 |
| JM Multi Strategy Fund - Dir - Growth | 13.02 | 7.73 |

(Returns are absolute as on 30th April 2013)

Among the sectoral category, the Banking Index, and hence banking funds outperformed the broader indices in April 2013 followed by the Pharma funds. In the active fund category, UTI Banking Sector Fund turned the best performer of the month with a whopping 9.81% absolute return in April 2013. While the banking turned the best performer, the IT funds, which were the best performing schemes in the sectoral category until a few months back, eroded over 16% of investor's portfolio in a single month owing to disappointing Q4FY13 earnings that dampened investor's confidence in the future earnings and revenue growth of the sector as a whole.

This performance turnaround in the IT sector is a reiteration of our recommendation that investment in sector funds is a high risk proposition and should only be done by very informed investors who understand the dynamics of the sector in which they are investing as it requires active monitoring and possibly market timing. We therefore recommend investors to invest in a diversified fund since in these types of schemes it is the duty of the fund manager to actively track the various sectors, economy and global markets and decide the sector allocation on the basis of the research and analysis done.

### Monthly Best Performer: All Sectoral Funds

| Scheme Name | NAV (Rs) | Last 1-Month return (%) |
|---|---|---|
| UTI Banking Sector Fund - Dir - Growth | 47.70 | 9.81 |
| Baroda Pioneer Banking & Fin. Svs Fund - Dir - Dividend | 11.72 | 9.53 |
| SBI Pharma Fund - Dir - Growth | 63.85 | 9.13 |
| Religare Banking Fund - Dir - Dividend | 18.08 | 8.78 |
| UTI Pharma and Healthcare Fund - Dir - Growth | 49.47 | 8.04 |

(Returns are absolute as on 30th April 2013)

## Debt Category

In the debt fund category, SBI Magnum DFS-60 Months-3 fund was the best performing scheme with a return of 2.02% during the month.

### Monthly Best Performer: All Debt Funds

| Scheme Name | NAV (Rs) | Last 1-Month return (%) |
|---|---|---|
| SBI Magnum DFS - 60 Months - 3 - Dir - Dividend | 10.36 | 2.02 |
| Tata Floater Fund - Dir - Dly Dividend | 1003.56 | 0.75 |
| Birla Sun Life Floating Rate Fund - STP - Dir - Growth | 157.07 | 0.74 |
| ING Treasury Advantage Fund - Dir - Daily Dividend | 10.03 | 0.73 |
| Templeton India Cash Mgm. Account Fund - Dir - Growth | 19.22 | 0.69 |

(Returns are absolute as on 30th April 2013)

Our recommendation to investors is to continue to invest through a staggered buying approach with focus on large cap equity funds. Investors with a moderate to high risk appetite should also look at allocating funds to the midcap oriented funds to improve their portfolio's performance. For those looking to for safety of capital, debt funds offer a good investment opportunity over traditional debt instruments like a Fixed Deposit as they offer better return prospects along with tax benefits.

NSE in investors' interest

ARIHANT capital markets ltd.


Dear Investor,

The day of Akshay Tritiya (13th May 2013) is a special occasion to acquire gold. To make this day truly auspicious, you should invest in Gold ETFs. Gold has a proven track record of generating safe returns. Historically it has shown stability even in times of severe crises. Keeping a part of your investments in gold for the longer term, will enable you to have a stable portfolio.

Gold ETFs are a smart way to invest in Gold. These are listed on the exchange and their prices are visible to you at all times on the exchange's website.

Moreover, investing in Gold ETFs offers you a 3-way benefit:

- No premium or making charges on Gold
- No worries of theft and so saves money on locker charges
- Easy to buy and sell at real-time prices, available on the exchange

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> For more details on Gold ETFs, please visit www.nsegold.com

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