ARIHANT's
VALUE Plus

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Monthly Newsletter (For private circulation only) Issue: January, 2014

HAPPY 2014!!

ARI - Movers & Shakers

INDIAN INDICES

Indices	Dec-13	Monthly Change %	Yearly Change %
SENSEX	21170.68	1.82	8.98
S&P CNX NIFTY	6304.00	2.07	6.76
BANK NIFTY	11385.25	2.07	-8.73
CNX MIDCAP	8071.30	5.06	-5.10
S&P CNX 500	4914.85	3.03	3.61
CNX IT	9517.85	7.90	57.97
CNX REALTY	184.60	5.94	-34.38
CNX INFRA	2477.35	2.05	-4.16

(Source: BSE & NSE)

BSE-SECTORAL INDICES

Indices	Dec-13	Monthly Change %	Yearly Change %
AUTO	12258.83	-0.51	7.29
BANKEX	13001.94	2.13	-9.36
CD	5821.34	1.33	-24.59
CG	10264.26	4.56	-5.56
FMCG	6567.01	0.08	11.00
HC	9966.26	4.90	22.55
IT	9081.78	7.93	59.78
METAL	9964.29	5.88	-9.99
OIL&GAS	8834.42	2.12	3.71
PSU	5909.74	1.73	-19.43
REALTY	1433.41	5.71	-32.09
TECK	5051.33	6.60	47.36

(Source: BSE)

GLOBAL INDICES

Indices	Dec-13	Monthly Change %	Yearly Change %
DOW JONES	16576.66	3.05	26.48
NASDAQ	4176.59	2.87	38.32
HANG SENG	23306.39	-2.41	2.87
FTSE	6749.09	1.49	14.43
NIKKEI	16291.31	4.02	56.72

(Source: Telequote software)

COMMODITIES and FOREX

Particular	Dec-13	Monthly Change %	Yearly Change %
MCX GOLD	28422.00	-2.78	-7.90
MCX SILVER	43833.00	-4.39	-24.25
MCX CRUDE OIL	6122.00	4.85	22.07
MCX-SX USDINR	61.80	-1.01	12.40

(Source: Telequote software)

FII ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Dec 2013	64,259.40	48,173.60	16,085.80
Total for 2013 *	**796,832.69**	**683,697.19**	**113,135.70**

(Source: SEBI)

MF ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Dec 2013	10,051.00	10,462.10	-410.90
Total for 2013 *	**112,184.90**	**133,332.40**	**-21,146.80**

* From Jan-Dec, 2013

(Source: SEBI)

Market Commentary

The year 2013 turned out to be an interesting one for Indian equity markets as both the benchmark indices, BSE Sensex and S&P CNX Nifty, touched their historical highs during the year. Finally the year ended on a positive note with the S&P BSE Sensex ending the year with a gain of 8.98% while the S&P CNX Nifty jumped 6.76% during the same period.

In the first half of the year, the market remained range bound due to high current account deficit, fiscal deficits and quantitative easing concerns from the US. The second half led to optimism in the market as the newly appointed Reserve Bank of India's Governor, Raghuram Rajan, announced a slew of measures to contain inflation and foster growth and BJP's victory in state assembly elections strengthened BJP's position as the winning party in the forthcoming general election in 2014 that was taken in a positive light by the market participants.

2013 was also a historical year for Indian currency as it saw one of the sharpest corrections in its lifetime, falling 12.4% in calendar year 2013. With Rupee's sharp decline it comes as no surprise that IT sector turned the best performing sector for the year 2013 clocking ~60% returns followed by Teck (47.36%), Healthcare (22.55%), FMCG (11%) and Auto (7.29%). However, Realty continued to be an ugly duckling turning the biggest loser (down 32.09%) followed by Consumer Durables (down 24.59%) , PSU (down 19.43%) and banking sector (down 9.36%) due to increase in interest rate which fears increase in NPA apart from that increase in inflation and weak IIP data which was also reason for falling in banking stocks.

India's three IT majors TCS, Infosys and Wipro were among the best Sensex performers of 2013 while SBI, BHEL and Coal India were the top losers. TCS was the best performing Sensex stock in 2013, with 73% return. Wipro emerged as the second best Sensex performer in 2013 with a return of 61%. Sun Pharma surged 54.4% this year. India's largest lender State Bank of India fell nearly 26% in 2013, ending the year as the top Sensex loser. Among other losers, BHEL dropped 22.7%, Coal India ended down 18%, while Tata Power shed 17.2%.

Surging inflows from foreign institutional investors (FIIs) was the key reason for the outperformance of markets in 2013 as FIIs bought equities worth Rs 1,13,135.70 crore during the period. While FIIs were on a buying spree during the year, the domestic mutual fund houses turned net sellers of equities to the tune of Rs 21,146.80 crore.

Market Roundup, 2013

In January 2013, Indian equity markets rose over 2.2% touching two-year high in the month after the US Senate approved fiscal cliff deal. The White House and Senate Republicans to keep the world's biggest economy from falling off the fiscal cliff also boosted sentiments. Additionally, the government's decision to defer the implementation of the General Anti Avoidance Rules (GAAR), which seeks to tax foreign investors, by two years until 1 April 2016, further sparked the rally.

The gains witnessed in January 2013 were completely washed in February 2013, as the Indian equity markets descended by over 5.2% ahead Union Budget 2013 and worry over twin deficit problem (occurring on account of ballooning fiscal deficit and widening Current Account Deficit (CAD)) prevailed. Finance Minister P Chidambaram presented not so impressive Union Budget 2013-14 on February 28, 2013, failed to cheer the Indian equity market.

The descending move of the Indian equity markets continued through March 2013, however, unlike the month of February 2013 where the markets corrected by over 5.2%, this time, in the March 2013 the markets was nearly flat arresting the fall at 0.1%. The lackluster performance of markets in March was primarily due to political uncertainty taking over the center stage with DMK pulling out of the ruling UPA coalition on issue of atrocities on Tamils in Sri Lanka.

After depicting a descending move in the last couple of months, the Indian equity markets exhibited a good impulse, gaining over 3.5% in April 2013. Renewed buying interest during the month with widespread optimism over improved domestic macro environment was the key reason for this turnaround.

The impulse depicted by the Indian equity markets in the month of April 2013, continued to protract in the month of May 2013 as well. But towards the tail of the month, there was a contraction seen in earlier sharp gains, causing the indices to end the month with a gain of 1.3%. In May 2013, Indian indices surged higher in the first half of the month with the help of positive cues owing to RBI Monetary Policy, which came in line with expectations as RBI cuts its key policy rates by 25 bps. However, these positive sentiments did not sustain throughout the month. Weak GDP data played a spoilsport causing growth worry and dampening investor sentiment. The sentiments aggravated further due to a weak Rupee which slumped to 11-month low of Rs 56.76 against the US dollar.

The negative bias aggravated in June 2013 as Indian equity markets witnessed nervousness during the month when US Fed indicated that it may wind down its quantitative easing programmed that left the Indian equity as well as debt market in a tizzy. Apart from that domestic development too remained worrisome with some weaker than expected economic data. The continuous slump in rupee to its all time low 60.75, added pressure on the weak sentiments.

Indian equity markets encountered turbulence in the month of July 2013 and ended the month with a loss of 0.3%. Markets witnessed a sharp recovery during initial part of the month after the Federal Reserve Chairman Ben Bernanke's declaration of continuance of US stimulus measures. However, the gains were erased as rupee sent shivers down the spine of the Government and the central bank as the rupee fell continued its downward slide making and breaking record lows to finally touch an all-time low of 61.20 on 8th July, 2013 which in turn forced the RBI to step in and take measures to control the movement of the rupee vide a hike in short-term rate and contraction in liquidity.

In August 2013, Indian equity markets slipped for the third consecutive month with uncertainty regarding stimulus measures in US and rupee hitting rock bottom playing the key role in the market mayhem this month.

The markets, however, saw a turnaround in September registering a 4.8% gain, its biggest monthly advance since November 2012, despite inflation woes and global weakness. It is noteworthy that it was during September that Mr. Raghuram Rajan was appointed as the new Governor of RBI. Due to inflation worries & global weakness cut initial gain in second half.

The month of October 2013 was the second consecutive monthly gains for the key indices when the key indices registered a whopping ~9% return. All records were broken in November 2013 when the S&P BSE Sensex and Nifty both hit an all time high on 'Muhurat' trading session on Diwali. However, Indian equity markets took a pause after having rallied for two consecutive months. The decline could be primarily attributed to uncertainty hovering around the US stimulus measures and lower-than-expected growth in key economic releases. However markets did witness some in between recovery which in turn helped cap the downside and ended the month with negative returns of over 1.70%.

The Indian equity markets climbed to record high in December 2013 on favorable state assembly results. Sensex touched an all time high of 21,483.74 points while Nifty hit all time high after 5 years and 11 months at 6415.25. BJP's clean win in 3 states out of 4 cheered up the markets. Another interesting event unfolded towards the end of the month, the new emerging party Aam Admi Party, "AAP", born out of Anna Hazare's anti-corruption agitation, stole the show in Delhi elections by winning 28 seats in the 70-member Delhi assembly election and the three-time Chief Minister Sheila Dikshit losing her seat.

On the sectoral front, IT turned out to be the best performing sector in December 2013 clocking gains of 7.93%. This was followed by Teck (6.60%), Metal (5.88%), Realty (5.71%), Healthcare (4.90%), and Capital Goods (4.56%). Auto was the only negative performer in the pack plummeting 0.51%.

On the institutional side, foreign institutional investors (FIIs) remained bullish during the month and bought equities worth Rs 16,085.80 crore in December 2013 while the domestic mutual fund houses sold Rs 410.90 crore of equities during December 2013.

On the macro-economic front, index of industrial production (IIP) was 1.8% in October 2013 as against growth of 2% in September 2013. November 2013 inflation data was largely disappointing with both wholesale and retail inflation climbing up. India's current account deficit (CAD) help to improve some sentiment it was narrowed sharply to $5.2 bn, or 1.2% of GDP. India's trade deficit narrowed to $9.22 bn in November 2013 against $10.56 bn in October 2013. On 18 December RBI surprised the markets, by leaving all key policy rates unchanged.

On the international front, US markets celebrated the announcement of an initial $10 bn a month reduction in bond buying in January to $75 bn from $85 bn as a sign of confidence in the economy. US economy was in better shape in the third quarter than previously estimated. The 4.1% annualized pace of GDP growth is the fastest rate of expansion since the fourth quarter of 2011.

The global markets ended the year 2013 on a positive note. US markets closed out their best year in more than 15 years, with major indexes advancing throughout 2013 on the back of the Federal Reserve's massive stimulus and expectations for accelerating growth going forward. Dow climbed 26.48% in its best year since 1995. Nasdaq jumped 38.32%, its best year since 2009. Japan's Nikkei surged 56.72%, Hang Seng jumped 14.43% and FTSE increased by 2.87%.

Outlook

As we bid farewell to the year 2013, there is lots to look forward to in the year 2014. The General Elections scheduled for May 2014 is 'the most important event' and, until May, **the broader market moves will be largely a function of political expectations**. The economic data is showing no clear signs where the economy is headed and we think that until elections they may be even non-concerning – the market is most likely going to be supported by primarily positive political developments and pro-growth monetary policy.

The high beta stocks have already witnessed remarkable gains since August. While the September quarterly results have given a positive surprise, the December quarter's result, which will kick start in first week of January, is expected to be muted to negative (weak cement demand, subdued construction activity, falling order books, disappointing auto numbers and negative growth in IIP numbers point towards disappointing upcoming earnings season).

There will be some key events to watch out for in 2014 that may affect the fate of equity markets.

- **General Elections 2014:** The general elections have always been a big event as far as stock markets are concerned. In the run up to the elections, one doesn't expect the ruling part to push any big bang reforms. The election outcomes are watched very closely and generally a stable government is given big thumbs up by the market. Indian equity markets have languished in the past 3-4 years on account of low GDP growth, scandals and corruption as well as policy inaction. If Narendra Modi wins the Prime Minister position the market could continue to extend the upside sharply post the government formation for a few months in anticipation of the large scale policy changes. On the other hand, an unexpected new leadership, particularly with a weak mandate, would immediately see a sharp down move, possible erasing all pre-election gains, if any.
- **US Federal Reserve policy on QE3:** Quantitative easing (QE) is a monetary policy, used by central banks to stimulate the economy when standard monetary becomes ineffective, by buying financial assets, usually government bonds, which help to increased liquidity and lending capacity. After subprime crisis in US, it has introduced QE in 3 stages. In June 2013, the US Fed Chairman announced the tapering of some of its QE measures. While on one side when QE is announced it means more money into the emerging markets, but if QE tapering can cause exact opposite i.e. money flowing out of emerging markets.

  The Fed is likely to reduce its bond purchase in steps of $10 bn over the next seven meetings before winding up the QE3 program by end of 2014, some bit of the news is actually priced in. Whenever, it does happen though, it would definitely impact the Indian equity markets. So this is one important thing to watch out for in 2014.
- **Inflation and RBI Policy Action:** Inflation is the biggest risk for the economy. High inflation led to tightening of policy rates by RBI thereby keeping the interest rates in the economy at elevated levels. This impacts the corporate as well as retail borrowers. For investors, long-term debt products may not be a wise bet until there is a possibility of reversal of interest cycle. Until then, sticking to short term debt products may be the right thing to do. Inflation levels would be something to watch out for in 2014.
- **Growth rate for India:** High interest rates, lack of reforms by the government, inflation, demand slowdown, has all led to a sub 5% growth rate for India.

All the above-mentioned events of 2014 will have an impact on India's corporate sector as well. Active government and easing of the interest rates will help the economy.

- **Earnings season:** Each quarterly result provides very useful insight on the health of India Inc and where the economy is headed. 2014 will kick start with the December quarterly result, which will be the next trigger for the market in the near term. We expect the election frenzy will take over the sentiments (unless there is a major change in the results from expectations). However, post-elections the economic health of the country as well as the corporate India will dominate the direction of the market and must be closely watched for making right stock picks and check the health of your portfolio.
- **Real Estate Bill:** The Real Estate Bill is a legislation to set up a real estate regulator with the intent to protect home buyers from unscrupulous developers and builders. The Bill, currently being examined by the Parliamentary Affairs Committee, is a first step towards structuring a highly unregulated real estate sector. Under the proposed law, there is a provision for mandatory public disclosure of all project details - of promoters, land status, layout plan, carpet area and status of statutory approvals. This bill may change the way we buy Real Estate.

We expect volatility to sting the markets for the large part of 2014, which will be a positive for long term investors as it will throw good buying opportunities for stock picking.

Auto Sector December Sales

December witnesses a mixed end to a disappointing 2013 for auto

Honda and TVS spins for a positive ride on scooters in December 2013 while Bajaj Auto and Hero witness volume decline. In the listed space, **Bajaj Auto** and **Hero** clock year-on-year (yoy) decline in volumes ~13% and 3.06% respectively. **TVS Motor's** overall two wheeler volumes rose a marginal 1.07% and its scooter volumes were up ~38% YoY. The three wheeler sales of TVS registered an increase of 36.80%, growing considerably from 4,486 units in December 2012 to 6,137 units in December 2013. Bajaj Auto's commercial vehicle sales reported a 19% drop yoy. The other bigwig, **Honda** that is unlisted on Indian bourses, reported a 36% YoY increase in 2W volumes, with scooter volumes rising a very strong ~54% (motorcycles rose a steady ~18% YoY).

Despite its volume decline in December 2013, **Hero MotoCorp**, the world's largest 2W manufacturer, established yet another industry landmark, reporting its highest-ever sales for any calendar year. The company sold record 61,83,784 units of 2W in the year 2013, up ~1% yoy.

- **Ashok Leyland**, the Hinduja Group flagship company in India, reported a 14% drop in December 2013 sales at 6,275 vehicles. The sales of its Large Commercial Vehicle (LCV) products 'DOST & STILE' witnessed a rise of 16% to 2,385 units December 2013. The sales of its overall Medium & Heavy Commercial Vehicle (M&HCV) witnessed over 26% fall to 3,890 units December 2013.
- **Atul Auto** has registered 23.42% growth in its December 2013 sales. The company has sold 3,510 units in the month against 2,844 units sold in December 2012. Total sales from April-December 2013 were 27,908 vehicles, a rise of 18.29%, as compared to 23,592 vehicles sold in the same period in 2012.
- **Escorts** sold 3,852 total tractors in December 2013, down by 3.84% against 4,006 tractors sold in December 2012. Domestic tractor sales in December 2013 stood at 3,809, a fall of 4.49% over last year. However, export for the month of December 2013 surged 138.89% to 43 tractors yoy.
- **Maruti Suzuki India**, country's largest car maker, has registered a fall of 4.4% in its total car sales for the month of December 2013 at 90,924 units. The company's domestic sales surged 5.90% in December 2013 to 86,613 units, partly aided by a weak base (Dec'12 had low WagonR sales). Dzire volumes rose a strong ~18%. Of the total, the company has sold 73,155 units of its passenger cars during last month, up by 6.4% yoy, while the company's sales of vans increased by 7.30% to 8,312 units. However, the sales of its utility vehicles (comprising mainly Ertiga) plunged 5.50%. The company's export sales surprisingly tumbled 67% to 4,311, which could negatively impact the margins as exports provide a natural hedge against USD-INR fluctuations.
- **Mahindra & Mahindra**, India's leading SUV manufacturer has reported a fall of 13% in its auto sales numbers which stood at 39,611 units during December 2013 from 45,297 units in December 2012. The passenger vehicles volume, which includes UVs and Verito, continued the decline as the Company sold 16,436 units in December 2013, as against 22,761 for the corresponding period previous year. The company's domestic sales stood at 36,881 units during December 2013, down 12.82% yoy. The 4W commercial segment had sold 14,399 units, up 5.05% yoy while the 3-wheelers segment clocked 7.62% increase in sales to 5,606 units in December 2013. Besides, exports for the month of December 2013 stood at 2,730 units as against 2,990 units sold in December 2012.

  Management indicated that with the expectations of very strong winter crop, tractor volumes could post double-digit growth over 4QFY14. However overall they do not expect an immediate recovery without policy corrections.

- **Tata Motors** continues to disappoint due to weak industry demand for CV and intensive competition. The total sales of the company in December 2013 stood at 37,852 units, down a staggering 42.3% on year. The company's domestic sales for December 2013 were 35,010 units as against 61,700 units in December 2012. Cumulative sales for the company for the fiscal were 4,35,095 units falling 29.1%.

The Company's sales of CV, in December 2013, in the domestic market declined 45.83% yoy while M&HCV sales declined 22.36% yoy on a weak base. LCV sales came out as a big disappointment as it dropped ~52% yoy to 18,079 units. Sales of domestic passenger vehicles for December 2013 fell 34.6% on year to 9,272 units reflecting weak demand and intensifying competition.

Road ahead: Hero, M&M and Maruti are likely to benefit from strong rural demand. Our top picks in the auto sector are M&M (healthy rural demand and attractive valuation) and Tata Motors (JLR growth).

Key News and Events in December 2013

- **India Jul-Sep CAD narrows to 1.2% as gold import slumps:** India's current account deficit narrowed sharply to 1.2% of gross domestic product in Jul-Sep 2013 from 4.9% a quarter ago as gold imports shrank to a fourth of that in the last quarter and merchandise exports picked up. In absolute terms, the current account deficit fell to $5.2 bn from $21.8 bn in the first quarter of 2013-14. The deficit was $21.0 bn or 5.0% of GDP in Jul-Sep last year.

- **India November trade gap narrows to $9.22 bn as imports fall:** India's merchandise trade deficit narrowed to $9.22 bn in November 2013 from $17.20 bn a year ago as imports continued to decline. India's trade deficit was $10.56 bn in October 2013. Oil imports in November 2013 declined 1.1% on year to $12.96 bn, while bullion imports declined as much as 80.5% to $1.05 bn. India's gold imports have come down in past few months after the government raised import duty on the precious metal, while the Reserve Bank of India tightened norms of its import. Meanwhile, the pace of export growth slowed in November 2013. In October 2013, India's exports had risen 13.5% on year. During Apr-Nov 2013, the first eight months of the current fiscal, exports were up 6.3% at $203.99 bn, while imports were down 5.4% to $303.89 bn.

- **India Apr-Nov indirect tax collections up 5% on year:** India's indirect tax collection grew 4.9% on year to Rs 3.08 trln in Apr-Nov 2013. The growth in indirect tax collections is way below the Budget projection of 20.3% growth for 2013-14. The Budget for 2013-14 projected the indirect tax collections at Rs 5.65 trln compared with the revised estimate of Rs 4.70 trln last year. Excise collections in Apr-Nov 2013, the first eight months of 2013-14, declined 5.1% to Rs 1.04 trln, while customs mop-up rose 7.0% to Rs 1.12 trln. The service tax collections in Apr-Nov 2013 rose 16.0% to Rs 921 bn. In November 2013, the indirect tax collections grew 3.0% on year to Rs 381 bn. The customs collections rose 1.0% to Rs 131 bn, while excise mop-up rose 1.7% to Rs 143 bn. The service tax collections rose 7.3% to Rs 106 bn on year in November 2013.

- **India October industrial output contracts 1.8% to 4-month low:** India's industrial output contracted 1.8% in October 2013, slipping to a four-month low, as consumption demand continued to slump. The industrial production had grown by 8.4% a year ago and by 2.0% in September 2013. Consumer durables output declined for the eleventh straight month in October 2013 to a five-month low of (-)12.0%, indicating the bleak demand in the economy. The fall in consumer durables output also pulled down overall consumer goods growth to a five-month low of (-)5.1% in October 2013, compared with 13.8% a year ago. Basic goods growth slumped to (-)1.6% from 4.3% previous year. The manufacturing sector, which accounts for nearly three-fourths of the total weight of the Index of Industrial Production, fell to a five-month low of 2.0% in October 2013. Other sectors such as mining and electricity also registered subdued growth. The mining sector growth fell to a four-month low of (-)3.5% in October 2013. The capital goods sector grew 2.3%, compared with 7% in the year-ago period. Electricity output fell to a four-month low of 1.3% due to a fall in thermal power generation.

- **India WPI inflation rises to 14-month high of 7.52% in November:** India's headline inflation rate, based on the Wholesale Price Index (WPI), rose to a 14-month high of 7.52% in November 2013 from 7.00% in October 2013 mainly on account of a sharp increase in prices of food articles. The headline inflation rate was 7.24% in November 2012. The food articles inflation rate rose to an over three-year high of 19.93% in November 2013. The WPI all-commodities index rose 0.67% in November 2013, as indices for primary articles and fuel & power rose. The index of primary articles rose by 1.87% in November 2013, while fuel & power and manufactured products rose 0.10% and 0.20%, respectively.

- **RBI keeps key policy rates unchanged:** The Reserve Bank of India kept key policy rates unchanged in its mid

ARI - Equity Outlook

quarter review of the monetary policy for 2013-14. Repo and Reverse Repo rate were left unchanged at 7.75% and 6.75% respectively. Further, the cash reserve ratio (CRR) of scheduled banks remains unchanged at 4.0% of net demand and time liability (NDTL). Meanwhile, Marginal Standing Facility and bank rates continues to remain at 8.75%.

- **India October FDI equity inflows $1.23 bn, down 37% on year:** Foreign direct investment equity inflows into India declined 36.9% on year to $1.226 bn in October 2013 from $2.915 bn in September 2013 and $1.942 bn a year ago. This is the third consecutive month that FDI equity inflows have declined year on year. FDI equity inflows during Apr-Oct 2013 contracted 14.8% on year to $12.60 bn. FDI equity inflows in 2012-13 had contracted 36.2% to $22.42 bn. The total FDI inflows, including re-invested earnings and other capital, during Apr-Oct 2013 fell 10.3% on year to $18.93 bn. Mauritius was the top foreign investor in India during Apr-Oct 2013, with an investment of $3.10 bn, followed by Singapore and the UK at $2.86 bn and $1.89 bn, respectively. FDI inflows are likely to improve in the coming months with the Foreign Investment Promotion Board approving Vodafone Group's proposal to invest 101.41 bn rupees to hike its stake in India arm to 100%.

- **India Apr-Nov fiscal gap Rs 5.10 trln, 94% of FY14 aim:** India's fiscal deficit in Apr-Nov 2013 touched 94% of the Budget target of Rs 5.42 trln for the whole of financial year ending March 2014. The deficit was at Rs 5.10 trln in the first eight months of the financial year. Total receipts were tepid in Apr-Nov 2013, registering a growth of 12.5% at Rs 5.12 trln. While non-tax revenues jumped 39.8% to Rs 1.06 trln, tax revenues rose merely 7.2% to Rs 3.96 trln. The government's indirect tax collections in the current financial year may fall short of the Budget target by around Rs 280-300 bn. The current bout of economic slowdown has been eating into tax revenues, especially indirect tax receipts. Total expenditure during Apr-Nov 2013 was up 17.7% at Rs 10.21 trln rupees, with plan and non-plan expenditures growing 19.6% and 17.0%, respectively. The Budget has projected the financial year's fiscal deficit to narrow down to 4.8% of the gross domestic product from 4.9% last year. During Apr-Nov 2013, revenue deficit surged 23.0% on year to Rs 3.93 trln. In November 2013, the fiscal deficit was Rs 516.71 bn compared with Rs 450.06 bn a year ago.

Nifty Technical Outlook

Markets remained in the positive territory in month of December 2013 in anticipation of change of guards at central government coupled with strong FII inflows. On the sectoral front IT, Teck, Metal and Capital Goods ended with decent gains whereas Auto ended with marginal losses. The Sensex closed with a net gain of 1.82% whereas the Nifty lost 2.07% vis-à-vis the previous month.

Technical Observation

- **On the monthly chart,** we are observing a positive candle with narrow range body formation. This suggests that markets are indecisive at current level.
- **On the weekly chart,** we are observing a bear candle which has tested the median line of the channel and has closed above it. Further, we are observing a negative divergence on the indices which suggests weakness going forward. The said divergence would get negated only if Nifty trades and closes above the all time high of 6415 levels.
- **On the daily chart,** we are observing that the momentum oscillator is in a positive territory and suggests high probability of upside momentum.

Future Outlook:

Combining the above conflicting signal on different time frames, we are of the opinion that Nifty's 6180 level, going forward, remains crucial support level. Any close below 6180 level would mean weakness. In such scenario Nifty are likely to test 6129 – 6068 – 5987 levels. While if Nifty holds 6180 level then a bounce up to 6300 – 6415 (all time high) – 6494 levels cannot be ruled out.

Broadly, the quarterly results will likely to act as a major catalyst for positive sentiments going forward. Further, looking at current price action, traders are advised to trade with positive bias as long as Nifty trades above 6180 level. Stock specific activity is likely to continue in Pharma, IT and FMCG sectors.

ARI - Stocks to Watch

Bharat Forge Ltd — BUY

CMP: ₹ 331.50 (As on 06th Jan, 2014)

Buy: ₹ 331.50 - 320

Target Price: ₹ 352 - 361 - 375

Stop-Loss: ₹ 310

Bharat Forge Ltd, Pune based Indian multinational, is a technology driven global leader in metal forming having transcontinental presence across ten manufacturing locations, serving several sectors including automotive, power, oil and gas, construction & mining, locomotive, marine and aerospace. The company is a part of Kalyani Group. The company has its manufacturing facilities spread across India, Europe, US and China. It manufactures a wide range of safety and critical components for the automotive and non-automotive sector and is India's largest manufacturer and exporter of automotive components and leading chassis component manufacturer. It has two business lines component manufacturing, and capital goods and infrastructure. In component manufacturing, through its domestic operations and overseas subsidiaries, it caters to forging and machining requirements of the auto and the non-auto sectors. The capital goods and infrastructure business focuses on equipment manufacturing and project management in the energy and transportation sector.

Technical Outlook:

On the daily chart, the stock is making a higher top higher bottom formation. Further, the prices are trading in an upward channel. We expect the upside momentum to continue in this stock.

Hence, we are of the opinion that one should buy the stock at 331.50 or on a decline up to 320 levels with a stop loss of 310 with upside target of 352 – 361 – 375 levels.

Novartis India Ltd — BUY

CMP: ₹ 465.90 (As on 06th Jan, 2014)

Buy: ₹ 465.90 - 440

Target Price: ₹ 750 - 950

Stop-Loss: ₹ 416

Novartis India Ltd is the Indian wing of the Swiss pharmaceutical major Novartis AG. The business operations of the company include pharmaceuticals, generic, over the counter (OTC) drugs and animal health. The pharmaceuticals segment consists of a portfolio of prescription medicines, which are provided to patients through healthcare professionals. The generics segment consists of retail generics products. The generics segment's unit primarily focuses on the therapeutic segments, such as Anti-TB, Gynaecology, Anti-histamines, Antibiotics, Anti-ulcerants, Anti-diabetes and Cardiovascular. The animal health segment has a presence primarily in the cattle and poultry market segments. The OTC segment mainly operates in Vitamins, Minerals, Cough and Cold market segments. The company has four manufacturing facilities in Maharashtra, India.

Technical Outlook:

On the quarterly chart, the stock has taken support at the lower trend line of the channel and has formed a reciprocal AB=CD. Further it has formed a candlestick pattern that resembles a bullish harami. The said pattern will get activated once it trades above 480 levels. At present the stock is facing resistance at 467 levels which is the 200-day SMA. Any close above 467 levels would intensify upside momentum.

Short term traders can buy the stock at 465.90 or on a decline up to 440 levels maintaining a strict stop loss at 416 for a target of 520 – 560 levels. However, looking at the quarterly chart, the larger picture suggests that the stock has made a bottom at 361 and has potential to rise up to 750 – 950 levels in the medium term (6-9 months).

Arihant Stock Picks – 2014

Arihant's top Stock Picks are high conviction stocks which have the potential to beat the market returns over long term (>1-2 years). These Stock Picks are suitable for investors looking to invest for over a year's horizon.

1. Mahindra Lifespace Developers (CMP As on 08th Jan, 2013: 402.70)

Company Background (Year of Incorporation 1999)

Mahindra Lifespace Developers Ltd, a 51% owned subsidiary of the Mahindra and Mahindra Group, is engaged in the business of real estate development. The Company, along with its subsidiaries, is engaged in the development of residential projects and large format, integrated developments, such as business cities, industrial parks and industrial parks and special economic zones (SEZs).

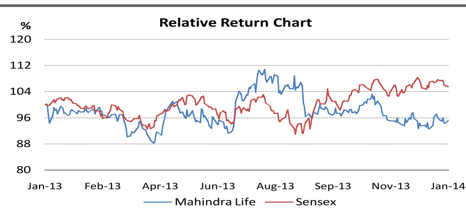
The Company has completed till date 6,50,321.28 sq mts and has over 7,43,224.32 sq mts of new projects under construction (as per Company's website). Mahindra Life has developed projects in cities like Mumbai, Pune, NCR, Jaipur and Chennai and is expanding its presence in Hyderabad, Nagpur and Nasik by increasing its focus on the premium and mid-market segments.

Financials

Mahindra Lifespace Developers	FY11	FY12	FY13
Net Sales (in cr)	627	728	772
PAT (in cr)	113	129	156
EPS	26	29	35
RoE%	11	12	13
RoCE%	12	12	13
P/E(x)	15	14	11

Earnings CAGR (5 year) 23%

Stock Performance 52 Week High/Low 475/324.60



2. IPCA Laboratories (CMP As on 08th Jan, 2013: Rs. 744.95)

Company Background (Year of Incorporation 1949)

IPCA Laboratories Ltd is a fully-integrated pharmaceutical company that manufactures over 350 formulations and 80 active pharmaceutical ingredients (APIs) and has a diverse presence across geographies. The company exports its APIs to the United States, Canada and South American countries and formulations to the United States, Panama, West Indies and South American countries. It is the only company having WHO prequalification to participate in global institutional business in malaria endemic countries for both API & formulation. It is also a therapy leader in DMARDs (Disease Modifying Anti-Rheumatic Drugs) treatment for rheumatoid arthritis.

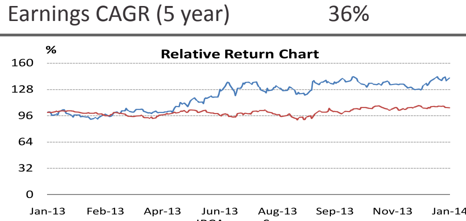
The Company's global clientele includes pharmaceutical giants like AstraZeneca, GlaxoSmithKline, Merck, Roche and Sanofi Aventis.

Financials

IPCA Laboratories Ltd.	FY11	FY12	FY13
Net Sales (in cr)	1987	2404	2846
PAT (in cr)	262	276	324
EPS	21	22	26
RoE%	27	24	23
RoCE%	26	24	24
P/E(x)	34	33	28

Earnings CAGR (5 year) 36%

Stock Performance 52 Week High/Low 752.65/440.40



3. Tata Coffee (CMP As on 08th Jan, 2013: 1028.85)

Company Background
(Year of Incorporation 1943)

Rechristened in 2000 as "Tata Coffee Limited" (TCL) {the Company was formerly known as Consolidated Coffee Limited}, TCL is the largest integrated coffee plantation company in the world. TCL is engaged in the operations relate to coffee and other produce, which consists of growing of coffee, pepper, tea and other plantation crops and conversion of coffee into products, such as roast and ground coffee and instant coffee. The company is also in the business of curing operations of coffee and trading of items required for coffee plantations.

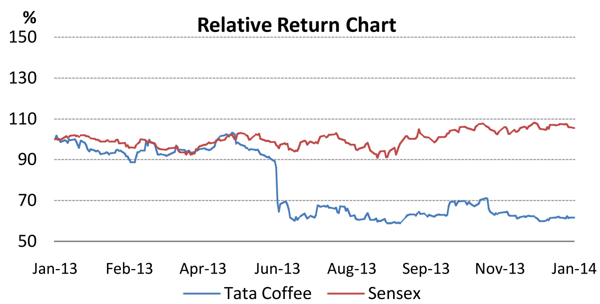
The company owns 19 coffee estates and 7 tea estates located in the districts of Coorg, Hassan and Chickmagalur, including one recently acquired Coffee estate and five tea gardens in the Annamallais region of Tamil Nadu.

Financials

Tata Coffee	FY11	FY12	FY13
Net Sales (in cr)	1308	1557	1708
PAT (in cr)	110	84	158
EPS	39	43	62
RoE%	28	18	28
RoCE%	19	12	20
P/E(x)	25	23	16

Earnings CAGR (5 year) 42%

Stock Performance
52 Week High/Low
1679.70/880.50



4. Dewan Housing Finance Corporation (CMP As on 08th Jan, 2013 : Rs. 208.70)

Company Background
(Year of Incorporation 1984)

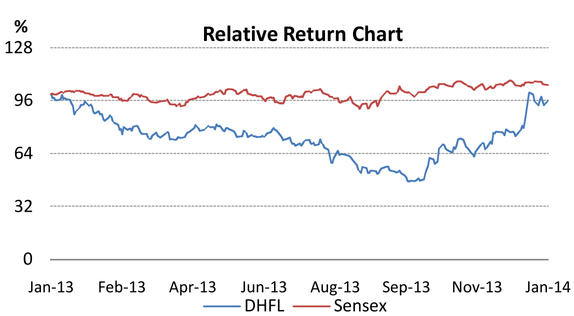
Dewan Housing Finance Corporation Ltd (DHFL) is one of India's largest housing finance companies (and the second largest in the private sector). DHFL is engaged in providing loans to retail customers for construction or purchase of residential property and loans against property. The company's service consists of property service for developers, which include project management and consultancy services.
DHFL has a network of over 165 Branches, 75 Service Centers, 31 Camps and 8 Regional Processing Offices across India with offices in London and Dubai to serve the NRI population (source: Company website). It has been rated CARE AA+, BWR FAAA, P1.

Financials

DHFL	FY11	FY12	FY13
Net Sales (in cr)	2103	3216	4152
PAT (in cr)	357	355	452
EPS	32	28	35
RoE%	29	20	17
RoCE%	12	12	13
P/E(x)	7	8	6

Earnings CAGR (5 year) 51%

Stock Performance
52 Week High/Low
232.90/101.60



5. VIP Industries (CMP As on 08th Jan, 2013: Rs. 69.00)

Company Background (Year of Incorporation 1969)

VIP Industries Ltd is the largest luggage manufacturer in India. The company manufactures moulded luggage (from high-density polyethylene), soft luggage (from nylon, polyester, jupolene, printed polyester) and ABS luggage (from acrylonitrile butadiene styrene plastic) including briefcases, suitcases, handbags, carry bags and vanity cases. The brands that the Company distributes include V.I.P, Carlton, Footloose, Alfa, Aristocart, Skybags, Buddy. It also has a line of furniture that is sold under the brand name Moderna (plastic furniture).

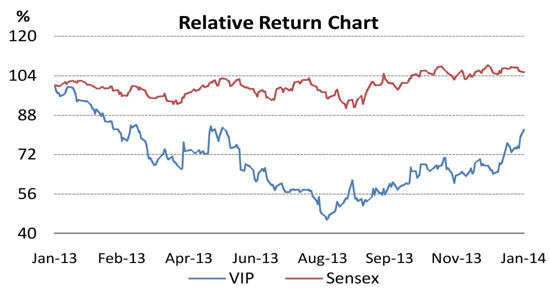
VIP is today the largest luggage brand in Asia and the second largest manufacturer of moulded luggage in the world. In the organized Indian luggage market, VIP leads all other brands with a dominant 60% market share with its products reaching over 8000 retail outlets across the country and over 1300 outlets spread across 5 continents in 27 countries including Indonesia, Hong Kong, Russia, Canada, Iceland, Ghana, Malta, Spain, France, Belgium, Ireland, Sweden, Poland, Finland, Greece and Lebanon.

Financials

VIP	FY11	FY12	FY13
Net Sales (in cr)	761	862	877
PAT (in cr)	89	68	32
EPS	6	5	2
RoE%	51	30	13
RoCE%	40	33	17
P/E(x)	11	15	32

Earnings CAGR (5 year) 10%

Stock Performance
52 Week High/Low
88.30 / 38.90



6. . Tata Consultancy Services (CMP As on 08th Jan, 2013:Rs. 2232.65)

Company Background (Year of Incorporation 1995)

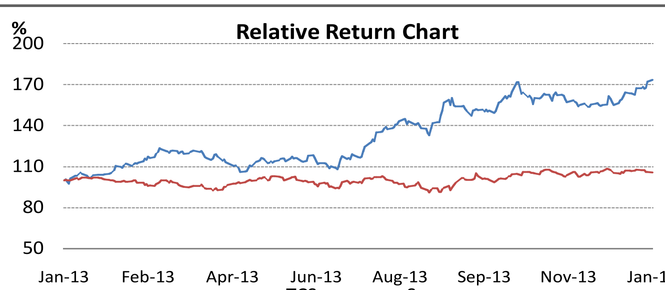
Tata Consultancy Services Ltd (TCS), a Tata group company, is the largest IT services company in India by revenue and market capitalization. The company has built strong domain capabilities in a range of industry verticals, including banking, financial services and insurance, retail and consumer packaged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

Financials

TCS	FY11	FY12	FY13	FY14	FY15
Net Sales (in cr)	38069	49775	64168	84699	98548
PAT (in cr)	9190	10523	14076	17967	21582
EPS	46	53	71	92	110
RoE%	43	39	41	38	36
RoCE%	51	51	53	49	48
P/E(x)	48	42	32	24	20

Earnings CAGR (5 year) 29%

Stock Performance
52 Week High/Low
2258.85 / 1255.30



Note: Abbreviations used in financial statements

- PAT - Profit after tax
- EPS - Earning per share
- RoE - Return on equity
- RoCE - Return on capital employed
- P/E - Price to earnings ratio

Arihant Fundamental Desk: Stocks under our radar

Company and Sector	Current	Target	Research	EPS (Rs/share)			P/E (x)			ROE %			Dividend Yield %		
	Price	Price	Call	FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E
Automobile															
M&M	874	1010	Accumulate	54.6	57.1	63.5	16.0	15.3	13.8	25.0	22.1	21.1	1.5	1.8	2.0
Maruti Suzuki	1795	1869	Neutral	79.2	105.6	128.9	22.7	17.0	13.9	13.3	17.3	18.3	0.4	0.5	0.5
Tata Motors	368	416	Accumulate	31.0	45.0	57.2	11.9	8.2	6.4	27.5	31.2	32.1	0.6	0.9	1.2
TVS Motors	71	69	Reduce	4.4	4.4	4.9	16.2	16.0	14.3	9.6	18.9	17.9	1.7	1.7	1.8
Bajaj Auto	1905	2145	Accumulate	105.2	121.8	143.0	18.1	15.6	13.3	43.7	39.3	37.6	2.4	2.6	3.1
Hero MotoCorp	2030	2186	Hold	106.1	113.9	141.1	19.1	17.8	14.4	45.6	41.2	45.8	3.0	3.4	3.9
Ashok Leyland	17	13	Reduce	0.7	0.1	1.1	24.6	245.7	16.2	4.3	0.4	6.2	4.5	0.0	3.0
Escorts	120	96	Reduce	12.4	14.9	18.3	9.6	8.0	6.5	8.9	9.9	11.3	2.5	2.9	3.3
Bharat Forge	332	270	Reduce	10.6	13.5	18.0	31.2	24.6	18.4	11.2	13.3	16.0	1.3	1.5	1.7
Banking & NBFC															
BOB	612	714	Accumulate	108.8	113.6	135.5	5.6	5.4	4.5	15.7	13.8	14.2	3.1	3.1	3.1
SBI	1609	2087	Buy	206.2	212.0	267.0	7.8	7.6	6.0	16.1	16.3	16.6	2.7	2.7	2.7
Axis Bank	1165	1391	Accumulate	110.7	136.7	164.1	10.5	8.5	7.1	18.5	17.9	18.4	2.2	2.2	2.2
ICICI Bank	1025	1224	Accumulate	72.2	81.1	94.2	14.2	12.6	10.9	13.1	12.5	13.1	2.5	2.5	2.5
Federal Bank	78	82	Hold	9.5	12.0	12.4	8.2	6.5	6.3	14.8	16.3	16.4	1.3	1.3	1.3
Yes Bank	343	409	Accumulate	36.5	50.1	52.3	9.4	6.8	6.6	24.8	27.0	20.2	1.1	1.1	1.1
Indusind Bank	405	464	Accumulate	20.3	27.5	33.4	19.9	14.7	12.1	20.3	17.1	18.2	0.7	0.9	0.9
Bank of Mah	36	42	Accumulate	11.5	15.0	18.2	3.1	2.4	2.0	14.6	19.4	21.4	5.0	5.0	5.0
DCB	57	57	Neutral	3.8	6.0	6.8	14.9	9.4	8.3	10.8	12.2	12.6	-	-	-
Andhra Bank	62	71	Accumulate	23.0	14.8	20.3	2.7	4.2	3.0	17.1	14.0	13.3	8.1	8.1	8.1
HDFC Bank	662	712	Hold	28.5	35.6	44.8	23.2	18.6	14.8	20.8	21.0	21.8	0.8	0.8	0.8
IDBI Bank	64	60	Reduce	14.7	14.8	18.2	4.4	4.3	3.5	8.8	8.5	9.3	0.7	0.7	0.7
M&M Fin	278	228	Reduce	15.4	20.3	20.3	18.0	13.7	13.7	24.4	20.8	21.4	1.2	1.2	1.2
Cement															
Ultratech Cement	1673	2055	Buy	98.9	85.0	119.0	16.9	19.7	14.1	17.8	14.0	16.0	0.5	0.5	0.5
ACC	1035	1115	Hold	59.3	74.1	83.7	17.4	14.0	12.4	14.3	16.3	16.7	1.8	1.8	1.8
Ambuja Cement	168	160	Reduce	8.4	7.1	9.1	20.0	23.6	18.4	14.9	11.8	13.9	2.1	2.1	2.1
JK Lakshmi Cement	77	76	Reduce	15.9	7.2	8.7	4.8	10.7	8.8	14.8	6.4	7.3	6.5	6.5	6.5
JK Cement	187	269	Buy	33.4	19.7	40.2	5.6	9.5	4.7	13.9	7.7	14.0	3.5	3.5	3.5
Grasim Ind	2585	3316	Buy	294.9	258.0	291.0	8.8	10.0	8.9	13.9	11.0	11.0	0.9	0.9	0.9
FMCG															
HUL	550	580	Hold	17.7	16.2	18.1	31.1	33.9	30.4	117.3	108.4	99.8	3.0	1.8	2.1
ITC	322	339	Neutral	9.7	11.0	13.0	33.3	29.3	24.8	35.7	35.0	36.0	1.6	1.7	2.0
DABUR	174	172	Reduce	4.4	5.2	6.2	39.7	33.5	28.3	39.7	37.7	35.4	0.9	1.0	1.1
IT															
Infosys	3549	3816	Hold	164.9	182.8	212.0	21.5	19.4	16.7	26.3	25.6	26.1	2.1	2.4	2.6
TCS	2282	2203	Reduce	71.1	91.7	110.2	32.1	24.9	20.7	37.2	38.4	36.5	1.0	1.3	1.6
Wipro	555	526	Reduce	27.1	29.4	32.9	20.5	18.9	16.9	20.2	21.0	20.5	2.1	2.3	2.5
HCL Tech	1299	1022	Reduce	55.6	62.7	70.5	23.4	20.7	18.4	32.8	28.8	25.9	0.7	0.8	0.8
KPIT Tech	181	160	Reduce	11.5	15.3	18.8	15.7	11.8	9.6	25.3	26.7	25.3	0.5	0.5	0.5
Infotech Enterprises	351	242	Reduce	20.9	22.5	26.9	16.8	15.6	13.0	18.8	17.8	18.6	2.9	3.1	3.7
Mphasis	429	423	Reduce	37.1	39.9	42.3	11.6	10.8	10.1	16.4	15.5	14.5	1.3	1.3	1.4
Persistent Systems	1007	960	Reduce	46.9	56.9	66.1	21.5	17.7	15.2	20.5	21.2	20.9	0.9	1.1	1.3
Metal															
SAIL	69	60	Reduce	5.3	7.2	4.2	13.1	9.5	16.3	5.3	6.9	3.9	2.9	2.9	2.9
Tata Steel	384	429	Hold	3.4	42.3	46.3	113.0	9.1	8.3	1.0	9.7	10.1	2.4	2.4	2.4
JSW Steel	1021	788	Reduce	43.2	84.0	86.0	23.6	12.1	11.9	5.6	12.0	12.0	1.0	1.0	1.0
Hindustan Zinc	128	144	Accumulate	16.3	16.0	16.0	7.8	8.0	8.0	21.4	19.6	19.6	2.4	2.4	2.4
Hindalco	110	109	Reduce	15.8	10.9	13.4	7.0	10.2	8.2	8.7	5.6	6.5	1.2	1.2	1.2
NMDC	138	149	Hold	16.0	14.5	15.5	8.7	9.5	8.9	25.6	24.1	24.1	5.1	5.1	5.1
Monnet Ispat	134	97	Reduce	38.9	40.6	36.4	3.4	3.3	3.7	9.1	8.7	7.3	2.2	2.1	2.1
GPIL	86	81	Reduce	46.9	12.8	27.7	1.8	6.7	3.1	18.8	4.7	9.6	2.9	2.9	2.9
Adhunik Metaliks	30	19	Reduce	6.4	-1.6	3.8	4.8	NA	8.0	6.0	NA	4.4	0.0	0.0	0.0
IMFA	205	249	Buy	24.4	21.5	24.6	8.4	9.6	8.4	7.7	6.5	7.0	2.4	2.4	2.4
Oil and Gas															
ONGC	284	362	Buy	28.3	31.2	36.5	10.0	9.1	7.8	19.6	23.3	23.5	3.5	3.5	3.5
GAIL	346	400	Accumulate	31.7	29.2	28.3	10.9	11.8	12.2	16.5	13.8	12.3	2.5	2.5	2.5
IGL	271	318	Accumulate	25.3	25.5	30.1	10.7	10.6	9.0	23.6	21.0	19.6	1.8	1.8	1.8

Note: *Bank's Book values are as per Bloomberg estimates*

Rating scale	
BUY	>20%
ACCUMULATE	12-20%
HOLD	5-12%
NEUTRAL	0-5%
REDUCE	< 0%

USD-INR : RECAP 2013 AND KEY EVENTS TO WATCH FOR 2014

The USD-INR spot exchange rate specifies how much one currency, the USD, is currently worth in terms of the other, the INR.

2013 would be remembered in the history of USD-INR pair as it was the year when US dollar witnessed a remarkable rally against the Indian Rupee. From 1973 until 2014, the USD-INR averaged 32.25 reaching an all time high of 69.80 in August of 2013 and a record low of 7.19 in March of 1973.

A bubble of QE3 reduction by U.S. Fed and rapidly bullish trend in to the global crude prices amid Syria tension fuelled the ‘’Bull Run’’ in USD-INR. On domestic front, the government of India failed to provide a valid response after the parliament approved Rs 1.35 trillion plan to provide cheap grains to the poor, which was not well received by the market participants as it will further aggravate the already burgeoning current account deficit (CAD), inflation and fiscal burden, pushing the Indian Rupee further down.

In second half of the year, USD-INR saw a drastic correction of about 12.53% from the peak of 69.80 to low of 61.05 after the RBI came with slew of measures in order to support the domestic currency that started from the July 15 policy. Some of these measures included increase in short-term rates by hiking marginal standing facility (MSF), a special window for the oil companies to sell dollar and opening of a special concessional window for swapping foreign currency non-resident (banks), or FCNR (B), curbing gold & silver imports by raising taxes on their import and increasing overseas borrowing limit of 50%, which finally provided some rescue to the falling Indian rupee.

Domestic Major Events/ Economic Indicators of 2014:

- **Inflation:** In 2014, inflation will be the first important factor for the INR. Rapidly rising food prices and fuel prices (on the back of higher prices in global crude oil) continued to push the inflation rate higher for the large part of 2013. In November 2013 inflation rose to 7.52%, up from 7% in October 2013. We expect USD-INR to remain bullish if the inflation continues to remain high during the year.
- **Crude Oil:** At the end of Nov 2013, Iran agreed to curtail its nuclear activities and in exchange for which there was easing of certain sanctions on Iran in oil export, auto parts, gold and precious metals for six months. In middle of the 2014, global oil prices will be the second factor impacting the INR, as a deal of Iran nuclear will expire in May-June 2014.
- **Monetary policy by the Reserve Bank of India (RBI):** India’s monetary policy will be the third important factor to drive the INR trend, as RBI Governor Raghuram Rajan may have to fight to support the Rupee amid volatility due to new government election, continued pressure from the global markets and inflationary pressure.
- **Current account deficit:** India’s CAD narrowed to $5.2 billion from a $21 billion deficit, contracting sharply to 1.25% of GDP in the September quarter from 4.9% in the preceding quarter. A contracting deficit will set bearish tone in the USD-INR.
- **Budget session:** Like every year, the March to April period will play an important role in the movement of USD-INR owing to the Railway and Union Budget. A scheme that will offer to increase subsidies burden may bring bullish trend for USD-INR while hopes for new reform for FDI to invest in to the Insurance, Telecoms, IT, and Banking sectors may boost the local market which could lead correction in the pair
- **General Elections 2014:** Last but the most powerful event that would have a major impact on the said pair - THE ELECTION FOR THE NEW GOVERNMENT OF INDIA. The General Election that is scheduled in May 2014 could be the "turning point" for the INR. A strong defect amongst BJP and Congress will be the change the direction of INR. The unhappy citizens of the country are waiting for change in the system.

Global Major Events/ Economic Indicators of 2014:

- **U.S. Bond Tapering:** A reduction of bond purchasing from the Month of January 2014 will be the key factor for the dollar. In Dec 2013 Fed decided to buy $75 billion a month in government bonds, down from $85 billion a month from October 2012, this may cause an outflow from the emerging markets that will be bullish for the USD-INR. Further cut of bond purchase in 2014 may affect in the structural reform in China and Japan and other countries.
- **U.S. Debt ceiling:** In February 2014, once again U.S debt ceiling will take place in the market which will be second factor to watch. In the month of November 2013, Obama and opposition Republican agreed to end fiscal impasses, and agreed to temporarily raise debt ceiling to Feb 2014 after the US government entered a partial shutdown for the first time in 17 years. Any defeat among the U.S. leaders about debt ceiling may bring volatility for the USD-INR.
- **China:** Chinese monetary policy and inflation factors will affect the USD-INR, as well as other currencies such as the Australian dollar and commodity prices in areas such as base metals. There is an increasing anticipation of the risk that if China fails to introduce significant policy changes it is very likely that it will trigger a financial crisis to negatively influence China’s economy and the global economy.
- **European Factors:** European Bank’s decision about the interest rate will be another factor to watch. In 2013, ECB reduced the main refinancing rate by 0.75% to 0.25% as the euro area was suffering from recession. The recovery has been weak, uneven and fragile, according to a statement by ECB President Draghi. Anti-European party’s elections during the middle of 2014 will affect the USD-INR.
- **Greece Factors:** Third bailout by Greece and Portugal will be another key factor to keep an eye on in 2014. Italy and Germany still need stable governments which may reflect in the Slovenian banks’ stress tests which will be published before year end.

ARI - Currency Pick & Commodity Pick

USD-INR

Year 2013 was almost historic for USD-INR as the year witnessed one of its kind corrections in Indian Rupee against the dollar. On yearly basis, spot USD-INR showed an abrupt rally from 54.98 to historical high of 68.80 in 2013, before closing at 61.80 with Y-o-Y gain of 12.40%. On monthly basis USD-INR future corrected 1.15% and closed at 62.15 levels. However, the pair tested 62.60 levels which was also the target of last month buy call initiated at 61.10 levels.

Fibonacci Projection/Extension: From last four months USD-INR was found consolidating in the range of 63.80-61.00 zone and is yet to retrace up to 60.80-60.50 levels (61.8% retracement) which will act as support zone in January 14.

Candle stick: Yearly price action showed sharp rally till 69.80 (Future) levels and then corrected over 50% touching 61.05 levels forming an indecisive candle stick which is signaling for continued volatility but with upward bias in 2014. While on the monthly chart, a hammer candle stick was formed which is indicating further bullishness in the pair.

Outlook for Year 2014: USD-INR is expected to consolidate in 63.60-60.80 range in first quarter of 2014. After which a bullish rally may be seen, but only if it sustains above 63.80 levels then it will touch 64.75-66.65 levels. Below 60.80 levels support is at 57.57-56.30 zone.

Outlook for Jan 2014 – In the medium term, USD-INR is expected to remain a consolidation zone unless it breaks the resistance of 63.50 or support of 61.70 levels. Below 61.70 levels support is seen at 61.05, it is to be noted that this level of 61.05 was tested three times in October and also in the second week of December 13, which coincides with median line of ref. regression.

Trading Strategy for January 2014:

- Buy USD-INR around 62.40-62.30 with a target of 63.15-63.50, only above then 63.80-64.15 with a stop loss of 61.70.
- Sell USD-INR if it stays below 61.60, with a target of 61.05-60.80 while maintaining a strict stop loss at 62.25.

SPECIAL COMMODITY REPORT : ANUSANDHAN 2014

Dear Investor

Writing at this time of the year, feeling the comforting warmth on a winter morning, is always special...as it is the warmth of a transformation...the warmth of a new beginning. Welcome to 2014! Welcome to the New Year, welcome to the change.

At the onset of New Year, we present you the yearly edition of our research report on Commodities, titled for this year as, 'Anusandhaan-2014'. With a firm belief 'Future is again in the past', we would like to take you in retrospect. Exactly a year back and later on Diwali, we gave our views and predictions on commodity markets for the year 2013 and we are more than happy to say that almost all of our price predictions or strategies went in line with the market. We predicted a strong negative trend in gold and superb rallies in crude oil, natural gas and copper, which were bang on the target.

So, let us begin this segment-wise interesting expedition into the future of futures:-

Anusandhaan BULLION

Commodity	Highlights	TrendTrend	Strategy
GOLD	■ We predicted last year that Gold is now in a major bearish trend. The worst-ever fall seen in 2013 will continue in 2014 as well with more impulsion in second half. However, the first half may bring in some bounce back in the form of a relief rally. ■ We also predicted last year that Gold will lose its 'safe haven' status in 2013. In 2014 too, Gold is looking set to hamper its worth as announcement of gradual withdrawal of bond purchasing program by US FED will shift focus back towards Dollar and core industrial commodities.	**Mid-term trend is Sideways** **Long term trend is DOWN**	■ Important resistance now lies at $1250, which if broken decisively will bring in a small relief rally. But since major trend is bearish, the focus must be to book profits in long positions at higher levels and go for short near resistances. ■ Gold's trading range in Indian markets is Rs 25000-Rs 32500.

Silver	▪ Currency disparities will have a comparatively minor role this year in Silver prices as economies worldwide are likely to continue their recovery phase and traders' focus will be on growth in industrial metals' demand to derive price of Silver. ▪ Physical demand may see some growth this year since Silver is extensively used in consistently performing electronics industry.	**Mid-term trend is Sideways** **Long term trend is DOWN**	▪ $18 is crucial support at COMEX, breakdown of which may push prices further down towards $16. Major resistance is at $21 which if broken may fuel a rally towards $25. Buy aggressively on short term breakouts and look to short sell on resistance at $25 ▪ Trading range is Rs 37000-Rs 55000 at MCX.

Anusandhaan BASE METALS

Copper	▪ As predicted last year, worldwide demand will continue to remain positive in 2014 too as US and European countries gears up for a recovery & China's new leadership is showing good commitment. ▪ Gradual withdrawal of bond purchasing program by US Fed will have a positive impact in long run. There is no hurdle in supplies at present but contingent factors like production halt due to mine strikes, accidents and maintenance must be considered.	**Long term trend is DOWN**	▪ Overall strategy will be to buy on dips up to Rs 440-425. Major support lies at Rs 395 whereas major resistance is at all time high of Rs 513 which, if crossed decisively, can take prices towards Rs575-Rs600 range.

Anusandhaan BULLION

Commodity	Highlights	TrendTrend	Strategy
Nickel	▪ Supply is presently at higher levels but may get absorbed in second half as industrial growth is expected to get back on track in Europe. ▪ Lowering parity with substitutes will start showing positivity in prices soon.	**Long term trend is DOWN**	▪ Long term strategy is to buy on considerable dips. Rs815-Rs800 levels will attract buying. Overall range likely to be Rs 790-Rs 1050.

Anusandhaan ENERGY

CRUDE OIL	▪ As predicted in our last year's report, Crude traded well above $100 in 2013. This year too, the trend is likely to turn up again since in last 3-4 months it has seen substantial fall. ▪ Demand from US, China and India will keep the momentum up. However, the current falling trend may get extended in first quarter.	**Mid-term trend is Sideways** **Long term trend is UP**	▪ NYMEX Crude may witness fall towards $90 before turning up in the above $110 levels. ▪ Trading range at MCX likely to remain between Rs 5200-Rs 8300.
NATURAL GAS	▪ NG outperformed all commodities in 2013 in line with our expectations. The energy segment showed a clear shift towards consumption of natural gas in many countries. Less vulnerability to geo-political tensions made it an attractive commodity to bet for. ▪ Advanced production techniques in US will continue to show their impact this year too. Huge export demand is likely to come to US this year.	**UP**	▪ We predicted last year that NYMEX Gas will be bullish and may reach $7 in near future when it was struggling around $2. Our prediction went in line as NYMEX NG traded at $4.5 in 2013. Our forecast for $7 may get achieved this year. Buy at MCX on dips to Rs 240-Rs 230. Trading Range-Rs220-Rs 450.

Anusandhaan AGRO

Agro commodities saw an overall up trend with oilseeds and spices leading the growth in second half. However, elections in 5 states and the upcoming assembly elections kept price rise under check. So, let us continue our Anusandhaan-2014 by shifting focus on agriculture commodities.

Anusandhaan Soy-Complex

Commodity	Highlights	TrendTrend	Strategy
SOYABEAN	■ The unprecedented rally seen in 2012 took a halt in 2013 and gave considerable correction. ■ Reports of bumper crop in US, Argentina & Central India triggered a correction but few extra spells of rainfall again set the momentum up. Overall, the supply side has been given much importance and the demand has been ignored. This factor will play a key role in 2014.	**Mid-term trend is Sideways** **Long term trend is UP**	■ The primary trend is still highly impulsive and this year we may get to see new all time highs ■ Trading range for Soyabean is between Rs 3200-Rs 6500 levels.
RMSEED	■ The oilseed saw a major correction in 2013 as huge supplies kept market under pressure. ■ The scenario may change in second quarter this year with NAFED and other major market players clearing their positions.	**Mid-term trend is Sideways** **Long term trend is UP**	■ Overall strategy will be to buy on dips. ■ Trading range in Indian markets likely to be Rs 3000-Rs 4500.

Anusandhaan SPICES

Commodity	Highlights	TrendTrend	Strategy
DHANIYA	■ 2013 was a great year for the rounded seed spice with prices trading over Rs.8500. ■ Production in limited area of Rajasthan and MP quickly created an under-supply status.	**Long term trend is UP**	■ Dhaniya is a commodity which provides ample opportunities to trade on both buy/sell sides. However, the long term trend still favors for buy but ideally one should wait for a considerable dip. Buy around Rs 7000-Rs 6800.
TURMERIC	■ Prices saw a good appreciation after a long consolidation phase. ■ Talks about quality of crop were the main factor that triggered the rally. ■ Export demand is set to increase this year and with limited area under cultivation, we may see a continuation of the rally this year.	**Long term trend is UP**	■ Long term strategy is to buy on dips to Rs6200-Rs6000 levels. Overall range likely to be Rs 5700-Rs 9000.

ARI - Mutual Fund Update

Mutual Fund Roundup

December was a positive month for Indian equity markets as S&P BSE Sensex gained 1.82% to end the month at 21170.68 and Nifty surged 2.07% to settle the month at 6304. For the calendar year 2013, BSE Sensex surged 8.98% while Nifty gained 6.76%. On the sectoral front, IT was the best performing sector for the year 2013 gains of 59.78% followed by Teck, Healthcare and FMCG that gained 47.36%, 22.55% and 11% respectively. For the month of December 2013, IT turned out to be the best performing sector clocking gains of 7.93% followed by Teck that gained 6.60%. During the month, Auto was the only negative performer in the pack with a marginal loss of 0.51%.

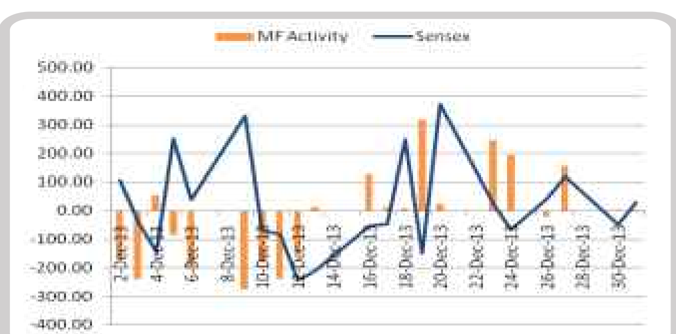
MF Activity

The contrasting behavior continued in December for domestic mutual funds (MFs) and foreign institutional investors (FIIs). Unlike the FIIs who continued to be the buyers to Indian equities, MFs turned net sellers of equity to the tune of Rs 410.90 crore. In fact for the whole of 2013 the MFs were net sellers of equity, offloading Rs 21,146.80 crore worth of equities (net sales) during the year. While the domestic fund houses were net sellers, foreign institutional investors (FIIs) turned net buyers of Indian equities to the tune of Rs 16,085.80 crore in December 2013 and a whopping Rs 1,13,135.70 crore worth of equities in the year 2013.

Mutual Fund Activity in December 2013

(₹ in Crores)	Gross Purchases	Gross Sales	Net Investment
1st Week	2146.50	2790.20	-643.90
2nd Week	2012.10	2847.20	-835.00
3rd Week	2872.80	2384.80	488.10
4th Week	2403.70	1829.70	574.20
5th Week	615.90	610.20	5.70
Total	**10051.00**	**10462.10**	**-410.90**

(Source : SEBI)



Mutual Fund Activity in 2013 (Rs in cr):

Date	Gross Purchase	Gross Sales	Net Purchases /Sales
Jan-13	12,010.40	17,222.60	-5,212.40
Feb-13	10,286.10	11,134.20	-847.90
Mar-13	7,876.10	9,489.50	-1,613.60
Apr-13	6,321.00	7,744.00	-1,422.90
May-13	9,067.30	12,575.30	-3,507.90
Jun-13	9,582.30	9,851.10	-269.00
Jul-13	10,485.10	12,653.70	-2,168.50
Aug-13	13,109.00	11,502.10	1,607.00
Sep-13	8,172.80	10,973.60	-2,800.90
Oct-13	7,157.30	11,175.10	-4,017.80
Nov-13	8,066.50	8,549.10	-482.20
Dec-13	10,051.00	10,462.10	-410.90
Total	**1,12,184.90**	**1,33,332.40**	**-21,146.80**

(Source : SEBI)

Movers and Shakers

Equity Category

It was naturally a good month for equity schemes as the robust performance of Indian equities brought cheer to their performance. **Small and Mid cap** schemes delivered impressive returns, stealing the light from large cap funds, which delivered positive but placid returns. In the **sector fund category**, IT category took the lead followed by Pharma. However Banking & Financial Services Funds continued to clock slower returns. The **Balanced** and **MIP** category also clocked positive returns for the investors owing to a good performance of Indian equities.

During the year, in the **fund of fund (FoF) category**, the schemes oriented towards domestic equities delivered decent returns while those investing in world mining, world energy and global commodities were a big disappointment. The world gold funds that invest in gold mining companies in the international markets eroded investors' portfolio ~40% during the year 2013. In fact even the thematic schemes that were PSU oriented gave very dismal performance with negative returns over 30%.

Monthly Best Performer: All Equity Diversified Funds

Scheme Name	Last 1 Month %
HSBC Midcap Equity Fund - Dir - Dividend	10.83
Sahara Star Value Fund - Growth	9.56
Reliance Small Cap Fund - Dir - Bonus	9.12
DSP BlackRock Micro Cap Fund - Dir - Growth	8.62
Sundaram SMILE Fund - Dir - Growth	8.58

(Returns are absolute as on 31st December 2013)

Monthly Worst Performer: All Equity Diversified Funds

Scheme Name	Last 1 Month %
DWS Alpha Equity Fund - WP - Dividend	-5.69
Sundaram Equity Plus - Reg - Growth	-0.37
UTI Wealth Builder Fund - Series II - Dividend	-0.32

(Returns are absolute as on 31st December 2013)

In the sectoral category, the schemes generated positive returns with ICICI Prudential FMCG - Dividend Fund being the best performer of the month with a return of 12.03% followed by ICICI Prudential Technology Fund (9.08%), UTI Transportation and Logistics Fund (8.60%), Escorts Infrastructure Fund (8.10%) and SBI IT Fund (7.79%).

Monthly Best Performer: All Sectoral Funds

Scheme Name	Last 1 Month %
ICICI Prudential FMCG - Dividend	12.03
ICICI Prudential Technology Fund - Dir - Dividend	9.08
UTI Transportation and Logistics Fund - Dir - Dividend	8.60
Escorts Infrastructure Fund - Dir - Growth	8.10
SBI IT Fund - Dir - Growth	7.79

(Returns are absolute as on 31st December 2013)

For the calendar year 2013, in the **equity funds category**, the IT Sector funds were the best performing schemes, in the all equity performance chart, with ICICI Prudential Technology Fund being the best performer of the year with a return of 62.38%. In the non-IT category, ICICI Prudential US Bluechip Equity Fund gave the highest returns (46.23%) during the year. While DSP BlackRock Natural Resources & New Energy Fund scheme clocked negative returns of 5.15% during the year.

Yearly Best Performer: All Equity Funds

Scheme Name	Last 1 Month %
ICICI Prudential Technology Fund - Dividend	62.38
SBI IT Fund - Dividend	54.10
Franklin Infotech Fund - Growth	52.51
Birla Sun Life New Millennium - Dividend	49.58
ICICI Prudential US Bluechip Equity Fund - Dividend	46.23

(Returns are absolute as on 31st December 2013)

We continue to be optimistic for equity investment **going forward into 2014**. Considering the volatility, investors can be better off investing via the SIP mode to mitigate the risk. For a detailed equity outlook, please refer to the market commentary section at the beginning of this report. Equity schemes are recommended for investors with a long term investment horizon (>5 years).

Debt Category

2013 was one of the worst ever performances for **Indian debt market**. In June 2013 the bond market witnessed a huge sell-off by FIIs who pulled out close to $5.3billion in a single month after Ben Bernanke indicated tapering of quantitative easing by US Fed towards the end of year that spooked the market and left the rupee on a downward spiral. All this caused mayhem in bond markets with even the liquid funds yielding negative returns due to mark to market impact.

For the month ended December 2013, the current account deficit data that released in the beginning of the month set a positive tone for the Indian debt markets as the CAD for 2QFY14 dropped to 1.2%. However the persistent inflation, run-up in fiscal deficit (causing worry of India's downgrade by the rating agency) and contraction in IIP worried the debt participants. Any negative on the fiscal deficit will play havoc for India's status as it will push the country's sovereign rating to junk status. Consequently the borrowing cost will spike and may trigger capital outflows.

As far as the performance of debt funds is concerned, Axis Hybrid Fund turned the best performing scheme for the month with a return of 4.43% followed by DWS Hybrid FTF (4.25%). The upmove in equity markets was the prime reason for the impressive returns by the hybrid schemes (MIPs).

Monthly Best Performer: All Debt Funds

Scheme Name	Last 1 Month %
Axis Hybrid Fund - Series 5 - Dir - Dividend	4.43
DWS Hybrid FTF - Series 14 - Dir - Growth	4.25
DSP BlackRock Dual Advantage Fund - Series 16 - 36M - Dir - Growth	4.25
Tata Dual Advantage Fund - Scheme A - Dir- Dividend	4.20
Reliance Dual Advantage FTF III - Plan D - Dir - Dividend	4.09

(Returns are absolute as on 31st December 2013)

Monthly Worst Performer: All Debt Funds

Scheme Name	Last 1 Month %
Religare Invesco Active Income Fund - Plan B - Qtly Dividend	-0.33

Looking ahead to 2014, India's fiscal situation, inflation data and US yield movement are expected to influence the interest rates. US QE tapering may soon happen, which would make the capital flows to the emerging market more volatile putting consistent pressure on domestic liquidity especially in countries like India where CAD is particularly high and poses a huge challenge.

Huge government borrowings and increased constraints faced by banks to buy incremental amounts of government bonds will continue to pose upward pressure on long term yields. India's general election 2014 can be a game changer as the large part of the problem stems from policy paralysis. Election of a good government or, if elected, a change in the approach of current government towards structural reforms has the potential to improve the situation and enforce a positive momentum inducing a downward shift in the yield curve.

In lieu of the aforesaid backdrop, **we recommend investors to stick to schemes with shorter maturity papers** and avoid G-sec funds as they may witness huge volatility and would not be worth the risk. Fixed Maturity Plans (FMPs) and interval plans are also recommended and are a good alternative to bank fixed deposits (look for schemes that will help in availing double indexation benefit if the investment horizon is about a year). For short term investors (<6 months) liquid and liquid plus schemes are the best bet.

Capital Movement:

As on December 31, 2013, the average AUM of the mutual fund industry stood at Rs 8.75 lakh crore, a rise of 8.3% when compared with the immediately preceding quarter. Compared to the beginning of this financial year (2013-14), the rise in AUM is 7.2%. Domestic fund giants HDFC Mutual Fund, Reliance Mutual Fund, ICICI Prudential Mutual Fund, Birla Sun Life Mutual Fund and UTI Mutual Fund have not only captured 53% of the sector's assets but have also outpaced the sector's AUM growth in the current financial year so far. However, when the collective average AUM of the sector's big boys is taken into consideration, the picture reveals that the growth has been 9.15% (q-o-q) and 8.7% so far in FY14.

Among the top 5 players, ICICI Prudential MF was the biggest gainer in absolute terms as its AUM rising by 14.70% or by Rs 12,455.89 crore over that in December 2013 followed by Reliance Mutual Fund rising 11.78% and adding Rs 10,967.56 crore to its kitty and Birla Sun Life Mutual Fund rising 10.29% or by 7,858.11 crore during the quarter.

BOI AXA Mutual Fund was the biggest gainer in percentage terms as its AUM rising by 62.68% or by Rs 678.06 crore over that in December 2013 followed by Baroda Pioneer Mutual Fund gained 36.51% or 1,890.89 crore, LIC Nomura Mutual Fund gained 29.44% or 2,047.02 crore, Axis Mutual Fund gained 21.25% or 2,574.94 crore and Peerless Mutual Fund gained 19.90% or Rs 564.13 crore during the quarter.

Indianbulls Mutual Fund being the biggest loser, in percentage terms, shrinking over 23%, q-o-q, to Rs 1,225.45 crore in December 2013 while Canara Robeco Mutual Fund saw biggest decline in absolute terms as it witnessed an erosion of a whopping Rs 536.94 crore (-7.07%) from its kitty this quarter bringing down its AAUM to Rs 7,057.28 crore.

Change in Quarterly AUM of Top 10 Mutual Fund Houses:

TOP GAINERS – AUM

Mutual Fund Name	Average AUM (Rs in cr)		Q-o-Q Change	
	Oct- Dec 13	Jul- Sep 13	Absolute%	% Change
ICICI Prudential Mutual Fund	97191.09	84735.2	12455.89	14.70
Reliance Mutual Fund	104105.4	93137.84	10967.56	11.78
Birla Sun Life Mutual Fund	84195.63	76337.52	7858.11	10.29
HDFC Mutual Fund	108820.35	101697.97	7122.38	7.00
SBI Mutual Fund	64999.22	58586.37	6412.85	10.95
UTI Mutual Fund	74226.52	69785.73	4440.79	6.36
Axis Mutual Fund	14690.59	12115.65	2574.94	21.25
DSP Blackrock Mutual Fund	31977.45	29612.52	2364.93	7.99
Sundaram Mutual Fund	16016.73	13785.77	2230.96	16.18
LIC Nomura Mutual Fund	8999.32	6952.3	2047.02	29.44

TOP LOSERS – AUM

Mutual Fund Name	Average AUM (Rs in cr)		Q-o-Q Change	
	Oct- Dec 13	Jul- Sep 13	Absolute%	% Change
Canara Robeco Mutual Fund	7057.28	7594.22	-536.94	-7.07
Indiabulls Mutual Fund	1225.45	1600.75	-375.30	-23.45
Goldman Sachs Mutual Fund	3846.74	4148.83	-302.09	-7.28
JPMorgan Mutual Fund	12924.55	13209.25	-284.70	-2.16
ING Mutual Fund	964.41	1105	-140.59	-12.72
Pramerica Mutual Fund	2027.55	2101.03	-73.48	-3.5
Sahara Mutual Fund	194.3	233.12	-38.82	-16.65
Edelweiss Mutual Fund	166.52	194.17	-27.65	-14.24
Morgan Stanley Mutual Fund	3272.85	3289.61	-16.76	-0.51
Motilal Oswal Mutual Fund	434.24	436.81	-2.57	-0.59

2014: ASSET ALLOCATION

Asset Class	Investment for 2014	Allocation
Cash	An emergency fund must be maintained that would comprise of about six months' of your monthly expenses in case of any unexpected event like job loss, emergency in family, etc. This should be held in very liquid investments like liquid/liquid plus funds.	~6 months expenses
Equity	Equity is a risky asset class but is undoubetly the best asset class to get stellar returns and if invested for the long term, will be your best bet. Only the money that you will not require for the long term should be invested here. Best asset class to ensure you meet your long term goals like retirement.	Upto 80% (depending on your risk appetite)
Gold	It is the best hedge against inflation and must be a part of every investor's portfolio. This year may witness some correction in gold prices. Accumulating small units every month would be a good way of investing in gold	Upto 15%
Fixed income	There would be volatility in the debt markets, hence long term funds must be avoided. Liquid and liquid fund schemes are a good option for short term investors as they'd offer good returns plus the benefit of safety of capital. FMPs or bank FDs (As your risk appetite may permit) are safer bets for upto 18 months of investment. FMPs are safe and offer indexation benefit, which is not available in case of bank fixed deposits.	Upto 20%
Real Estate	2014 could be a good time to invest in real estate as the pressure on developers could ease up the prices. First invest in own house and then you can diversify in other properties (residential, commercial, land). Look for good bargains. Interest rates could be high, so using borrowed funds could pose some challenge. Take help of a financial planner to understand what would be the best option for you.	Depending on your need and urgency

Knowledge Center

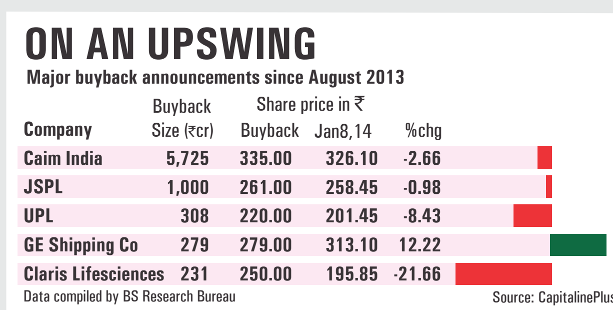
Stock Buybacks: What You Should Know

Many companies announced share buyback plans in 2013, since August, Indian companies have announced buybacks aggregating about Rs 7,844 crore while between January and July the amount was Rs 998.77 crore. It is believed that these companies are going for buybacks on the back of expectation of a revival in India's economy.

Why do really companies go for buyback and what does it indicate?

Companies decide to repurchase their shares for a number of reasons, including:

- A desire to invest excess cash.
- The potential to boost ratios like earnings per share.
- A need to cover a large employee stock-option program.
- The belief that their shares are undervalued.



ON AN UPSWING

Major buyback announcements since August 2013

Company	Buyback Size (₹cr)	Share price in ₹ Buyback	Jan8,14	%chg
Caim India	5,725	335.00	326.10	-2.66
JSPL	1,000	261.00	258.45	-0.98
UPL	308	220.00	201.45	-8.43
GE Shipping Co	279	279.00	313.10	12.22
Claris Lifesciences	231	250.00	195.85	-21.66

Data compiled by BS Research Bureau

Source: CapitalinePlus

http://bsmedia.business-standard.com/_media/bs/img/article/2014-01/08/full/1389203741-7291.jpgOn the surface, buybacks appear to be a good sign: If the company's value stays the same or increases after the repurchase, then each share is worth more, on a relative scale, because fewer shares are in circulation. But not all companies that buy back shares are worthy of investment. Some buybacks are funded with debt, a move that could hurt during a downturn. Other buybacks may stunt reinvestment and growth by using up cash that might have been invested in beneficial ways, like research and development. And remember, just because a company announces a stock repurchase doesn't mean it will necessarily carry it out.

ARI - Knowledge Center

BE PRUDENT ENOUGH TO TELL YOUR FINANCIAL DETAILS TO YOUR TRUSTWORTHY

From *Arihant's Financial Planning Desk*

Would you want your hard-earned money rotting in financial institutions or, worse, falling in wrong hands?

With the advent of internet and investor education seminars there has been growing awareness on how to ensure your hard earned money is in right hands in an uneventful event of something happening to you.

You must have read various articles on nomination and preparing a will. These articles must have provoked you to give serious thought and consideration for making nomination/ executing a will in the interest of your family members to safeguard their economic interest and maintain their financial health in your absence. But mere thinking, planning or dreaming does not serve purpose unless steps are initiated to make it effective and applicable. In explicit words, you would have written a WILL and even may have made the nomination but if the beneficiary is not aware of the will and its details then your whole purpose of writing the will/nomination will be defeated and the very interest of the family will be jeopardized. It is very important that your family members should have complete details about your financial assets irrespective of whether it is movable and immovable and should be aware of where its particulars are available.

You will be surprised to hear that there is a total of Rs 1,723.24 crore lying unclaimed over 10 years with various banks as on 31st December 2010 as per figures released by the Finance Minister. The said figure pertains to bank deposits only. Apart from this, a huge quantum of money is idle and unclaimed in other financial institutions as well. The main reason behind this is that after the death of the person, the beneficiary doesn't know about the assets left.

What good it be to spend your life earning money, which ends up with banks and financial institutions with your family members (or the person you want to pass on your wealth) not able to reap the benefits of what you created for them. It is therefore very important that you should part the information to a member of your family or someone you trust about the particulars enumerated below:

1. **Will:** If you have already prepared the Will, you must inform the beneficiary where it is kept and how it can be retrieved. However if you still haven't put up a Will in place, it's time you prepare one. Make this on your must-do list for 2014
2. **Nomination:** If you have assigned a nominee then information should be given to the nominee.
3. **Power of attorney:** If it is executed then the information on for which task, in whose favour and where is the POA kept must be provided to the right person.
4. **Insurance Policies:** Details of original life insurance policies, accidental insurance policies, name of the nominee, claim process, the documents required at the time of claim like birth certificate, the phone number and address of the insurance company, contact details of agent etc must be provided to the nominee. There are other insurance benefits embedded with debit cards/credit cards/loans, details of which must also be provided.
5. **Immovable properties:** If you have immovable property then keep informed about its details and deduce in writing with all particulars and where the original documents are kept.
6. **Movable Properties:** This includes your bank accounts, fixed deposits, PPF Account, security deposit, demat account, mutual funds, sundry debtors etc.
7. **Liabilities:** The details of your Liabilities/Loan and its related documents.
8. **Transactions related to business:** If you are a businessman or professional then you must detail out from where the transaction details could be obtained.
9. **Other important documents:** Apart from the above documents/ information, there are other important documents that must be made available viz. pan card, tax return, passport, vehicle registrations documents, birth certificate, voter's ID, important phone numbers and contact details of those who may come to rescue your family members in case of need.

All the above mentioned documents and any other document(s) that you feel would be important in case of emergency or upon your demise should be kept in file at secured place which should be known to a trustworthy person. The file should be timely updated and the date should be marked each time to avoid any confusion.