

Equity Market Review

March 2010

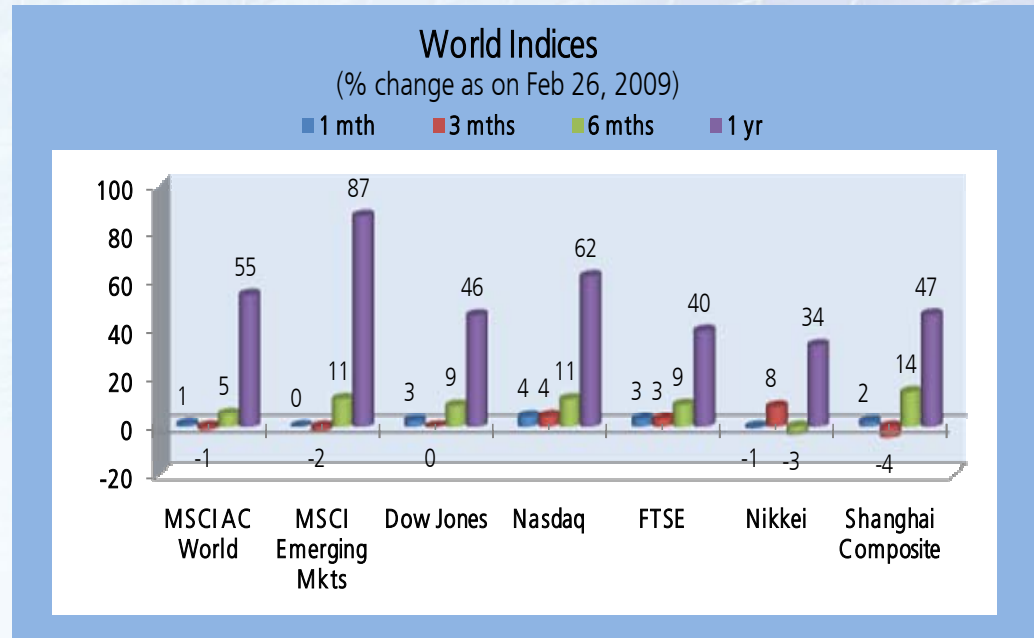


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Global Markets Gain

- On the back of
 - Rise in commodity prices which lifted resource stocks and concerns over Greece eased after European leaders lend support to tackle debt crisis
 - MSCI AC World rises 1.1% while MSCI Emerging Markets up 0.25%
 - Dow Jones climb 2.6% while FTSE moves up 3.2%

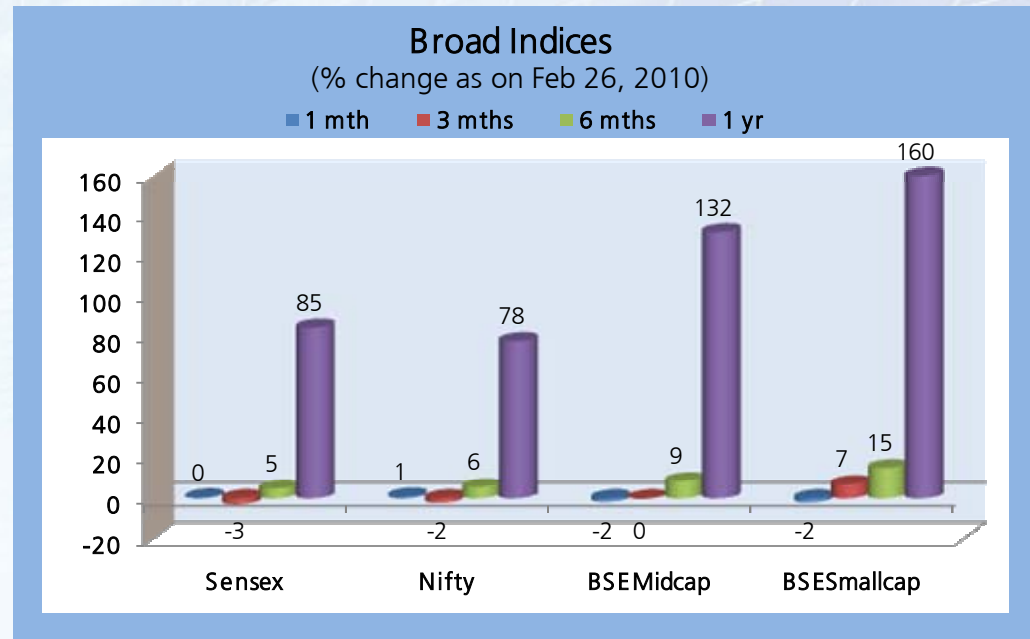
- Shanghai Composite gains 2.1% however Nikkei falls 0.7%



Source: Bloomberg

Indian Equities Perform Weak

- **Sensex, Nifty rise marginally**
 - By 0.4% and 0.8%
 - On muted FII flows, uncertainty over outcome of Budget and weak global cues
- **Top 3 gainers – Hero Honda, L&T, & Hindalco**
 - Jump 13.7%, 10% and 9.1%
- **BSE Mid & Small cap underperform their larger counterparts**
 - With loss 1.7% and 2%



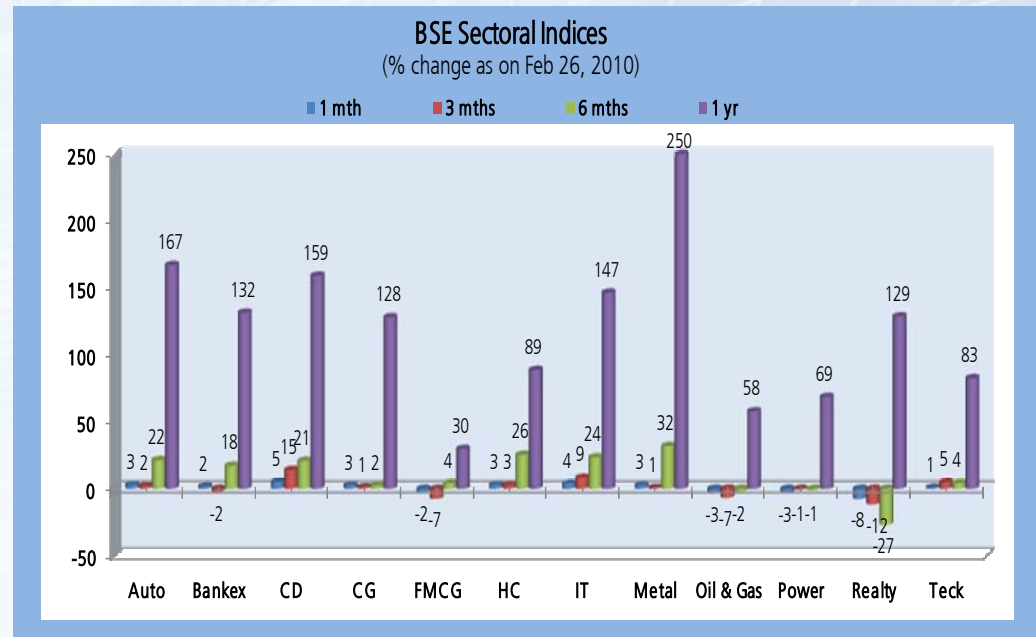
Source: Bloomberg



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Sectors in Limelight

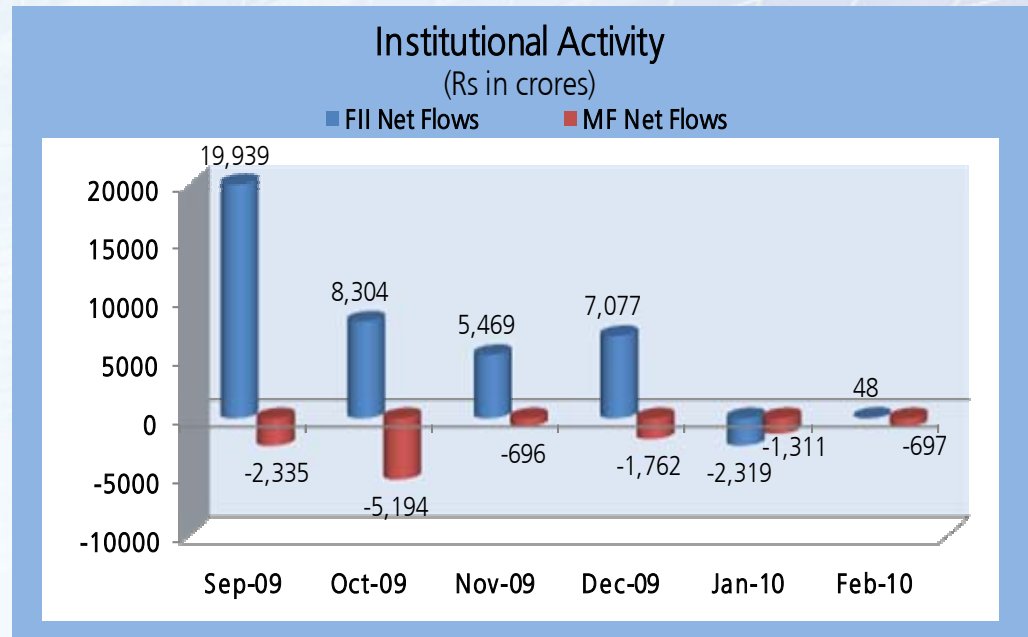
- BSE Consumer Durables, IT and Auto gain the most
 - With rise of 5.3%, 3.9% & 3.1%
 - Realty, Oil & Gas, and Power drop the most
 - With fall of 7.5%, 3.5% & 3.3%
 - Teck – Marginal gainer
 - Rises 0.9%



Source: Bloomberg

Institutional Investments Remain Sluggish

- FII's
 - Buys net of Rs 48.1 crs (USD 10.4 mn) equities
- MF
 - Flow remains negative with net outflows of Rs 697.2 crs (USD 151.3 mn) from equities



Source: Sebi

Sensex Drivers

- Leading positive contributors
 - L&T, Infosys and ICICI Bank
- Major negative contributor
 - RIL, ITC and Bharti

Scrip Name	Chg in Index Points
L&T	102
Infosys	81
ICICI Bank	61
HDFC	40
HDFC Bank	34
RIL	149
ITC	64
Bharti	48
SBI	31
Tata Power	20

Source: Bloomberg



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Outlook

Global markets to track

- Steps taken in Euro-zone to contain fiscal problems in Greece & other European economies
- Manufacturing data from key economies including US, Japan and China

Domestic

- Markets will start looking at global cues now that the uncertainty of Budget is behind us
- Overall, the Budget was positive for equity markets on the back of
 - Its thrust on promoting consumption through income tax cuts and creating a more conducive environment for investments
 - Proposals such as increase in NREGS and infra spend would lead to increased investments in rural and infrastructure segments
 - Broadly, rollback of stimulus measures was in line with expectations; however, managing growth with lower fiscal deficit and moderate inflation would be a key challenge for the year

Use correction as an opportunity

- Reasonable valuations, continuation of growth momentum and clear direction for fiscal prudence will act as catalysts for Indian markets to trade at premium valuations emerging markets



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Thank You!

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