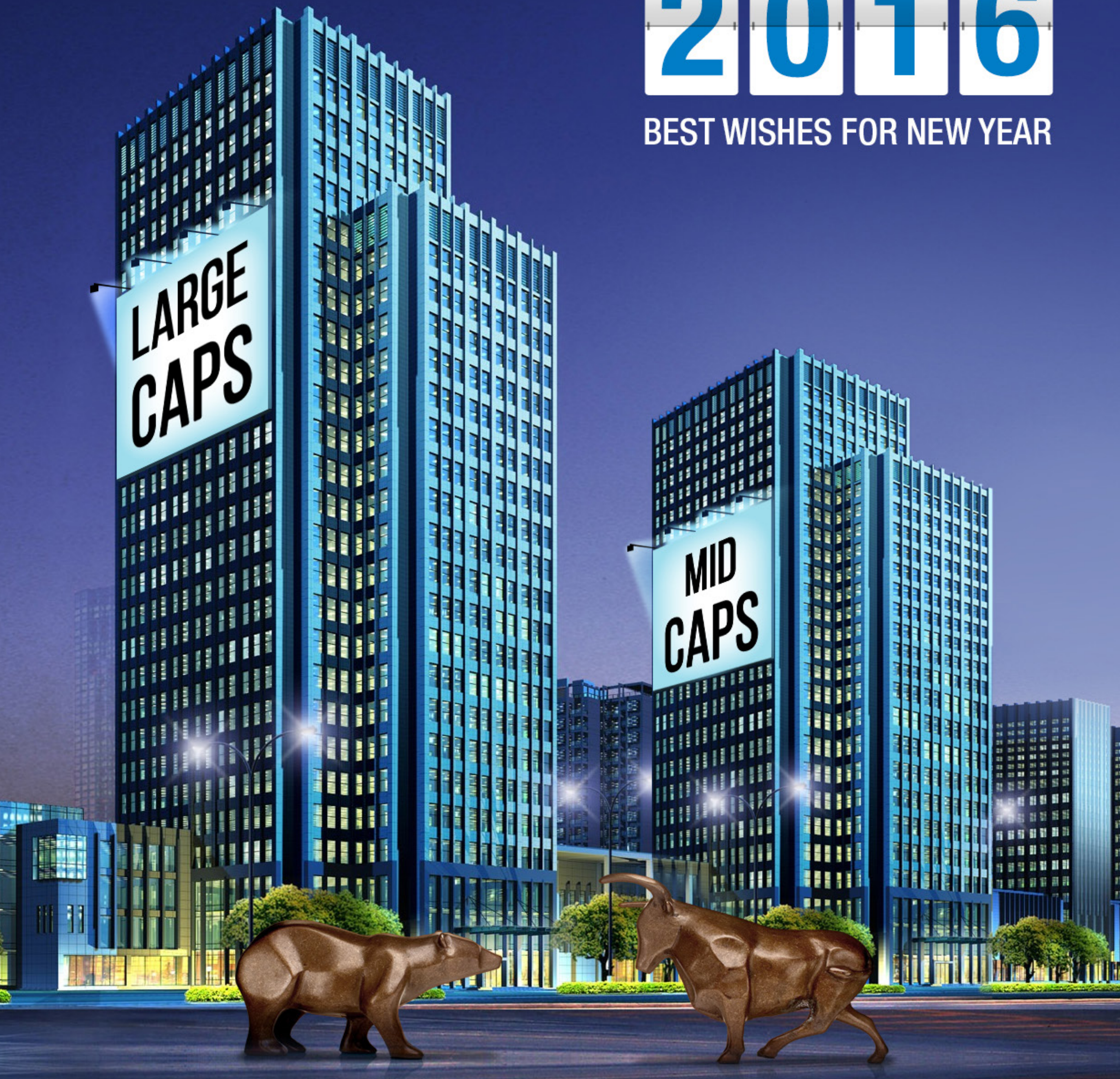
KARVY
STOCK BROKING

TOP PICKS FOR 2016

BEST WISHES FOR NEW YEAR



Keep Investing in Indian Equities

Keep Calm During Turbulence in Short Term

Keep Growing in the Long Term

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Top 10 Large Cap Stocks

Wealth Maximizer 2016 - Top 10 Large Cap Stocks

Company Name	NSE Symbol	Sector	Market Cap (Rs Cr.)	CMP * (Rs.)	Target Price (Rs.)	Upside (%)
Housing Development Finance Corp Ltd	HDFC	BFSI	196173	1234	1500	22
HDFC Bank Ltd	HDFCBANK	Banking	272458	1074	1275	19
ITC Ltd	ITC	Consumer Goods	260871	327	400	22
Larsen & Toubro Ltd	LT	Infrastructure	120415	1284	1900	48
Maruti Suzuki India Ltd	MARUTI	Automobiles	139748	4587	5200	13
NTPC Ltd	NTPC	Power	120054	145	170	17
Reliance Industries Ltd	RELIANCE	Oil & Gas	327225	1005	1240	23
State Bank of India	SBIN	Banking	177379	226	319	41
Tata Consultancy Services Ltd	TCS	Software	483218	2418	2815	16
UltraTech Cement Ltd	ULTRACEMCO	Cement	77225	2785	3520	26

**As on Dec 30, 2015; Time frame 9-12 Months*

Value Invest 2016 - Top 10 Mid Cap Stocks

Company Name	NSE Symbol	Sector	Market Cap (Rs Cr.)	CMP * (Rs.)	Target Price (Rs.)	Upside (%)
BEML Ltd	BEML	Industrials	5394	1281	1905	49
Century Plyboards India Ltd	CENTURYPLY	Materials	3868	172	226	32
Container Corp Of India Ltd	CONCOR	Industrials	25313	1282	1560	22
Hester Biosciences Ltd	HESTERBIO	Pharmaceuticals	470	552	865	57
HSIL Ltd	HSIL	Consumer Discretionary	2138	300	427	42
Inox Wind Ltd	INOXWIND	Renewable Energy Equipment	8008	361	439	22
Kitex Garments Ltd	KITEX	Consumer Discretionary	3409	708	954	35
NIIT Technologies Ltd	NIITTECH	IT Services	3538	576	708	23
SKS Microfinance Ltd	SKSMICRO	BFSI	6390	494	600	21
Tube Investments of India Ltd	TUBEINVEST	Industrials	8081	428	586	37

**As on Dec 30, 2015; Time frame 9-12 Months*

Top 10 Mid Cap Stocks

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Top Picks for 2016

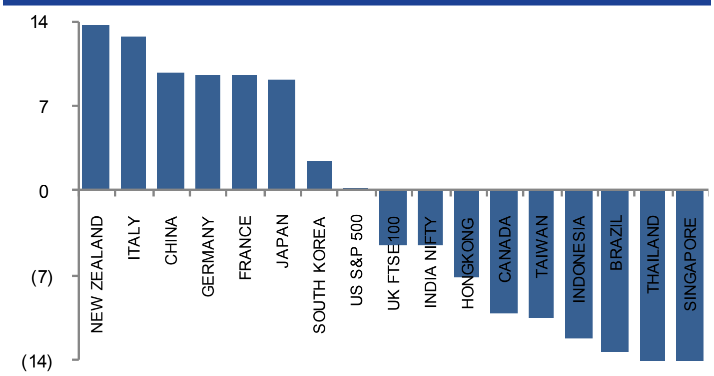
Dec 31, 2015

India Research - Stock Broking

India 3.0: On course to double the market-cap by 2020

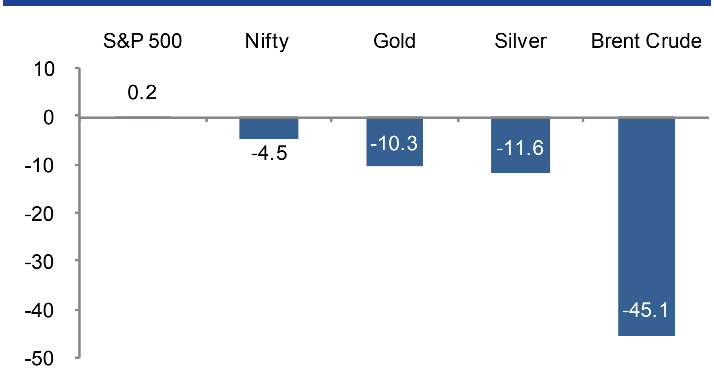
Equities outperformed other asset classes marginally in 2015. The marginal equity outperformance, with the S&P 500 remained flat, is significant in the backdrop of highly volatile markets in which Gold lost around 10% and Crude oil prices crashing over 45% for 2015. Indian equities also generated marginal negative returns with the Sensex and Nifty down by around 4% during the year 2015. But the longer term prospects are looking brighter for Indian Equities and on course to double the market-cap to $3 trillion by 2020, amid renewed confidence over the faster economic growth, lower commodity prices and improved domestic macro economic factors.

Exhibit 1: Equity Indices Performance (%) in 2015



Source: Karvy Research, Bloomberg

Exhibit 2: Asset Performance (%) in 2015

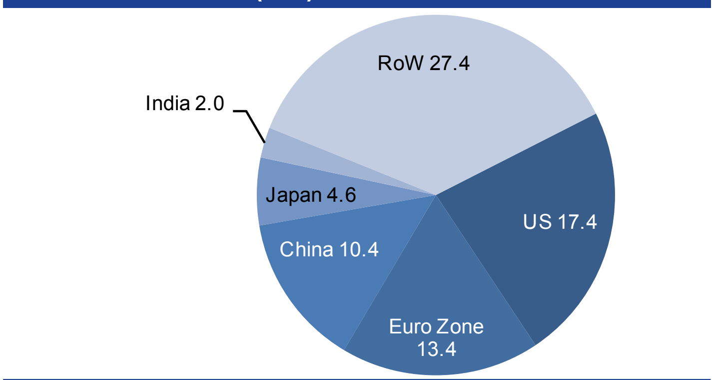


Source: Karvy Research, Bloomberg

Global economic growth is gaining pace and India emerged as the fastest growing economy:

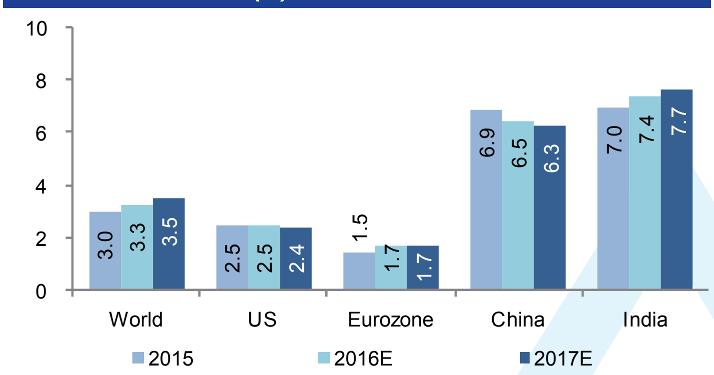
Global markets are stepping into 2016 with confidence about the sustainability of the global economic growth which is expected to grow at a steady pace of 3.3-3.5% in the next two years, with major thrust coming from the US which constitutes for a quarter of the world economy which is expected to grow around 2.5%. Most importantly, the US Fed increasing the Fed rate by 25 bps after seven years has boosted the confidence about the improvement in the US economy. Euro Zone is expected to record a growth of 1.5-1.7%, while China is expected to witness a downward trajectory in growth towards 6.3% from the current 6.9%. At the same time, among the economies having GDP in excess of one trillion dollars, India emerged as the fastest growing economy with an expected growth of 7.7%. Growth momentum in the largest economy i.e. the US and slowing growth in the second largest economy i.e. China are going to be major themes going forward which can induce volatility in the global financial markets.

Exhibit 3: World's GDP ($ Tn)



Source: Karvy Research, Bloomberg

Exhibit 4: GDP Growth (%)

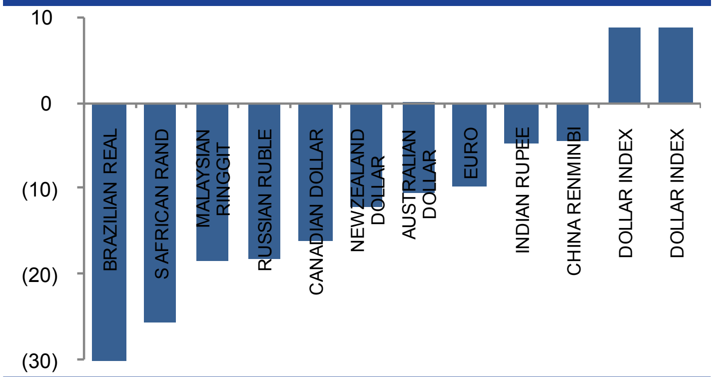


Source: Karvy Research, Bloomberg

Strong USD restored the order in currency markets:

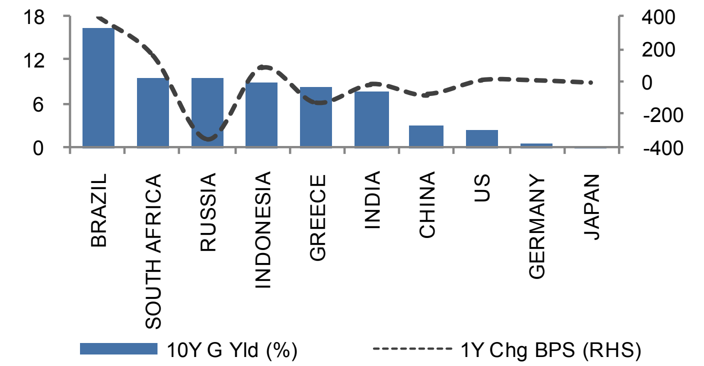
Sustained US economic growth coupled with lower unemployment rate in US has led the US Fed to increase the Fed fund rates by 25 bps after almost a decade and is building the case for gradual increase in Fed fund rates towards 1% in 2016. Whereas ECB is expected to maintain accommodative stance in the Euro Zone to support growth, meet the inflation and unemployment targets resulting in appreciation of the USD against the EUR. On the other hand, China in its efforts to reverse the slowing economic growth by stimulating the export is in favour of a weaker Yuan resulting in a race among the emerging currencies to depreciate and stay competitive in the export markets. During this period, USD emerged as the undisputed leader and strengthened its position as the world's reserve currency; we expect USD to remain strong against EUR as well as JPY. China is likely to allow the Yuan to depreciate gradually against USD till their domestic economy stabilizes. India which, is enjoying a favourable macro environment, also sees the INR depreciating modestly which otherwise could have appreciated but is likely to remain stable.

Exhibit 5: Currency Performance (%) in 2015



Source: Karvy Research, Bloomberg

Exhibit 6: 10-Yr G-Sec Yield

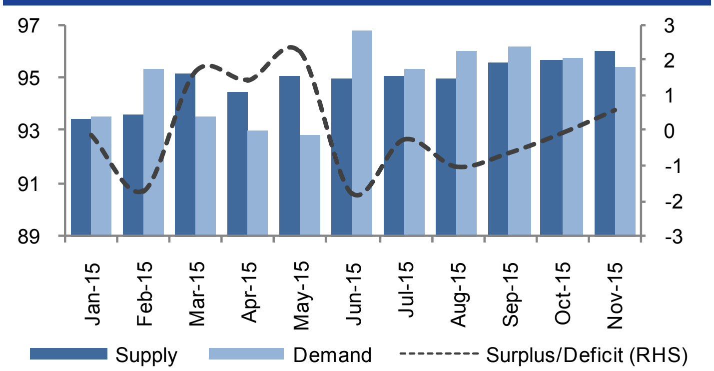


Source: Karvy Research, Bloomberg

Commodities correction resulted from excess capacities is a boon for India:

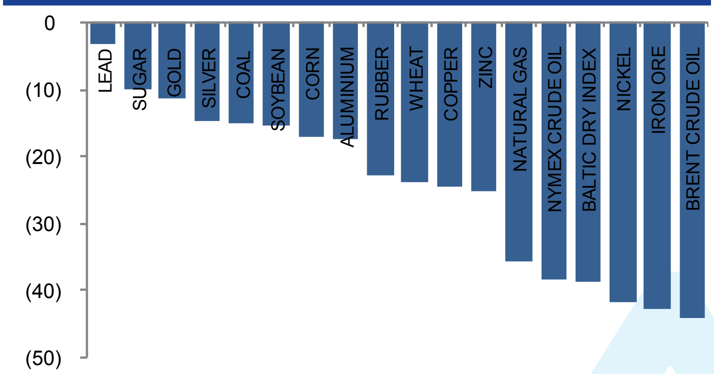
Global commodities have corrected sharply during 2015. Sharp drop in Crude oil prices was largely due to excess supply and reluctance of the producing countries to cut production to match the demand with an intension to maintain their market share. This scenario is expected to continue for the next couple of years as any sharp bounce in crude oil prices would encourage the US shale producers (who are currently waiting on side lines for a favourable price) to kick start their production which in turn could put a cap on crude oil prices which is a boon for India as it imports over two thirds of the required Crude oil. Coal and other base metal prices are expected to remain subdued due to lower demand from China and excess capacities built in the last few years.

Exhibit 7: World Crude Oil (Mln BPD)



Source: Karvy Research, Bloomberg

Exhibit 8: Commodities Performance (%) in 2015

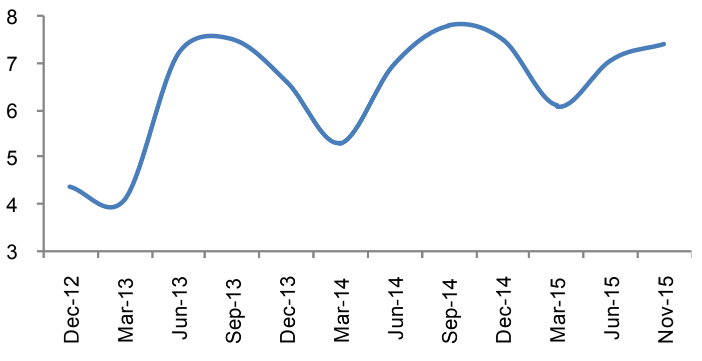


Source: Karvy Research, Bloomberg

Indian equities continue to be an attractive investment destination in the long term:

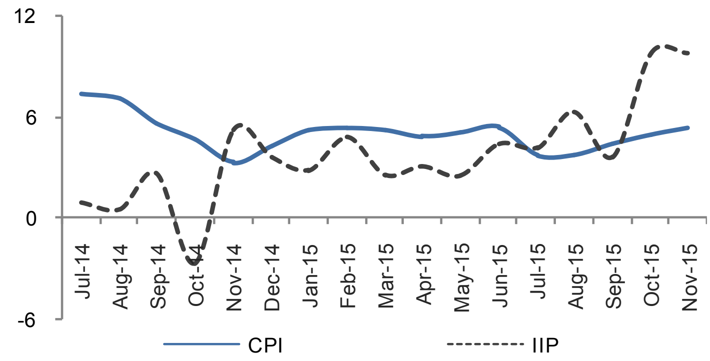
Improvement in domestic macros like higher GDP growth, lower than expected inflation, downward revision in interest rates, lower deficit due to lower crude oil import bill and improved fiscal discipline make India an attractive investment destination. Indian markets could have fully realized the benefits of macro-improvement had there been a little more political consensus on key policy issues like the passing of the GST bill.

Exhibit 9: India GVA (%)



Source: Karvy Research, Bloomberg

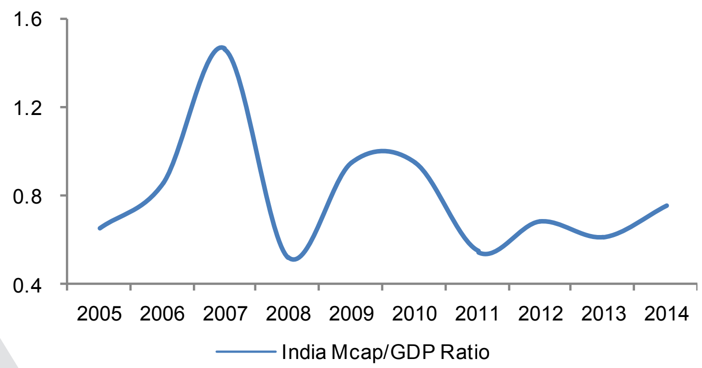
Exhibit 10: India CPI (%) and IIP (%)



Source: Karvy Research, Bloomberg

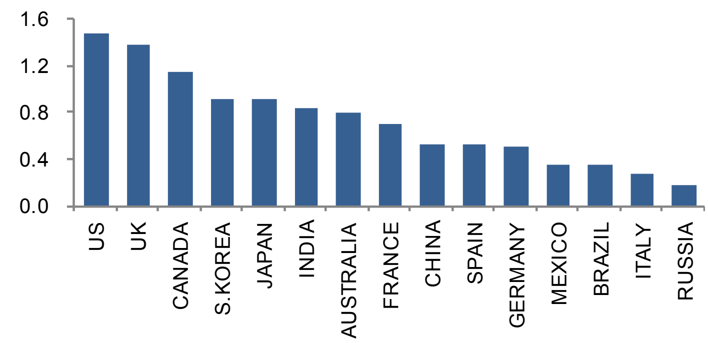
Globally, within the emerging markets, the broken BRIC as BR-I-C is likely to be the new norm as the commodity heavy Brazil and Russia had seen highly volatile spikes in bond yields as well as currencies and China is grappling with reversing the slowing

Exhibit 11: India Market Cap to GDP Ratio



Source: Karvy Research, Bloomberg

Exhibit 12: World Markets: Market Cap to GDP Ratio

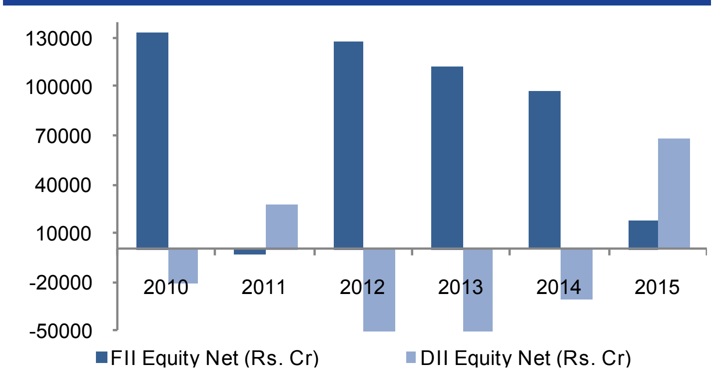


Source: Karvy Research, Bloomberg

economic growth at a time when India's growth prospects are brighter. The severity of the problems faced by commodity driven economies in the emerging markets puts India in a relatively sweet spot. In the long term, we believe that three consecutive years of double digit growth could present a bull-case scenario for the Indian markets and any indications of achieving the magical double digit growth is likely to turbo-charge the valuation multiples. The present valuation multiples like the PE ratio or the broader Market capitalization to GDP ratio are within the comfortable range when compared to the last 10 year period, thus giving scope for expansion in a bull case scenario.

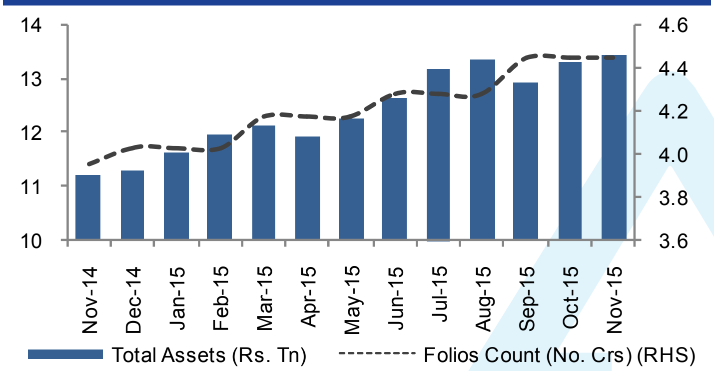
Another important development is the emergence of Domestic Institutional Investors (DIIs) as dominant palyers and providing support for the market. DIIs turned net buyers to the tune of Rs 70,000 cr after remaining net sellers in the previous 3 years. Rising mutual fund assets, steady increase in Folio Count coupled with the overwhelming subscription for the recent IPOs

Exhibit 13: India FPI and DII investments in Equity (Rs Cr)



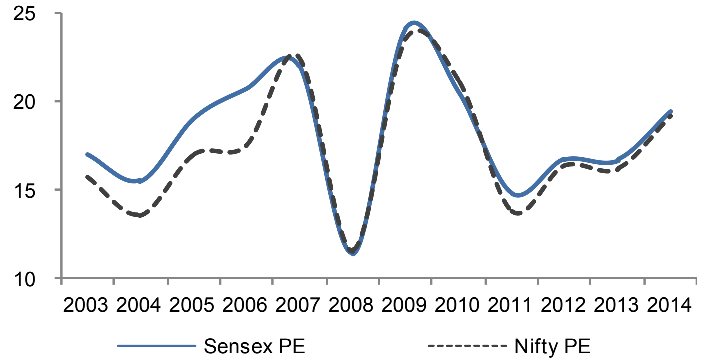
Source: Karvy Research, Bloomberg

Exhibit 14: India Mutual Fund Assets and Folios Count



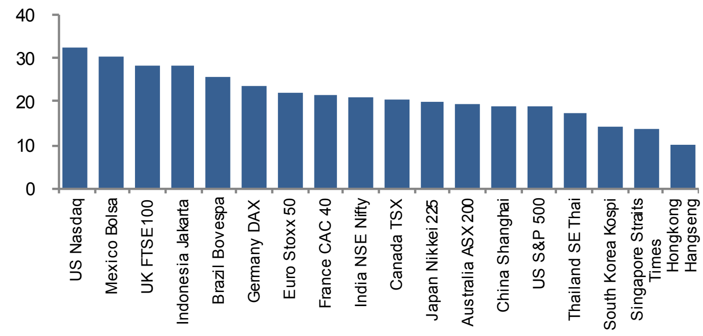
Source: Karvy Research, Bloomberg

Exhibit 15: India PE (x)



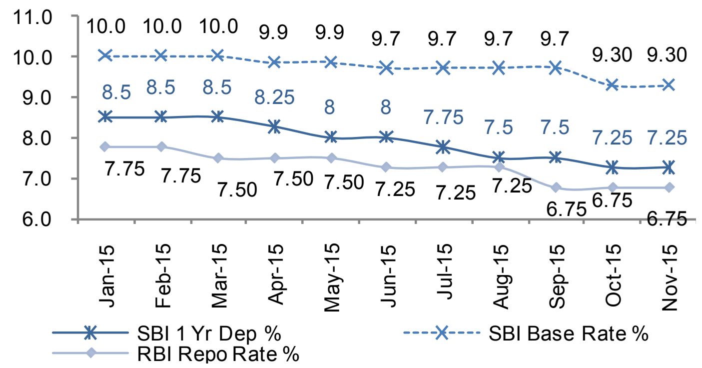
Source: Karvy Research, Bloomberg

Exhibit 16: PE Ratio (x)



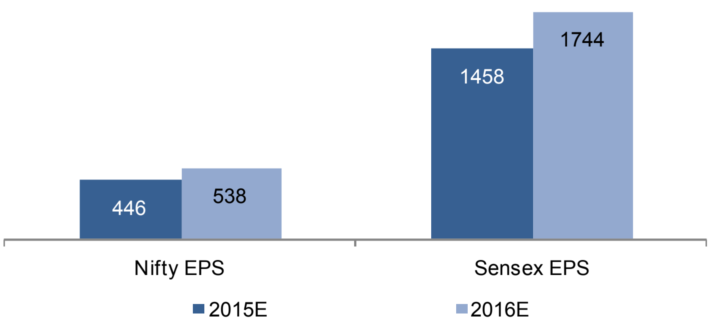
Source: Karvy Research, Bloomberg

Exhibit 17: Down cycle in interest rates to boost equities



Source: Karvy Research, Bloomberg

Exhibit 18: Nifty & Sensex EPS (Rs.)



Source: Karvy Research, Bloomberg

indicate towards the domestic investors preference towards equities over Gold and Fixed Deposits. Thus Indian equities are becoming an attractive investment avenue with both the global as well as domestic investors.

Our take on the markets:

We believe that equities will continue to outperform other asset classes like fixed income and commodities (Gold) in the long term. Hence, we advise to remain invested in equities with a long term perspective in good quality companies in a systematic manner. We expect Nifty to trade in the band of 7560-9720 in the coming 12-15 months implying a P/E band of 14-18x CY16E consensus EPS. Considering the brighter prospects in the long term, we remain overweight on Consumers, Financials, Infrastructure, Automobile, Cement, Energy and Power.

Our top ten large-cap picks for a time frame of 9-12 months in Wealth Maximizer 2016 are HDFC, HDFC Bank, ITC, L&T, Maruti, NTPC, Reliance, SBI, TCS and UltraCemco.

Our top ten mid-cap picks for a time frame of 9-12 months in Value Invest 2016 are BEML, Century Ply, CONCOR, Hester Biosciences, HSIL, Inox Wind, Kitex Garments, NIIT Technologies, SKS Micro and Tube Investments.

Key Risks:

- Slower global GDP growth caused by turbulence in commodity driven economies.
- Sharp spike in Crude oil prices.
- Geo-political tensions in Middle-east and South China Sea.
- Lack of political consensus on key policy matters like the GST in India.

Wealth Maximizer
TOP 10
Large Cap Stocks

Housing Development Finance Corporation Ltd

Bloomberg Code: HDFC IN

India Research - Stock Broking

BUY

HDFC: Consistent Growth with Best in Class Asset Quality

Consistently maintaining industry leading growth in loan book:

HDFC has seen a CAGR of 21% in the individual housing loan segment in the last five years which is well above the industry average growth rate. The recent government initiatives like "Housing for All" and incentives for affordable housing sector augur well for housing finance companies and HDFC is likely to benefit from these initiatives. HDFC is likely to witness a loan book growth of over 16-17% on higher base in the next 2 years.

Stable margins across cycles:

HDFC was able to maintain stable net interest margins of over 4% in the last few years. This was on the back drop of cyclical real-estate market and interest rate cycles. HDFC is well positioned in a downward rate cycle as it can mobilize from multiple sources at lower interest rates and pass on the benefit to borrowers while maintaining the margins.

Robust risk management leading to best in class asset quality:

HDFC has provided more than the regulatory requirement for non-performing assets making it one of the few companies with best in-class asset quality and virtually zero net non performing assets. As on Sep 30, 2015 its gross NPAs stood at 0.71%, while gross NPAs were at Rs. 1701 Cr and it had provided for Rs. 2127 Cr, which was Rs. 330 cr higher than the regulatory requirement, indicates robust risk management practice.

Potential for value-unlocking in subsidiaries:

HDFC has the potential to unlock value in key subsidiaries in insurance post the passage of insurance bill in parliament. Any listing of the profit making insurance subsidiaries could unlock value.

Valuation and Outlook

HDFC is likely to maintain steady growth of over 16-17% in retail individual home loan book, while borrowing at competitive rates from multiple borrowing avenues which helps it in maintaining its net interest margins at around 4%, whereas its robust risk management practices result in best in class asset quality while delivering superior returns. We recommend a **"BUY"** and value HDFC at Rs. 1500 per share (standalone business at 3.8x FY17E ABV and Rs. 570 for subsidiaries).

Valuation Summary

YE Mar (Rs. Bn)	FY13	FY14	FY15	FY16E	FY17E
NII (Rs. Bn)	68	76	87	104	124
Net Profit (Rs. Bn)	48	54	60	84	88
EPS (Rs.)	31.5	34.9	38.0	46.0	55.0
ABV (Rs.)	160.0	179.0	196.0	218.0	245.0
P/ABV (x)	7.7	6.9	6.3	5.7	5.0
RoE (%)	22.1	20.5	20.3	22.8	24.0
RoA (%)	2.7	2.6	2.5	2.7	2.8

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	1234
Target Price	1500
Upside (%)	22

Stock Information

Mkt Cap (Rs.mn/US$ mn)	1961726/29546
52-wk High/Low (Rs.)	1402 / 1093
3M Avg.daily volume (mn)	2.4
Beta (x)	1.2
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	1578.7
Face Value (Rs.)	2.0

Shareholding Pattern (%)

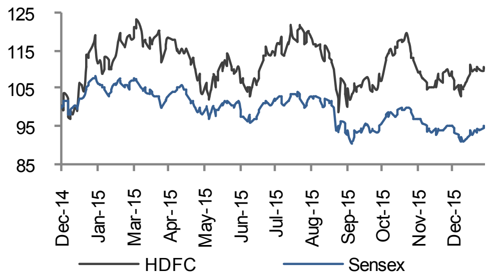
Promoters	0.0
FIIs	78.2
DIIs	9.9
Others	12.0

Stock Performance (%)

	1M	3M	6M	12M
Absolute	2	2	(5)	10
Relative to Sensex	3	2	2	15

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

HDFC is among the largest Housing Finance Companies in India. HDFC has extended housing loans to over 5.2 Mn housing units and has an outstanding loan book of over Rs 2.67 lakh crore, with very negligible loan write-offs under 4 basis points of cumulative disbursements since inception. HDFC operates through its 392 offices spread across the country and also procures business through its affiliates. It holds 21.6% equity share in HDFC Bank, 61.7% in HDFC Standard Life Insurance, 73.6% in HDFC Ergo General Insurance, 59.8% in HDFC Asset Management and 58.6% in Gruh Finance.

HDFC Bank Ltd

Bloomberg Code: HDFCB IN

India Research - Stock Broking

BUY

HDFC Bank: Consistency in Growth, Stable NIMs and Lowest NPAs

Loan book is expected to grow at a CAGR of 22% over FY15-17E:

HDFC Bank is expected to outpace the credit growth in the system by 3-4 percentage points and to grow at a CAGR of over 20% in the next few years. Its loan book growth is driven by a healthy mix of retail and corporate loans.

Adequately capitalized to support balance sheet growth:

As per BASEL III guidelines, HDFC Bank has a capital adequacy ratio of 15.5% with a tier I capital of 12.8%, which will aid loan book growth plans over the next couple of years.

NIM is expected to be around 4-4.5%:

HDFC Bank is expected to maintain its NIM in the range of 4-4.2%, led by the bank's strong CASA franchise of around 40% along with higher proportion of fixed rate retail loans. Further, current deposits are likely to grow strongly due to recovery in capital markets, where the bank has higher market share.

Lowest NPAs reflect superior risk management:

HDFC Bank is relatively immune from asset quality strain in the banking industry primarily due to superior risk management practices along with lower exposure to stressed sectors. GNPA and NNPA were at 0.9% and 0.2% indicating best in class asset quality. We expect further moderation in fresh slippages.

Valuation and Outlook

HDFC Bank was able to command premium valuation in the market for its consistent growth of over 20% in net profits, healthy balance sheet growth, higher NIMs, lower NPAs, adequate CAR, superior return ratios coupled with good corporate governance. At CMP, HDFCBank trades at 3.3xFY17E BVPS. We value the stock at 3.8x FY17E BVPS and recommend a **"BUY"** for a price target of Rs. 1275.

Valuation Summary

YE Mar (Rs. Bn)	FY13	FY14	FY15	FY16E	FY17E
NII (Rs. Bn)	158	185	224	268	324
Net Profit (Rs. Bn)	67	85	102	125	158
EPS (Rs.)	28.3	35.3	40.8	49.9	63.0
ABV (Rs.)	150.1	177.8	243.6	281.0	328.7
P/ABV (x)	7.2	6.0	4.4	3.8	3.3
RoE (%)	20.3	21.3	19.4	18.7	20.3
RoA (%)	1.7	1.7	1.7	1.7	1.8

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	1074
Target Price	1275
Upside (%)	19

Stock Information

Mkt Cap (Rs.mn/US$ mn)	2724580/41035
52-wk High/Low (Rs.)	1128 / 936
3M Avg.daily volume (mn)	1.2
Beta (x)	0.9
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	2523.0
Face Value (Rs.)	2.0

Shareholding Pattern (%)

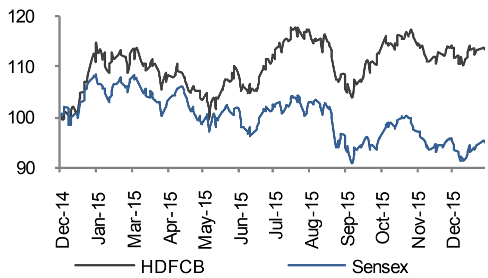
Promoters	21.6
FIIs	32.4
DIIs	11.0
Others	35.1

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0)	1	1	13
Relative to Sensex	0	1	8	19

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

HDFC Bank Ltd is a private sector bank offering retail, wholesale banking and treasury services, with a balance sheet size of Rs. 6599 Bn. It operates through a network of 4227 branches and 11686 ATMs spread across 2501 towns. Its various products and services include auto loans, personal loans, credit cards, home loans, commercial vehicle / construction equipment finance, gold loans, savings account, current account, FDs and working capital, term loans, bill collection, forex & derivatives, cash management services for corporate clients on the wholesale front. In its treasury segment, it offers forex and derivatives, Debt and Equity products.

ITC Ltd

Bloomberg Code: ITC IN

India Research - Stock Broking

BUY

ITC: Strong Brands with Pricing Power

Strengthen leadership position in cigarettes:

ITC is a dominant player in the Cigarettes segment with a revenue market share of over 75%. It is expected to maintain double digit growth in revenue and EBIT, driven by its strong pricing power, distribution reach through which ITC's products are sold in 2 mn outlets, tight control over the entire value chain and consumers' loyalty towards the company's brands at various price points. Higher disposable income in rural areas could result in consumers switching from lower end products like beedis and local made cigarettes to 64mm micro filter cigarettes.

Stringent anti-tobacco measures to hurt unorganized players and benefit organised players like ITC:

Stringent anti-tobacco measures like ban on sales of loose cigarettes need to cover 80% of the pack with health warnings, banning advertisements at Point of Sale (POS) to benefit organized players and hurt the non-legal cigarette manufacturers more severely. Organized players like ITC can tide over with its well established brands and innovative packing & distribution strategy.

Strong traction in FMCG business to drive growth and softening commodities to expand margins:

ITC is likely to register a double digit revenue growth on the back of new product launches and higher spending on advertisement & promotion on the back of its wide distribution network. Softening of commodity prices would provide scope for margin expansion in FMCG business.

Steady performance in other non-FMCG segments:

Other segments like agri-business, paperboards and Hotels are likely to improve their performance driven by strong recovery in the Indian economy.

Valuation and Outlook

ITC is expected to register double digit growth in the next 2 years, by strengthening its leadership position in cigarettes segment, higher growth in FMCG business and steady performance in non-FMCG segments. At CMP, the stock trades at 22.4x FY17E EPS. We value the stock at 27x FY17E EPS which is lower than the last 7 year average PE of 29x. We recommend **"BUY"** with a target price of Rs 400.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	313235	349847	384333	410073	460661
EBITDA	111662	131579	141492	154086	174943
EBITDA%	35.6	37.6	36.8	37.6	38.0
Adj. Net Profit	76081	88914	96632	103225	117593
EPS (Rs.)	9.6	11.1	12.0	12.8	14.6
RoE (%)	35.7	35.3	32.8	30.6	31.1
P/E (x)	34.2	29.4	27.2	25.5	22.4

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	327
Target Price	400
Upside (%)	22

Stock Information

Mkt Cap (Rs.mn/US$ mn)	2608709/39291
52-wk High/Low (Rs.)	410 / 294
3M Avg.daily volume (mn)	6.7
Beta (x)	0.6
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	8036.7
Face Value (Rs.)	1.0

Shareholding Pattern (%)

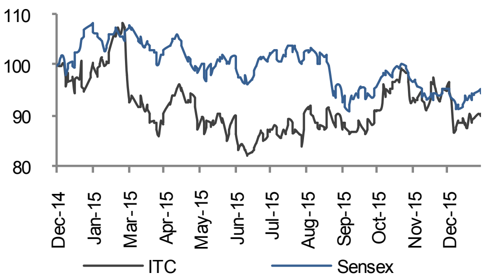
Promoters	0.0
FIIs	20.7
DIIs	35.1
Others	44.2

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5)	(1)	4	(12)
Relative to Sensex	(4)	0	11	(6)

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

ITC Ltd is a market leader in cigarettes and is engaged in diverse businesses ranging from cigarettes (contribute for 42% of revenue and 85% of EBIT), FMCG - packaged foods & personal care (contribute for 22% of rev & 0.3% of EBIT), Agri business (contribute for 21% of rev & 7% of EBIT), paperboards &, packaging (12% of rev & 7% of EBIT), hotels (3% of Rev & 0.4% of EBIT) and information technology. Its popular brands include - 'Gold Flake', 'Bristol', 'NavyCut', 'Aashirvad', 'Sunfeast', 'Bingo', 'B Natural', 'Yippee', 'Kitchens of India', 'Candyman', 'mint-o', 'Wills Lifestyle', 'John Players', 'Fiama Di Wills', 'Vivel', Classmate, Paperkraft and ITC Hotels.

Larsen & Toubro Ltd

Bloomberg Code: LT IN

India Research - Stock Broking

BUY

L&T: Proxy to Ride the Indian Economic Growth

Proven leadership reflected in robust order book build-up:

L&T's outstanding order book at the end of Sep'2015 stood at Rs. 2441 Bn from diversified sectors. Robust order book build up reflects its proven leadership in the infrastructure & engineering segments and gives revenue visibility with order book coverage of over 2.5x.

Excellent execution capabilities making it the most preferred partner:

L&T has an excellent track record of executing the most complex projects in diverse sectors like infrastructure, Oil & Gas, Defence, Power and others making it the most preferred partner resulting in repeat orders from clients.

Strong traction in infrastructure segment to drive growth:

L&T Infrastructure segment constitutes for 72% of the order book and 52% of its new order inflow during H1FY16, and is expected to drive growth with strong traction in order inflows and revenue growth along with sustained EBITDA margins around 10-12%.

Listing of subsidiaries or induction of strategic partner in its business segments to unlock value:

L&T is planning to list L&T Infotech in the next few months which has nearly $1billion in revenue and an EBITDA margin of over 20%, which could unlock value in the medium term.

Valuation and Outlook

L&T is well positioned to capture growth in various segments of the Indian economy with its excellent execution capabilities in diverse sectors like Infra, Oil & Gas, Defence, Metals & Mining, Railways and various others. L&T's superior execution capabilities coupled with its balance sheet strength when compared to the highly stressed balance sheets of its many smaller competitors in the sector, resulted in strong order book build-up for L&T. We value the company at 28x FY17E EPS and recommend a **"BUY"** with a target price of Rs.1900.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	744980	851284	920046	1026160	1193919
EBITDA	103634	110951	114459	125284	154599
EBITDA Margin (%)	13.9	13.0	12.4	12.2	12.9
Adj. Net Profit	52057	49020	47648	49354	63618
EPS (Rs.)	37.4	52.7	51.0	52.8	68.3
RoE (%)	16.5	13.7	12.1	11.5	13.4
P/E (x)	34.3	24.4	25.2	24.3	18.8

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	1284
Target Price	1900
Upside (%)	48

Stock Information

Mkt Cap (Rs.mn/US$ mn)	1204154/18136
52-wk High/Low (Rs.)	1894 / 1264
3M Avg.daily volume (mn)	2.0
Beta (x)	1.3
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	931.2
Face Value (Rs.)	2.0

Shareholding Pattern (%)

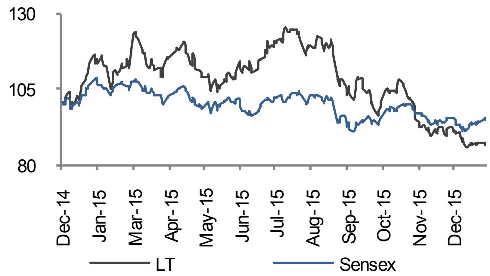
Promoters	0.0
FIIs	18.2
DIIs	37.1
Others	44.7

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(7)	(12)	(28)	(14)
Relative to Sensex	(6)	(12)	(23)	(10)

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

L&T is India's largest Engineering & Construction Company with interests in Design & Engineering, EPC Projects, Financial Services, IT, Real Estate, Manufacture & Fabrication and Construction. It undertakes contracts in Buildings, Transportation infrastructure, heavy civil infrastructure, Power, Water & Renewable energy, Ship building, Defence, Machinery & Ind products. L&T, through its subsidiaries, associates and JVs it operates in Financial services, Infotech, Infrastructure, hydrocarbon, SPVs for manufacturing, fabrication and other services etc.

Maruti Suzuki India Ltd

Bloomberg Code: MSIL IN

India Research - Stock Broking

BUY

Maruti Suzuki: New Launches to Drive Growth

Market leader in the Indian passenger vehicle segment with a wide range of models & vast dealer network:

MSIL is a market leader in the Indian passenger car segment with models in the entry level small car, hatchback, sedan, MUV / SUV. We believe that MSIL's strong product pipe line coupled with vast dealer network would be the key driver over next 2-3 years.

Recovery in the domestic economy and down cycle in interest rates to boost PV sales:

MSIL is a proxy for domestic passenger car segment, which is expected to see a revival amid expected recovery in the domestic economy and down cycle in the interest rates as it gets transmitted in the system. Improvement in job markets, business conditions in the urban area, recovery in agriculture and allied activities in the rural area are expected to increase the number of first time car buyers in which MSIL is a major player.

New model launches to aid market share gains:

MSIL is planning various new launches in the next two years. Recently, MSIL has launched S Cross in August'15, new Baleno in Oct'15 and plans to launch another compact SUV by FY17E. Success of Celerio ATM has encouraged MSIL to use similar technology on other models as well. Overall, new model launches are likely to drive MSIL sales.

Subdued raw material prices to benefit in margin expansion:

MSIL continues to benefit from subdued commodity prices in the global markets. This coupled with lower currency volatility and better product mix is likely to result in margin expansion in the next two years.

Valuation and Outlook

MSIL is likely to benefit in terms of market share gains from the expected strong recovery in the domestic passenger car sales. We expect MSIL to deliver a CAGR of around 40% in EPS and 23% in RoE by FY17E. We recommend a **"BUY"** for a target of Rs. 5200.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	436351	437918	499706	592272	723926
EBITDA	44618	54825	68290	97325	118068
EBITDA Margin (%)	10.2	12.5	13.7	16.4	16.3
Adj. Net Profit	25401	30077	37997	54550	74764
EPS (Rs.)	84.1	99.6	125.8	180.6	247.5
RoE (%)	14.9	15.0	16.7	20.6	23.0
P/E (x)	54.5	46.1	36.5	25.4	18.5

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	4587
Target Price	5200
Upside (%)	13

Stock Information

Mkt Cap (Rs.mn/US$ mn)	1397483/21048
52-wk High/Low (Rs.)	4790 / 3300
3M Avg.daily volume (mn)	0.9
Beta (x)	0.9
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	302.1
Face Value (Rs.)	5.0

Shareholding Pattern (%)

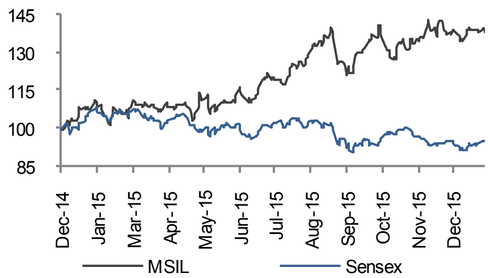
Promoters	56.2
FIIs	22.1
DIIs	14.4
Others	7.3

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.4)	(2)	14	38
Relative to Sensex	0.3	(1)	22	45

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Maruti Suzuki India Limited (MSIL) is India's leading Passenger Vehicle (PV) manufacturer with a capacity of 1.5 million cars per year in two manufacturing facilities. It has over 14 brands in various segments like small car & hatchback (Alto800, Alto K10, Wagan R, Celerio, Stingray, Ritz, Swift, Baleno), sedan (DZire, Ciaz), van (Omni, Eeco), SUV/ MUV (Ertiga, Gypsy, Grand Vitara, SCross) segments in over 150 variants. Maruti has a nationwide sales network in 1097 cities & service network in 1454 cities. MSIL has 51.3% market share in the Indian passenger car segment. MSIL exports cars to over 125 countries.

NTPC Ltd

Bloomberg Code: NTPC IN

India Research - Stock Broking

BUY

NTPC: Consistent Capacity Additions and Higher Operational Efficiency to Drive Growth

Strong leadership position with diversified presence:

NTPC constitutes for 16% of the total installed capacity while it generates 25% of the total electricity in the country, indicating strong leadership position, while its plants are spread across the country giving the diversification benefits. With its capacity expansion plans, NTPC continues to maintain its leadership position in the coming years.

Superior PLF and coal linkages provide for a robust business model:

NTPC operates the plants at a PLF (Plant Load Factor) and PAF (Plant Availability Factor) of over 80% indicating higher operational efficiency. This coupled with sufficient coal linkages provides for a robust business model.

Planned capacity expansion gives visibility for long term growth:

NTPC's ongoing capacity expansion is on track, at a time when the private sector power generating companies are facing host problems like energy linkages and pricing issues indicative of its resolve to take its capacity towards the 128000MW by 2032 and maintain the leadership position as well as visibility for long term growth.

Improvement in financial conditions of discoms to boost demand in the overall system:

The recent government's measures to improve the financial health of state electricity boards would boost demand for power in the system as they could buy more power by reducing the load shedding programs and implementing the schemes like power for all.

Valuation and Outlook

NTPC with its consistent growth in capacity additions, fuel linkages and higher operational efficiency is well positioned amid improving health of SEBs and uptick in the economic growth. We expect the stock to come out of underperformance due to the broad based negative sentiments in the entire power sector. At CMP, the stock trades at 11.9x FY17E EPS and we value NTPC at 14x FY17E EPS and recommend a **"BUY"** for a target of Rs 170.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	720981	789506	806220	849250	948133
EBITDA	182892	198422	174416	202838	230263
EBITDA Margin (%)	25.4	25.1	21.6	23.9	24.3
Adj. Net Profit	125908	114036	99863	93083	100922
EPS (Rs.)	15.3	13.8	12.1	11.2	12.2
RoE (%)	16.2	13.5	11.8	11.0	11.3
P/E (x)	9.5	10.5	12.0	13.0	11.9

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	145
Target Price	170
Upside (%)	17

Stock Information

Mkt Cap (Rs.mn/US$ mn)	1200539/18082
52-wk High/Low (Rs.)	165 / 107
3M Avg.daily volume (mn)	4.0
Beta (x)	1.0
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	8245.5
Face Value (Rs.)	10.0

Shareholding Pattern (%)

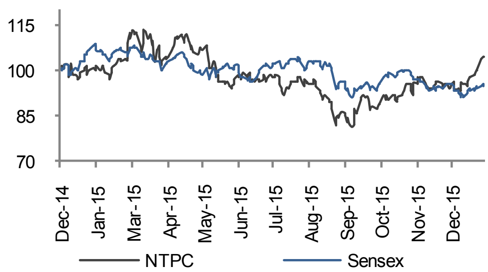
Promoters	75.0
FIIs	9.2
DIIs	13.5
Others	2.3

Stock Performance (%)

	1M	3M	6M	12M
Absolute	11	17	5	3
Relative to Sensex	12	18	13	8

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

NTPC is a Maharatna PSU and is India's largest power utility with an installed capacity of 45548 MW with 41 plants across the country. NTPC operates 18 coal fired power plants with a capacity of 34425 MW, 7 gas based power plants with a capacity of 4017 MW, 1 hydro power plant of 800 MW, 8 solar power plants with a capacity of 110 MW and 7 plants under various JVs with a capacity of 6196 MW. NTPC has over 23,000 MW capacity under construction and nearly 9,500 MW capacity is under bidding. NTPC has coal mines with estimated reserves of 5.2 Bn tonnes.

Reliance Industries Ltd

Bloomberg Code: RIL IN

India Research - Stock Broking

BUY

RIL: Capex in Core Business & Telecom Launch to Drive Growth

Capex in core business (Refining & Pet-chem) to drive growth & profitability:

RIL is investing in pet-coke gasification plant that is expected to come on stream in FY16E which is expected to reduce annual energy (LNG) cost of nearly $ 1.5 Bn and is likely to increase the GRMs by approximately $1/barrel. The capex for Refinery off-gas cracker will increase the production capacity by polymers with much lower cost of production. RIL's core strength in operations is reflected in capacity utilization of over 100% at its high complexity refinery at Jamnagar delivering superior GRMs as against the Singapore GRMs.

Upstream, Petro products retailing and Shale gas to drive growth:

RIL's upstream gas production is expected to increase from the current levels. Ramp-up in US shale gas production in its JVs is likely to contribute to growth. RIL is planning to re-commission the entire petroleum retail outlet network as the government has decontrolled petrol and diesel prices, which could contribute towards growth.

Commercial launch of Rel Jio 4G services could be a game changer in the Indian digital services market:

RIL is expected to launch its pan-India digital services commercially (4G broadband, voice, data content, cloud services, entertainment, MSO) under Reliance Jio network in the next couple of months which could garner significant market share given the expectations over its higher speed, wide coverage and competitive pricing. The recent soft launch of its services to its employees could fast track the commercial launch as well.

Aggressive expansion in retail to strengthen leadership position:

Reliance retail is expanding its retail network (grocery, fashion, digital, Jewellery etc.) to strengthen its leadership position in all formats. It has over 2857 stores in 200 towns and over 15 Mn consumers enrolled for its loyalty program. It is among the fastest growing retail chains in India.

Valuation and Outlook

RIL is expected to maintain profitability in its core business with a capex that increases the operational efficiency across the refining & petrochemicals business, while the new businesses like the Reliance Jio are likely to trigger the next level of growth and boost revenues. At CMP, RIL is trading at 10.7x FY17E EPS, We recommend a **"BUY"** for a price target of Rs. 1240, valuing at 13x FY17E EPS.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	3970620	4344600	3754350	3130078	3588094
EBITDA	333830	357610	384920	433514	522365
EBITDA Margin (%)	8.4	8.2	10.3	13.8	14.6
Adj. Net Profit	208790	224930	235660	253385	289674
EPS (Rs.)	70.7	76.6	80.1	81.9	93.6
RoE (%)	11.9	11.8	11.3	11.2	11.7
P/E (x)	14.2	13.1	12.5	12.3	10.7

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	1005
Target Price	1240
Upside (%)	23

Stock Information

Mkt Cap (Rs.mn/US$ mn)	3272251/49287
52-wk High/Low (Rs.)	1068 / 796
3M Avg.daily volume (mn)	3.0
Beta (x)	1.2
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	3239.2
Face Value (Rs.)	10.0

Shareholding Pattern (%)

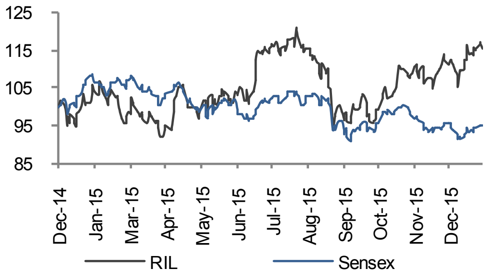
Promoters	45.2
FIIs	18.7
DIIs	13.1
Others	23.0

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4	16	0.4	15
Relative to Sensex	5	17	7	20

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

RIL is India's largest private sector enterprise with businesses in the energy and materials value chain. Its key business activities span exploration and production of oil & gas, petroleum refining & marketing, petrochemicals (polyester, fibre intermediates, plastics and chemicals), textiles, retail, Telecom, SEZs and others. It operates its Jamnagar refinery complex with a capacity of 1.3 mn BPD and its Petchem facilities at Jamnagar, Hazira, Patalganga, Vadodara, Nagothane and Nagpur. It operates retail stores across the country in value and specialty formats. RIL to offer pan-India 4G services through Reliance Jio.

State Bank of India

Bloomberg Code: SBIN IN

India Research - Stock Broking

BUY

SBI: Biggest Balance Sheet at Bargain Valuations

Strong double-digit growth in Loan Book amid uptick in domestic economic cycle:

SBI is expected to maintain double digit growth rate in loan book with an uptick in domestic economy. Loan book is expected to be driven by home loans, auto loans, other retail loans, agri loans, trade and services as well as higher spending in infrastructure sector. We expect SBI to register a CAGR growth of over 13% in loan book in the next 2 years.

Stable NIMs in a rate down cycle regime:

SBI was able to maintain a net interest margin of over 3% in the last 4 years; and in a downward rate cycle, NIMs are expected sustain above 3.3%. Strong growth in retail deposits coupled with over 42% CASA provides a case for uptick in NIM.

Expected recovery in asset quality:

Asset quality is expected to improve in the next few quarters due to the uptick in economic recovery, government's efforts to revive stalled projects and SBI's efforts to regulate credit towards the stresses sectors even at the cost of slower credit growth, which is expected to yield results. As on Sep 30, 2015, GNPA & NNPA have declined to 4.15% & 2.14%.

Vast network and multiple delivery channels aid for strong growth in deposits:

SBI, with its vast network of branches across the country, is well positioned to maintain double digit growth in retail deposits and while maintaining higher share of CASA above 40% provides cushion for quality growth. Its multiple delivery channels and technology platforms are likely to provide reach for larger customer base. Government's announcement to infuse capital to SBI is a positive development which further supports growth.

Valuation and Outlook

SBI with its focus on quality loan book growth in double digits, CASA share in deposits, sustained NIMs of over 3% along with emphasis on reducing NPAs and fresh slippages augur well in the long term and present a case for biggest balance sheet at bargain valuations in the sector. We expect earnings to grow at a CAGR of 21% over FY15-17E led by 13% CAGR growth in advances. We value the standalone business at 1.5x FY17E ABV and recommend a **"BUY"** rating for a target price of Rs. 319.

Valuation Summary

YE Mar (Rs. Bn)	FY13	FY14	FY15	FY16E	FY17E
NII (Rs. Bn)	443	493	550	602	685
Net Profit (Rs. Bn)	141	109	131	157	192
EPS (Rs.)	20.6	14.6	17.5	21.0	25.8
ABV (Rs.)	107.4	108.7	126.8	141.9	162.6
P/ABV (x)	2.1	2.1	1.8	1.6	1.4
RoE (%)	15.4	10.0	10.6	11.7	13.0
RoA (%)	0.9	0.6	0.6	0.7	0.8

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	226
Target Price	319
Upside (%)	41

Stock Information

Mkt Cap (Rs.mn/US$ mn)	1773795/26716
52-wk High/Low (Rs.)	336 / 220
3M Avg.daily volume (mn)	11.2
Beta (x)	1.4
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	7762.8
Face Value (Rs.)	1.0

Shareholding Pattern (%)

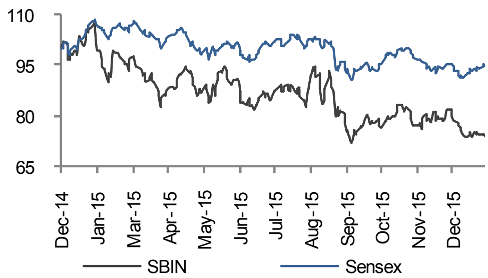
Promoters	60.2
FIIs	10.4
DIIs	18.4
Others	11.1

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(10)	(5)	(14)	(26)
Relative to Sensex	(9)	(4)	(8)	(23)

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

State Bank of India is India's largest bank offering personal banking, agricultural banking, NRI services, corporate banking, NRI banking with a balance sheet size of over Rs. 20 lakh crore. SBI employs over 2.13 employees and operates through a network of 16415 branches and 56930 ATMs serving over 29.5 crore customers. It has 5 banking subsidiaries SBBJ, SBH, SBM, SBP, SBT and various non-banking subsidiaries SBI Life insurance Company, SBI Capital Markets, SBI Funds Management, SBI Cards & Payments. It provides various services like deposits, retail loans for Home, Automobile, Education and other personal loans and corporate loans.

Tata Consultancy Services Ltd

Bloomberg Code: TCS IN

India Research - Stock Broking

BUY

TCS: Consistent Growth with Superior Margins

Leader in Growth Rate among Industry Peers:

TCS USD revenue has been growing consistently by ~12% in the last few years despite its large base. Going forward, we expect TCS to maintain broad-based growth and a CAGR of 15% in revenue over FY15- FY17E.

Steady improvement in margins:

TCS has improved its margins steadily between 25%-30% over the last many years, even during challenging global economic environment. This was due to continuous improvement in operational efficiency, higher employee utilization levels of over 82% and increased share of high margin projects.

Well diversified revenue model:

TCS has maintained the broad-based revenue growth in various geographies and verticals, with growth contributors being BFSI (40.5%), retail (13.8%), manufacturing (9.8%) and life sciences & healthcare (7%). TCS has maintained a balance between bread-and-butter businesses such as application development & maintenance and newer growth avenues such as Digital.

Proven capabilities in managing currency volatility:

USD contributes 56.5% to its revenue pie, whereas GBP, EUR and other currencies contribute 14.5%, 7.5% and 21.4% respectively. TCS was able to manage the currency volatility even during turbulent times in the global currency markets.

Valuation and Outlook

TCS with its broad based service delivery model is expected to register consistent growth of over 15% in revenue with superior margins of around 26-28% over the next few years. TCS continues to command premium valuations due to its consistent growth and profitability. We recommend a **"BUY"** with a target of Rs. 2815, valuing the stock at 20x FY17E EPS.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	629895	818094	946484	1087824	1230007
EBITDA	180399	251528	239920	311328	350084
EBITDA Margin (%)	28.6	30.7	25.3	28.6	28.5
Adj. Net Profit	139173	191639	198522	241042	270169
EPS (Rs.)	71.0	97.7	101.4	122.7	137.6
RoE (%)	40.9	43.6	39.8	37.9	34.9
P/E (x)	34.1	24.8	23.9	19.7	17.6

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	2418
Target Price	2815
Upside (%)	16

Stock Information

Mkt Cap (Rs.mn/US$ mn)	4832179/72789
52-wk High/Low (Rs.)	2812 / 2315
3M Avg.daily volume (mn)	1.1
Beta (x)	0.6
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	1970.4
Face Value (Rs.)	1.0

Shareholding Pattern (%)

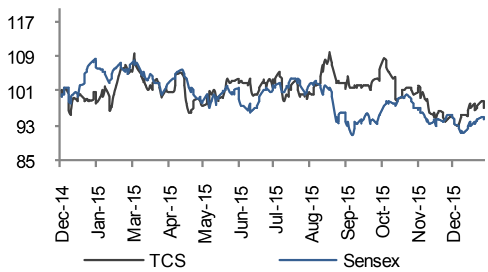
Promoters	73.9
FIIs	12.7
DIIs	8.9
Others	4.5

Stock Performance (%)

	1M	3M	6M	12M
Absolute	2	(7)	(5)	(3)
Relative to Sensex	3	(6)	1	1

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Tata Consultancy Services Limited (TCS) is an integrated Information Technology, Consulting and Business Solutions provider offering a wide range of services like Application Development & Maintenance, Enterprise Solutions, Assurance services, Engineering & Industrial services, Infrastructure services, Global Consulting, Asset Leveraged Solutions and Business Process Outsourcing services. It has a total employee base of 3.35 lakh working from 183 offices spread across 43 countries. It derives 52% of its revenue from North America, 2% from Latin America, 16% from UK, 11% from Continental Europe, 9% from Asia Pacific, 2% from MEA and 6.5% from India.

UltraTech Cement Ltd

Bloomberg Code: UTCEM IN

India Research - Stock Broking

BUY

Ultratech: Consolidating Leadership Position with Focus on Efficiency

Well positioned to benefit from robust economic growth:

Ultratech, being the largest cement manufacturer with presence across the country, is well positioned to benefit from the likely higher spending on infrastructure and housing amid robust economic recovery during which cement sector is likely to see a volume growth of over 8%, while Ultratech is expected to register a growth in volumes of over 12% in the next 2 years.

Organic & inorganic expansion to strengthen leadership position:

Ultratech has planned for a capex of over Rs 10,000 cr to expand and modernize its existing facilities, acquisition of JP group's MP (4.9MTPA) cement plants with a target to reach 71.2 MTPA to strengthen the leadership position.

Economies of scale to result in an EBITDA growth of over 30%:

Ultratech, with its capacity of 71 MTPA by FY16E, is expected to benefit from its network of cement, captive power, ready mix plants and material handling terminals and is well positioned to benefit from better co-ordination & mobilization of materials. Also, being a market leader with a strong brand, the company is likely to command premium pricing over its smaller competitors. It brings in operational efficiency and pricing power in consideration to its size, therefore, resulting in higher EBITDA per ton of Rs1140 by FY17E.

Subdued raw material prices to aid profitability:

Subdued crude oil, pet-coke and coal prices are likely to contribute towards lower operating expenses and aid profitability.

Valuation and Outlook

Ultratech is likely to benefit from strong revival in the economy, organic & in-organic growth plans, improved operational efficiency and leadership position in the Cement industry. We expect Ultratech to deliver a CAGR of 12% in sales and 30% in EBITDA during FY15-17E. We recommend **"BUY"** for a target of Rs. 3520 valuing at 24x FY17E EPS.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	200230	200779	226565	267303	316224
EBITDA	45235	36160	39153	51988	65971
EBITDA Margin (%)	22.6	18.0	17.3	19.4	20.9
Adj. Net Profit	26605	21445	20147	24427	33604
EPS (Rs.)	97.0	78.2	73.4	89.0	122.5
RoE (%)	18.9	13.3	11.2	12.3	14.9
P/E (x)	28.7	35.6	37.9	31.3	22.7

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	2785
Target Price	3520
Upside (%)	26

Stock Information

Mkt Cap (Rs.mn/US$ mn)	772254 / 11633
52-wk High/Low (Rs.)	3398 / 2531
3M Avg.daily volume (mn)	0.3
Beta (x)	1.1
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	274.4
Face Value (Rs.)	10.0

Shareholding Pattern (%)

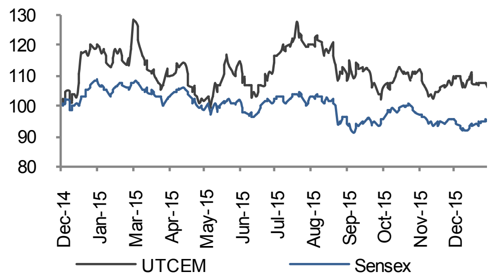
Promoters	61.7
FIIs	18.4
DIIs	7.1
Others	12.8

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(1)	4	(7)	7
Relative to Sensex	0.1	5	(0)	12

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Ultratech is the largest manufacturer of cement in India with an installed capacity of over 64.7 mn tons per annum (MTPA). It manufactures grey cement, ready mix concrete, white cement and other building products. It operates through 12 integrated plants, 1 clinkerisation plant, 16 grinding units, 6 bulk terminals and 100 RMC plants. It markets white cement under the brand 'Birla White' and has a capacity of 0.56MTPA besides 2 wall care putty plants with a combined capacity of 0.8MTPA. Ultratech is the largest exporter of cement from India and its operations spread across Bahrain, Bangladesh Sri Lanka.

Value Invest TOP 10 Mid Cap Stocks

BEML Ltd

Bloomberg Code: BEML IN

India Research - Stock Broking

BUY

Massive Growth Opportunity on Capex Cycle Revival

Visibility on order book growth: BEML started FY16E with order book size of Rs.56860 mn. Management expects the net sales will ramp up to the tune of Rs.41750 mn during FY16E. We do believe that with the recent advancements for mining sector and Metro railway projects could improve the order book size massively during FY17E.

Turnaround for BEML on the back of revival in capex cycle of mining, defence, rail and metro: BEML serves India's core sectors like mining, construction, defence, rail and metro. The proposal of metro rail projects in Tier-II cities, hi-speed trains, expected revival in mining and construction sector augur well for the company. Opening up commercial mining to central and state-owned public sector units by Cabinet Committee on Economic Affairs (CCEA) could able to earn them more business in mining sector.

Strong distribution network: BEML has robust network of sales offices in the country. It helps the buyers to access its wide range of products at ease. It makes ease for the procurers in terms of after-sales services with a lesser turnaround time. This facility could help out to hold the existing customers as well as gain new customers.

Robust R&D may aid to bag orders: BEML has well established R&D base with technology absorption and design capability to meet the technological demands through in-house R&D and strategic technical tie-ups with global players.

Valuation and Outlook

We value the company on the basis of revival in capex cycle, in particular order inflow from mining sector for heavy earth moving vehicles especially from Coal India, technological up-gradation of railway coaches, hi-speed railway coaches, metro cars etc. and some order inflows from defence sector. Currently, BEML was trading at 2.0x of FY17E BV. The stock has traded between 0.3x to 2.4x one year forward BV. We have assigned a 3x FY17E BV of Rs.635 per share and reiterate our **"BUY"** recommendation for a target of Rs.1906 representing an upside potential of 49%.

Key Risk

- Delay in capex plan of PSU companies and Government will adversely affect order book which could hit the revenue and margins.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	28012	29037	28021	33353	41741
EBITDA	(486)	1147	694	2425	3592
EBITDA Margin (%)	-	4.0	2.5	7.3	8.6
Adj. Net Profit	(834)	193	60	1152	1590
EPS (Rs.)	(20.0)	1.5	1.4	27.7	38.2
RoE (%)	(3.9)	0.9	0.3	5.3	6.4
P/BV (x)*	0.3	0.6	2.2	2.3	2.0

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	1281
Target Price	1906
Upside (%)	49

Stock Information

Mkt Cap (Rs.mn/US$ mn)	53944 / 813
52-wk High/Low (Rs.)	1612 / 701
3M Avg.daily volume (mn)	0.2
Beta (x)	1.3
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	41.6
Face Value (Rs.)	10.0

Shareholding Pattern (%)

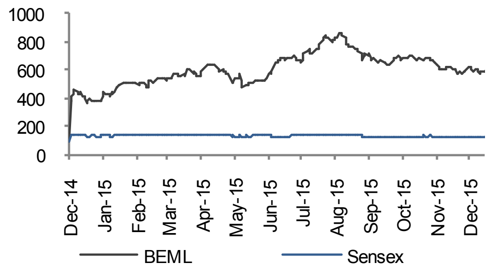
Promoters	54.0
FIIs	7.4
DIIs	17.8
Others	20.8

Stock Performance (%)

	1M	3M	6M	12M
Absolute	13	3	6	71
Relative to Sensex	14	4	13	80

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

BEML is a Miniratna PSU company headquartered in Bengaluru (Karnataka), operates under control of Ministry of Defence. It's business verticals are: Mining & construction, defence and Rail & Metro. It serves India's core sectors like Defence, Rail, Power, Mining and Infrastructure. BEML manufactures and supplies Defence Ground Support Equipment, Mining and Construction equipments, Rail Coaches, Metro Cars, AC EMUs. BEML has also trading division for dealing in non-company products and international business division for export activities.

Century Plyboards India Ltd

Bloomberg Code: CPBI IN

India Research - Stock Broking

BUY

Brand Bonded with Growth and Profitability

Brand conviction of durability:

Century Plyboards India Ltd. (CPIL) came into existence in 1986. It is a leading manufacturer and supplier of quality plywood, laminate sheets, marine wood, Medium Density Fiber (MDF) boards and veneer wood. The prominent brands in plywood include CenturyPly Club Prime, Architect and CenturyPly Marine; Slimline and Opulenza are popular brands in laminates.

CPIL managed to maintain selling prices in challenging business environment:

We expect CPIL to maintain selling prices across its product range in FY16E, mainly due to its strong brand power helping the company to avoid passing on the benefits of lower raw material prices to its customer. This would help CPIL to maintain EBITDA margins in the range of 15% to 16%. However, this would result in decline in sales volumes thereby resulting into overall revenue growth of 16% in FY16E. We expect a recovery in plywood demand in FY17E resulting in revenue growth of around 28%.

Government's focus on affordable housing and GST to enable growth in plywood demand:

The company is focusing more on Sainik plywood to encase the opportunity of revival in housing demand. GST (Goods and Service Tax) is also almost on the cards, we expect the company to beat the growth of 15% plus revenues.

Valuation and Outlook

At current price of Rs.172, the stock is trading at PE of 22.4x and 15.6x of its FY16E and FY17E earnings respectively. It has P/BV of 7.3x and 5.2x for FY16E and FY17E respectively. We reiterate our **"BUY"** recommendation on CPIL with a target price of Rs.226 with an upside potential of 32%.

Key Risks:

- Slowdown in real estate and construction sector may hamper CPIL's revenue growth. GST rates and its implementation date would decide the actual benefits for plywood industry. As applicable to any plywood manufacturer, CPIL is vulnerable to raw material availability and price rise.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	11747	13362	15884	18502	23683
EBITDA	1234	1582	2559	2816	3908
EBITDA Margin (%)	10.5	11.8	16.1	15.2	16.5
Adj. Net Profit	552	603	1490	1705	2456
EPS (Rs.)	2.5	2.7	6.7	7.7	11.0
RoE (%)	11.2	22.0	43.7	37.2	38.8
P/E (x)*	69.2	63.4	25.6	22.4	15.6

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)	
CMP	172
Target Price	226
Upside (%)	32

Stock Information	
Mkt Cap (Rs.mn/US$ mn)	38136 / 575
52-wk High/Low (Rs.)	262 / 137
3M Avg.daily volume	336121
Beta (x)	1.8
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	222.2
Face Value (Rs.)	1.0

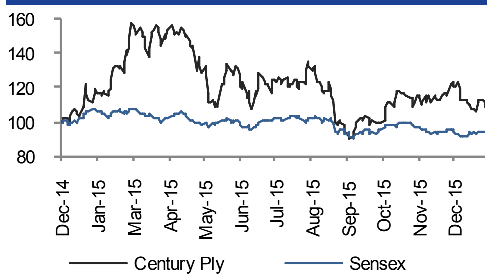
Shareholding Pattern (%)	
Promoters	73.3
FIIs	10.7
DIIs	3.4
Others	12.5

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(11)	10	(13)	12
Relative to Sensex	(10)	11	(6)	18

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Century Plyboards (I) Ltd (CPIL) came into existence in 1986 and now it is one of the largest sellers of multi-use plywood and decorative veneers in the Indian organized plywood market. It has 7 manufacturing units in India company is manufacturing plywood, laminates, veneer, MDF, blockboards and doors. The company is also engaged in Container Freight Station (CFS) business, managing the first private CFS at the Kolkata Port. The company exports wide range of premium products to over 20 countries.
It has a strong distribution network with 35 branch offices/sales depots, and more than 14500 channel partners including dealers, sub-dealers and retailers across India.

Container Corporation of India Ltd

Bloomberg Code: CCRI IN

India Research - Stock Broking

BUY

Leader of Logistics

Largest multimodal logistic company with over 75% market share in the container cargo transportation by rail:

The company is currently operating 63 terminals with and handling capacity of 3Mn TEUs and over 250 rakes connecting to major ports and industrial estates. In FY15, the company carried 36.18 Mn tonnes as against the 48.83 Mn tonnes of originating containerized cargo transported by Indian railways. Going forward, the company is expected to maintain its dominating position on the back of huge capacity adding the company has undertaken. By 2017, the company has plan to complete its 15 MMLPs which would enhance the capacity to 6 Mn TEUs; and by 2020 it would further increase it to 9 Mn TEUs.

Strong balance sheet with very low debt and strong cash position making the company safe investment:

Over the years, the company has accumulated huge cash balance on the back of robust cash flow from operation. During 2011 to 2015, the net cash flow from operation has grown at a CAGR of 14%; and as on March 2015, the total cash and cash equivalent of the company is at Rs. 29492 Mn. The total debt on a consolidated basis is at Rs. 1650 Mn and thus the debt equity ratio is also very low at 0.02x, resultantly the interest charges are also very low, making the bottom line healthier. The ongong capex of Rs. 60,000 Mn are totally financed through internal accruals and there has been no debt rising.

Valuation and Outlook

The future growth drivers of the company are addition of rail tracks under DFC by Indian railway for freight carrying and setting up of Multi-Modal Logistics Parks (MMLPs) by the company along the DFC and industrial belts. At CMP of Rs. 1282, the stock is trading at P/Ex of 20.5 on FY17E earnings. During H1FY16, the company's performance got affected due to increase in haulage charges and service tax together with sluggishness in the international market. However, due to the strong fundamental and robust growth opportunities in the longer term, we are reiterating our **"BUY"** recommendation with a price target of Rs. 1560, representing an upside of 22%.

Key Risks:

1) Global Economic Slowdown. 2) Increase in Haulage Charges.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	44450	53167	61493	67397	76246
EBITDA	10495	11523	14020	14153	16622
EBITDA Margin (%)	23.6	21.7	22.8	21.0	21.8
Adj. Net Profit	9306	9457	10546	10681	12165
EPS (Rs.)	47.7	48.5	54.1	54.8	62.4
RoE (%)	15.8	14.5	14.7	13.5	13.9
P/E (x)*	26.9	26.4	23.7	23.4	20.5

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	1282
Target Price	1560
Upside (%)	22

Stock Information

Mkt Cap (Rs.mn/US$ mn)	249772 / 3763
52-wk High/Low (Rs.)	1948 / 1256
3M Avg.daily volume (mn)	0.2
Beta (x)	1.0
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	195.0
Face Value (Rs.)	10.0

Shareholding Pattern (%)

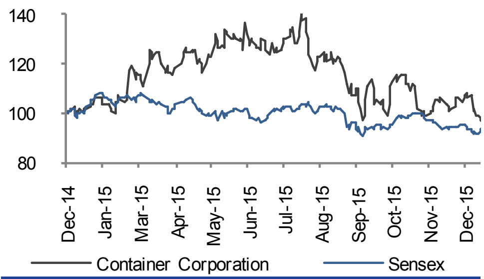
Promoters	61.8
FIIs	28.3
DIIs	6.2
Others	3.7

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(8)	(14)	(24)	(5)
Relative to Sensex	(7)	(13)	(18)	1

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Container Corporation of India operating under the aegis of the Ministry of Railways. It is the largest inland rail transportation company, with 63 terminals of Inland Container Depots (ICDs), Container Freight Stations (CFSs) spread across regions, Eastern region, Central region, Southern region, South Central region, Northern region, North Central region and North Western region. It currently operates with approx 256 rakes, 13111 wagons and over 20247 containers providing seamless services to its customers in both domestic and EXIM business.

Hester Biosciences Ltd

Bloomberg Code: HBIO IN

India Research - Stock Broking

BUY

Rising Star in Animal Healthcare Business

PPR Eradication Program by FAO - A Tremendous Opportunity for Hester:

Food and Agriculture Organization (FAO) has embarked on a mission to eradicate PPR disease (plague affecting Sheep and Goats) and has planned to spend about US$ 7.6 Bn over a span of 15 years starting 2015. Annual spend on PPR vaccines will be about US$ 0.5 Bn in the initial stages. This is a tremendous opportunity and HBL (Hester Biosciences Ltd.) has already set up a plant in Nepal to manufacture and export PPR vaccines worldwide. Nepal plant is expected to start operations in Feb 2016. Hester has already begun establishing cold storage and distribution networks, the backbone of vaccines business, across southern and eastern Africa. International manufacturers have priced the vaccine at 10 US cents per dose, but Hester would be aggressively pricing between 2.5 to 3.5 US cents.

Animal Health Products to Piggy Back on Vaccines Sales and Expand Multi-fold in Few Years: Hester is planning to leverage its existing vaccines cold storage and marketing & distribution network to sell animal health products (medicines, feed additives and disinfectants). Health products are expected to become the top contributor to total revenue, which is the case with most large multinational animal health companies. Animal health product sales during FY15 were a tiny 6% of total sales. Margins are expected to be little lower than those in vaccines but revenues would be much larger than vaccines. HBL will get these products toll-manufactured (loan license manufacturing) from third parties and market it under the Hester brand.

Valuation and Outlook:

At CMP of Rs 552, HBL is trading at 14x FY17E EPS of Rs.39.3, which is lower than the 2-year average TTM PE of 24x. Considering the above growth drivers, we reiterate a **"BUY"** recommendation on HBL with a target of Rs.865 based on 22x FY17E EPS of Rs.39.3 and time frame between 12-15 months. The potential upside is 57%.

Key Risks:

- Delayed/No product registration in African and other countries where PPR eradication strategy is planned. Not able to win PPR vaccine tenders in Africa.
- Significant delay in acquiring commercial license for Nepal plant and exporting vaccines from the Nepal facility.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	651	690	906	1,325	2,115
EBITDA	219	244	247	383	603
EBITDA Margin (%)	33.6	35.4	27.3	28.9	28.5
Adj. Net Profit	93	95	125	194	335
EPS (Rs.)	12.9	11.1	14.7	22.8	39.3
RoE (%)	14.3	13.1	15.6	21.1	29.1
P/E (x)*	9.6	8.0	32.0	24.2	14.0

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	552
Target Price	865
Upside (%)	57

Stock Information

Mkt Cap (Rs.mn/US$ mn)	4,694 / 71
52-wk High/Low (Rs.)	849 / 405
3M Avg.daily volume	10,004
Beta (2-yr)	1.5
Sensex/Nifty	25,960 / 7,896
O/S Shares(mn)	8.5
Face Value (Rs.)	10.0

Shareholding Pattern (%)

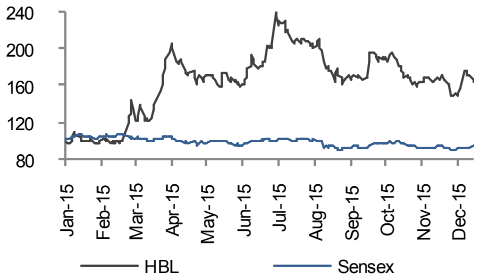
Promoters	54.1
FIIs	0.5
DIIs	1.7
Others	43.7

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5)	(16)	(10)	64
Relative to Sensex	(5)	(16)	(3)	69

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Hester Biosciences Ltd (HBL) was listed in 1994 under the name Hester Pharmaceuticals Ltd. Hester began its humble journey when it rolled out the first Poultry Vaccine batch in 1997. HBL is exclusively into animal health (perhaps only listed firm in India doing business exclusively in animal health) and has no business/products in human health. HBL has two manufacturing units - Its first and the largest manufacturing unit is located in Kadi, Mehsana district of Gujarat. The second unit located in Kathmandu, Nepal is under construction and is expected to start operations in Feb 2016. HBL is a WHO-GMP, ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 & GLP certified company.

HSIL Ltd

Bloomberg Code: HSI IN

India Research - Stock Broking

BUY

Robust Revenue Growth Visibility and Margin Enhancement

Leadership Position in Sanitaryware Business:

The company enjoys almost 40% of the total organized market share in the sanitaryware industry. The entire industry size is approx Rs. 35000 mn of which the organized players have market share of 65% in FY15. The organized market is growing at an average rate of 20% since 2011, faster than the unorganized market. As on December 2014, the company has 3000 dealers, which helps the company to reach wide spectrum of retail customers and contributes more than 70% of the total revenue of building product division.

New Faucet Plant in Rajasthan to Drive Revenue Growth and Margins:

The newly commissioned faucet plant is equipped to manufacture high end faucetware products and thus it would not only drive the revenue but would also improve the realization. The installed capacity of this new facility is 2.5 mn pieces, increasing the overall faucetware manufacturing facility to 3 mn pieces, which can lead to overall revenue growth for the Building Product Division (BPD). We expect the revenue for the BPD to grow at a CAGR of 21% between FY15 and FY17E.

Premiumization in the BPD to Boost Realization:

The revenue contribution from the premium products for the company has increased to 57% and is expected to increase to 60% in the next few years. With contribution of premium products increasing the realization of the division will improve, thus the overall EBITDA margins of the company is expected to expanding to 17.5% in FY17E from 13.6% in FY14.

Valuation and Outlook

Strong distribution network and brand recognition augur well for the company. Very low sanitation coverage and government initiatives are expected to benefit the company and support the revenue growth. During the first half of FY16, slower economic growth and sluggishness in the real estate impacted BPD of the company. However, considering the strong market position and economic revival, we value HSIL at 18x (two year average P/E) FY17E EPS of Rs. 21.0 to arrive at a target price of Rs. 378 with an upside potential of 26%, reiterating our **“BUY”** recommendation.

Key Risks:

- Threat from the new players, both domestic and international.
- Increase in the key input prices.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	17613	18582	19806	21102	24470
EBITDA	2587	2533	3325	3374	4196
EBITDA Margin (%)	14.7	13.6	16.8	16.0	17.1
Adj. Net Profit	820	340	854	1116	1520
EPS (Rs.)	12.4	5.1	12.9	15.4	21.0
RoE (%)	8.7	5.2	10.0	10.7	13.2
P/E (x)*	7.3	25.4	23.3	19.4	14.3

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	300
Target Price	378
Upside (%)	26

Stock Information

Mkt Cap (Rs.mn/US$ mn)	21732 / 327
52-wk High/Low (Rs.)	477 / 236
3M Avg.daily volume (mn)	0.1
Beta (x)	1.2
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	72.3
Face Value (Rs.)	2.0

Shareholding Pattern (%)

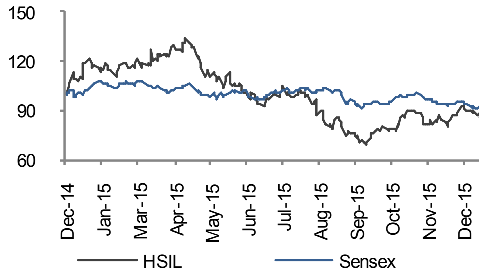
Promoters	47.1
FIIs	10.4
DIIs	23.3
Others	19.2

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(6)	12	(14)	(14)
Relative to Sensex	(5)	13	(8)	(9)

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

HSIL is the India’s largest sanitaryware player with ~40% market share in the organized segment and is the second largest player in the domestic container glass business. It operates in two business segments, Building Product Division (BPD) and Packaging Product Division (PPD). The installed capacity for the sanitaryware is 3.8 mn pieces and for the faucetware the installed capacity is 3 mn pieces. It enjoys strong distribution network with over ~3000 dealers, 100 Hindware Galleria and Hindware shop-in-shop. In the PPD, the company operates with an installed capacity of 1600 Tons Per Day (TPD) for container glass and 9500 Tons Per Annum (TPA) for its PET Bottles.

Inox Wind Ltd

Bloomberg Code: INOL IN

India Research - Stock Broking

BUY

The Joy of Winds

Government thrust for renewable energy: The government's remarkable target of achieving 60GW of wind energy will be supported by Accelerated depreciation and Generation based incentives policies. This will create a huge opportunity for the company in the upcoming period. Hence, we expect order inflows of around 3-3.5GW from the current levels of 2GW.

Robust backlog provides the revenue visibility: Strong backlog of 1.2GW or Rs.66000 Mn renders solid revenue visibility for IWL in FY15-17E. The execution period for this order book is 12-15 months, and is likely that about 1.1GW (about 90%) would be executed by FY16E. Also, good EBITDA margins (16%) will further ensure a strong earnings picture going ahead.

Rising capacity to overcome current capacity constraints: IWL has been so rapid its current capacity is constrained in executing its order book of 1202MW at the end of Q2FY16 with a capacity of 800MW. The doubling of capacity to 1.6GW ensures 100% execution of the order book within 9-12 months that provides revenue visibility for FY16E-17E.

Land mark agreement: The agreement between IWL and AMSC for Electronic control system grants inox winds the perpetual and exclusive right to indigenize the production of ECS. So, now the company has the right to manufacture the ECS with the help of technology provided by AMSC in India. Thereby reducing the dependence on AMSC and imports and in-house manufacturing could help them in improving margins. The company will be incurring a very small capex of Rs.10-20Mn for facilitating this manufacturing and a license fee of roughly Rs.12mn to AMSC. The second agreement is also with AMSC to collaborate on the development of 3MW wind turbine design. As per the management, country has reasonable market for 3MW of turbines.

Valuation and Outlook

Robust order book supported by new capacity which came on-stream in the recent past are expected to push the current momentum of growth in top-line and bottom line in the second half of FY16E. Considering these factors, we have assigned average global peers consensus (Gamesa, Xinjiang and Vesta) for FY16E trading PE multiple of 16x (10% discount to average P/E of global peers) and reiterate our **"BUY"** recommendation, representing an upside of 22% in the next 12-18 months.

Key Risks:

1) Change in government policies. 2) Capital intensive nature of industry.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	10589	15668	27099	44324	51101
EBITDA	1965	1745	4574	7348	8771
EBITDA Margin (%)	18.6	11.1	16.9	16.6	17.2
Adj. Net Profit	1503	1323	2964	4883	6013
EPS (Rs.)	7.4	6.6	14.8	22.0	27.1
RoE (%)	50.9	30.9	21.3	26.0	24.2
P/E (x)*	62.9	71.5	31.9	16.4	13.3

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	361
Target Price	439
Upside (%)	22

Stock Information

Mkt Cap (Rs.mn/US$ mn)	79835 / 1202
52-wk High/Low (Rs.)	495 / 315
3M Avg.daily volume (mn)	0.2
Beta (x)	-
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	221.9
Face Value (Rs.)	10.0

Shareholding Pattern (%)

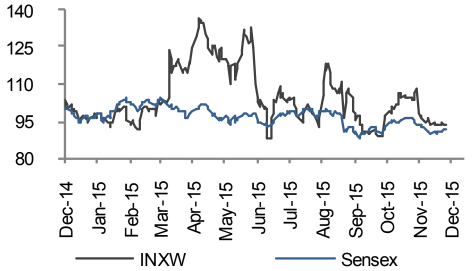
Promoters	85.6
FIIs	3.4
DIIs	4.8
Others	6.2

Stock Performance (%)

	1M	3M	6M
Absolute	(0)	1	(15)
Relative to Sensex	1	1	(9)

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Inox Wind Ltd (IWL) belongs to Inox group companies and is a fully integrated player in wind energy market with the state-of-art manufacturing plants near Ahmedabad (Gujarat) for blades and tabular towers; at Una (Himachal Pradesh) for Hubs and nacelles. Inox is one of the largest manufacturers of Wind Turbine Generator (WTG) in India. IWL supplies the key components of WTG along with auxillary components and offer wind farm projects on a turnkey basis across India through their wholly owned subsidiaries - Inox Wind Infrastructure Services Ltd (IWISL) and Maruti Shakti Energy India Ltd (MSEIL). IWL has the projects in Rajasthan, Maharashtra and Andhra Pradesh and have an aggregate power project capacity of 5GW.

Kitex Garments Ltd

Bloomberg Code: KTG IN

India Research - Stock Broking

BUY

Strong Growth Ahead; Unique Business Model

Kitex garments is the third largest global player in the infant wear with a significant market share of 70% in India. It has marquee clientele like Mothercare, Toys R us and Jockey who procure products from Kitex, which contributes significantly towards margin improvement and robust revenue growth for the company.

Capacity Expansion to be a Major Revenue Driver: Kitex has current fabric capacity of 48 MT & 0.55 mn pcs/day garmenting capacity; & is targeting a capacity of 1.1 mn pieces/day in two years. The management expects capex of Rs.350-450 mn for the group & Rs.150-200 mn for Kitex garments exclusively over the next 2 years.

Tie-up with Lamaze International helps shift focus from B2B to B2C: Kitex USA LLC (50-50 JV between KCL and KGL) has signed a brand-licensing agreement with Lamaze International for the sale of infant wear in the US and Canada under the Lamaze brand. Kitex USA LLC will be the exclusive supplier for Lamaze infant wear (for children up to five years old) in US and Canada. The contract validity is till 31 December 2020, extendable for five years.

Own Brand "Little Stars" to be launched by Fall 2016: KGL plans to launch its own brand "Little Stars", owned by Kitex USA LLC by fall 2016. The management plans to target this brand as a mass market product in US and Canada. It plans to launch the brand through the online route.

Strong Client Network & Distribution: Kitex garments has clients namely Mother care, Jockey, Toys R us, Gerber and Carter; and recently added two more large clients- Children's Place & Kohl to its client base. The garments segment contributes 100% of its revenues from exports, of which 85% comes from US and the rest 15% from Europe.

Valuation and Outlook:

At CMP of Rs.708, the stock is trading at 23.7x and 17.9x FY16E & FY17E P/E respectively. We believe that the stock is currently available at attractive valuations. We reiterate our a **"BUY"** recommendation with a target price of Rs. 954 per share, which represents an upside potential of 35%.

Key Risks:

1) Volatility in the raw material prices. 2) Forex risk. 3) Competition risk.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	3170	4422	5111	6466	8008
EBITDA	601	951	1687	2134	2715
EBITDA Margin (%)	19.0	21.5	33.0	33.0	33.9
Adj. Net Profit	294	574	985	1417	1877
EPS (Rs.)	6.2	12.1	20.7	29.8	39.5
RoE (%)	26.7	38.7	45.0	40.1	38.0
PE (x)*	8.6	7.4	25.7	23.7	17.9

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	708
Target Price	954
Upside (%)	35

Stock Information

Mkt Cap (Rs.mn/US$ mn)	33654 / 507
52-wk High/Low (Rs.)	1074 / 482
3M Avg.daily volume (mn)	0.1
Beta (x)	1.4
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	47.5
Face Value (Rs.)	1.0

Shareholding Pattern (%)

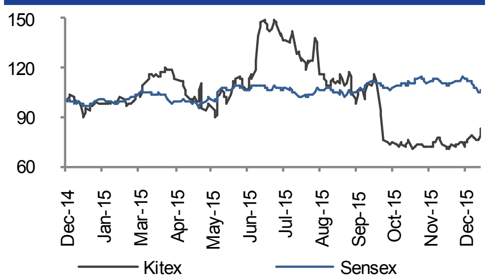
Promoters	54.2
FIIs	2.3
DIIs	0.7
Others	42.8

Stock Performance (%)

	1M	3M	6M	12M
Absolute	1	(16)	(29)	38
Relative to Sensex	2	(16)	(24)	46

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Kitex Garments Limited is based in Kochi, India. Kitex Garments Ltd. was incorporated in 1991. It made its public issue in the year 1995. It is promoted by Boby M Jacob, Kitex Exports Ltd, Sabu M Jacob and Somy Varghese.
Kitex Garments Limited is in the business of manufacturing and exporting garments. The company exports its products to US and European markets. The company currently employs over 8000 people at its facility, and has been a business provider to many satellite businesses in the state. It is the world's third largest infant wear supplier and the largest exporter from India. The products of KGL are Body suits, Sleep wear, Rompers, Burps, Bibs and Training pants.

NIIT Technologies Ltd

Bloomberg Code: NITEC IN

India Research - Stock Broking

BUY

Creating More Value Through New Ideas

EBITDA margins to increase due to growing international business and reducing dependence on government engagements:

Revenues from NIIT's Government business has declined 48% and Government business now contributes only 3% of the overall revenue mix. We believe the company will be able to post revenue growth of 14% CAGR over FY15-17E and the EBITDA margins to increase by 110 bps on change in revenue mix on account of increasing share of international business and decreasing focus on government business.

Improvement in order book to reflect in revenue growth:

NIIT Technologies received orders worth $80 Mn in Q2FY16; this included $29 Mn from the US, $34 Mn from EMEA and $17 Mn from APAC. The executable order book is $300 Mn over next 12 months. Over the longer-term, there is a strong correlation with growth in revenues and executable order book. We expect the revenues to grow by 14% CAGR from FY15-17E on the back of change in revenue mix and strong order book.

Recovery in international markets:

US economy appears to be in a fairly robust growth mode with the latest GDP data showing good growth in CY16. Business in the US has grown 6.2%, EMEA grew 5.8% while revenue share from APAC has also grown. With the recovery in international markets, focus on developed markets and increase in contribution of high margin business, we expect the revenues to grow by CAGR of 14% from FY15-17E.

Valuation and Outlook

At CMP of Rs.576, the stock is trading at P/E of 15.5x and 13.3x FY16E & FY17E EPS respectively, We reiterate our **"BUY"** recommendation with a target price of Rs.708. per share at P/E of 16.3x FY17E EPS, which represents an upside potential of 23%.

Key Risks:

- Sensitivity to currency movement.
- Global economic slowdown.
- Execution risk on account of government/asset heavy projects.

Valuation Summary

YE Mar (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	20214	23050	23725	27521	30961
EBITDA	3327	3542	3359	4099	4738
EBITDA Margin (%)	16.5	15.4	14.2	14.9	15.3
Adj. Net Profit	2132	2305	1141	2276	2650
EPS (Rs.)	35.5	37.8	18.7	37.3	43.4
RoE (%)	21.1	19.1	8.5	15.8	16.2
P/E (x)*	7.9	10.7	18.6	15.5	13.3

*Source: Company, Karvy Research, *Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)	
CMP	576
Target Price	708
Upside (%)	23

Stock Information	
Mkt Cap (Rs.mn/US$ mn)	35230 / 531
52-wk High/Low (Rs.)	632 / 325
3M Avg.daily volume (mn)	0.4
Beta (x)	0.4
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	61.1
Face Value (Rs.)	10.0

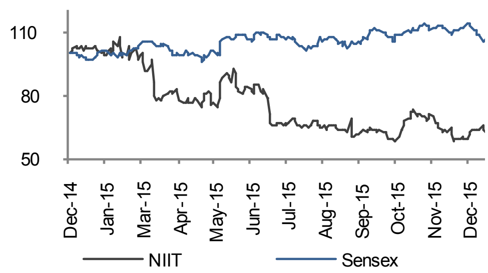
Shareholding Pattern (%)	
Promoters	30.8
FIIs	32.0
DIIs	21.1
Others	16.0

Stock Performance (%)

	1M	3M	6M	12M
Absolute	1	22	48	63
Relative to Sensex	2	23	58	72

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

NIIT Technologies is a leading IT solutions organization, servicing customers in North America, Europe, Japan, Asia and Australia. It offers services in Application Development and Maintenance, Enterprise Solutions including Managed Services and Business Process Management to organizations in the Financial Services, Transportation, Retail, Manufacturing and Government sectors. NIIT Technologies was among the early few software companies to upgrade its ISO certification to ISO 9001:2000. NIIT Technologies has a footprint that spans primarily across North America, Europe, Asia and Australia. The company has global presence across 16 countries with over 220 clients.

SKS MicroFinance Ltd

Bloomberg Code: SKSM IN

India Research - Stock Broking

BUY

Resilient MFI Reclaiming the Leadership

Fast growing player in the lucrative NBFC MFI segment:

SKS Micro had swiftly recovered from the AP MFI crisis and managed to grow at a healthy pace in all parameters during FY13-15. Gross loan portfolio (ex-AP & TS) grew by 47% (Y/Y) and at a CAGR of 46.7% during FY12-15 to Rs. 4171 cr during FY15. Healthy growth in loan disbursement along with lower slippages had resulted in 47% increase in gross revenue to Rs. 803 cr and 168% increase in PAT to Rs. 188 cr during FY15. SKS is expected to maintain healthy growth in the next couple of years amid clear regulatory framework.

Net Interest Margins of around 10% driving profitability:

SKS mobilizes debt at competitive rates from diversified sources including the priority sector lending route from banks. At the same time, SKS passes the benefit of low cost of funds onto borrowers in the form of reduction in interest rates yet maintains the NIMs of around 10%. This strategy helps in gaining market share and driving profitability.

Lowest NPAs post AP crisis indicate robust risk management:

Post AP MFI crisis, SKS had significantly diversified its geographical risk by aggressively expanding in other states and ensuring lower concentration of risk. It also ensured that its loan ticket size is lower than the industry average while its repayment cycles are shorter than the rivals. Diversification and prudence in operations helped to tide over the crisis and resulted in recovery of 99.8% (ex-AP & TS) during FY15.

Valuation and Outlook:

SKS Micro is expected to benefit from the rebound in the Microfinance sector growth in the light of regulatory clarity post the AP MFI crisis. It's well diversified presence, credit rating, strengthened balance sheet track record in handling the crisis augur well in the long term. At CMP, SKS trades at 15x FY17E EPS and we value at 20x FY17E EPS and recommend a **"BUY"** for a target of Rs. 600 in the next 9-12 months.

Key Risks:

- Political risk.
- Stiff competition.

Valuation Summary

YE Mar (Rs. Mn)	FY14	FY15	FY16E	FY17E
Total Income	5190	7240	10860	14987
PAT	699	1877	2796	3790
EPS (Rs.)	6.5	14.9	22.0	29.9
ABV (Rs.)	42.4	82.8	104.8	134.7
RoE (%)	15.3	18.0	21.0	22.2
RoA (%)	2.9	5.2	5.1	5.1
P/ABV (x)	11.7	6.0	4.7	3.7

Source: Company, Karvy Research, Bloomberg

Recommendation (Rs.)

CMP	494
Target Price	600
Upside (%)	21

Stock Information

Mkt Cap (Rs.mn/US$ mn)	63899 / 962
52-wk High/Low (Rs.)	590 / 361
3M Avg.daily volume (mn)	1.8
Beta (x)	1.0
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	127.0
Face Value (Rs.)	10.0

Shareholding Pattern (%)

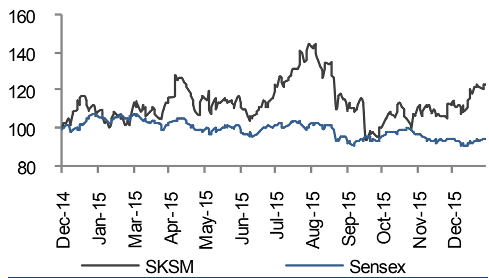
Promoters	6.3
FIIs	47.8
DIIs	16.7
Others	29.2

Stock Performance (%)

	1M	3M	6M	12M
Absolute	9	22	6	25
Relative to Sensex	10	23	13	30

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

SKS Micro Finance is among the largest Micro Finance Institutions in India in terms of Gross Loan Portfolio (Rs 4,170 cr), Number of Members (64 lakh) and Number of Branches (1268). SKS provides micro finance (unsecured loans with small ticket size) for income generating activities in rural India. SKS follows a village centric group lending model that gives unsecured loans which works on social collateral. SKS operates in 17 states (314 districts) in India through 1268 branches and 9698 employees serving 64 lakh members. SKS was among the worst hit during AP MFI crisis, but managed to emerge stronger from the crisis with its diversification and prudent risk management strategies.

Tube Investments of India Ltd

Bloomberg Code: TI IN

India Research - Stock Broking

BUY

Tube Investmensts (TI): Value Unlocking in Insurance Business to be Aided by base Business Performance

Value unlocking in the general insurance business: We consider TI-MS deal as positive for TI's standalone business with the inflow of close to Rs.8,862mn could be used to retire portion of debt leading to interest cost savings to the tune of Rs.709mn during FY16E & FY17E leading to sustainable PAT margin improvement upto 150bps by FY17E and thereof. The deal valuation at 8.46x of H1FY16 book value per share is a new industry benchmark for general insurance businesses in India.

Cycles to negate cyclicality of other segments: We expect the cycles & components segment to grow at a CAGR of 12.4% with volumes and realisation growing at a CAGR of 3.5% and 8.9% during FY15-17E. We expect speciality and standard segments to grow at a CAGR of 19.7% & 3.7% during FY15-17E.

EBITDA per tonne for engineering products to witness turnaround during FY17E: We estimate flat volumes and lower realisation leading to de-growth in engineering segment topline performance at a CAGR of 1.6% while per tonne EBITDA realisation to stabilise at Rs.6,350/tn FY17E. We expect the production ramp-up at large dia tube plant could happen in sync with off-take by user industries which remain elusive at the moment.

Automotive sector growth to aid recovery in the metal products business: We expect the metal products segment to grow at a CAGR of 3.5% during FY15-17E as two-thirds of revenues come from automotive segment which includes chains and doorframes while the recovery in the railways products business to remain at around 5-6 coaches per month during FY16-17E.

Valuation and Outlook

We recommend a '**BUY**' on Tube Investments of India for a target price of Rs.586 on SoTP basis with a combination of price-earnings and price-to-book multiples with standalone business valued at Rs.179 based on 23x (2 yr forward 11 year average P/E) FY17E EPS of Rs.7.8, Chola Investment, Shanthi Gears and Chola MS per share holding value at 20% discount is at Rs.227, Rs.13 and Rs.162 respectively, finally all other investments at 1x FY15 book value of investments at Rs.5 aggregating to per share value of Rs.586 representing an upside potential of 37% for 9-12 months period.

Key Risks:

- Slowdown in the consumption expenditure could impact cycles & auto demand.

Valuation Summary

YE Mar - Standalone (Rs. Mn)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	35655	35256	38278	38442	40786
EBITDA	2983	3015	3193	3459	3742
EBITDA Margin (%)	8.4	8.6	8.3	9.0	9.2
Adj. Net Profit*	1002	941	869	1005	1454
EPS (Rs.)	5.4	5.0	4.6	5.4	7.8
RoE (%)	8.7	7.8	6.8	5.9	6.8
P/E (x)**	30.6	35.8	79.9	79.5	55.0

*Source: Company, Karvy Research, * Adjusted for exceptional items*

***Represents multiples for FY13, FY14 & FY15 are based on historic market price*

Recommendation (Rs.)

CMP	428
Target Price	586
Upside (%)	37

Stock Information

Mkt Cap (Rs.mn/US$ mn)	80810 / 1217
52-wk High/Low (Rs.)	468 / 322
3M Avg.daily volume (mn)	0.1
Beta (x)	0.7
Sensex/Nifty	25960 / 7896
O/S Shares(mn)	187.3
Face Value (Rs.)	2.0

Shareholding Pattern (%)

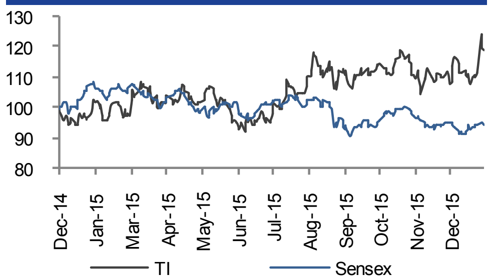
Promoters	48.8
FIIs	13.6
DIIs	12.1
Others	25.5

Stock Performance (%)

	1M	3M	6M	12M
Absolute	6	5	24	18
Relative to Sensex	7	5	32	25

Source: Bloomberg

Relative Performance*



*Source: Bloomberg; *Index 100*

Company Background

Tube Investments of India Limited (TI) is a holding company of the Murugappa Chettiar Group. The standalone entity operates through three segments, which include Cycles and Components, Engineering and Metal Formed Products, manufacturing products like precision steel tubes and strips, car doorframes, automotive and industrial chains and bicycles. TI's Cycles and Components segment consists of bicycles of different variety, including alloy bikes and specialty performance bikes. TI's brands include names like Hercules, BSA, Philips cycles, Montra and operates a wide distribution network of about 930 stores including 13 exclusive Track and Trial stores. TI operates 15 manufacturing plants in India.

Technical Outlook

HDFC: Technical View

HDFC is in the cycle of higher highs and higher lows in the last two years. However, over last few months the stock is trading in a broad range of 1090-1400 with low volumes and resembles like a down ward sloping channel (flag) formation, indicating a pause in the ongoing bull run. During this corrective phase, the stock has respected its medium and long term moving averages, indicating strength. The stock is currently trading in the lower band of the said trading range, and hence the stock can be accumulated for an initial target towards 1400 and sustenance beyond the range can take much higher into unchartered territory towards 1550 levels in the coming months.

HDFCBANK: Technical View

The Long term chart suggests a linear up trend by making higher highs and higher lows on the monthly charts. The extension levels drawn from the low of Rs. 528 to the high of Rs. 1109.30 and then to the low of Rs. 944.20 gives a potential upside target of 1191 levels (23.80%) in the near term, above which the next possible targets can be pegged at Rs. 1341.08 (38.20%) in the months to come.

ITC: Technical View

Technically, ITC is in secular uptrend on monthly charts from 66 levels in October 2008 and made an all time high of 401.9. The stock retraced from there to 294 levels where it took support from its previous swing low and 200 DEMA level on weekly chart and bounced back from there. The stock can retest all time highs in coming months breaking above which it can test 400 levels and above that in the uncharted territories of 430-440 levels.

LT: Technical View

LT had been one of our top picks in the Infra space. The counter had been in the uptrend making an all time high of 1893.80 levels in the month of March 2015. Thereafter, the stock witnessed a steep round of profit booking and is currently trading around its crucial support zone of 1250-1350 levels. The stock is still trading around its consolidation breakout levels on weekly charts. Analyzing the price action chain, the counter seems to have good potential to re-gain its life time levels and looks extremely attractive for accumulation in the medium to long term time frame.

MARUTI: Technical View

MARUTI is in the secular uptrend making higher highs and higher lows on the weekly charts trading near its all time highs outperforming the broader markets. The stock gave a consolidation breakout above 3900 levels and is expected to test 4975 levels which is 61.80% Fibonacci price extension drawn from the swing low of 1215 to the swing high of 3789.70 levels and above which in the uncharted territories of 5200 levels.

NTPC: Technical View

NTPC is trading sideways in a very broad range of 107-175 over last three years. However, in the month of August, the stock has formed long legged doji candle pattern on weekly chart with decent volumes at the lower end of the said range, indicating possible reversal of trend on weekly chart. Even on the oscillator and indicator front, RSI is trading at higher levels and MACD also has positive crossover, indicating more upside is possible into the stock. Hence, we expect the stock to move towards its higher end of the said range in the coming months.

RELIANCE: Technical View

RELIANCE has given a break out from its multi week trading range and moved above its previous swing highs of 925 levels with very good volumes, making the chart structure on daily chart to higher highs and higher lows. The stock also moved above its 50 weeks and 100 weeks moving averages, adding bullishness into the stock. The stock has support at 920-925 zone and below it at 850-860 zone, where the previous said trading range points are placed, and on the higher side, the stock has resistance at 1155-1165 zone, where previous swing highs are placed and above it at 1260-1340 levels.

SBIN: Technical View

SBI has witnessed a stellar rally from the lows of sub 150 to the highs of 336 during the period of August 2013 to January 2015. However, over last few months, the stock has witnessed a correction of the said rally to the lows of 220 on low volumes. The stock has found decent support in the zone of 220-235 levels, where previous swing lows and unfilled gap ups are present, and the said levels also coincides with the 61.8% retracement of the said rally. Hence, we assume that the correction in the stock is done and move towards its 52 weeks highs zone and much higher towards its all time highs in the coming months.

TCS: Technical View

Technically, TCS is in consolidation mode on monthly charts since it recorded its all time high of 2839.7. The stock is in uptrend since 219 levels in March 2009. The consolidation is in the range of 2350-2839.7. On weekly time frame, the 14 Days RSI is near its lower thresh hold of bullish zone. Hence, we recommended to initiate long at current market price for a price target of 2815 in medium term.

ULTRACEMCO: Technical View

The stock has doubled from the lows of sub 1400 in Sep 2013 to the highs of 3400 in March 2015, indicating its secular uptrend. However, over last one year, the stock is trading in a broad range of 2300-3400, taking support from 100 weeks moving average, indicating a pause in the current bull run. For now the stock has support near 2300 and below it at 2000, while upside resistances are placed in the zone of 3220-3300. Going forward, we expect the stock to retest its all time highs in the coming months and move much beyond into unchartered territory.

BEML: Technical View

BEML has witnessed a straight line rally from the lows of sub 106 levels in August 2013 to the highs of 1612 in July 2015, there by generating a whopping 14X return in a span of two years. The stated rally indicates its strong secular uptrend. However, after clocking the highs of 1612, the stock corrected to the lows of 999 in November 2015 on low volumes. During the corrective phase, the stock has respected its medium term moving averages on weekly charts, indicating strong hands are holding the stock. With the current month's 12% rally on decent volumes, we expect the stock has resumed its uptrend and the stock might test its 52weeks highs and above it to its all time highs of 1850 in the coming quarters. The stop-loss for the trade has to be placed below 990 levels.

CENTURYPLY: Technical View

Century Ply Boards India has witnessed a straight line rally from the lows of sub 22 levels in February 2014 to the highs of 262 in March 2015. However, the stock corrected from 262 to the lows of 137 in September 2015 on low volumes. During the corrective phase, the stock has respected its medium term moving averages on weekly charts. For now, the stock is consolidating in the range of 136 to 220 over last seven months. Going forward, we expect the stock to retest its upper end of the trading range in the coming months. Hence, traders can go long in the counter on minor dips for targets of 215-220 with a stop loss below 133.

CONCOR: Technical View

Concor has been making higher highs and higher lows on the weekly charts. The stock made an all time high of 1947.70 levels in the month of June 2015 and later went in to a sideways correction zone which dragged the counter towards the levels of 1260-1270 levels. Technically, the stock is trading around its crucial support zone of 1250 levels and is holding the said support from past four months. Long term investors could accumulate the stock at current levels for the potential upside targets of 1550-1580 levels where its recent swing high is placed.

HESTERBIO: Technical View

HESTERBIO has made the life time high of 848.90 levels in mid of July. Thereafter, profit taking has dragged the stock towards the 200 DEMA and made the low of 528.70 levels. However, the stock has struggled near the said levels for around three weeks and bounced towards the high of 698 levels. Thereafter, the stock has seen selling pressure that dragged to the low of 501.55 levels. The recent development suggests that the stock has made the base near 500 levels and currently trading near the 23.8% of retracement levels pegged near 583 levels drawn from the high of 849 levels to the low of 501 levels. Going ahead, 200 DEMA and the said retracement levels will act as resistance and any move above that could trigger fresh upsides in the stock.

HSIL: Technical View

HSIL has been making higher highs and higher lows on the weekly charts. The stock made an all time high of 474.40 levels in the month of April 2015 exhibiting a spectacular rally from the lower levels of 120 in a time span of one year. The stock later witnessed a round of profit booking which dragged towards the lower levels of 230-240. The stock took support around the same levels and currently is trading in a consolidation range of 270-320. We expect the stock to move towards 420 levels in the medium to long term perspective.

INOXWIND: Technical View

INOXWIND listed on exchange in April 2015 around 440 and since then made a low of 315 in the month of August 2015. The stock made a high of 411 levels October 2015 and since then trading in a range of 340-411.The stock is in a clear phase of consolidation on weekly and monthly charts as we observe huge rise in trading volumes near the support levels of 340. INOXWIND can be accumulated at current levels and once the stock gives a breakout above its resistance levels the stock could test higher levels of 440 in the medium term.

KITEX: Technical View

KITEX Garments has witnessed a straight line rally from the lows of sub 52 levels in August 2013 to the highs of 1074 in July 2015. However, the stock corrected from 1074 to the lows of 575 in August 2015. During the corrective phase, the stock has respected its medium term moving averages on weekly charts, indicating its primary up trend is still intact. For now, the stock is consolidating in a broad range of 575 to 870 over last five months. Going forward, we expect the stock to retest its upper end of the trading range at 870 and move towards the lower end of the unfilled gap down area of 930 in the coming months. Hence traders can go long in the counter on minor dips for targets of 870 and 925 with a stop loss below 600.

NIITTECH: Technical View

NIIT TECH is making higher highs and higher lows on weekly charts. The stock witnessed consolidation on daily charts between 565 to 615 levels. The stock had moved from 325.55 levels and made its all time high of 631 levels but witnessed profit booking to current level of 576.50 levels. Among the indicators, The RSI(14) is trading in bullish zone between 40 to 70 levels which indicates the stock is showing an overall strength. On the other hand, Bollinger band(20,2) is also widening in positive side while the mean is shifting upwards indicating bullishness. We expect the stock to test 730-750 levels in the next 9-12 months.

SKSMICRO: Technical View

SKSMICRO is in a structural uptrend after testing the lows near 97 levels in Aug'13 and the rally continued till July'15 wherein the stock made a fresh 52-week high of 589.60. However, the stock plunged towards 360 levels where it formed intermediate bottom and resumed its uptrend by forming higher low-higher high. Currently, stock is sustaining well above its 200 & 50-DEMA and on the weekly technical setup 14-period RSI is inching higher towards overbought territory after finding support above 40-levels, reaffirming positive bias in medium to long term perspective. Hence, one may accumulate the stock near the current levels for the upside targets of 550-600 levels in the coming 9-12 months time frame.

TUBEINVEST: Technical View

TUBEINVEST has given breakout above its resistance level of 442-445 and formed a strong base around the levels of 373-375. The stock is trading above its 50 DEMA, 100 DEMA and 200 DEMA indicating that upward trend is likely to continue in the medium to long term. It is trading above the mean of the Bollinger band and another indicator Parabolic SAR is also indicating positive momentum to continue. On the oscillator front, 14-day RSI is gradually inching higher indicating bullish momentum to continue in the coming trading sessions. Overall, the stock is likely to create new all-time highs in the next 9-12 months.

Global Markets at a Glance

Equities

EQUITY INDEX	LTP	1Y %Chg	52WH	52WL	PE (x)
US S&P 500	2072	(0.4)	2135	1867	18.6
US NASDAQ	5093	6.9	5232	4292	32.0
CHINA SHANGHAI	3573	12.5	5178	2851	18.7
EURO STOXX 50	3291	4.9	3836	2973	21.6
JAPAN NIKKEI 225	19034	9.3	20953	16593	19.9
UK FTSE100	6278	(3.6)	7123	5768	28.2
HONGKONG HANGSENG	21882	(6.8)	28589	20368	9.7
CANADA TSX	13177	(10.0)	15525	12618	20.4
FRANCE CAC 40	4680	10.7	5284	4076	21.6
AUSTRALIA ASX 200	5320	(1.8)	5997	4910	19.2
GERMANY DAX	10743	10.8	12391	9325	23.2
SWISS MARKET INDEX	8860	(1.4)	9538	7853	18.3
SOUTH KOREA KOSPI	1961	2.4	2190	1801	14.2
TAIWAN TAIEX	8280	(10.7)	10014	7203	13.2
INDIA NSE NIFTY	7896	(4.3)	9119	7540	20.8
SPAIN IBEX35	9646	(6.2)	11885	9231	18.4
BRAZIL BOVESPA	43455	(12.7)	58575	42749	25.3
NETHERLANDS AEX	446	5.9	511	402	24.5
SWEDEN OMX 30	1451	(0.9)	1720	1369	17.4
ITALY MIB	21529	13.2	24157	17992	1613.7
SINGAPORE STRAITS TIMES	2886	(14.3)	3550	2740	13.3
THAILAND SE THAI	1288	(14.0)	1620	1252	16.8
INDONESIA JAKARTA	4593	(12.1)	5524	4034	26.8
MEXICO BOLSA	43436	1.0	46078	39257	30.4
MALAYSIA BURSA KLCI	1693	(4.2)	1868	1504	18.0
NEW ZEALAND 50	6319	13.3	6333	5462	19.7

Source: Bloomberg, Karvy Research

Commodities

Commodity	Unit	LTP	%1Y	52WH	52WL
BRENT CRUDE OIL	$/bbl	36.8	(44.1)	72.9	36.0
NYMEX CRUDE OIL	$/bbl	36.8	(38.6)	65.6	35.3
NATURAL GAS	$/mmbtu	2.2	(35.9)	3.7	1.8
GOLD	$/troy ounce	1061.6	(11.6)	1307.6	1046.4
SILVER	$/troy ounce	13.9	(15.0)	18.5	13.6
PLATINUM	$/troy ounce	871.3	(28.5)	1288.8	824.4
ALUMINIUM	$/MT	1535.0	(17.4)	1978.3	1432.5
COPPER	$/MT	4729.0	(24.8)	6481.0	4443.5
ZINC	$/MT	1602.0	(25.2)	2404.5	1474.0
NICKEL	$/MT	8750.0	(41.9)	15677.0	8145.0
LEAD	$/MT	1768.0	(3.5)	2162.5	1551.5
IRON ORE	$/ MT	39.3	(42.9)	71.8	38.9
COAL	$/ MT	51.0	(15.1)	62.5	51.0
COKING COAL	$/ MT	78.2	(30.9)	113.7	73.4
CORN	Cents / bu	359.0	(17.2)	464.0	357.0
WHEAT	Cents / bu	471.8	(24.0)	638.3	465.5
SOYBEAN	Cents / bu	866.0	(15.5)	1044.3	847.0
ROUGH RICE	$ / 100 lb	11.9	-	13.9	10.4
CRUDE PALMOIL	MYR / MT	2495.0	10.3	2519.0	2030.0
SOYBEAN OIL	Cents / lb	30.7	(7.9)	35.4	26.2
COFFEE	Cents / lb	122.9	(31.6)	194.6	115.3
SUGAR	Cents / lb	15.2	(10.2)	17.4	11.3
COTTON	Cents / lb	64.1	(4.5)	67.9	59.4
ETHANOL	$ / Gal	1.4	(7.7)	1.6	1.4
RUBBER	Cents / KG	117.8	(22.9)	166.0	112.5
BALTIC DRY INDEX	Index	478.0	(38.9)	1222.0	471.0

Source: Bloomberg, Karvy Research

Currencies

Currency pair with $	Unit	LTP	%1Y	52WH	52WL
EURO	$ / 1 EUR	1.092	(10.2)	1.2	1.0
JAPANESE YEN	JPY / 1 $	120.56	(0.8)	125.9	115.9
BRITISH POUND	$ / 1 GBP	1.484	(4.7)	1.6	1.5
CANADIAN DOLLAR	CAD / 1 $	1.389	(16.1)	1.4	1.2
AUSTRALIAN DOLLAR	$ / 1 AUD	0.729	(10.9)	0.8	0.7
NEWZEALAND DOLLAR	$ / 1 NZD	0.684	(12.4)	0.8	0.6
SWISS FRANC	CHF / 1 $	0.990	(0.3)	1.0	0.7
NORWEGIAN KRONE	NOK / 1 $	8.814	(14.8)	8.8	7.3
SWEDISH KRONA	SEK / 1 $	8.425	(8.1)	8.9	7.7
CHINA RENMINBI	CNY / 1 $	6.490	(4.4)	6.5	6.2
HONGKONG DOLLAR	HKD / 1 $	7.751	0.1	7.8	7.7
INDIAN RUPEE	INR / 1 $	66.388	(4.5)	67.1	61.3
INDONESIAN RUPIAH	IDR / 1 $	13788	(9.8)	14828	12378
MALAYSIAN RINGGIT	MYR / 1 $	4.291	(18.5)	4.5	3.5
PHILIPPINES PESO	PHP / 1 $	46.970	(4.7)	47.5	44.0
SINGAPORE DOLLAR	SGD / 1 $	1.415	(6.6)	1.4	1.3
SOUTH KOREAN WON	KRW / 1 $	1173	(6.3)	1209	1065
TAIWAN DOLLAR	TWD / 1 $	32.939	(3.7)	33.3	30.4
THAI BAHT	THB / 1 $	36.070	(8.9)	36.7	32.3
RUSSIAN RUBLE	RUB / 1 $	73.166	(23.0)	73.4	48.1
S AFRICAN RAND	ZAR / 1 $	15.560	(25.7)	16.1	11.3
BRAZILIAN REAL	BRL / 1 $	3.990	(33.3)	4.2	2.5
MEXICAN PESO	MXN / 1 $	17.338	(15.0)	17.5	14.4
DOLLAR INDEX	Spot	98.337	9.2	100.5	89.8

Source: Bloomberg, Karvy Research

Bonds

10Y Govt Bond	Yld%	1Y Chg BPS	52WH	52WL
US	2.312	12.5	2.5	1.6
GERMANY	0.621	8.2	1.1	0.0
FRANCE	0.975	15.5	1.4	0.3
CHINA	2.850	(80.0)	3.7	2.8
JAPAN	0.265	(6.4)	0.6	0.2
UK	1.987	19.7	2.2	1.3
BRAZIL	16.397	392.0	16.8	11.7
ITALY	1.590	(29.1)	2.7	1.0
RUSSIA	9.554	(345.3)	14.7	9.3
INDIA	7.750	(12.6)	8.0	7.5
CANADA	1.427	(38.7)	1.9	1.2
AUSTRALIA	2.803	4.6	3.2	2.2
SPAIN	1.766	16.2	2.6	1.0
S.KOREA	2.085	(52.0)	2.7	2.0
MEXICO	6.326	43.8	6.4	5.2
INDONESIA	8.762	88.6	9.9	7.0
NETHERLANDS	0.785	11.2	1.3	0.2
NORWAY	1.475	(6.1)	1.9	1.2
SWITZERLAND	(0.055)	(37.4)	0.4	(0.4)
HONG KONG	1.570	(33.9)	2.0	1.3
SINGAPORE	2.570	29.9	2.9	1.8
SOUTH AFRICA	9.662	165.1	10.6	7.0
PORTUGAL	2.514	(16.8)	3.4	1.5
GREECE	8.301	(129.0)	19.6	6.8

Source: Bloomberg, Karvy Research

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