



# Research Scorecard

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December 2011



# Key pillars of our equity proposition

## Intensive Research

- Dedicated team for fundamental, derivative and technical research
- Total 26 fundamental research analysts covering 192 companies across sectors
- Customised research solutions – for investing or trading using cash, equities or derivatives

## Strong service platform

- Dedicated equity advisors to guide you on the markets
- Online and mobile platforms for trading and account tracking
- Online reporting systems for tracking transactions, profitability, securities position and cash movement



## Innovative & flexible products

- Offer innovative and unique products to cater to every client's need
- Provide flexibility in product and service features
  - Execution
  - Margins
  - Liquidity

## Institutional & Corporate Services

- Institutional services offered to our HNI clients
  - Block deals
  - VWAP trading
- Compliance reporting and monitoring services for employee accounts



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# Research Philosophy

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# Stock selection basis

## Fundamentals

- Financials of the company
- Growth prospects of the industry and company
- Quality of management
- Competitive landscape

## Valuations

- Stock price vis-à-vis:
  - Peers
  - Earnings quality
  - Intrinsic value













## Momentum

- Stock price movement vis-à-vis market and historical averages
- Transaction volume

## Technicals

- Chart based parameters
  - Moving average price
  - Trend reversals
  - Historical cycles
  - Patterns

# Research catering to client needs

	Fundamentals	Momentum	Technicals
Long term Investing			
Medium term Investing			
Short term Trading			
Intra - day Trading			



High



Low



Absent

# Research basket

## Long term Investing

- Three to five years perspective – Equity model portfolio
- Twelve to 15 month perspective – Detailed company reports
- Others – Muhurat Picks and Annual Strategy Picks

## Medium term Investing

- Three months perspective
- Pick of the Week

## Short term Trading

- Seven to 30 days perspective
- Monthly and Weekly Calls – Technical & Derivatives
- Stocks on the Move and Volatility Insight

## Intra – day Trading

- One to three days perspective
- Daily Calls – Technical, Momentum and Derivatives
- Intra Day Calls – BTST, Margin and Derivatives

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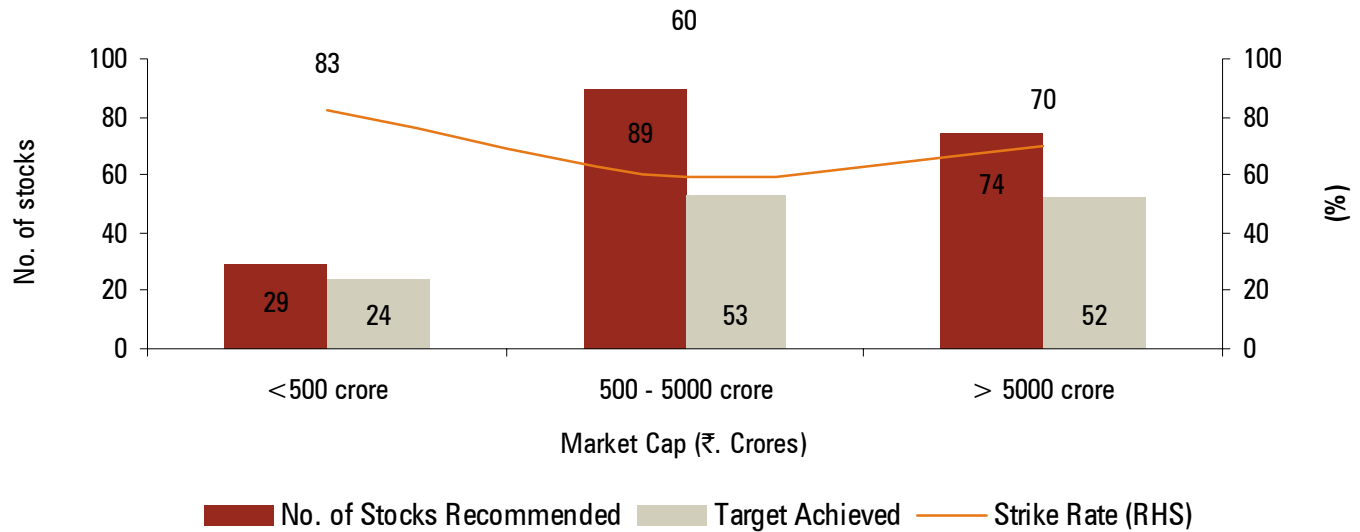
# Research Performance – Long Term Investing

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# Detailed Company Coverage

## Overall Basket

- Coverage: 192 companies
- Target Achieved: 129 companies (67.2% strike rate)



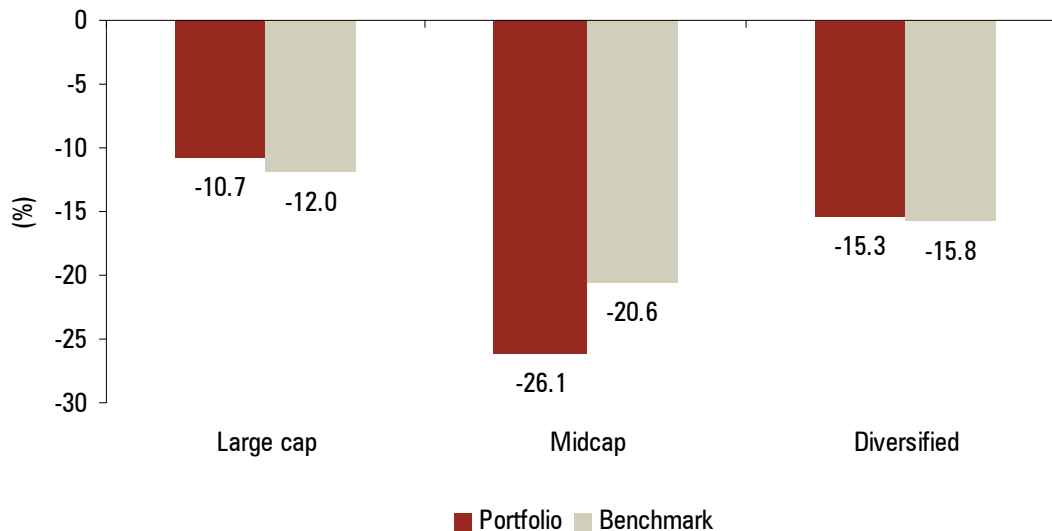
## Strong Buys (last 18 months)

Company	Event	Rec Date	Reco. Price (₹)	Target Price (₹)	Target achieved on	Status
Infosys	Result Update	18-Apr-11	2915	3350		Average if the stock price falls to ₹ 2400-2450 levels and exit at ₹ 2950-3050 levels
Aurobindo Pharma	Initiating Coverage	9-Mar-11	191	257		Average the stock at ₹ 79-80 levels and exit the stock at our revised target price of ₹141
Tata Motors	Result Update	15-Feb-11	242	305		Maintain Buy rating with a target price of ₹ 221 with averaging opportunity to be looked at below ₹ 160 levels as advised earlier.
Dena Bank	Result Update	31-Jan-11	100	130		Dena Bank has strong return ratios in spite of NPA additions. We recommend averaging the stock at current levels and dips as risk reward remains favourable. We have revised the target to ₹84
Federal Bank	Initiating Coverage	18-Nov-10	455	563		We expect growth to be slower and asset quality contained as NNPA is just 0.58%. We recommend that investors hold the existing stock and do not advise adding fresh positions. Our revised target price is ₹ 472
Lupin	Result Update	3-Nov-10	445	546		Our revised target for the stock is ₹ 530. Continue holding the stock
Glenmark Pharma	Result Update	29-Oct-10	335	413		Our revised target for the stock is ₹ 396. Continue holding the stock
Sterlite Technologies	Initiating Coverage	7-Oct-10	95	125		We advised clients to exit at ₹ 54 and continue to sell on rallies in the Q3FY11 update
Syndicate Bank	Initiating Coverage	5-Oct-10	120	164	27-Oct-10	Target Achieved
Shree Renuka Sugars	Industry Update	29-Sep-10	86	105	10-Nov-10	Target Achieved
Jaiprakash Associates	Result Update	27-Jul-10	121	151		We continue to see deep value in the stock. Maintain BUY with a target price of ₹ 82
TCS	Result Update	16-Jul-10	784	960	13-Oct-10	Target Achieved
Dish TV	Result Update	10-May-10	38	50	6-Aug-10	Target Achieved
OBC	Result Update	4-May-10	348	423	16-Aug-10	Target Achieved
Jayshree Tea	Result Update	4-May-10	142	183	28-Sep-10	Target Achieved
Dhanlakhmi Bank	Initiating Coverage	2-Apr-10	138	170	14-Jun-10	Target Achieved

# Equity Model Portfolio (recommended on June 21, 2011)

## Performance

- The large cap and diversified portfolio have outperformed their benchmark indices while sharp corrections in some of the stocks in our midcap portfolio have led to its underperformance

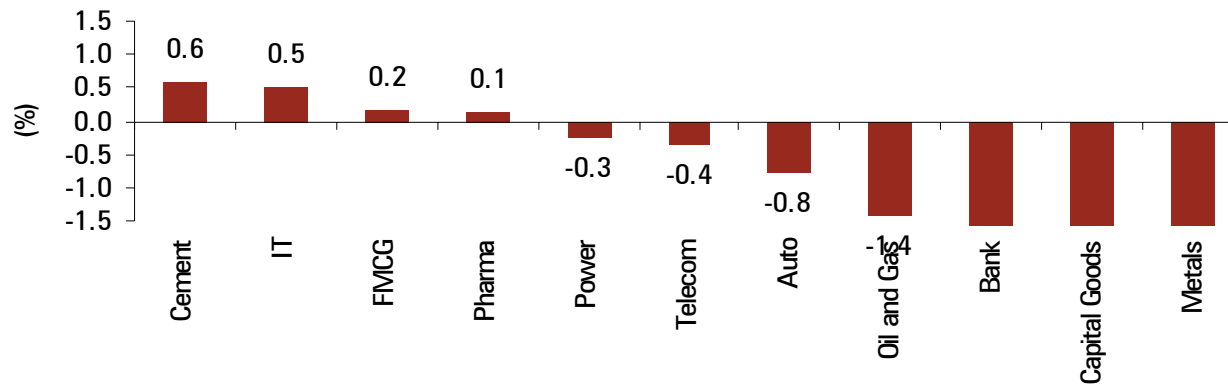


\* As on 30<sup>th</sup> Dec, 2011

# Equity Model Portfolio (recommended on June 21, 2011)

## Performance attribution (contribution to the portfolio's return)

### Large cap Portfolio

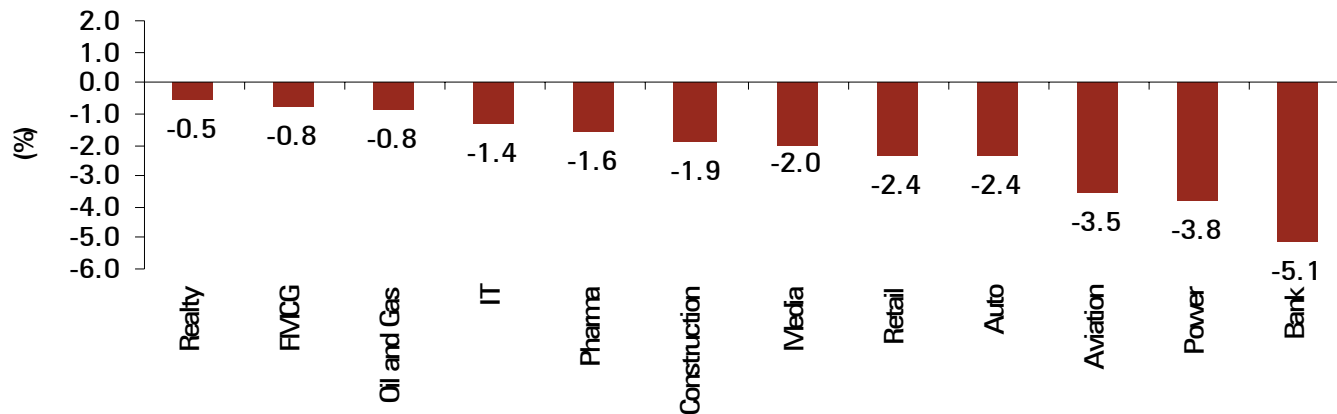


- Cement was the major contributor to the overall portfolio performance followed by IT
- Metals, capital goods and banks were the major draggers to the overall portfolio given the concerns over slowdown and impact of high interest rates and demand slowdown

# Equity Model Portfolio (recommended on June 21, 2011)

## Performance attribution (contribution to the portfolio's return)

### Midcap Portfolio

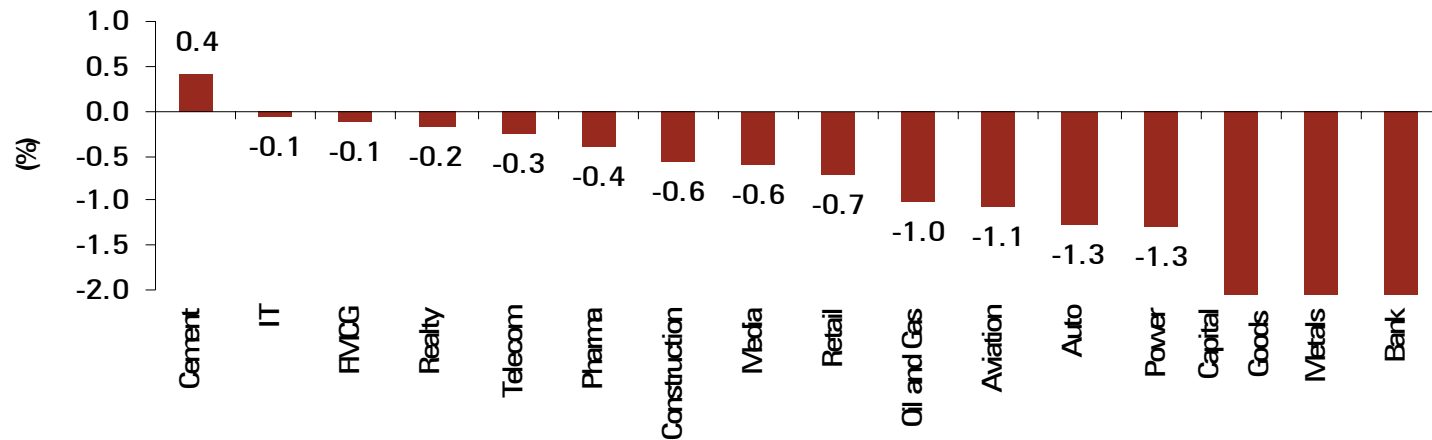


- Our midcap realty pick, Oberoi Realty bucked the trend of falling midcaps and remained resilient as compared to others
- Bank and power were the major draggers

# Equity Model Portfolio (recommended on June 21, 2011)

## Performance attribution (contribution to the portfolio's return)

### Diversified Portfolio

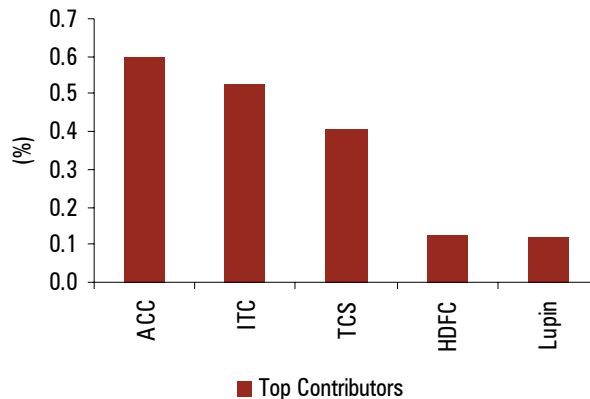


- Large cap cement stocks continued their outperformance
- The banking sector was the major dragger to the overall portfolio

# Equity Model Portfolio (recommended on June 21, 2011)

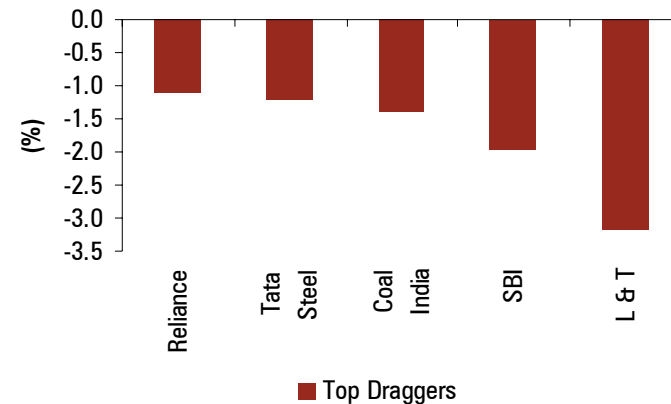
## Performance attribution (contribution to the portfolio's return)

### Large cap portfolio



ACC and ITC continued to exhibit their consistent outperformance in portfolio returns under stressed times

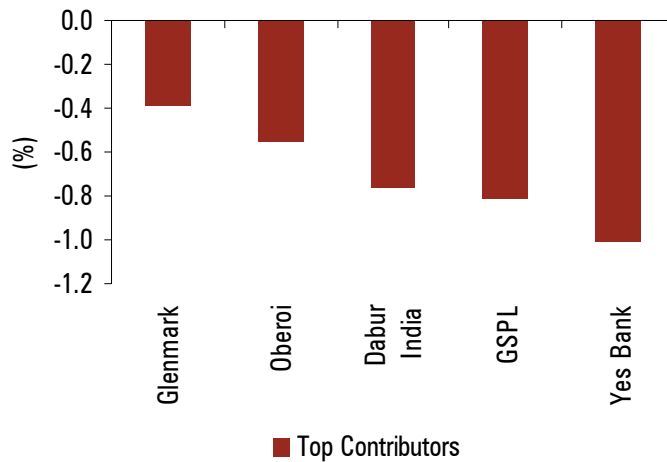
The continued underperformance of L&T, SBI and Coal India dragged down the portfolio's return



# Equity Model Portfolio (recommended on June 21, 2011)

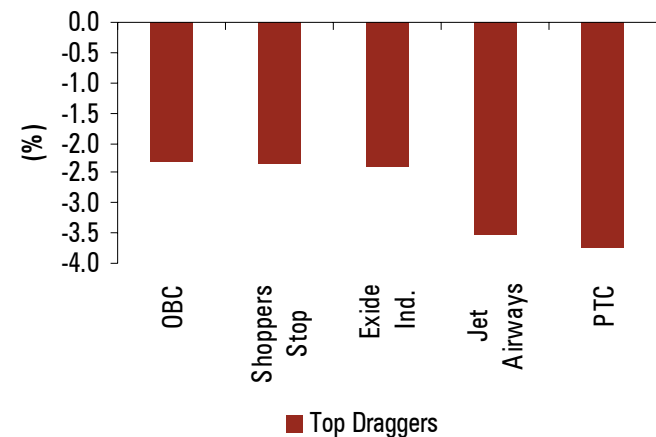
## Performance Attribution (contribution to the portfolio's return)

### Midcap portfolio



Glenmark, Oberoi & Dabur performed relatively better as compared to others

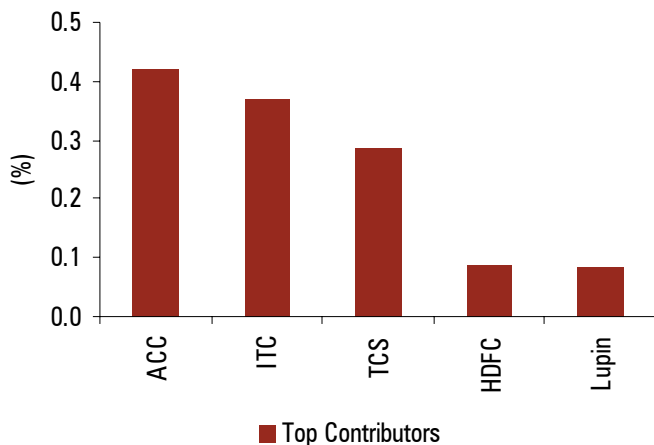
PTC and Jet Airways remained the major draggers to the portfolio performance



# Equity Model Portfolio (recommended on June 21, 2011)

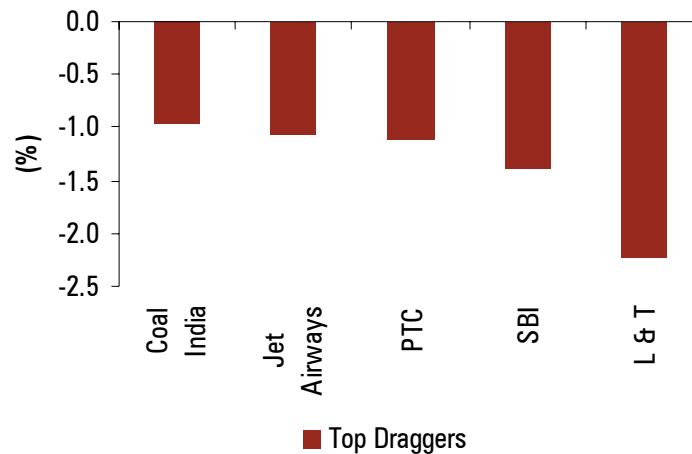
## Performance Attribution (contribution to the portfolio's return)

### Diversified portfolio



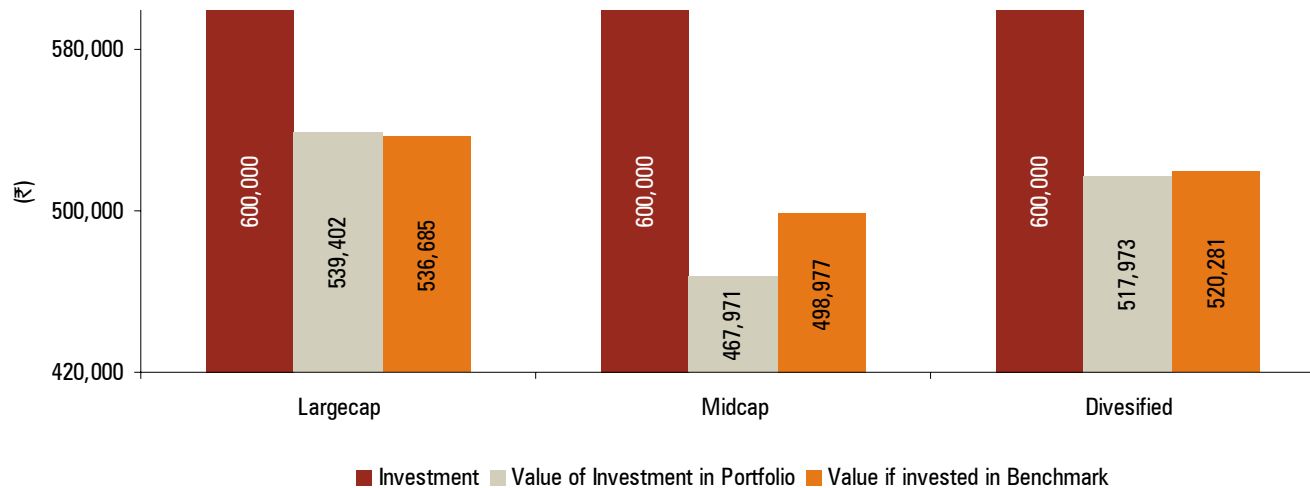
Defensive and low beta stocks outperformed as market sentiments remained tepid

The continued underperformance of L&T, SBI and PTC dragged down the portfolio's return



# SIP in Model Portfolio

Value as on December 30, 2011



- While large cap SIP outperformed its respective index, a sharp correction in midcaps led to underperformance in midcap & diversified SIP.
- Assuming ₹ 1,00,000 invested as SIP at the end of every month.
- Start date of SIP is June 30, 2011

# Muhurat Picks – Recommended in October, 2011

## Performance

- No. of Stocks: Five

Company	Reco Price	CMP	Return till date (%)
Bharti Airtel	378.0	327.5	-13.4
Biocon	345.6	279.9	-19.0
HDFC Bank	487.0	458.2	-5.9
HPCL	343.0	251.4	-26.7
ITC	204.0	204.2	0.1

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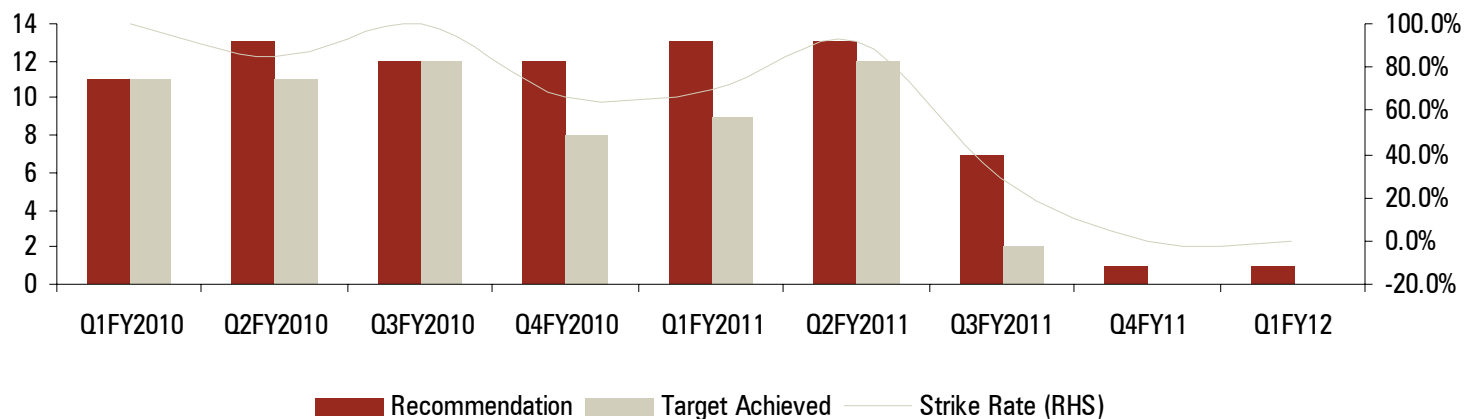
# Research Performance – Medium Term Investing

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# Pick of the Week

## Past Performance \*

- Recommendations: 83
- Target Achieved: 65 (78.3% strike rate)
- Average number of days to achieve target: 23 days



\* Due to volatile market conditions, there has been no POW recommendations for the last 7 months

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## Research Performance – Short Term Trading

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# Monthly Technical Calls

## December Performance

- Recommendations: 2
- Strike Rate: 100%
- Average Return: 5.1%

Stock Recommended	Reco. Date	Entry Price (Rs)	Target	Stoploss	% Profit/Loss	Comment
Havells India	5-Dec-11	401-404	446.00	387.50	0.0	No Trade
Colgate Palmolive	5-Dec-11	985-990	1,065.00	962.00	5.1	Profit booked at 1046

## YTD Performance

- Recommendations: 15
- Strike Rate: 66.7%
- Average Return: 5%

# Weekly Technical Calls

## December Performance

- Recommendations: 3
- Strike rate : 100%
- Average Return: 4.4%

Stock Recommended	Rec. Date	Rec Price	Target	Stoploss	% Profit/Loss	Comment
Shopper Stop	28-Nov-11	396.2-397.5	420.6	387.2	0.0	Not Initiated
Hathway Cable	5-Dec-11	112-113	121.0	109.1	7.6	Target Achieved
Wipro	26-Dec-11	394-395	420.0	385.0	1.3	Exited at 399.5

## YTD Performance

- Recommendations: 52
- Strike rate : 75%
- Average Return: 3.9%

# Weekly Derivative Calls

## December Performance

- Number of strategies recommended: 7
- Positive payoff: 2
- No Trade: 4
- Strike rate: 66.7%
- Net notional loss in ₹ : 250
- Average loss per call: ₹ 83.3

## YTD Performance

- Number of strategies recommended: 63
- Positive payoff: 32
- No Trade: 20
- Strike rate: 74.4%
- Net notional profit/(loss) in ₹ : 1,82,550
- Average Return per call: ₹ 4,245

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## Research Performance – Intra Day Trading

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# Trading Calls

## December Performance

- Strike rate of 67%

Trading	Derivatives/Margin Calls
Total calls	317
Positive Payoff	211
Open	0
Strike rate	67%

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**Thank You**

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