

INDIAN MARKET UPDATE

“Sensex Edges Up Marginally on Profit Booking; Small-Cap Stocks Outperform Sensex and Mid-Cap Index”

Table -1 BRIC MARKET MATRIX

BRIC	Brazil			Russia			India			China		
	Bovespa			RTS			Sensex			Shanghai		
Price	67814.71			1470.41			16971.70			3023.37		
1 Day Return	0.3%			0.0%			0.0%			0.0%		
1 Month Return	6.1%			0.5%			4.6%			0.9%		
1 Year Return	76.6%			161.2%			100.9%			37.5%		
Market Cap (Latest)	0.83			0.02			0.56			2.53		
Exchange Rates(Cur	1.79			29.82			45.77			6.82		
	2009 TTM	2009E	2010E	2009 TTM	2009E	2010E	2009 TTM	2009E	2010E	2009 TTM	2009E	2010E
GDP GROWTH	5.1	-1.3	2.2	5.6	-6.0	0.5	7.3	4.5	5.6	9.0	6.5	7.5
P/E	20.5	13.6	11.7	21.8	7.6	6.2	23.0	16.4	13.9	33.3	-	-

Source: BOE Research; FactSet;IMF;BLOOMBERG

*Market Cap (in Trillion USD)

BSE-SENSEX AND VOLUME

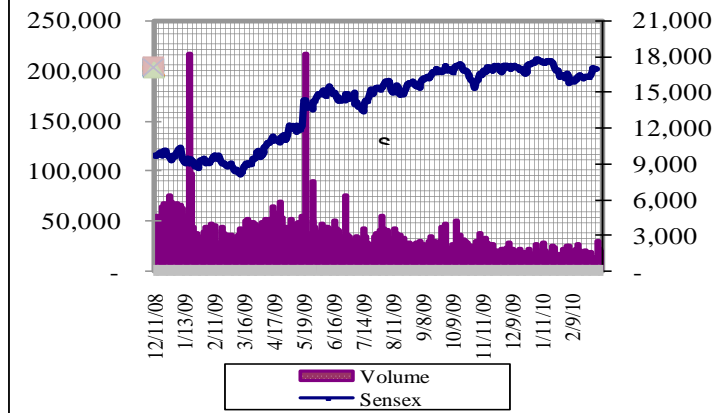


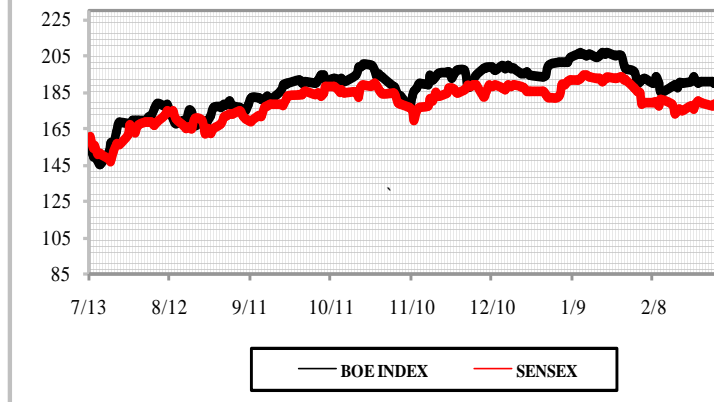
Table-2 Key Rates

	India	U.S.
Policy Rates		
Bank Rate%	6.00	0-0.25
Repo%	4.75	0.50
Reverse Repo%	3.25	
Interest Rates		
PLR%	11.00-12.00	3.25
Deposit Rate%	6.0-7.5	
10yr yeild%	7.93	3.61
Inflation Rates		
WPI %	7.31	
CPI %*	12.00	0.40

Source: RBI, CCIL, and Bureau of Labor Statistics, U.S.

* India for Oct and US for Nov(Y-o-Y)

BOE INDEX vs SENSEX



BOE INDICES

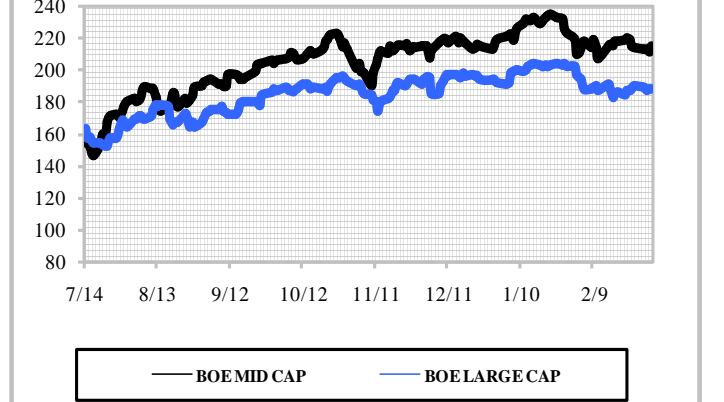
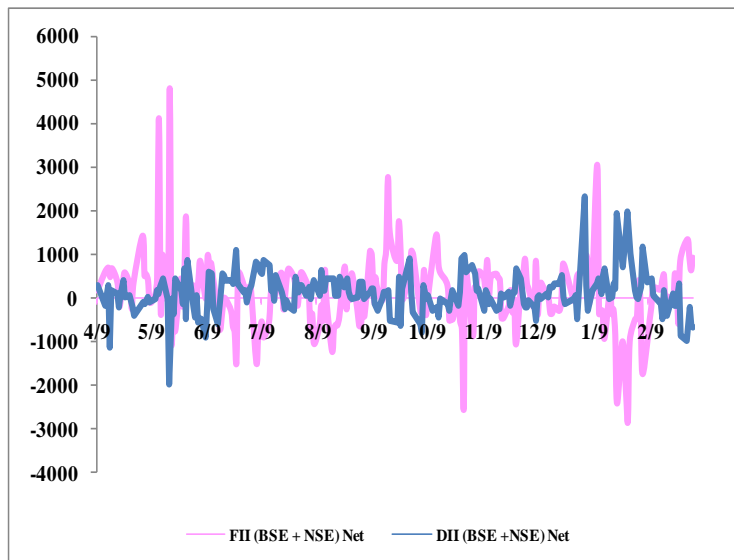


Table-3 (Returns)			
Indian Indices Performance	3/5/2010	Daily Returns	Monthly Returns
BSE SENSEX	16994.49	0.1%	4.7%
BOE UNIVERSE	1946.25	0.3%	5.2%
BOE LARGE CAP	1927.09	0.2%	5.0%
BOE MID CAP	2152.23	0.7%	6.4%
BSE 100	9078.98	0.3%	0.3%
BSE 200	2151.67	0.3%	4.7%
BSE MIDCAP	6735.49	0.6%	3.4%
BSE SMALLCAP	8499.64	0.8%	1.9%
BSE BANKEX	10198.99	0.2%	7.3%
BSE CAPITAL GOODS	13885.26	0.3%	6.0%
BSE CONSUMER DURABLES	4128.22	-0.5%	3.1%
BSE FMCG	2783.13	0.3%	1.5%
BSE HEALTHCARE	5049.69	0.3%	4.7%
BSE IT SECTOR	5228.72	0.1%	6.3%
BSE METAL	17560.26	0.0%	9.4%
BSE OIL&GAS	9767.37	0.0%	-1.5%
BSE PSU	9323.80	-0.6%	-1.2%
BSE TECK	3256.45	0.5%	4.5%
BSE AUTO SECTOR	7553.20	0.0%	8.8%
BSE REALTY INDEX	3460.19	1.8%	1.8%

The benchmark index Sensex gained marginally 0.13% or 22.79 points to 16,994.49. The BSE Small-Cap index rose 0.82% or 69.32 points to 8,499.64 and outperformed both the BSE Sensex and BSE Mid-Cap index (up 0.82%). Among the sector indices, the BSE Realty index rose 1.77% or 60.28 points to 3,460.19 and was the top outperformer of the day. The BSE PSU index lost 0.55% or 51.78 points to 9,323.80 and was the top underperformer of the day.

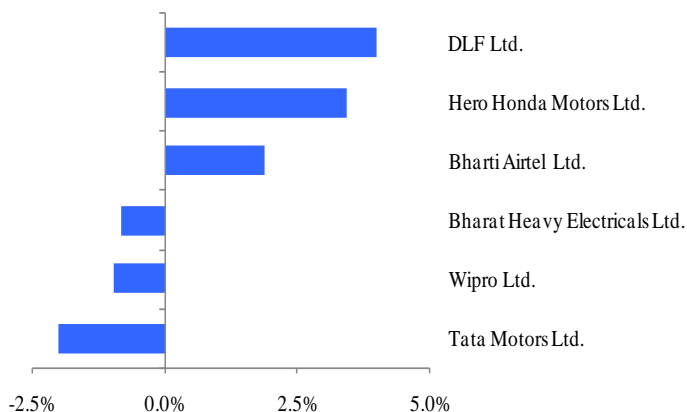


Foreign funds bought Indian equities of INR 9.13 billion net (Provisional). However, domestic investors (DII) were net sellers to the tune of INR 6.61 billion (Provisional) on Friday. INDIAN VIX stood at 20.74, 1.14% down compared to the previous close.

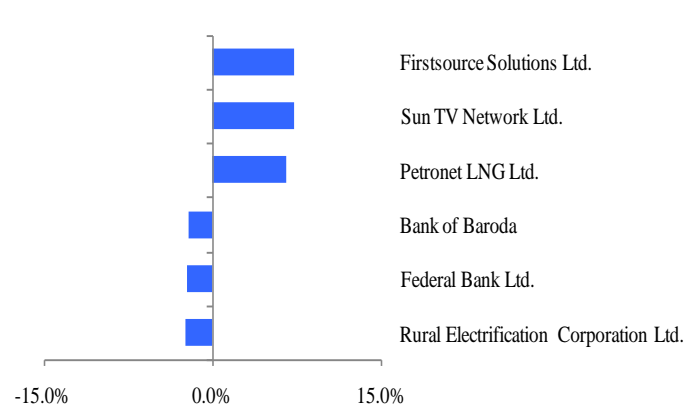
TOP 10 Outperformers	3/5/2010	Daily Return	Monthly Return	TOP 10 Underperformers	3/5/2010	Daily Return	Monthly Return
BOE Large Cap				BOE Large Cap			
Sun TV Network Ltd.	413.10	7.2%	6.3%	Rural Electrification Corporation Ltd.	238.15	-2.4%	0.3%
DLF Ltd.	316.55	4.0%	-1.5%	Bank of Baroda	595.40	-2.1%	4.5%
Kotak Mahindra Bank Ltd.	802.85	3.9%	7.14%	Tata Motors Ltd.	795.30	-2.0%	15.2%
Suzlon Energy Ltd.	80.45	3.6%	9.9%	Sesa Goa Ltd.	446.20	-1.7%	23.9%
ABB Ltd.	823.10	3.5%	3.8%	Axis Bank Ltd.	1,102.80	-1.7%	5.3%
Hero Honda Motors Ltd.	1,856.15	3.4%	15.9%	Crompton Greaves Ltd.	442.35	-1.5%	5.5%
Essar Oil Ltd.	140.00	3.4%	0.8%	Steel Authority of India Ltd.	234.10	-1.2%	10.1%
Ambuja Cements Ltd.	109.15	3.0%	8.4%	HCL Technologies Ltd.	358.20	-1.2%	6.3%
United Spirits Ltd.	1,490.05	2.9%	16.2%	Wipro Ltd.	686.75	-1.0%	4.9%
Mangalore Refinery and Petrochemicals	78.35	2.6%	-0.1%	Ranbaxy Laboratories Ltd.	468.65	-0.9%	9.9%
BOE Mid Cap				BOE Mid Cap			
Petronet LNG Ltd.	79.90	6.5%	6.1%	Federal Bank Ltd.	261.25	-2.3%	3.2%
United Phosphorus Ltd.	164.25	5.4%	5.3%	Financial Technologies (India) Ltd.	1,528.95	-2.1%	5.2%
Shree Renuka Sugars Ltd.	181.35	4.9%	-4.9%	Opto Circuits (India) Ltd.	222.50	-1.9%	3.5%
Gujarat State Petronet Ltd.	93.45	4.5%	3.1%	Titan Industries Ltd.	1,832.10	-1.8%	7.7%
Deccan Chronicle Holdings Ltd.	169.70	4.5%	13.5%	Patel Engineering Ltd.	439.80	-1.4%	2.6%
Oriental Bank Of Commerce	309.00	4.4%	17.7%	Piramal Healthcare Ltd.	410.25	-1.3%	8.9%
Punj Lloyd Ltd.	185.30	3.9%	1.5%	Tata Tea Ltd.	966.40	-1.2%	2.9%
Hindustan Construction Company Ltd.	147.55	3.4%	11.5%	Hotel Leela Venture Ltd.	47.85	-1.0%	4.5%
JSW Steel Ltd.	1,196.20	3.1%	16.8%	Allahabad Bank	138.95	-1.0%	3.0%
Dish TV India Ltd.	40.30	3.1%	0.2%	Moser Baer India Ltd.	82.05	-1.0%	7.3%

- Sun TV Network Ltd and Petronet LNG Ltd. were the top outperformers in BOE Large-Cap and Mid-Cap categories, respectively.
- Rural Electrification Corporation Ltd and Federal Bank Ltd. were the top underperformers in BOE Large-Cap and Mid-Cap categories, respectively.

SENSEX MOVERS



BOEINDEX MOVERS



In the Sensex and BOE Index, DLF Ltd (up 4.00%) and Firstsource Solutions Ltd (up 7.2%) were the top outperformers. The top underperformers were Tata Steel Ltd (down 2.00%) and Rural Electrification Corporation Ltd (down 2.4%).

Market Advances Marginally on Profit Booking; Small-Cap Stocks Outperform Mid-Cap and Frontline Stocks:

The Bombay Stock Exchange's Sensitive Index or Sensex ended marginally higher on Friday following profit booking. The key benchmark advanced marginally by 0.13% or 22.79 points to 16,994.49. However, there was buying seen in the small-cap stocks as the BSE Small-Cap index rose 0.82% and outperformed both the BSE Sensex and BSE Mid-Cap index. Realty stocks continued to rise on the second trading day on Friday, while metal stocks lost as metal prices fell in the London Metal Exchange on Thursday. Index heavyweight Reliance Industries (RIL) also edged lower today. The market was volatile. It opened on a firm note tracking higher Asian stocks and was trading in a narrow range in the mid-morning trade. It cut gains in the afternoon trade after the government sought additional spending plan for the current year. The market slipped into the red in the afternoon trade, but soon rebounded sharply on rising European stocks. The benchmark index pared gains in the late trade. The 30-share index traded in the range of 16,936.12 to 16,994.49.

Although the market was marginally up, the market breadth was strong as gainers outnumbered losers. A total of 1,671 shares rose while a total of 1,165 shares declined. The total of 106 shares remained unchanged. Like the Sensex, the S&P CNX Nifty rose marginally 0.17% to 5,088.70. The S&P 500 CNX Nifty March 2010 futures were trading at 5,087, a premium of 1.70 points to its spot closing.

Global Markets Round Up: Asian markets were trading higher on Friday after U.S. jobless claims fell and the Japanese Yen weakened on speculation that Bank of Japan will expand its monetary easing measures. The key benchmark index Nikkei 225 index rose significantly 2.20% or 223.24 points to close at 10,368.96 while the Hang Seng index advanced 1.03% or 212.19 to end at 20,787.97. Additionally, the Shanghai Composite index rose marginally 0.25% or 7.69 points to 3,031.06.

European markets rose to a six-week high on Friday after better-than-expected U.S. job loss data. Additionally, the easing concerns over the fiscal situation in Greece also lifted European stocks. The key benchmark index Germany's DAX rose 1.42% or 82.04 points to 5,877.36 and the FTSE 100 index advanced 1.31% or 72.60 points to 5,599.76. However, the CAC 40 index slipped marginally 0.03% or 1.06 points to close at 4,012.91.

U.S. markets were trading higher on Friday after U.S. Labor Department data showed that employers cut lower-than-expected jobs in February. Further, the U.S. consumer credit rose for the first time in January which lifted the consumer stocks on Friday. The key benchmark index Dow Jones industrial average rose 1.17% or 122.06 points to end at 10,566.20 and the broad S&P 500 index advanced 1.40% or 15.72 points to close at 1,138.69. Additionally, the Nasdaq Composite index added 1.48% or 34.04 points to 2,326.35. The NYMX February 2010 crude oil was trading 0.54% higher at \$81.94. (Latest).

Corporate Results: Suzlon Energy Ltd (Suzlon) announced it has issued separate notices each dated March 04, 2010 convening meetings of the holders of the US \$300,000,000 Zero Coupon Convertible Bonds due June 2012, the US \$200,000,000 Zero Coupon Convertible Bonds due October 2012, the US \$35,592,000 7.50% Convertible Bonds due June 2012, the US \$20,796,000 7.50% Convertible Bonds due October 2012 and the US \$90,000,000 Zero Coupon Convertible Bonds due July 2014 (the "Bonds"). The Company has proposed extraordinary resolutions in relation to the trust deeds and certain terms and conditions of the Bonds, including for the removal of financial covenants (where applicable) and for the waiver of any existing or prior breaches. The meetings of the holders of the Bonds are proposed to be held on April 07, 2010.

Sector Watch: The benchmark index Sensex gained marginally 0.13% or 22.79 points to close at 16,994.49 on continued buying in the realty stocks. The BSE Small-Cap index rose 0.82% or 69.32 points to 8,499.64 and outperformed both the BSE Sensex and BSE Mid-Cap index (up 0.82%). Among the sector indices, the BSE Realty index 1.77% or 60.28 points to end at 3,460.19 and was the top outperformer of the day. The BSE PSU index lost 0.55% or 51.78 points to end at 9,323.80 and was the top underperformer of the day.

Economic News: Prime Minister Manmohan Singh today stated that the economy could grow by at least 8% in FY2010-11. He also said that the economy would expand 7.2-7.5% in 2009-10. Singh said prospects for the winter-sown crop are 'very encouraging and ensure that government is taking all practical measures to bring down food prices. Additionally, the government today said that it will seek parliamentary approval to spend an extra INR 31,780 crore for FY2009-10, which it plans to fund through savings. Of the total spending INR 12,000 crore would be spent on oil subsidy, INR 8000 crore on fertilizer subsidy and INR 2,459 crore on food subsidy, among others.

Near-term Market Outlook: At today's closing price, the Sensex is valued at 18.22x its current EPS, a premium to historical 9-year average P/E of 16.42 (As per FactSet). Further, the Sensex trades at 18.47x its one-year forward EPS, a premium to its 9-year average P/E of 14.22.

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