



Dear Investors,

March 01, 2015

As we all know the union budget for 2015-16 has been presented. It does seem good in terms of creating an ideal atmosphere for investment. The central government gave leverage to foreign investors to increase their investment in debt markets, industrial, institution and bonds markets. But this time, the inflow of foreign investment (being the average inflow of FII Rs.8000 crores per month approximately the in last 24 months) will also escalate when the development of decision will be seen on ground. The important point which I will appreciate and recommend is to increase import duty on commercial vehicles because it will help Indian Companies to compete and survive in the market. This recommendation is based on the fact that foreign automobile companies will have to install units here and share their technology with Indians to save high import duty. This step will directly affect our GDP, as the automobile sector represents the industrial and financial growth of our economy in all manners.

After 2012, Equity market gave a decent boost of more than 5 percent as pre budget rally came up with hopes of good announcement and would come to boost up industries. The government delivered its best but they could not make the hopes on every face come true. Now the government's vision and work style is revealed in front of smart investors, so that they can restructure their portfolio accordingly. It will take time as it's not a one or two day based process.

The government did not give any surprise which related to stocks that have highest weightage in benchmark index (NIFTY), but they gave a major relaxation to automobile sector who currently have around 9 percent weightage in NIFTY, further presenting a roadmap of financial sector restructuring (A big positive step taken for PSU banks and NBFC) . Since last 2 days, up move of bank nifty has been around 6 percent which has totally reflected the benchmark index (nifty gain is around 3 percent), perhaps it has underperformed since January 28, where bank nifty return was around 12 percent negative and where benchmark index returns was around 5 percent positive at same time frame.

CPSE, IT, METAL and REALTY sector can lead the new rally as they were the top performers of last month. Banking can give us catch up rally or news based up move.

Conclusion: On current levels my advice is to wait for, if we want to make new long position or make it only above sustainable closing of 9020 (spot) as the market is in consolidation phase and trade at their higher level of consolidation. Sector specific rally can be observed.

We sincerely value your subscriptions and support.

Thank you.

Warm Regards,

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