

## The Indian EXPRESS

### ■ SECTOR OVERVIEW

# Where should you invest?

A host of sectors look attractive for the investor with at least a three-year perspective

**T**O BEGIN with, let us look at what the professionals find attractive from a three-year perspective. Sanjay Sinha of DBS Cholamandalam AMC finds infrastructure, construction, banking, and commodities (with a caveat — provided the global economic revival expected in 2010 happens) attractive. Jayesh Gandhi of Morgan Stanley Investment says he is currently overweight in banking, infrastructure, power, capital goods and cement. Dipen Shah of Kotak Securities finds sectors attractive: real estate, construction, capital goods and banks. And Jayesh

Shroff of SBI Mutual Fund likes infrastructure, FMCG (food-based), telecom and utilities (power sector).

**INFRASTRUCTURE.** With the new government in place, pending orders are likely to begin to flow. The government will now have to push projects so that Five-Year Plan targets are met. Moreover, implicit in the current mandate is the message that the government should give a thrust to infrastructure development, where its record during its last tenure was nothing to write home about.

**CONSTRUCTION.** A large part of the success of the UPA has come about because of the good work it did in rural ar-

reas. However, to take growth to the next trajectory, there will be a need to encourage urban migration and in the process raise the productivity level of the country. To accommodate the influx of migrants, urban infrastructure will have to be improved. This will provide scope to construction companies.

**BANKING.** This sector is attractively valued currently. And if we are going to see an improvement in GDP growth outlook, then the business opportunity for this sector will also improve. In addition, there is a possibility that consolidation in the sector may be encouraged to make banks more competitive (making them

better investment prospects).

**POWER.** Peak time power deficit in India is in the range of 13-18 per cent. The nuclear power sector is also likely to expand.

**COMMODITIES.** Commodity prices had taken a beating because global growth outlook had diminished. We may now see US and some of the major economies begin to revive in 2010. Hence commodity prices may begin to move up in advance. China's stimulus package of \$586 billion is beginning to take effect, and we are beginning to see commodity prices begin to harden. Valuations are very low currently. ♦

—S K Singh