

Mail Today

Check out the hottest stocks on bourses this year



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in Mumbai

In 2008, benchmark BSE Sensex has turned in its worst performance in over 15 years. It had shed over 52.53 per cent of its value from the level it had opened its account for the year, at 20,325.27 points. But what 2009 holds for the bellwether index?

Market veterans make a hunch that the Sensex will be around 15,500-16,000-points level by the end of 2009. Amitabh Chakraborty, president of Religare Securities calls 2009 a year of consolidation and pegs it at 16,000-point level, if there is no third front contending for the Delhi hot seat in the May 2009 elections. He justifies these premium valuations citing that India will grow by about 6 per cent next fiscal.

But are you going to trade in the indices? Most probably, 'no.' Hence, the importance of stock picking for 2009. Mail Today has solicited 8 leading broking firms for their pick in three categories - Large Cap, Mid-Cap and Small Capitalisation (total market value of the company).

Though the brokerages picked 15 large cap stocks in all, only seven stocks have passed the muster - of at least two brokerages identifying them as potential wealth creators in 2009. Bharti Airtel was the only scrip that has got three references. RIL, L&T, State Bank of India (SBI), NTPC, HDFC Bank and ICICI Bank got two references each.

"Bharti Airtel is India's largest integrated telecom provider. Its

BROKERS' CHOICE FOR 2009

LARGE CAP

Bharti Airtel, Reliance Industries, Larsen & Toubro, State Bank of India, National Thermal Power Corp (NTPC), HDFC Bank, ICICI Bank

MID CAP

Bharat Electronics Bank of India Praj Industries

Opto Circuits

SMALL CAP

Noida Toll

BROKERAGES SURVEYED IN THE STUDY

Angel Broking Bajaj Capital Fortune Financial Geojit Financial Invest Shoppe India Kotak Securities PCG Religare Securities SMC Global

INDIA INC '09 LOOKING AHEAD

wireless connectivity is expected to reach 134 million in three years from 77 million a couple of months back. Launch of 3G services and DTH (direct to home TV) will provide further boost to its top line," says Nimish Shah, managing director of Fortune Financial Services.

Infrastructure major L&T is being cited as the biggest beneficiary of the Centre's initiative to extensively build infrastructure to fight slowdown. Ashish Kapur, CEO, Invest Shoppe

India, says, "Strong management, healthy order book, diversification across product categories and geographies are some of the strong points for this engineering company."

Hitesh Agrawal, head of

SBI is the sworn market leader in banking arena

research, Angel Broking, sees higher growth trajectory for Reliance Industries in 2009, on commencement of gas and refinery production.

SBI is the sworn market leader in banking, while ICICI Bank, the second largest bank, found favour of some punters who feel that even if non-performing

assets of the bank goes up, it had a strong capital base to "weather out of the storm." Another private bank, HDFC Bank, is favoured for it has the best net interest margin and high asset quality compared to many other private banks.

Rakesh Bansal, senior research analyst of SMC Global, believes that signing of nuclear pact with the US would open new avenues for the power generation major, National Thermal Power Corporation (NTPC), making it a potential stock to watch in 2009.

Only four mid-cap stocks - Bank of India (BoI), Bharat Electronics, Praj Industries and Opto Circuits - got more than one reference, while one small cap stock - Noida Toll Bridge came into reckoning. There were 19 stocks each with single reference in these two categories of stocks. Punters are not gung ho about the prospects of mid-cap and small cap stocks at this juncture owing to global recession weakening domestic growth.

Kotak Securities PCG Research says that Bharat Electronics would not be vulnerable to economic down-cycles, defence business being its mainstay.

Fortune Financial says that health care equipment maker, Opto Circuits, was a niche player in invasive and non-invasive medical devices, and a supplier to OEMs (original equipment manufacturers).

Kapur says that Bank of India would be in a position to ride on strong balance sheet growth, stable margins and good quality assets, while Praj Industries, manufacturer of ethanol and other chemicals, would do well, backed by good technology.

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