

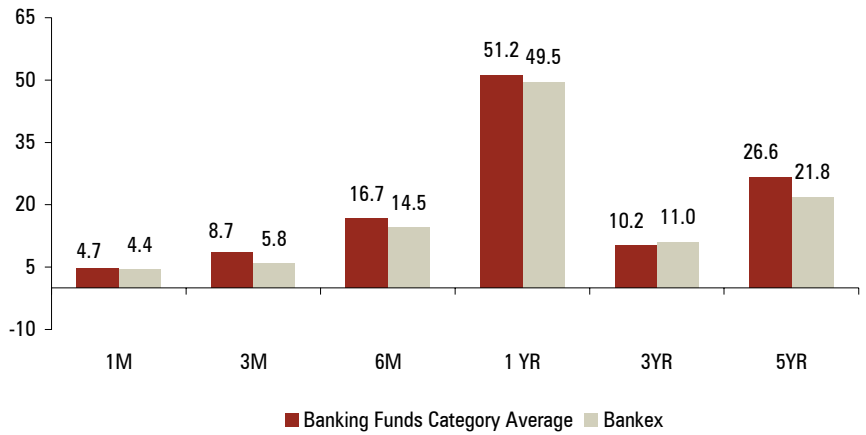
View
Short-term: Positive
Long-term: Positive

The BFSI space, which has ~25% weight age in the Nifty, lifted the index in the recent rally from the lows of 4700.

Equity Banking Funds

- Over long term, we expect the banking sector and funds in that category to do well as economic revival, margins expansion, low concerns on NPA and overall improvement in efficiency will provide growth prospects to the sector
- For FY11, We expect the NIM for banks to stabilise. Base rate implementation is unlikely to impact the bottom line substantially. Asset quality will remain a concern for a couple of quarters more on account of slippages from restructured assets. In our view, banking stocks are likely to move in line with markets in the coming quarter as the first quarter is a lull season for bank credit.

Category average vs. Fund Return



Source: CRISIL Fund Analyser, ICICIdirect.com Research

Note : % Returns are as on July 15, 2010, Returns above 1 yr are CAGR returns