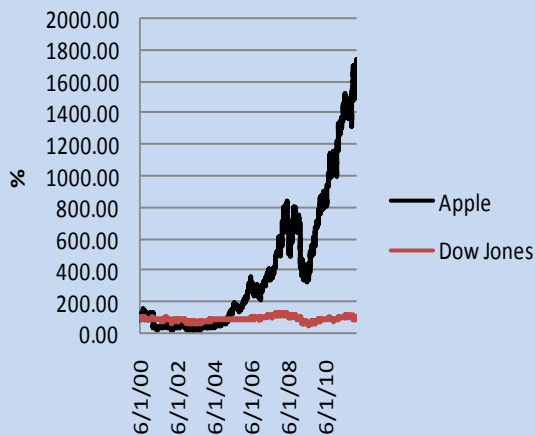


THE WEEKLY BUZZ

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Apple Inc. vs. Dow Jones
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GOODBYE MR. JOBS

Millions of people across the world mourned the death of Steve Jobs, the iconic founder of Apple Inc. Strangers left flowers outside his California home. An image showing a man listening to an iPod with the words "iSad" spread like wildfire over social media. Simon & Schuster moved up publication of Walter Isaacson's biography of Jobs, which quickly topped best-seller lists. Publications literally stopped the presses to get Jobs on the cover.

All of that offers evidence of the incredible effect Jobs' life had. Think about all the things we now take for granted. The user-friendliness of desktop computers. The way we buy and listen to music. The incredible power and design of smartphones. The portability and beauty of tablet computers. Jobs did all that.

Jobs' genius was the ability to imagine products and retail stores we would want before they even existed, and to focus on every element of their design. Unlike other, less-bold CEOs who rely on focus groups to tell them what consumers want, Jobs relied on his instincts.

Those instincts created more wealth than perhaps any individual has ever been responsible for. When Jobs returned to Apple in 1996, a decade after being forced out of the company he had co-founded in the 1970s, the stock was trading around \$5 a share adjusted for splits. The Dow Jones Industrial Average was at around 6,500. 15 years later, Apple's stock is hovering around \$380, 76 times its price when Jobs took over, leaving the company's value at about \$350 billion. During that time the Dow hasn't even doubled.

It isn't just Apple's shareholders who have benefited from Jobs' genius. Countless offshoot businesses have formed because of his innovations. Application developers. Accessory makers for iPods, iPhones and iPads. Products introduced to rival Apple's offerings.

Jobs – and by extension Apple – had a very specific product development method. They took a "Field of Dreams" approach; if you build it, they will come. To that end, the team at Apple simply focused on making a great product. They wanted to create something they were proud of; something they themselves wanted to use.

It takes a degree of guts (and perhaps arrogance) to assume that your own desires can be translated into a mass-market offering but for Apple, it worked. Importantly, Apple didn't compromise on passion or quality, instead believing that excellence would bring its own rewards:

Steve Jobs, R.I.P.

MOODY'S DOWNGRADES STATE BANK OF INDIA

Moody's Investors Service cut the stand-alone rating of State Bank of India (SBI), flagging concerns over capital and rapid deterioration in asset quality at the country's biggest bank. The agency cut its rating on SBI's financial strength to D+ from C-, while it also lowered its hybrid debt rating on the bank to Ba3 from Ba2, following the reduction in financial strength rating. The revised stand-alone rating carried a stable outlook and the hybrid rating a negative outlook, Moody's said.

Analysts said the downgrade would make SBI's overseas borrowings a costly affair. However, overseas borrowings constitute a mere 5% of the bank's liabilities. It will also affect other banks as SBI is seen as a representative of the Indian banking system.

Higher provisioning against bad loans has been weighing on SBI's earnings. In the April-June quarter, the bank's bad loans, as a percentage of total advances, reached a three-year high of 3.52%. SBI chairman Pratip Chaudhuri tried to calm frayed nerves, saying the bank's rating was in line with other major state-run banks, despite the downgrade. Other public sector banks such as Bank of Baroda, Punjab National Bank and Bank of India are also at D+.

According to Moody's, "the rating action considers SBI's capital situation and deteriorating asset quality. Our expectations that non-performing assets (NPA) are likely to continue rising in the near term — due to higher interest rates and a slower economy — have caused us to adopt a negative view on SBI's creditworthiness."

FDI JUMPS TWO-FOLD TO \$2.83 BILLION IN AUGUST

India received foreign direct investment (FDI) worth \$2.83 billion in August, an increase of 113% compared to that in the same month last year. In August 2010, the country had attracted FDI worth \$1.33 billion. Foreign inflows, in July, had declined after a significant jump for two consecutive months in May and June. In June, the inflows saw an annualised increase of 310% to a 11 year record of \$5.65 billion, while in May, the inflows touched \$4.66 billion showing an impressive 111% over the same month last year. In July, however, it declined by 38%.

For the April-August period, FDI went up by 95% to \$17.37 billion from \$8.89 billion in the year-ago period as inflows were robust in the initial months. Despite uncertainties in the global economy, FDI may touch \$35 billion in 2011-12, as against \$19.4 billion in the last fiscal on account of major deals like RIL-BP and Posco. In the previous fiscal, equity inflows through the FDI route dipped 25% to \$19.43 billion from \$25.6 billion in 2009-10. In 2008-09, FDI stood at \$27.3 billion.

Mauritius, Singapore, the US, the UK, the Netherlands, Japan, Germany and the UAE are major sources of FDI for India. During the period, the sectors that attracted the maximum FDI include services, construction activities, power, computers and hardware, telecommunications and housing and real estate.

IPO CLOSURE, LISTING TIME GAP TO BE CUT

The Securities and Exchange Board of India (Sebi) has decided to go for a comprehensive review of the initial public offer (IPO) process. The review will involve further reducing the time between closure of an issue and listing. At present, listing has to be made within 12 days. To help investors make informed judgment, SEBI has already asked issue managers to reduce the size of the application form for IPOs and disclose their track record of the issues managed and their performance.

In the past few years, several path-breaking measures have been taken for deepening and regulating the IPO market. These include 100% payment along with applications for institutional investors, including foreign investors, and the introduction of applications supported by the blocked amount (ASBA) facility. That has almost removed the problem of delayed refunds.

However, ever since these measures were implemented, the primary market has been facing rough weather because of external factors. Sources say the situation gives an opportunity to simplify the processes further. The standing advisory committee for the primary market has been assigned the task of undertaking the review and a meeting to be held in the next couple of weeks will begin this process.

INDIA GETS WORLD'S CHEAPEST TABLET PC

Nearly two years after it announced its intention to launch a low-cost computing device, the Indian government demoed *Aakash*, now the world's lowest priced computing/internet device at \$46 (Rs. 2,250). *Aakash* is designed, developed and manufactured by DataWind, in partnership with IIT Rajasthan, under the HRD ministry's Mission on Education Through Information and Communication Technology (NME-ICT).

The government is buying 100,000 tablets from DataWind at an all-inclusive price of \$46 (Rs 2,250) a unit. However, under NME-ICT, the target price for 10 million units is Rs 1,750 (\$35) a unit. DataWind eventually plans to bring it down to \$10 (around Rs 500) a unit.

The pilot project to test the device on the field will be done by distributing 3,300 devices in each state to post-secondary students. The state coordinators will be identified and field-testing on check-listed parameters will be done. Based on the feedback after 45 days, areas of improvement and innovation will be pondered over and changes brought accordingly. DataWind will offer a commercial version called *UbiS-late* in late November for Rs 2,999 (inclusive of all duties and taxes).

Did You Know?

If a person dies before paying his renewal premium for a life insurance policy after it had become due, a claim is still admissible, provided all the previous renewal premiums have been paid within the grace period. There is a grace period of 30 days in case of annual/half-yearly/quarterly premium, and 15 days for monthly premiums, within which the premium can be paid to keep the policy in force.

Weekly Spotlight

	September 30	October 7	% chg	
			Weekly	YTD
Sensex	16,453.76	16,232.54	↓ (1.34)	↓ (20.85)
Nifty	4,943.25	4,888.05	↓ (1.12)	↓ (20.32)
US	10,913.38	11,103.12	↑ 1.74	↓ (4.10)
China	2,359.22	2,359.22	↑ 0.00	↓ (15.98)
Japan	8,700.29	8,605.62	↓ (1.09)	↓ (15.87)
Hong Kong	17,592.41	17,707.01	↑ 0.65	↓ (23.13)
Germany	5,502.02	5,675.70	↑ 3.16	↓ (17.91)
UK	5,128.50	5,303.40	↑ 3.41	↓ (10.11)
Brazil	52,324.00	51,243.62	↓ (2.06)	↓ (26.06)
NYMEX Crude (\$ per barrel)	79.20	83.00	↑ 4.80	↓ (9.19)
Gold (\$ per oz)	1,620.00	1,652.00	↑ 1.98	↑ 17.54
Weekly DII Inflow (Rs.cr)	1,075.30	1,192.95		
Weekly FII Inflow (\$ mn)	(372.92)	(615.04)		
Cumulative DII Inflow - YTD (Rs.cr)	23,980.69	25,173.64		
Cumulative FII Inflow - YTD (\$ mn)	51.31	(563.73)		
Food Inflation (%)	9.13	9.41		

Don't let the noise of others' opinions drown out your own inner voice.

- Steve Jobs

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