

**MEDIA COVERAGE REPORT**

Mr. Sanjay Chawla, Chief Investment Officer,  
Baroda Pioneer AMC in '**Fund Speak**' in  
***Forbes India***

Issue: 29<sup>th</sup> November 2013

Date: 18<sup>th</sup> November 2013

**BARODA PIONEER MUTUAL FUND**



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<b><u>Publication</u></b>	<b><u>Headline</u></b>	<b><u>Issue</u></b>
Forbes India	Stability in Sight, Midcaps to Perform Better	29 <sup>th</sup> November 2013

/ FUND SPEAK /

## Stability in Sight, Midcaps to Perform Better

Will midcaps outperform the large caps in the next one year? Which sectors are expected to do well? *Pravin Palande* asks the experts.



THE CNX MIDCAP Index has underperformed the broader market by almost 18-20

percent due to sluggish demand, high interest costs and cost pressures. We expect these factors to ease in the coming year. Midcaps are trading at a discount of about 20 percent to large caps. With better earnings growth and the valuations gap closing, we expect them to perform better. We also expect the consumption cycle to continue on the back of strong rural demand.

**SANJAY CHAWLA,**  
CIO, Baroda Pioneer AMC



MIDCAPS ARE impacted more by broader economic factors: They are likely

to suffer in a downturn and perform well when a recovery sets in. The economy is likely to see greater stability next year and the probability of midcaps outperforming the large caps is high. Export-oriented segments are expected to do well. Companies focussed on long-term demographic plays in FMCG, retail and financials will offer good opportunities.

**NILESH SATHE,**  
Director & CEO, LIC Nomura MF



THE MIDCAP and the small cap stocks start moving up only after the initial euphoria moves

up large cap stocks. That's because in the midcap stocks, liquidity is not as high as large cap stocks. A sector-specific approach may not work as there are many midcap companies and the size of the segment is large. Yes, they would outperform the large cap stocks, though not all midcap stocks are expected to beat the large cap ones.

**V BALASUBRAMANIAN,**  
Vice president & fund manager—equity, IDBI AMC