Sensex may Touch 30,000 by the End of Next Fiscal

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ETMarkets.com: In the past one year, the only colour investors found on their portfolio was 'red', but things could change over the next 12 months as the Sensex looks on course to hit a new high, say experts who expect the market to deliver a minimum return of 10-20%.

Valuations have come down to reasonable levels, although they are still not cheap. This will make India more attractive for foreign institutional investors (FIIs), who have already poured in over ₹16,000 crore in Indian equity this calendar.

An increase in global liquidity, lower commodity prices, government's effort to boost consumption and a possible rate cut by the Reserve Bank of India (RBI) will provide enough push to the economy to attain a higher growth trajectory of 8% and above.

"The market is expected to remain stable and witness over 20% growth in next 12 months. We are expecting the Sensex to touch the 30,000 level by the end of FY17," Tushar Pendharkar, equity strategist at Right Horizons Financial Services said.

ETMarkets.com collated a list of stocks that investors can look at with a minimum horizon of 12 months:

Analyst: Vikas Gupta, CIO, ArthVeda Capital

Wipro: It's a cash-rich company, has low leverage and has 13% of the market cap in the form of cash balance.

The stock is available at an attractive EBIT yield of 10%, out of which 2% is dividend yield.

NMDC: It's also a cash-rich company with negligible debt, with 52% of the market cap comprising cash balance. The stock is available at attractive EBIT yield of 59% of which 17% is dividend yield.

ICICI Bank: Generally, the Indian financials sector is burdened with high NPA. However, ICICI Bank remains available at attractive valuations — undervalued on market cap per branch basis at ₹30 crore/branch vs. peers at ₹60-90 crore/branch; P/B of 1.5x and coupled with top-notch management.

MphasiS: Strong profitability (operating margins in the high teens) and net cash position of the company, leads to robust quality for MphasiS. The earnings yield (on EV basis) of 11% further justifies a good entry point.

Zensar Technologies: Currently, the company is sitting on a strong deal pipeline of $592 million, with major revenues coming from the US (75%), thus depreciating rupee and strengthening US economy providing further tailwinds to the business.

Analyst: DK Aggarwal, chairman, SMC Investments

Aarti Industries: The ongoing expansion projects will help the company to increase its exports share. This will be the key growth drivers in coming years.

Torrent Power: The company is expected to gain from four of its gas-based power plants, which will get government subsidy on the use of regasified liquefied natural gas (RLNG) for six months.

TV Today Network: All the channels of the group are contributing to the revenue growth of the company.

Atul Auto: The growth prospects of the company reflect healthy business movement for the long-term, as the company continues to launch new products and plans to enters more markets.

Analyst: Tushar Pendharkar of Right Horizons

UltraTech Cement: It could witness volume growth in the cement segment due to expected rise in demand from infra and housing segment. Due to acquisitions, UltraTech is well poised for an economic uptick.