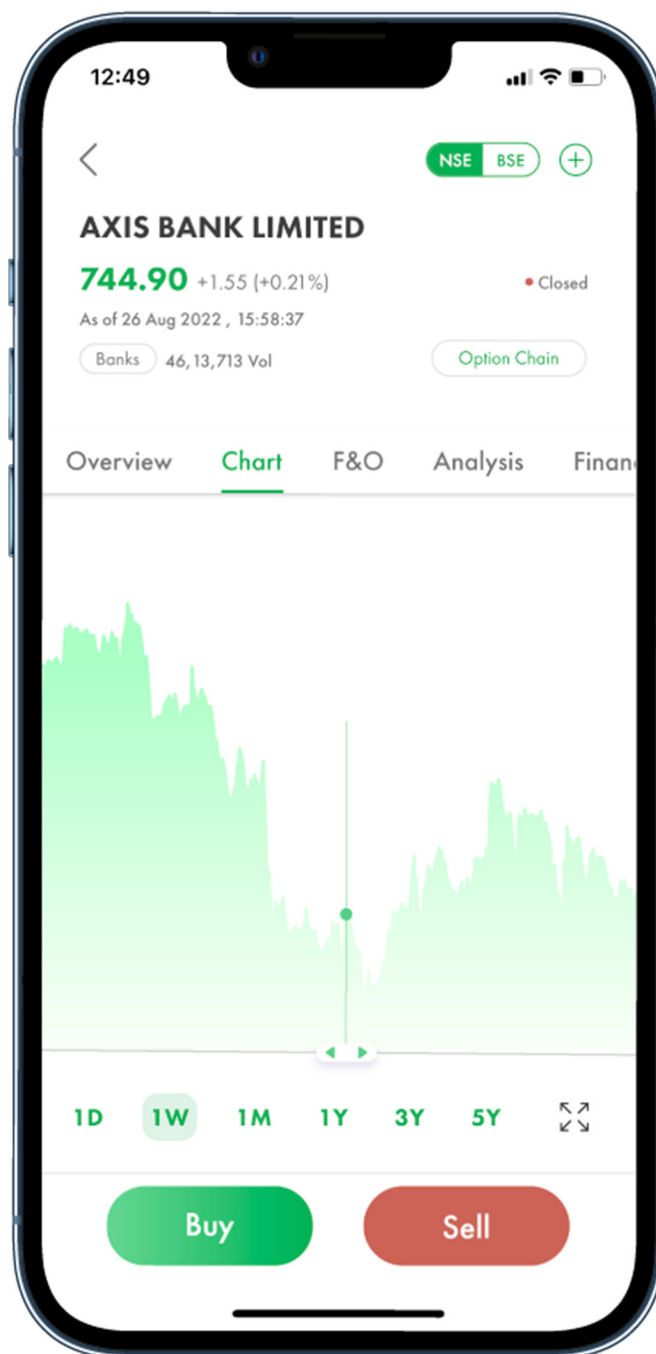


# Arihant's VALUE *Plus*

Issue | **Mar 2023**



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# MOVERS & SHAKERS



## INDIAN INDICES

Indices	Feb-23	Jan-23	Change (%)
SENSEX	58962.12	59549.90	-0.99
NIFTY 50	17303.95	17662.15	-2.03
NIFTY BANK	40269.05	40655.05	-0.95
NIFTY MIDCAP 100	30117.30	30676.45	-1.82
NIFTY 500	14518.75	14935.50	-2.79
NIFTY IT	29663.95	29740.35	-0.26
NIFTY REALTY	393.20	411.55	-4.46
NIFTY INFRA	5016.90	5061.35	-0.88

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Feb-23	Jan-23	Change (%)
AUTO 	29225.99	30452.05	-4.03
BANKEX 	45608.78	46689.64	-2.31
CD 	37460.43	37732.22	-0.72
CG 	33862.70	33806.17	0.17
FMCG 	16162.14	16108.25	0.33
HC 	21600.41	22491.63	-3.96
IT 	29404.44	29655.45	-0.85
METAL 	18986.49	21152.96	-10.24
OIL & GAS 	16915.04	18522.05	-8.68
PSU 	9366.01	9750.67	-3.94
REALTY 	3152.06	3279.56	-3.89
TECK 	13345.51	13651.57	-2.24

(Source: BSE)

## GLOBAL INDICES

Indices	Feb-23	Jan-23	Change (%)
DOW JONES	32656.70	34086.04	-4.19
NASDAQ	11455.54	11584.55	-1.11
HANG SENG	19785.94	21842.33	-9.41
FTSE	7876.28	7784.87	1.17
NIKKEI	27445.56	27327.11	0.43





(Source: MoneyControl)

## COMMODITIES

Particular	Feb-23	Jan-23	Change (%)
MCX GOLD 	55707.00	57190.00	-2.59
MCX SILVER 	65006.00	69413.00	-6.35
MCX CRUDE OIL 	6409.00	6463.00	-0.84
MCX NATURAL GAS 	229.70	224.10	2.50

(Source: MCX)

## FOREX

Particular	Feb-23	Jan-23	Change (%)
USD-INR 	82.64	81.73	1.11
EUR-INR 	87.41	88.78	-1.54
GBP-INR 	99.45	100.70	-1.24
JPY-INR 	0.60	0.62	-3.23

(Source: Investing.com)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2023	157749.1	163332.26	-5,583.16
Total for 2023*	306,562.72	341,189.20	-34,626.48

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Feb 2023	101,628.76	88,804.09	12,824.67
Total for 2023*	213,800.00	179,622.92	34,177.88

\*Till 28<sup>th</sup> Feb, 2023

(Source: SEBI)

# Market Outlook

## Monthly Market Roundup

As of February 2023, Domestic markets witnessed a setback with the Nifty 50 and Sensex Index ending the month with a downside of 2.03% and 0.99% respectively. Nifty SmallCap250, Nifty LargeMidcap250, Nifty smallcap100, Nifty Midcap100 and Nifty Midcap50 followed suit as they were down by 2.5%, 1.6%, 2.5%, 0.9% and 1.1% respectively.

The top losing sector for February was the Metal Industry (15%), followed by Media Sector (7.7%) and Nifty Pharma (4.9%).

### RBI Policy

On February 8, 2023, the Reserve Bank of India (RBI) concluded a three-day monetary policy meeting, during which it raised the policy repo rate by 25bps and reiterated its focus on withdrawing accommodation. The MPC made this decision based on its assessment of the current and evolving macroeconomic situation. The policy repo rate under the liquidity adjustment facility (LAF) has been increased to 6.50%, and the standing deposit facility (SDF) rate now stands at 6.25%, while the marginal standing facility (MSF) rate and the Bank Rate are both at 6.75%. Four out of six MPC members decided to remain focused on withdrawing accommodation to ensure that inflation remains within the target range while supporting growth. The objective is to achieve the medium-term target for consumer price index (CPI) inflation of 4% within a band of +/- 2%. Inflation is projected to be at 6.5% in 2022-23, with Q4 at 5.7%. Assuming a normal monsoon, CPI inflation is projected at 5.3% for 2023-24, with Q1 at 5%, Q2 at 5.4%, Q3 at 5.4%, and Q4 at 5.6%, with balanced risks. The outlook for real GDP growth for 2023-24 is projected to be 6.4%, with balanced risks. Governor Shaktikanta Das stated that the global economic outlook has improved, and inflation is expected to average 5.6% in Q4 2023-24.

### On the global front

China's manufacturing and non-manufacturing sectors experienced growth in february, with the official manufacturing purchasing managers' index increasing to 52.6 from january's 50.1, and the non-manufacturing

PMI rising to 56.3, the highest level since June 2022. The Caixin/S&P Global services purchasing manager's index also showed a jump in activity from 52.9 in January to 55 in February. In the US, the Bureau of Economic Analysis reported that the personal-consumption-expenditures price index rose 0.6% in January, with the core index, the Fed's preferred inflation measure, also rising 0.6% in January and 4.7% over the past 12 months.

Global equities ended in the mixed zone in February 2023, with Dow Jones losing 4.2%, the S&P 500 losing 2.6%, and the Nasdaq losing -1.11%. FTSE100 showed increase of 1.35%, while Nikkie225 showed an increase of 0.43%.

In commodities, gold decline by 2.59% and crude prices were down by 0.71%. USD/INR increased by 1.07% in the month of February.





## Economic Data Wrap Up: Feb - 2023

- India's January Nikkei Services PMI rose to 58.5 as compared to 56.4 in December.
- India's January CPI inflation came in at 6.52% as compared to 5.72% in December.
- India's January WPI inflation came in at 4.73% as compared to 4.95% in December.

## Nifty Technical Outlook: Mar - 2023

CMP = 17,450.00



On the monthly chart, we maintain our stance that the RSI is showing a negative divergence. This suggests weakness. In coming month if Nifty trades and close above 17,474 level then it is likely to test 17,730 - 17,987 - 18,286 levels. However, if Nifty trades and close below 17,131 level then it can test 16,875 - 16,619 - 16,320 levels.

Broadly, looking at the ongoing RSI negative divergence we are of the opinion that there is high probability that nifty may test 16,875 - 16,619 - 16,320 levels. Hence, we advise traders and investors to adopt cautious approach at current level.



# Fundamental Stock



APOLLO PIPES LTD

**BUY**  
Target  
₹599

## Stock Details:

NSE Code	APOLLOPIPE
CMP (As on 6th March, 2023)	INR 546
Face Value	INR 10
52 Week High / Low	633/402
Market Cap (INR Mn)	21,457
EPS (FY25e)	INR 23.4
P/E (x) (FY25e)	23.3

**Company Overview:** Apollo Pipes, is among a leading piping solution providing company in India. The company enjoys strong brand equity in the domestic markets. With more than 3 decades of experience in the Indian pipe market, Apollo Pipes holds a strong reputation for high quality products and an extensive distribution network.

The company operates 5 manufacturing facilities across country with a total capacity of 131,200 MTPA. Company has over 1,500 product varieties of cPVC, uPVC, and HDPE pipes, water storage tanks, PVC taps, fittings and solvents of the highest quality.

## Investment Rationale:

**Addition of value added products to portfolio:** In addition to pipes, the company started VAP portfolio in FY18 by adding plastic taps, showers, faucets, cisterns etc to their portfolio. These products are Value added and have better margins compared to traditional PVC Pipes. These have been well accepted in the market and the company plans to add more capacity going ahead.

**Margin expansion going forward:** The company has introduced bath fittings and building materials which are higher in margins. These have already received good response and the company is currently expanding its facility for these products in its plant in north (adding 25,000 tonnes). With new products coming in the mix, we believe the UPVC contribution will come down from 60% in FY22 to 45%

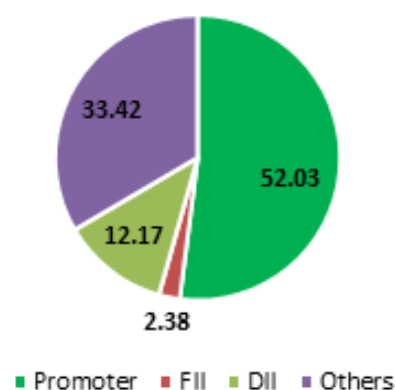
by FY24 and subsequently increasing share of other superior margin products.

**Strong leverage of group to benefit:** Apollo Pipes enjoys strong brand recall and visibility due to APL Apollo Tubes' strong and vast network of 800+ distributors and 1,00,000+ retailers. This acts as an added advantage compared to its peers where synergistic growth is not present.

**Capacity Utilization to improve:** The company used to operate at ~55-60% capacity pre-covid. FY22, the company operated at 46% capacity with its old plants operating at above 50% but new plants operating below 50%. We believe, on back of strong demand for its products (including new product portfolio), the utilization levels should improve past ~55% levels going forward.

**Valuation Outlook:** Apollo Pipes has been fastest growing company between FY18-22(28% revenue CAGR). The company is planning to scale up its CPVS, bath fittings and HDPE business which is higher in margins. With these plans in mind, the company is driving to create a diverse portfolio with strong demand which is less cyclical. We believe that the will grow 23.8%/23.9%/27.2% in Rev/EBITDA/PAT over FY22-25E. We have a positive outlook on the company with ACCUMULATE rating with a target price of 599.

## Shareholding Pattern % (Dec 2023)



# AUTO SECTOR

## FEBRUARY SALES



### Maruti Suzuki

**Total Sales: 1,72,321 units, 5.03% YoY UP**  
 Domestic Sales: 1,55,114 units, 10.76% YoY UP  
 PV Sales: 1,47,467 units, 10.09% YoY UP  
 Exports: 17,207 units, 28.36% YoY Down



### TVS Motor

**Total Sales: 2,76,150 units, 1.97% YoY Down**  
 Domestic Sales: 2,21,402 units, 28% YoY up  
 Exports: 57,024 units, 50.35% YoY down



### Mahindra & Mahindra

**Total Sales: 58,801 units, 8.00 % YoY UP**  
 PV Sales: 30,358 units, 10.00% YoY up  
 M&HCV Sales: 1087 units, 58.00% YoY up  
 Exports: 2,250 units, 20% YoY Down



### Atul Auto

**Total Sales: 2,125 units, 55.68% YoY up**



### Bajaj Auto

**Total Sales: 2,80,226 units, 11% YoY Down**  
 Domestic Sales: 1,53,291 units, 36% YoY UP  
 CV Sales: 44,870 units, 22.0 % YoY UP  
 Exports: 1,26,935 units, -38 % YoY down



### Escorts

**Total Sales: 7,811 units, 27.8% YoY up**  
 Domestic Sales: 7,245 units, 27.4% YoY up  
 Exports: 566 units, 32.20% YoY up



### Hero MotoCorp

**Total Sales: 3,94,460 units, 10% YoY UP**  
 Motorcycle Sales: 3,71,854 units, 9.86% YoY UP  
 Scooters Sales: 22,606 units, 14.17% YoY UP  
 Domestic Sales: 3,82,317 units, 15.34% YoY UP  
 Exports: 12,143 units, 54.67% YoY Down



### Ashok Leyland

**Total Sales: 18,571 units, 26.70% YoY UP**  
 M&HCV Sales: 12,668 units, 35% YoY up  
 LCV Sales: 5,903 units, 12% YoY UP



### Tata Motors

**Total Sales: 79,705 units, 2.5% YoY Up**  
 Exports: 1699units, 55.96% YoY down  
 CV Sales: 36,565 units, 3 YoY down  
 PV Sales: 43,140 units, 7.00% YoY up



### Volvo-Eicher Commercial Vehicles

**Total Sales: 7,289 units, 24.5 YoY up**  
 Exports: 301 units, 53.8% YoY down

### Eicher Motorcycle

**Total Sales: 71,544 units, 21% YoY UP**  
 Exports: 7,108 units, 1 % YoY up

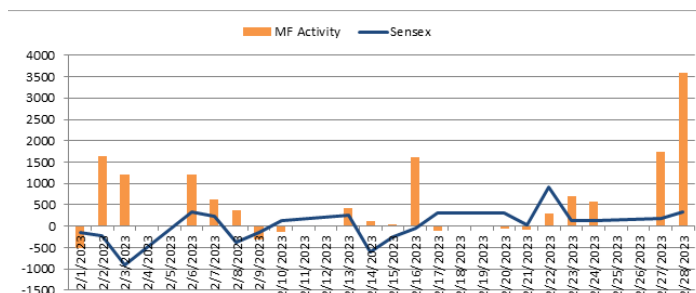
(Source: NSE)





## MUTUAL FUNDS ROUNDUP

Indian equity markets ended with negative note in february 2023. The barometer index, S&P BSE Sensex and NIFTY 50 both delivered negative returns and settle at 58,962.12 (-0.99%) and 17,303.95 (-2.03%) respectively in february month.



### MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 7,497.87 Crores in the month of february 2023. Highest buying was recorded in the 1st week of the month when the fund houses made total net buy of Rs 2,334.97 crores of equities. On the other hand, foreign institutional investors (FIIs) were net sellers to the tune of Rs -5,583.16 crores worth of equities in february 2023.



### Mutual Fund Activity in Feb 2023

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	20,922.32	18,587.35	2,334.97
2nd Week	21,962.85	20,197.45	1,765.40
3rd Week	22,358.79	20,270.12	2,088.67
4th Week	24,035.31	22,726.48	1,308.83
<b>Total</b>	<b>89,279.27</b>	<b>81,781.40</b>	<b>7,497.87</b>

Note: Mutual Fund activity as on 28<sup>th</sup> Feb, 2023

## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 28 <sup>th</sup> Feb, 2023 (Rs in Cr)	Launch Date	Returns (%)				Min. Investment Amount	
				One Year	Three Years	Five Years	Since Inception	SIP	Lump sum
Large Cap Fund									
Axis Bluechip Fund(G)	41.68	35,584	05-Jan-10	-4.99	9.57	10.78	11.46	100	500
ICICI Pru Bluechip Fund (G)	67.27	34,640	01-May-08	5.57	17.80	10.97	13.77	100	100
Mirae Asset Large cap Fund(G)	76.81	33,446	04-Apr-08	2.64	14.86	10.35	14.65	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	36.97	15,361	29-Jun-12	-12.91	6.64	7.59	13.03	100	500
Kotak - Flexi Cap Fund (G)	52.53	36,433	11-Sept-09	4.98	13.78	9.92	13.10	500	5000
SBI - Flexi Cap Fund (G)	73.52	15,840	29-Sept-05	0.33	14.31	9.30	12.13	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	84.09	13,489	25-Jun-07	-0.70	12.67	8.37	13.95	500	500
HSBC MidCap Fund (G)	203.66	7,089	9-Aug-04	4.89	14.91	7.12	17.62	500	5000

Note: NAV and Returns as on 28<sup>th</sup> February 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

## Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 28 <sup>th</sup> Feb, 2023 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	6.84	2,467.93	29,632	0.49	1.59	3.10	5.36	6.98
ICICI Pru Liquid Fund(G)	6.80	328.50	47,483	0.48	1.58	3.03	5.24	7.12
Ultra Short Term Fund								
Kotak Saving Fund(G)	7.56	36.44	12,097	0.48	1.52	2.82	4.86	7.22
HSBC Ultra Short term Fund(G)	7.12	23.87	457	0.40	1.37	2.61	4.28	7.36

Note: NAV and Returns as on 28<sup>th</sup> February 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

## ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 28 <sup>th</sup> Feb, 2023 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.21	14,042	28-Dec-15	2.22	18.86	12.98	16.66
Axis LT Equity Fund(G)	61.62	28,865	29-Dec-09	-8.96	8.02	8.45	14.80
Kotak Tax Saver(G)	73.41	3,143	23-Nov-05	6.88	17.19	12.38	12.23

Note: NAV and Returns as on 28<sup>th</sup> February 2023, Returns < 1 yr annualized, Returns> 1 yr compounded



# THE MONTH AHEAD

## KEY FINANCIAL EVENTS

### March 2023



#### Mar 01

- GBP BOE Gov Bailey Speaks
- USD ISM Manufacturing PMI
- INR Nikkei S&P Global Manufacturing PMI (Feb)

#### Mar 02

- EUR CPI Flash Estimate y/y
- EUR Core CPI Flash Estimate y/y
- USD Unemployment Claims

#### Mar 03

- USD ISM Services PMI

#### Mar 07

- USD Fed Chair Powell Testifies

#### Mar 08

- USD ADP Non-Farm Employment Change
- USD JOLTS Job Openings
- EUR ECB President Lagarde Speaks

#### Mar 10

- GBP GDP m/m
- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD Unemployment Rate

#### Mar 14

- USD CPI m/m & Y/Y
- USD Core CPI m/m
- GBP Claimant Count Change
- GBP Average Earnings Index 3m/y

#### Mar 15

- USD Core Retail Sales m/m
- USD Empire State Manufacturing Index
- USD Retail Sales m/m
- USD PPI m/m
- USD Core PPI m/m
- GBP Annual Budget Release

#### Mar 16

- USD Philly Fed Manufacturing Index
- USD Unemployment Claims
- EUR Main Refinancing Rate
- EUR Monetary Policy Statement
- EUR ECB Press Conference

#### Mar 17

- USD Prelim UoM Consumer Sentiment
- USD Prelim UoM Inflation Expectations

#### Mar 22

- GBP CPI y/y
- USD FOMC Statement
- USD FOMC Economic Projections
- USD Federal Funds Rate

#### Mar 23

- USD FOMC Press Conference
- GBP Flash Manufacturing PMI
- GBP Flash Services PMI
- GBP MPC Official Bank Rate Votes
- GBP Monetary Policy Summary
- GBP Official Bank Rate

#### Mar 24

- USD Flash Services PMI
- USD Flash Manufacturing PMI

#### Mar 28

- USD CB Consumer Confidence
- USD Richmond Manufacturing Index

#### Mar 31

- USD Core PCE Price Index m/m
- USD Revised UoM Consumer Sentiment



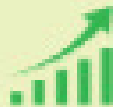
**THINK  
BIG  
START SMALL**

## ARIHANT'S SIP INVESTMENT

### WHY SIP INVESTMENT



**DISCIPLINED  
INVESTMENT**



**POWER OF  
COMPOUNDING**



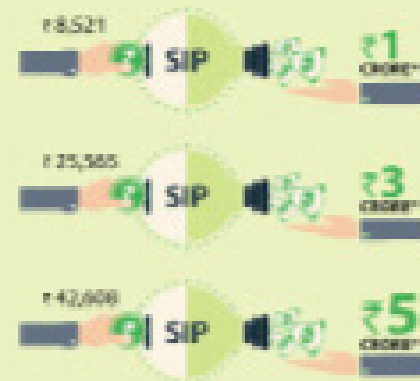
**RUPEE COST  
AVERAGING**



**SMALL POCKET  
INVESTMENT**

\*Note: The above figures are calculated for the use of rupee cost averaging for illustration purposes only. Actual fund investments are subject to market risks. Investors should always consult a financial advisor before investing in any fund.

### 20 YEARS PERIOD



Equities & Derivatives | Commodities | Currency | Bonds | IPO | Mutual Fund Advisory | POC | Depository | Online Trading | Mobile Trading | Merchant Banking

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