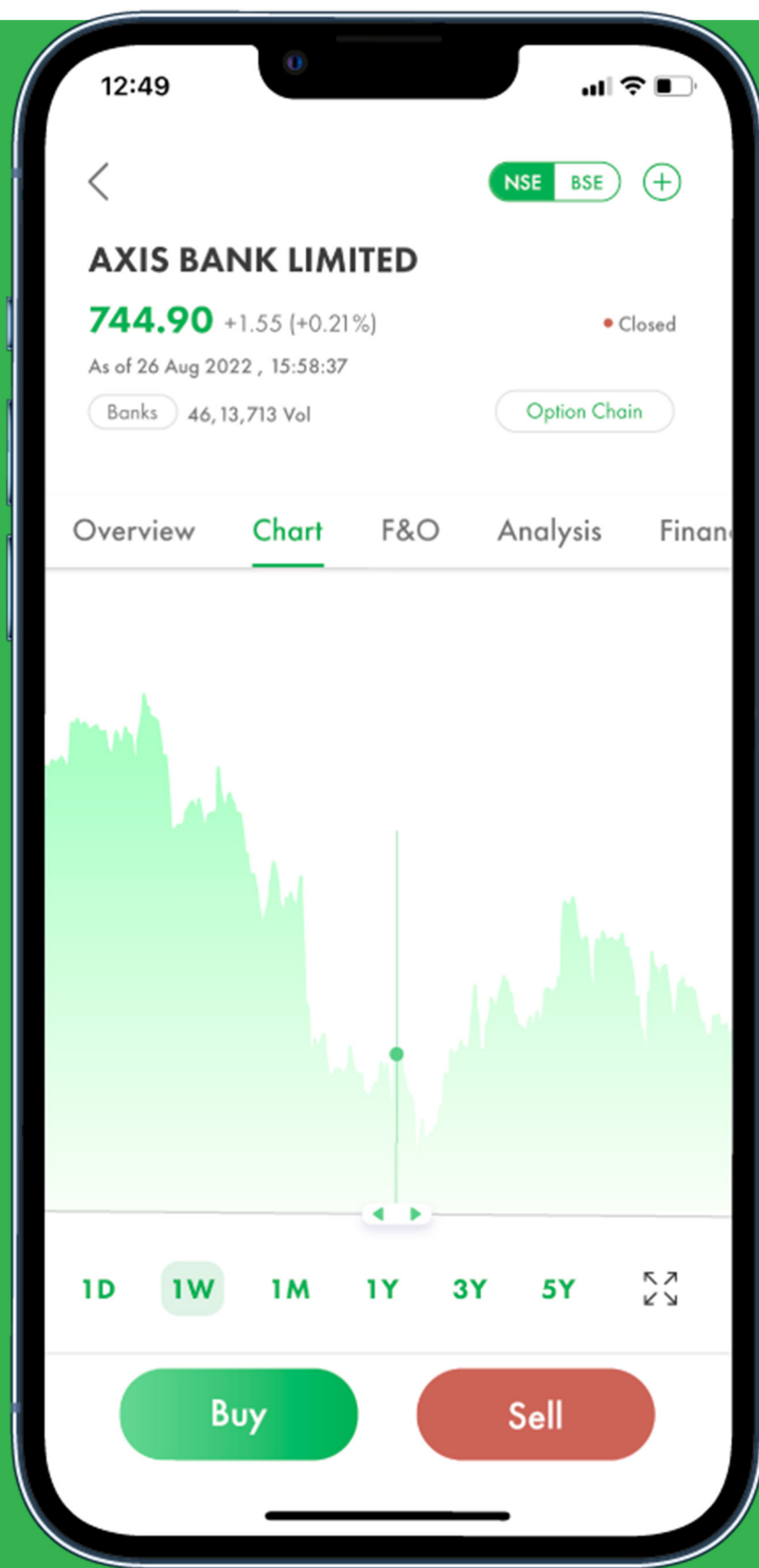


# Arihant's VALUE *Plus*

Issue | **May 2023**

# MOVERS & SHAKERS















## INDIAN INDICES

Indices	Apr-23	Mar-23	Change (%)
SENSEX	61,112.44	58,991.52	3.60
NIFTY 50	18,065.00	17,359.75	4.06
NIFTY BANK	43,233.90	40,608.65	6.46
NIFTY MIDCAP 100	31,794.75	30,035.15	5.86
NIFTY 500	15,219.55	14,557.85	4.55
NIFTY IT	27,708.20	28,698.60	-3.45
NIFTY REALTY	445.10	387.35	14.91
NIFTY INFRA	5,356.20	5,090.95	5.21

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Apr-23	Mar-23	Change (%)
AUTO 	30,325.51	28,246.92	7.36
BANKEX 	48,981.83	46,031.95	6.41
CD 	38,374.18	37,628.54	1.98
CG 	36,738.88	34,369.70	6.89
FMCG 	17,238.74	16,487.02	4.56
HC 	23,033.93	21,883.50	5.26
IT 	27,503.49	28,478.99	-3.43
METAL 	20,134.69	19,184.87	4.95
OIL & GAS 	18,271.28	17,383.40	5.11
PSU 	10,174.14	9,497.41	7.13
REALTY 	3,560.04	3,101.56	14.78
TECK 	12,538.02	12,978.01	-3.39





(Source: BSE)

## GLOBAL INDICES

Indices	Apr-23	Mar-23	Change (%)
DOW JONES	34,098.16	33,274.15	2.48
NASDAQ	12,226.58	12,221.91	0.04
HANG SENG	19,894.57	20,400.11	-2.48
FTSE	7,870.57	7,631.74	3.13
NIKKEI	29,123.18	28,041.48	3.86

(Source: MoneyControl)

## COMMODITIES

Particular	Apr-23	Mar-23	Change (%)
MCX GOLD 	59,919.00	59,402.00	0.87
MCX SILVER 	74,071.00	72,218.00	2.57
MCX CRUDE OIL 	6,286.00	6,199.00	1.40
MCX NATURAL GAS 	196.80	183.80	7.07

(Source: Falcon)

## FOREX

Particular	Apr-23	Mar-23	Change (%)
USD-INR ₹	81.90	82.16	-0.32
EUR-INR €	90.07	89.05	1.15
GBP-INR £	102.03	101.37	0.65
JPY-INR ¥	60.57	62.45	-3.01

(Source: Falcon)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Apr 2023	1,29,597.46	1,19,804.99	9,792.47
Total for 2023*	6,20,322.05	6,38,046.41	-17,724.36

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for APR 2023	75,553.66	80,684.71	-5,131.05
Total for 2023*	3,94,784.39	3,44,974.06	49,811.13

(Source: SEBI)

## Monthly Market Roundup

In April 2023, Domestic market moved positively with benchmark Nifty and Sensex Index gaining 4.06% & 3.6% profit respectively as compared to appreciation of 3.1% and 2.2% respectively in March 2023. We see moderate earnings upgrades over the next few months. Upward trend of April expected to continue into May, while volatility will likely endure due to different macro and microeconomic reasons.

The greatest macro variables still impacting markets include the shift in power dynamics fuelled by China's hostility towards Taiwan, the ongoing rivalry for supremacy between the United States and China, the ongoing confrontation between Russia and Ukraine, the U.S. banking crisis, and an impending recession.

**Foreign portfolio investors have remained net buyers to the tune of INR 11,631cr crore in Indian markets in April, driven by strong corporate earnings, strong GST collections and stable macroeconomic indicators like Purchasing Managers' Index. According to Foreign Portfolio Investment (FPI) statistics available with depositories. As per the NSDL data, FPIs purchased equities worth 11,631 crore in April 2023, but pulled out INR 126 crore emerging as net sellers in a hybrid market.**

### Sectoral Performance

On the sectoral front, Nifty Realty has outperformed all other major indices with a strong gain of 14.91% Nifty Media showed a flat movement of 0.2% Comparatively, Nifty IT showed a negative performance of -3.45%. Other sectors such as Nifty Pharma, Nifty FMCG, Nifty NBFC, Nifty Metal and Nifty Bank ,Nifty Auto, and PSU Bank 4.5%, 4.5%, 5.1% ,5.9%, 5.9% , 6.1% and 11% respectively.

### On Economy Front

The highest-ever GST collection in April shows a positive trend, signalling an increase in domestic demand and the ensuing expansion of the Indian economy. According to experts, this also demonstrates that corporate compliance is improving, and there is consistent growth, but global growth is still a challenge.

To INR 1.87 lakh crore, GST revenue increased by 12% in April. The mop-up for this month is the highest one since the indirect tax system was implemented. From the total gross GST income obtained in April 2023, INR 38,440 crore is accounted for by CGST, INR 47,412 crore by SGST, INR 89,158 crore by IGST (including INR 34,972 crore from the collection of goods import duties), and INR 12,025 crore is accounted for by cess. This is an indicator of a stable grow in the Indian economy ahead.

### On the global front

For the tenth consecutive time, the Federal Reserve increased interest rates. The Federal Funds Rate was increased by 25 basis points to reach levels last seen in 2006, with a range of 5% - 5.25%. Even though inflation appears to be slowing down—at least according to the headline figures—the overall state of the economy is alarming. In actuality, inflation is still well below the Fed's target, which is why market sentiment is negative. Powell made a hint about additional steps during the press conference because inflation is still out of control. Following Powell's address, the markets declined, and the economic situation is getting worse.



## Economic Data Wrap Up: Apr - 2023

- India's Nikkei Services PMI was 57.8 in April 2023 as compared to 59.4 in March 2023.
- India's Nikkei Global Manufacturing PMI was 56.4 in April 2023 as compared to 55.3 in March 2023.
- India's Trade balance was -19.73 bn in April 2023 as compared to -17.43 Bn in March 2023.
- India's WPI Inflation was 1.34% in April 2023 as compared to 3.85% in March 2023.
- India's CRR was 4.50% in April 2023 as compared to 4.50% in March 2023.
- India's Cumulative Industrial Production was 1.34% in April 2023 as compared to 3.85% in March 2023.

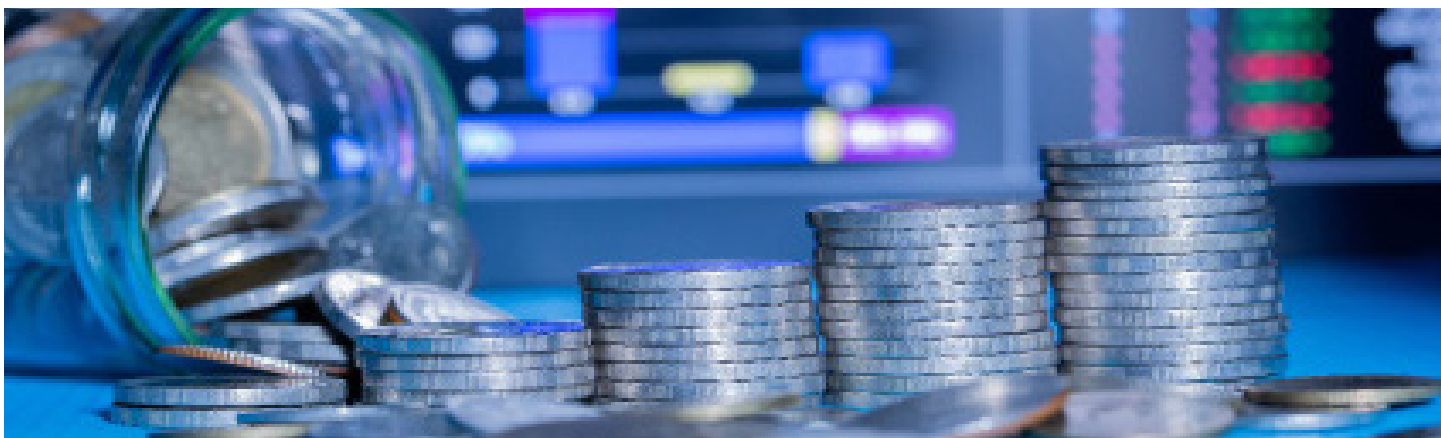
## Nifty Technical Outlook: May - 2023

CMP = 18,065



On the monthly chart, we are observing a bull candle which has reclaimed the 10-month SMA (17650). This suggests that momentum on the upside may continue. However, the RSI negative divergence still persists. Hence going forward 17650 remains the bull stop for long position. In coming month if Nifty trades and close above 18218 level then it is likely to test 18445 – 18672 – 18936 levels. However, if Nifty trades and close below 17911 level then it can test 17685 – 17458 – 17194 levels.

Broadly, looking at the current price action it is evident that 17650 remains a make or break level. As long as nifty trades above 17650 level, there is a possibility that nifty may test 18445 – 18672 – 18936 levels.





# Fundamental Stock

## ORIENT CEMENT

ORIENT CEMENT LTD

**BUY**  
Target  
₹190

### Stock Details:

NSE Code	ORIENTCEM
CMP (As on 5th May, 2023)	INR 127
Face Value	INR 1
52 Week High / Low	148/95
Market Cap (INR Cr)	2,610
EPS (FY25e)	INR 18.0
P/E (x) (FY25e)	4.26X

**Company Overview:** Orient Cement Limited (OCL) is a mid-sized (8.5 MT) cost-efficient player in the cement space. Its cement plants are in Devapur, Telangana (3 MT integrated), Chittapur, Karnataka (3MT integrated), Jalgaon and Maharashtra (2 MT grinding unit). The company derives revenues largely from Maharashtra (50%), Telangana, Karnataka and MP markets. It also has 95 MW power plant (95 MW CPP) that makes it self-sufficient in terms of power requirements.

### 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.

**Capacity Expansion** OCL is expanding its cement grinding capacity from present 8.5 million tonnes per annum (mntpa) to 11.5 mntpa. To be able to cater to the rising demand in its operating regions, it is undertaking a brownfield expansion to set up a 3 mntpa clinker line and 1 mntpa additional grinding unit at Chittapur followed by Devapur and a green field project at Rajasthan.

**Cost efficiency:** Although OCL is a mid-sized cement company, it stands as one of the lowest cost producers of

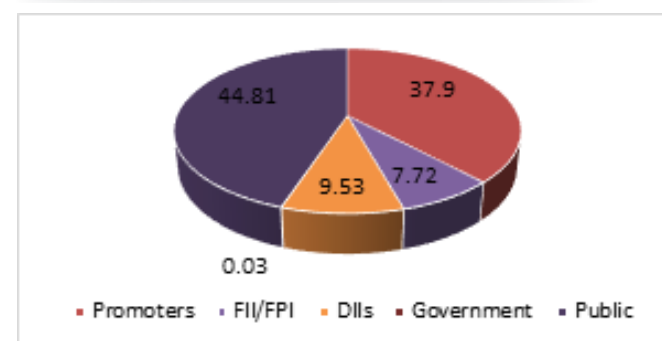
cement in India owing to its proximity to raw material resources, captive power plants (95 MW) and other operational advantages. It sources limestone for cement from nearby mines with sufficient reserves to support operation for the next 35-40 years. The company is also setting up a 9 MW WHRS plant and 13.5 MW solar power plant to further reduce power/fuel costs.

### Budget (FY23-24) positive impact on Cement Industry:

The infrastructure focused Union Budget 2023 is expected to boost cement demand, which is expected to grow by 9% to over 425 MT in FY24. In 2023-2024 the Government has increased capital investment outlay by 33% to INR 10,000 Bn. The budget is favourable for the cement industry because the indirect benefits of the government's push for affordable housing and the rise in infrastructure development will lead to robust demand for cement. FY23 may experience robust 10% YoY demand growth and 9% YoY in FY24, led by pre-election spending and strong traction in infrastructure activities.

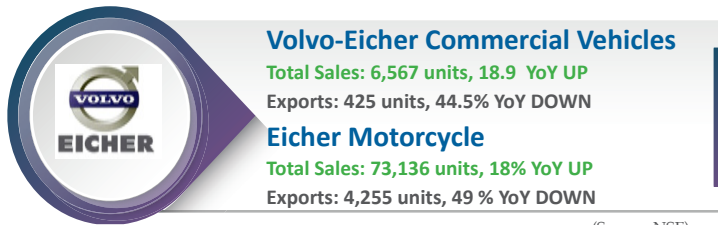
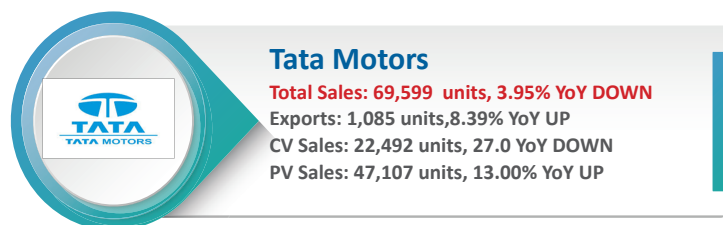
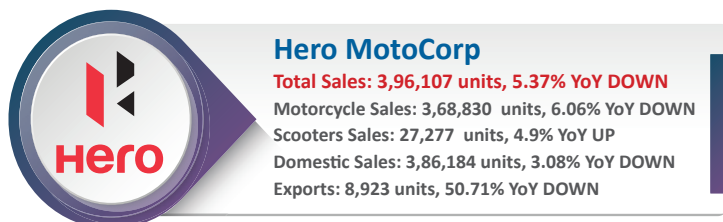
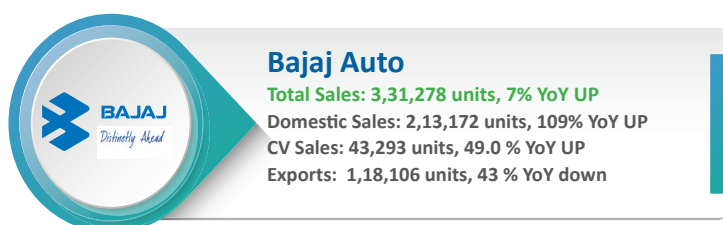
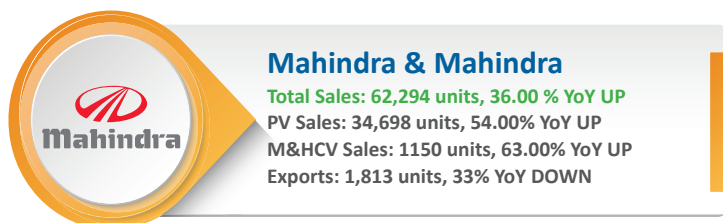
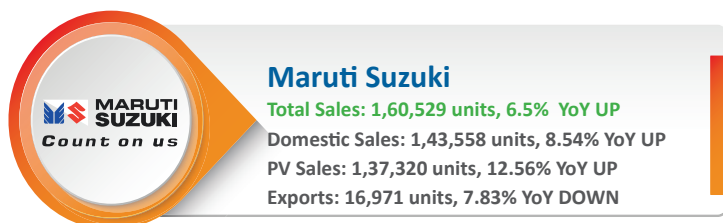
**Outlook & Valuations:** We believe OCL is well-placed to take advantage of a revival in the cement demand in its operating regions by leveraging its planned capacity expansion, close proximity to raw materials, higher share of blended cement (PPC) and lower lead distance to keep production costs lower than industry average. At a CMP of INR 127 stock is trading at a EV/EBIDTA multiple of 5.1(x) and 4.3(x) to its FY24E and FY25E. We value the stock at a EV/EBIDTA of 5.9(x) to its FY25E with a BUY recommendation and a Target Price of INR 190/share, implying an upside of 49.6.

### Shareholding Pattern % (31<sup>st</sup> Mar 2023)



# AUTO SECTOR

## APRIL SALES



(Source: NSE)

# THE MONTH AHEAD

## KEY FINANCIAL EVENTS

### May 2023



#### May 01

- USD ISM Manufacturing PMI
- INR Nikkei S&P Global Manufacturing PMI (Apr)

#### May 02

- USD JOLTS Job Openings
- EUR CPI Flash Estimate y/y
- EUR Core CPI Flash Estimate y/y
- AUD Cash Rate
- AUD RBA Rate Statement

#### May 03

- USD ADP Non-Farm Employment Change
- USD FOMC Statement
- USD Federal Funds Rate
- USD FOMC Press Conference
- USD ISM Services PMI
- INR Nikkei Services PMI (Apr)

#### May 04

- USD FOMC Press Conference
- USD ISM Services PMI
- USD Unemployment Claims
- EUR Main Refinancing Rate
- EUR Monetary Policy Statement
- EUR ECB Press Conference
- INR M3 Money Supply

#### May 05

- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD Unemployment Rate
- INR Deposit Growth
- INR Bank Loan Growth

#### May 10

- USD CPI m/m
- USD CPI y/y
- USD Core CPI m/m

#### May 11

- GBP GDP m/m
- GBP BOE Monetary Policy Report
- GBP MPC Official Bank Rate Votes
- GBP Monetary Policy Summary
- GBP Official Bank Rate
- USD Core PPI m/m
- USD PPI m/m

#### May 12

- INR RBI Foreign Exchange Reserves Report
- INR CPI (YoY) (Apr)
- INR Manufacturing Output (MoM) (Mar)
- INR Industrial Production (YoY) (Mar)

#### May 15

- GBP Monetary Policy Report Hearings
- INR WPI Inflation (YoY) (Apr)
- INR WPI Fuel (YoY) (Apr)/ WPI Food (YoY) (Apr)
- INR WPI Manufacturing Inflation (YoY) (Apr)

#### May 16

- GBP Claimant Count Change
- EUR German ZEW Economic Sentiment
- USD Core Retail Sales m/m
- USD Retail Sales m/m

#### May 18

- USD Unemployment Claims
- USD Philly Fed Manufacturing Index
- USD Existing Home Sales

#### May 23

- USD Flash Manufacturing PMI
- USD Flash Services PMI
- USD Richmond Manufacturing Index

#### May 24

- GBP CPI y/y
- EUR Average Earnings Index 3m/y
- EUR French Flash Services PMI
- EUR German Flash Manufacturing PMI
- EUR German Flash Services PMI
- EUR Flash Manufacturing PMI /

#### May 25

- USD Prelim GDP q/q
- USD Unemployment Claims
- USD Pending Home Sales m/m

#### May 26

- 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**



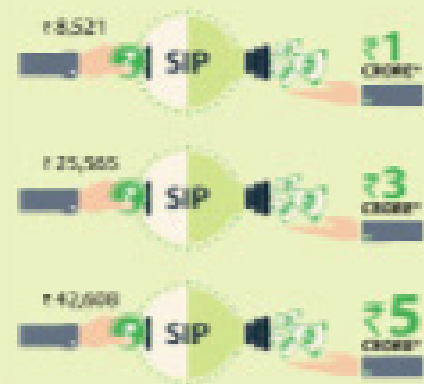
**RUPEE COST  
AVERAGING**



**SMALL POCKET  
INVESTMENT**

\*These Disclosures figures are calculated on the rate of 14.50% for illustration purposes only. Actual fund investments are subject to market risks. The actual result may vary from depicted results depending on a number of factors and should not be considered as indication of investment performance in any manner.

### 20 YEARS PERIOD



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BSE - 168196P E18709532 MSE - 196196P E30760958  
RESOL - IN40P-NS36-365-2008; COOL - IN-OP-CBS-313-2005; AMFI - AMN 15114; SEBI - RA-IN-00000764

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