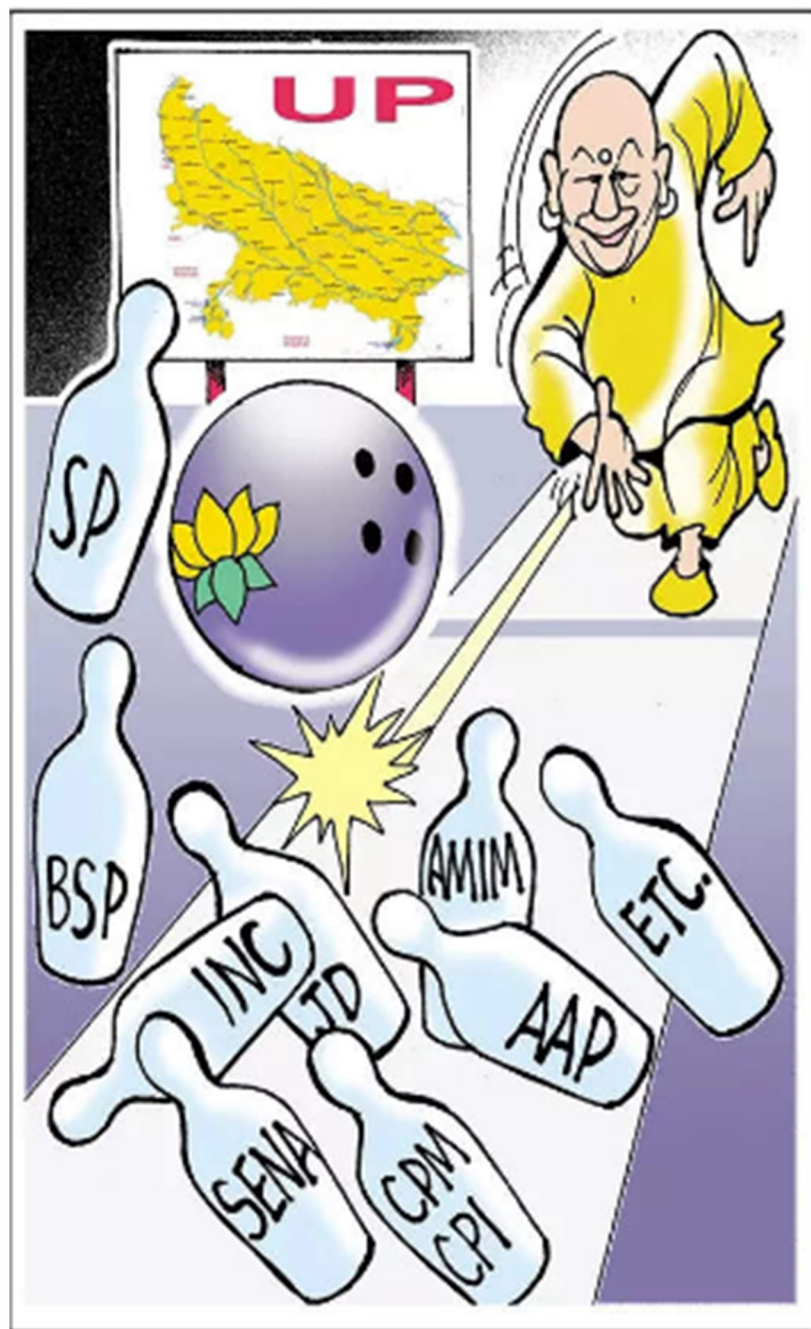


Arihant's

# VALUE *Plus*

Issue | **April 2022**



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# MOVERS & SHAKERS




## INDIAN INDICES

Indices	Mar-22	Feb-22	Change (%)
SENSEX	58568.51	56247.28	4.13
NIFTY 50	17464.75	16793.90	3.99
NIFTY BANK	36373.60	36205.30	0.46
NIFTY MIDCAP 100	29692.30	28223.45	5.20
NIFTY 500	14894.50	14307.95	4.10
NIFTY IT	36317.20	33847.85	7.30
NIFTY REALTY	463.55	436.40	6.22
NIFTY INFRA	5018.55	4798.75	4.58

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Mar-22	Feb-22	Change (%)
AUTO 	24049.98	24615.63	-2.30
BANKEX 	41753.80	41635.83	0.28
CD 	42271.85	43099.49	-1.92
CG 	27506.04	27658.04	-0.55
FMCG 	13334.89	13007.67	2.52
HC 	24303.83	23356.48	4.06
IT 	36402.74	33502.75	8.66
METAL 	22368.34	20783.75	7.62
OIL & GAS 	18741.19	17315.45	8.23
PSU 	8606.57	8378.95	2.72
REALTY 	3681.83	3466.04	6.23
TECK 	16247.80	14903.00	9.02

(Source: BSE)

## GLOBAL INDICES

Indices	Mar-22	Feb-22	Change (%)
DOW JONES	34678.35	33879.55	2.36
NASDAQ	14220.52	13751.40	3.41
HANG SENG	21996.85	22713.02	-3.15
FTSE	7515.68	7458.25	0.77
NIKKEI	27821.43	26526.82	4.88

(Source: MoneyControl)

## COMMODITIES

Particular	Mar-22	Feb-22	Change (%)
MCX GOLD 	51317.00	50480.00	1.66
MCX SILVER 	66740.00	65065.00	2.57
MCX CRUDE OIL 	7766.00	7170.00	8.31
MCX NATURAL GAS 	436.00	339.00	28.61

(Source: Falcon software)

## FOREX

Particular	Mar-22	Feb-22	Change (%)
USD-INR ₹	75.91	75.57	0.45
EUR-INR €	84.37	84.84	-0.55
GBP-INR £	99.74	101.27	-1.51
JPY-INR ¥	62.47	65.44	-4.54

(Source: Falcon software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Mar 2022	208,229.90	248,285.63	-40,055.73
Total for 2022*	480,356.54	592,167.07	-111,810.53

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Mar 2022	104,364.52	80,495.96	23,868.56
Total for 2022*	284,797.42	233,864.96	50,932.46

\*Till 29<sup>th</sup> March 2022

(Source: SEBI)

## Monthly Market Roundup

In March 2022, Domestic markets witnessed a growth with benchmark Nifty and Sensex Index ending the month with a gain of 3.99% and 4.13% respectively. Market sentiments turned positive on hopes that Russia Ukraine could resolve conflict and as crude oil prices cooled off from high of 127 \$ per barrel.

Nifty Midcap50 & Nifty Small Cap 250 were up by 5% and 6% respectively. Out performance from stocks of all sectors led to the rally in Midcap & Small Cap indices. Media and IT were major gainers with a gain of 16.2% and 7.7% respectively. Going forward, we expect market sentiments will be guided by development over Russia Ukraine matter and stock specific movement will continue with the upcoming result season.

**Expect two to three rate hikes from central bank next fiscal:** The Reserve Bank of India could raise interest rates by two to three times in 2022-23, At some point, RBI will also come to the conclusion that there is no alternative but to tone down inflation expectations.

The central bank has so far remained undeterred on the inflation front even as Consumer Price Index (CPI) has breached the upper threshold of 6%. Worryingly, inflation in the pipeline measured by the Wholesale Price Index has set alarm bells ringing as WPI stood at a decade high in February.

Hikes in interest rates at home and abroad going ahead are worrisome given that they come against the backdrop of decent economic growth and cost-push inflation and not strong economic growth and demand-pull inflation as seen in 2005-07.

Current rate hikes are more worrisome for markets as it is a bit stagflationary in nature. Inflation is more concerning in the Indian context given the wide spread between WPI and CPI which translates into margin pressure for corporates and likely earnings downgrade.

**Sectorial Performance:** On the sectorial front, Nifty Media and IT were up by 16% and 7.7% respectively, whereas

Nifty Realty, Pharma and Metal were up by 7.5% ,7% & 4.7% respectively. Nifty Auto & FMCG underperformed as compared to other sectorial indices and ended with a gain of 0.5% and 2.6% respectively.

**On the global front:** Global equities also showed a growth in March2022, Dow Jones rose by 4.2%, whereas Nasdaq Index rose by 5.1% respectively. In context to that, S&P500 rose by5.2%. Whereas, Nikkei rose by 3.1% and FTSE100 rose by 2.5%. Market sentiments will be guided by geo political news and crude oil prices going ahead.

In commodities, gold rose by 0.3%, while Brent crude prices rose by 2.8%.USD/INR rose by 0.3% in the month of March.





## Economic Data Wrap Up: Mar - 2022

- India's Feb Nikkei Services PMI increased to 51.8 as compared to 51.5 in January
- India's Feb Nikkei Market Manufacturing PMI increased to 54.9 as compared to 54.0 in Jan
- India's Feb CPI inflation came in at 6.07% as compared to 6.01% in Jan
- India's Jan IIP came in at 1.3 % YoY as compared to 0.4% in Dec
- India's Feb WPI inflation came in at 13.1% as compared to 12.96% in Jan
- India's March Trade Balance (USD) came at -20.88 B as compared to -17.42 B in Feb

## Nifty Technical Outlook: Apr - 2022

CMP = 17,464.00



On the monthly chart, we are observing candlestick pattern that resembles a bullish hammer. The said candle has taken support at the median line of the second channel. This suggests that upside momentum is likely to continue. In coming month if Nifty trades and close above 17,817 levels then it is likely to test 18,368 - 18,919 - 19,562 levels. However, if Nifty trades and close below 17,110 levels then it can test 16,560 - 16,009 - 15,368 levels.

Broadly, we are of the opinion that momentum on the upside is likely to test the upper trendline of second channel. Hence, one needs to adopt buy on decline strategy at current level for a target of 18,368 - 18,600 levels.



# Fundamental Stock



Ujjivan Financial Services Ltd.

**BUY**  
Target  
₹405

## Stock Details:

NSE Code	UJJIVAN
CMP (As on 04th Apr 22)	INR 123
Face Value	INR 10
52 Week High / Low	261/97
Market Cap (INR Cr)	1,491
EPS (FY23E)	INR 21.5
P/E (x) (FY23E)	7.7x

**Company Overview:** Ujjivan Small Finance Bank (Ujjivan SFB - Subsidiary of Ujjivan Financial) is a mass market focused SFB in India, catering to underserved segments with focus on digital capabilities, customer centricity, and financial inclusion, especially in rural areas. Its pan-India presence with no single state contributing >16% of AUM as at Dec'21, would enable it to outpace credit growth once the macro turns conducive.

Its journey towards building secured assets is progressing well and liability franchise trending better with retail deposits at 53% of the deposits and CASA ratio at 26.5%.

## Investment Rationale:

**Asset quality expected to witness meaningful improvement:** GNPA of Ujjivan SFB declined to 9.8% as of Dec'21 vs 11.8% in Sept'21 as the bank wrote off loans worth INR 152 cr. PCR as of Dec'21 stood at 84%. There structured book stood at INR 1,239 Cr (7.5% of advances) against which the bank holds a provision of INR 550 Cr and the Collection Efficiency (CE) in Dec'21 stood at 80% in that book. As a result, the total stressed asset book reduced from ~22% of advances in Sep'21 to 17.3% in Dec'21.

**Portfolio strategy of Ujjivan SFB - Gradually focusing on formal segment:** Bank is likely to diversify its portfolio into non-mfi segment. Bank is looking to realign its AUM mix with Micro and non-micro banking shares at 50%-50% over the medium to longer term from currently 67%-33%

respectively. Affordable housing and MSE segments to remain key non-micro banking growth drivers in the medium term with focus on the formal segment. Bank has improved its internal processes by way of digitisation and the focus on productivity resulted in all-time higher quarterly disbursement in Q3FY22.

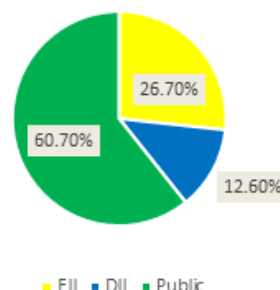
**Business Plan:** Bank is working on three key areas for growth under "100-Day Plan" with a primary focus on (a) Rebuilding business volumes, (b) Improving asset quality, and (c) Retaining talent, the management believes that the bank is currently better placed vs H1FY22 at the time of crisis. The bank will look to launch the credit card business in FY23E.

**Valuation Outlook:** Currently, the holding company discount is at 43% which is expected to come down on the back of expectation of normalisation in credit cost with reduction in stress, increase in growth, and shift from MFI to Non MFI segment and potential reverse merger of Ujjivan Financial with Ujjivan SFB.


The bank is on track to address and resolve the key concerns, strengthening the management team and improving asset quality. Q3 FY22 performance of the bank was strong interims of disbursements growth picking up across the segments. Management remains fairly confident of strong Q4 FY22 with improve asset quality.

We prefer Ujjivan Financial services over Equitas. On a forward basis, Ujjivan SFB is trading at nearly 31% discount over its peers Equitas SFB. We recommend investor to Buy Ujjivan Financial for a price objective of INR 405 under our base case scenario.

## Shareholding Pattern % (Dec - 21)



# AUTO SECTOR MARCH SALES



**Maruti Suzuki**  
**Total Sales: 170,395 units, 2.02% YoY Up**  
 Domestic Sales: 143,899 units, 7.41% YoY down  
 PV Sales: 133,861 units, 8.44% YoY down  
 Exports: 26,496 units, 128.47% YoY up




**TVS Motor**  
**Total Sales: 307,954 units, 4.55% YoY down**  
 Domestic Sales: 196,956 units, 2.57% YoY down  
 Exports: 109,724 units, 8.09 % YoY down



**Mahindra & Mahindra**  
**Total Sales: 54,643 units, 35.24 % YoY up**  
 PV Sales: 27,603 units, 65% YoY up  
 M&HCV Sales: 829 units, 5% YoY up  
 Exports: 3,160 units, 49% YoY up




**Atul Auto**  
**Total Sales: 1,470 units, 16.05% YoY down**



**Bajaj Auto**  
**Total Sales: 297,188 units, 20 % YoY down**  
 Domestic Sales: 126,752 units, 36 % YoY down  
 CV Sales: 40,864 units, 4 % YoY up  
 Exports: 170,436 units, 0.01 % YoY down




**Escorts**  
**Total Sales: 10,074 units, -18.30 % YoY down**  
 Domestic Sales: 9,483 units, 19.20 % YoY down  
 Exports: 591 units, -2.6 % YoY down



**Hero MotoCorp**  
**Total Sales: 450,154 units, 21.98 % YoY down**  
 Motorcycle Sales: 425,721 units, 18.85% YoY down  
 Scooters Sales: 24,433 units, 53.33% YoY down  
 Domestic Sales: 415,764 units, 23.62% YoY down  
 Exports: 34,390 units, 5.44 % YoY up



**Ashok Leyland**  
**Total Sales: 20,123 units, 17% YoY up**  
 M&HCV Sales: 13,990 units, 26% YoY up  
 LCV Sales: 6,133 units, 0.01% YoY up



**Tata Motors**  
**Total Sales: 86,718 units, 30% YoY Up**  
 Exports: 2,625 units, 28% YoY down  
 CV Sales: 47,050 units, 16 %YoY up  
 PV Sales: 42,293 units, 43% YoY up



**Volvo-Eicher Commercial Vehicles**  
**Total Sales: 8,803 units, 25.10 % YoY up**  
 Exports: 652 units, -20.10 % YoY up  
**Eicher Motorcycle**  
**Total Sales: 67,677 units, 2% YoY up**  
 Exports: 9,200 units, 56 % YoY up

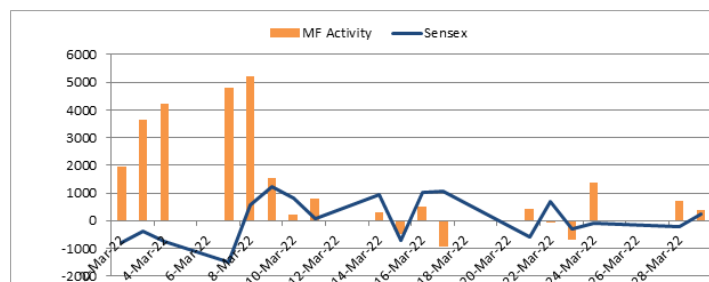
(Source: NSE)





## MUTUAL FUNDS ROUNDUP

Indian equity markets rejoiced and ended on positive note in Mar 2022. The barometer index, S&P BSE Sensex delivered Positive returns of 4.13% to settle at 58568.51 and Nifty 50 gained 3.99 % ending the month at 17464.75.



### MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 23,868.56 crores in the month of Mar 2022. Highest buying was recorded in the 2nd week of the month when the fund houses made total net buy of Rs 12,587.98 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Sellers to the tune of Rs 40,055.73 crores worth of equities in Mar 2022.



### Mutual Fund Activity In Mar 2022

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	25,345.54	15,542.83	9,802.71
2nd Week	40,281.17	27,693.19	12,587.98
3rd Week	19,185.87	19,817.78	(631.91)
4th Week	15,424.34	14,387.85	1,036.49
5th Week	4,127.60	3,054.31	1,073.29
<b>Total</b>	<b>104,364.52</b>	<b>80,495.96</b>	<b>23,868.56</b>

Note: Mutual Fund activity as on 29<sup>th</sup> Mar 2022

## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 <sup>st</sup> Mar, 2022 (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)	44.78	34,069	05-Jan-10	15.68	16.53	16.44	13.03	500	5000
ICICI Pru Bluechip Fund (G)	65.58	30,388	23-May-08	22.28	15.82	13.81	14.53	100	100
Mirae Asset Large cap Fund(G)	77.41	30,349	04-Apr-08	18.18	14.79	14.17	15.74	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	43.11	19,277	29-Jun-12	15.02	16.72	15.29	16.15	500	5000
Kotak - Flexi Cap Fund (G)	51.97	35,811	11-Sept-09	15.59	13.53	12.57	14.02	500	5000
SBI - Flexi Cap Fund (G)	76.18	15,248	29-Sept-05	21.32	16.09	13.45	13.09	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	86.20	13,301	25-Jun-07	13.00	16.17	11.82	15.03	500	500
L&T MidCap Fund (G)	202.97	6,326	9-Aug-04	15.81	14.41	11.62	18.60	500	5000

Note: Returns as on 31<sup>st</sup> March, 2022, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

## Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 31 <sup>st</sup> Mar, 2022 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	2.16	2,349.93	28,047	0.32	0.88	1.75	3.40	7.08
ICICI Pru Liquid Fund(G)	2.13	313.14	42,892	0.32	0.87	1.72	3.33	7.22
Ultra Short Term Fund								
Kotak Saving Fund(G)	2.22	34.89	11,256	0.39	0.97	1.76	3.44	7.34
L&T Ultra Short term Fund(G)	2.27	35.43	1,748	0.39	0.98	1.83	3.53	7.09

Note: NAV and Returns as on 31<sup>st</sup> March, 2022, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

## ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 <sup>st</sup> Mar, 2022 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.57	10,802	28-Dec-15	20.26	20.21	17.85	19.55
Axis LT Equity Fund(G)	68.56	31,208	29-Dec-09	12.84	16.13	14.70	17.00
Kotak Tax Saver(G)	72.31	2,415	23-Nov-05	22.40	18.07	14.04	12.85

Note: NAV and Returns as on 31<sup>st</sup> March, 2022, Returns < 1 yr annualised, > 1 yr compounded annualised.



# THE MONTH AHEAD KEY FINANCIAL EVENTS APRIL 2022



## April 01

- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD Unemployment Rate
- USD ISM Manufacturing PMI

## April 04

- INR Nikkei Markit Manufacturing PMI (Mar)

## April 06

- INR Nikkei Services PMI (Mar)
- INR RBI MPC Meeting Minutes
- USD FOMC Meeting Minutes

## April 08

- Indian Automobile Sales Data, by SIAM

## April 12

- USD CPI m/m
- USD Core CPI m/m
- INR Manufacturing Output (MoM) (Feb)
- INR Industrial Production (YoY) (Feb)
- INR CPI (YoY) (Mar)

## April 13

- USD PPI m/m
- USD Core PPI m/m

## April 14

- USD Core Retail Sales m/m
- USD Retail Sales m/m
- INR WPI Food (YoY) (Mar)
- INR WPI Manufacturing Inflation (YoY) (Mar)
- INR WPI Inflation (YoY) (Mar)

## April 15

- CNY GDP q/y
- CNY Retail Sales y/y

## April 21

- EUR German Flash Manufacturing PMI
- EUR German Flash Services PMI

## April 28

- USD Advance GDP q/q
- USD Unemployment Claims

**Arihant Capital**  
Generating Wealth



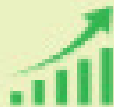
THINK  
**BIG**  
START SMALL

## ARIHANT'S SIP INVESTMENT

### WHY SIP INVESTMENT



**DISCIPLINED INVESTMENT**



**POWER OF COMPOUNDING**



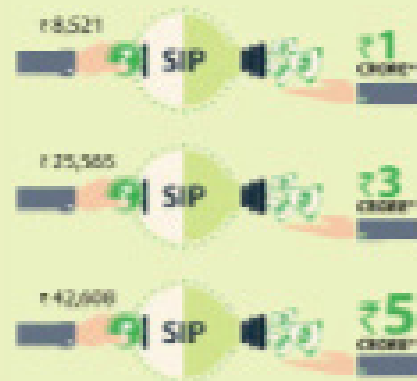
**RUPEE COST AVERAGING**



**SMALL POCKET INVESTMENT**

\*Note: The above figures are calculated for the use of reference for illustration purposes only. Actual fund investments are subject to market risks. Investors should always consult a financial advisor regarding or before investing and should not be misled by the illustration of future performance in any manner.

### 20 YEARS PERIOD



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

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 REGD. : INDIA-REGD-353-2008-CODL-19-DP-CDSL-313-2005-AMFI - AMFI 15114-5238 - RA-INDIA00003764

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