

Arihant's

VALUE *Plus*

JUST LIKE THAT

AJIT NINAN

Issue | December 2021



Inside
The Issue

Market
Outlook

03-04

Fund
Stock

05

Auto
Sector

06

Mutual
Funds

07-08

Key
Events

09

MOVERS & SHAKERS



INDIAN INDICES

Indices	Nov-21	Oct-21	Change (%)
SENSEX	57064.87	59306.93	-3.78
NIFTY 50	16983.20	17671.65	-3.90
NIFTY BANK	35695.30	39115.60	-8.74
NIFTY MIDCAP 100	29650.65	30469.55	-2.69
NIFTY 500	14648.35	15086.90	-2.91
NIFTY IT	35043.75	34408.75	1.85
NIFTY REALTY	487.60	498.70	-2.23
NIFTY INFRA	4959.35	5045.10	-1.70

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Nov-21	Oct-21	Change (%)
AUTO 	23989.17	25338.29	-5.32
BANKEX 	40779.11	44650.66	-8.67
CD 	43100.51	43218.93	-0.27
CG 	26892.79	26673.33	0.82
FMCG 	13689.37	14002.76	-2.24
HC 	25501.80	25033.89	1.87
IT 	34382.15	33491.39	2.66
METAL 	18217.79	20017.34	-8.99
OIL & GAS 	17502.48	18142.94	-3.53
PSU 	8152.17	8635.02	-5.59
REALTY 	3799.90	3985.28	-4.65
TECK 	15366.54	14961.08	2.71

(Source: BSE)

GLOBAL INDICES

Indices	Nov-21	Oct-21	Change (%)
DOW JONES	34483.72	35819.56	-3.73
NASDAQ	15537.69	15498.39	0.25
HANG SENG	23475.26	25377.24	-7.49
FTSE	7059.45	7237.57	-2.46
NIKKEI	27821.76	28892.69	-3.71





(Source: MoneyControl)

COMMODITIES

Particular	Nov-21	Oct-21	Change (%)
MCX GOLD 	47805.00	47635.00	0.36
MCX SILVER 	62287.00	64534.00	-3.48
MCX CRUDE OIL 	4896.00	6264.00	-21.84
MCX NATURAL GAS 	347.00	409.00	-15.16

(Source: Falcon software)

FOREX

Particular	Nov-21	Oct-21	Change (%)
USD-INR 	75.37	75.13	0.32
EUR-INR 	85.67	87.56	-2.16
GBP-INR 	100.63	103.54	-2.81
JPY-INR 	66.80	66.07	1.10

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Nov 2021	170,483.40	204,283.06	-33,799.66
Total for 2021*	1,931,692.56	1,953,566.81	-21,874.25

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Nov 2021	76,245.81	62,729.77	13,516.04
Total for 2021*	912,692.52	867,820.90	44,871.62

*Till 25th November 2021

(Source: SEBI)

Monthly Market Roundup

In November 2021, Domestic markets witnessed correction with benchmark Nifty and Sensex Index ending the month with a decline of 3.90 % & 3.78 % respectively. Nifty underperformed as compared to world indices during this period due to fear of higher inflation, high valuations and concern over omicron virus. Fear of spike in 3rd variant of covid(omicron) has spooked the investor sentiment.

Nifty Midcap50 was down by 5.7% & Nifty Small Cap 250 was down by 1%. This underperformance was mainly due to fall in BFSI, Metals and auto indices. Going forward, market sentiment will depend on severity of omicron and other global cues.

Powell Said Omicron adds economic risks, inflation uncertainty: Federal Reserve Chair Jerome Powell, in his first public remarks on the omicron variant of the coronavirus, said it poses risks to both sides of the central bank's mandate to achieve stable prices and maximum employment.

The recent rise in Covid-19 cases and the emergence of the omicron variant pose downside risks to employment, economic activity and increased uncertainty for inflation. We believe that the virus could reduce people's willingness to work in person, which would lead to slow the progress in the labour market and intensify supply chain disruptions. Further it is also likely to impact the hospitality sector at large.

There was no discussion on specific monetary policy actions or the possibility of changing the pace of the tapering of its asset purchases by Powell.

Sectoral Performance: On the sectoral front, Nifty Bank, Nifty Metals and Nifty Auto Bank have underperformed all other major indices with a higher loss of 10.2%, 9.3% and 7.2% respectively. Whereas defensive sector like Nifty

IT, FMCG and pharma were dragged lesser as compared to other Indices.

On the global front: Global equities also had a negative momentum in November 2021, Dow Jones declined by 3.73% whereas Nasdaq Index rose by 0.25% respectively. In context to that, S&P500 declined by 1%. Whereas, Nikkei declined by 3.71% and FTSE100 declined by 2.46%. Last month, the stock market across the globe declined mainly as Inflationary fears and aggressive withdrawal of monetary stimulus by global central bank gripped investor sentiments.

In commodities, gold increased by 0.36%, while Brent crude prices declined by 21.84%. USD/INR rose by 0.3% in the month of November.



Economic Data Wrap Up: Nov - 2021

- India's Oct'21 Fiscal Deficit (USD) hit by 5470.26bn as compared to 5268.51bn in Sept'21.
- India's Oct'21 Nikkei Services PMI increased to 58.4 as compared to 55.2 in Sept'21.
- India's Oct'21 Nikkei Markit Manufacturing PMI increased to 55.9 as compared to 53.7 in Sept'21.
- India's Oct'21 CPI inflation came in at 4.48% as compared to 4.35% in Sept'21.
- India's Sep'21 IIP came in at 3.1 % YoY as compared to 11.9% in Aug'21.
- India's Oct'21 WPI inflation came in at 12.54% as compared to 10.66% in Sept'21.
- India's Oct'21 Trade Balance (USD) narrowed to -19.9 bn as compared to -22.6 bn in Sept'21

Nifty Technical Outlook: Dec - 2021

CMP = 16,983



On the monthly chart, we maintain our view that prices have taken resistance at the upper trendline of the channel and formed a bear candle which resembles a bearish engulfing pattern. The said pattern will get activated once nifty trades and close below 16782 level. In coming month if Nifty trades and close above 17253 level then it is likely to test 17670 – 18086 – 18572 levels. However, if Nifty trades and close below 16713 levels then it can test 16296 – 15880 – 15395 levels.

Looking at the current price action it is evident that one needs to be cautious at current level. However, a pullback up to 17670 – 18086 – 18572 cannot be ruled out where selling is likely to emerge.



Fundamental Stock



ICICI Bank

BUY

Target Price: INR. 942

Value Parameters

NSE Code	ICICIBANK
CMP(As on 30th Nov'21)	INR 714
Face Value	INR 2
52 Week High/Low	867/472
Market Cap (INR Cr)	4,95,787
BV (FY24E)	INR 323
P/BV (x) (FY24E)	2.2x

Company Overview: Over the last few years, ICICI Bank has transformed itself into a retail focused bank. Retail portfolio of the bank has increased from 52% in FY17 to 68% as on Sep'21. The Bank's consolidated total assets stood at INR 12.76 tn as on Sep'21. Bank has a network of 5,277 branches and 14,045 ATMs across India. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its group companies Investment Rationale.

Investment Rationale:

Industry leading loan growth leading to gaining market share position: ICICI Bank continues to report higher than industry (nearly 3x higher) loan growth which clearly reflects its market share gaining position. With a strong branch network and constant investments in technology, we expect that the bank's advances profile to grow at a CAGR of 19% over FY21-24E.

Levers are in place for re-rating: Post transformation, ICICI bank has shown a strong performance in the past three years with industry leading growth, margins at its peak, strong liability franchise, well cushioned balance sheet and better asset quality metrics. Thus, we believe ICICI bank is strong candidate for rerating and valuation gap with HDFC Bank to narrow. With strong balance sheet and capital position, the bank is geared to capitalize growth opportunity in the system.

Improving digital capabilities: ICICI Bank has been progressing well on its digital initiatives. Focusing on the technology to capture the market share is the focus are for the bank. With its Insta apps across payments, lending and broader banking products, ICICI Bank has been able to

drive customization of platforms to improve customer engagement. It monitors customer engagement through internal analytical tools.

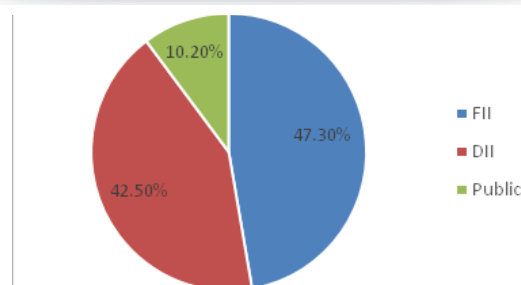
Strong operating quarter (Q2FY22): ICICI Bank reported another quarter of stellar performance on all fronts with improvement in asset quality and all time high margin. Profit for the quarter grew strongly by 30% YoY/19% QoQ to INR 5,511 cr. PPOP grew by 23% YoY to INR 9,518 cr supported by strong other income growth of 19% YoY. ICICIBC's business volumes witnessed a sharp uptick in Q2FY22 with strong growth in loans (+3.8% QoQ, +18% YoY) and deposits (+5.5% QoQ, +17.3% YoY).

Asset quality peaks out: Slippages in Q2FY22 was at INR 5,578 cr (slippage ratio at 2.9% vs. 3.9% QoQ). But the recoveries was strong, resulting into GNPA ratio falling to 4.82%, lower by 33bps QoQ. BB and below rated book of the bank decreased from 1.9% to 1.7% of the total advances. COVID-19 restructuring book stood at 1.3% of loans.

Valuation & View; Top pick in banking space:


Post transformation, ICICI Bank has shown a strong performance in the past three years with industry leading growth, margins at peak, conservative policy stance with well cushioned balance sheet, strong liability franchise, sharp reduction in NPA and faster adoption of technology. We believe, bank is well positioned to deliver RoA/RoE of 1.7%/14% by FY24E and valuation gap with HDFC bank to narrow with improving performance. The bank continuously leveraging digital capabilities to gain market share. We have a Buy rating on the stock with a SOTP based target price of INR 942, based on 2.6x FY24E P/ABV for standalone bank and INR 156 for subsidiaries.

Shareholding Pattern % (Sep - 21)



AUTO SECTOR


NOVEMBER SALES



Maruti Suzuki
Total Sales: 139,184 units, 9.16% YoY down
 Domestic Sales: 117,791 units, 18.32% YoY down
 PV Sales: 109,726 units, 19.19% YoY down
 Exports: 21,393 units, 137.59% YoY up




TVS Motor
Total Sales: 272,693 units, 15.50% YoY down
 Domestic Sales: 175,940 units, 29.00% YoY down
 Exports: 96,000 units, 29.60 % YoY up



Mahindra & Mahindra
Total Sales: 40,102 units, 6.15 % YoY down
 PV Sales: 19,458 units, 7% YoY Up
 M&HCV Sales: 521 units, 10% YoY up
 Exports: 3,101 units, 90% YoY up




Atul Auto
Total Sales: 1,344 units, 16.05% YoY down



Bajaj Auto
Total Sales: 379,276 units, 10 % YoY down
 Domestic Sales: 158,755 units, 20% YoY down
 CV Sales: 40,803 units, 10% YoY up
 Motorcycle Sales: 338,473 units, 12% YoY down
 Exports: 220,521 units, 1% YoY down




Escorts
Total Sales: 7,116 units, 30.00 % YoY down
 Domestic Sales: 6,492 units, 32.8 % YoY down
 Exports: 624 units, 24.1 % YoY up




Hero MotoCorp
Total Sales: 349,393 units, 40.89 % YoY down
 Motorcycle Sales: 329,185 units, 39.20% YoY down
 Scooters Sales: 20,208 units, 59.30% YoY down
 Domestic Sales: 328,862 units, 42.90% YoY down
 Exports: 20,531 units, 35.66 % YoY up



Ashok Leyland
Total Sales: 10,480 units, 2% YoY down
 M&HCV Sales: 5,608 units, 10% YoY up
 LCV Sales: 4,872 units, 12% YoY down



Tata Motors
Total Sales: 62,192 units, 25% YoY Up
 Exports: 3,950 units, 124% YoY up
 CV Sales: 32,245 units, 15 %YoY up
 PV Sales: 29,778 units, 38% YoY up



Volvo-Eicher Commercial Vehicles
Total Sales: 4,085 units, 10.10 % YoY up
 Exports: 783 units, 65.50 % YoY up
Eicher Motorcycle
Total Sales: 51,654 units, 19% YoY down
 Exports: 6,824 units, 45 % YoY UP

(Source: NSE)

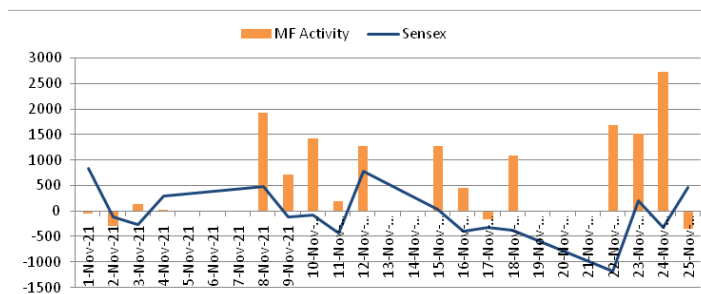


MUTUAL FUNDS ROUNDUP

Indian equity markets tumbled and ended on negative note in Nov 2021. The barometer index, S&P BSE Sensex delivered negative returns of 3.78% to settle at 57064.87 and Nifty 50 losses 3.90 % ending the month at 16983.20.

MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 13,516.04 crores in the month of Nov 2021. Highest buying was recorded in the 4th week of the month when the fund houses made total net buy of Rs 5,544.72 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Sellers to the tune of Rs 33,799.66 crores worth of equities in Nov 2021.



Mutual Fund Activity In Nov 2021

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	11,454.60	11,642.74	(188.14)
2nd Week	24,725.68	19,206.65	5,519.03
3rd Week	17,860.02	15,219.59	2,640.43
4th Week	22,205.51	16,660.79	5,544.72
Total	76,245.81	62,729.77	13,516.04

Note: Mutual Fund activity as on 25th Nov 2021

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 th Nov, 2021 (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)	45.65	33,967	05-Jan-10	28.58	19.32	19.34	13.60	500	5000
ICICI Pru Bluechip Fund (G)	63.74	31,082	23-May-08	36.29	16.77	15.43	14.67	100	100
Mirae Asset Large cap Fund(G)	76.79	30,804	04-Apr-08	32.86	16.86	16.73	16.09	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	45.98	20,404	29-Jun-12	33.00	20.16	19.60	17.57	500	5000
Kotak - Flexi Cap Fund (G)	50.83	38,521	11-Sept-09	28.36	15.45	14.84	14.22	500	5000
SBI - Flexi Cap Fund (G)	74.39	15,462	29-Sept-05	36.75	17.88	15.32	13.20	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	89.39	14,190	25-Jun-07	29.22	20.15	15.89	15.66	500	500
L&T MidCap Fund (G)	202.25	6,909	9-Aug-04	33.02	15.46	14.73	18.96	500	5000

Note: Returns as on 30th November, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 30 th Nov,2021 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	2.16	2322.54	22,877	0.31	0.81	1.66	3.23	7.18
ICICI Pru Liquid Fund(G)	2.13	309.55	35,561	0.29	0.79	1.63	4.81	7.30
Ultra Short Term Fund								
Kotak Saving Fund(G)	2.22	34.45	13,153	0.30	0.69	1.63	3.16	7.41
L&T Ultra Short term Fund(G)	2.27	34.99	2,362	0.34	0.76	1.68	3.29	7.15

Note: NAV and Returns as on 30th November 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 th Nov, 2021 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.53	10,146	28-Dec-15	40.10	22.51	21.02	20.72
Axis LT Equity Fund(G)	73.59	34,235	29-Dec-09	32.70	20.01	18.63	18.21
Kotak Tax Saver(G)	70.47	2,323	23-Nov-05	38.43	19.66	16.37	12.95

Note: NAV and Returns as on 30th November, 2021, Returns < 1 yr annualised, > 1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS DECEMBER 2021



December 01

- USD ADP Non-Farm Employment Change
- USD ISM Manufacturing PMI
- INR Nikkei Markit Manufacturing PMI (Nov)
- INR M3 Money Supply

December 03

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

December 08

- Indian Automobile Sales Data, by SIAM
- INR Interest Rate Decision
- INR Reverse REPO Rate

December 10

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

December 14

- INR WPI Inflation (YoY) (Nov)
- INR WPI Manufacturing Inflation (YoY) (Nov)
- INR WPI Food (YoY) (Nov)

December 15

- USD Core Retail Sales m/m
- USD Retail Sales m/m
- INR Trade Balance (Nov)

December 16

- USD FOMC Economic Projections
- USD Federal Funds Rate
- EUR Monetary Policy Statement

December 21

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

ArihantCapital
Generating Wealth



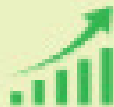
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



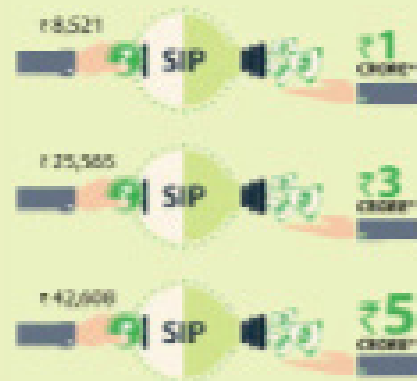
RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*Note: The above figures are calculated for the use of rupee cost averaging 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 investor performance in any manner.

20 YEARS PERIOD



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

Registered Office: E-5 Kallan Road, Indore - 462002 (MIDC, SEZ) | IND/INF: 0187095331600 - IND/INF: 280789508
 REGD.: IND/INF: 353-2008; COO: IND/INF: 313-2008; AMFI: AMFI 15114; SEBI - RA/INF/00003764

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd (hereinafter referred to as Arihant). This document does not constitute an offer or invitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed and verified sources known to Arihant. Arihant does not warrant or ensure that the facts stated are accurate and up-to-date and are for your information only. Neither Arihant nor any employee of Arihant is in any way responsible for its contents. This document is prepared for information only and is not intended to be and should not be relied upon as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant and its employees may have investments, hold or otherwise in securities/instruments, which are the subject of this document or related investments and may have sold, own or use the information contained in the document or the results of the analysis in which it is based, before its distribution. This is a public suggestion and Arihant will not be responsible for any profit or loss resulting from the decision taken by the reader of this document. Arihant and its employees have received other reports that are inconsistent with and reach different conclusions from the information presented in this report. Any decision to purchase or sell as a result of the opinions expressed in this report without the full responsibility of the person authorizing such transactions. The prices/instruments discussed in this report may not be suitable for all investors. Any person submitting to us information or any person/instrument should do so on the basis of and after verifying the same obtained in such person's independent research/investments are subject to market risks and returns may fluctuate depending on various factors. Past performance of the product/instruments does not indicate the future prospects or performance thereof. Such past performance may not be sustained in future. The investors shall obtain, read and understand the risk disclosure documents, offer documents and/or any other relevant documents before making any decision to invest. This information is subject to change without any prior notice. The reader should consult a financial advisor regarding or before investing and should not be misled by the illustration of investor performance in any manner.