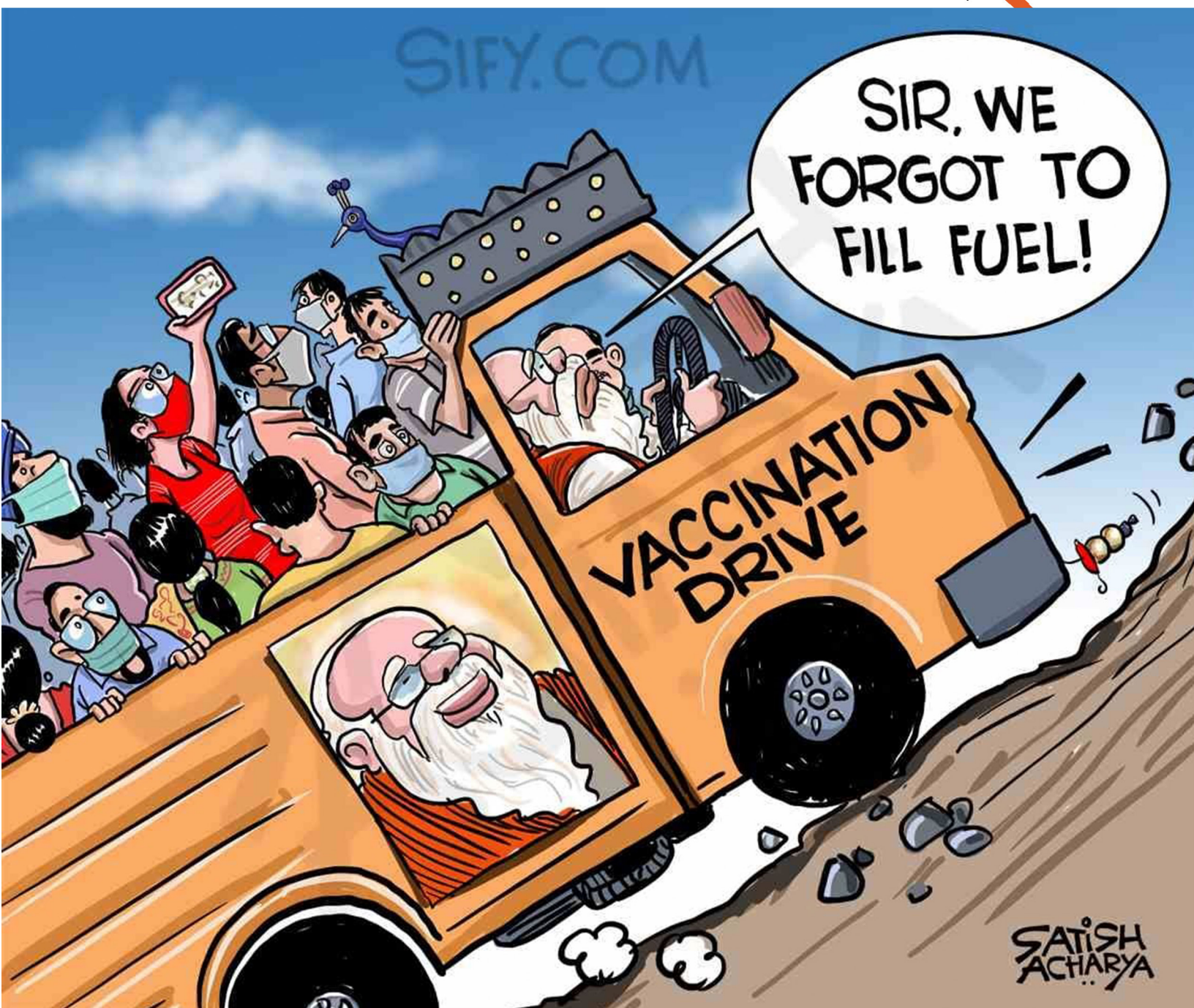


Arihant's

VALUE

Plus

Issue | June 2021



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INDIAN INDICES

Indices	May-21	Apr-21	Monthly Change (%)
SENSEX	51937.44	48782.36	6.47 ↑
NIFTY 50	15582.80	14631.10	6.50 ↑
NIFTY BANK	35526.65	32781.80	8.37 ↑
NIFTY MIDCAP 100	25775.45	24195.90	6.53 ↑
NIFTY 500	13226.35	12364.35	6.97 ↑
NIFTY IT	27115.05	25664.45	5.65 ↑
NIFTY REALTY	336.15	309.60	8.58 ↑
NIFTY INFRA	4327.90	4053.10	6.78 ↑

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices		May-21	Apr-21	Monthly Change (%)
AUTO		23541.12	21667.80	8.65 ↑
BANKEX		40344.68	37304.97	8.15 ↑
CD		33389.27	32324.53	3.29 ↑
CG		22498.27	20252.38	11.09 ↑
FMCG		13130.73	12508.89	4.97 ↑
HC		24534.98	23530.70	4.27 ↑
IT		27476.73	26305.95	4.45 ↑
METAL		18877.33	17821.58	5.92 ↑
OIL & GAS		16472.31	14995.68	9.85 ↑
PSU		7606.09	6731.64	12.99 ↑
REALTY		2653.08	2468.20	7.49 ↑
TECK		12222.81	11802.88	3.56 ↑

GLOBAL INDICES

Indices	May-21	Apr-21	Monthly Change (%)
DOW JONES	34529.45	33874.85	1.93 ↑
NASDAQ	13748.74	13962.68	-1.53 ↓
HANG SENG	29151.80	28724.88	1.49 ↑
FTSE	7022.61	6969.81	0.76 ↑
NIKKEI	28860.08	28812.63	0.16 ↑

COMMODITIES

Particulars		May-21	Apr-21	Monthly Change (%)
MCX GOLD		49350.00	47569.00	3.74 ↑
MCX SILVER		71900.00	69875.00	2.90 ↑
MCX CRUDE OIL		4870.00	4713.00	3.33 ↑
MCX NATURAL GAS		221.80	218.00	1.74 ↑

(Source: Falcon software)

FOREX

Particular		May-21	Apr-21	Monthly Change (%)
USD-INR	₹	72.89	74.35	-1.96 ↓
EUR-INR	€	88.87	89.90	-1.15 ↓
GBP-INR	£	103.28	103.48	-0.19 ↓
JPY-INR	¥	66.48	68.38	-2.78 ↓

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for May 2021	170,609.17	177,540.22	-6,931.05
Total for 2021*	875,933.95	847,412.05	28,521.90

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for May 2021	74,843.81	74,738.36	105.45
Total for 2021*	342,018.79	359,824.19	-17,805.40

*Till May 2021

(Source: SEBI)

Monthly Market Roundup

In May 2021, Domestic market moved higher with benchmark Nifty and Sensex Index ending the month with 6.50% & 6.47% profit respectively. However, we have witnessed lockdowns in most parts of the country, the Nifty performed in line with world indices during this period. We had seen decreasing COVID-19 cases in India, and we are likely to see unlocking of the economy in different states gradually which may have some positive impact on sentiment. The corporate results are largely out and are priced in by stocks.

The broad market has shown negative performance including Nifty Midcap 50 up by 7.8% & Nifty Small Cap 250 up by 8.7%. Going forward, In the 2nd half of the June month the expectation for Q1 result will start building up. Due to lock downs, the Q1 FY 22 results are likely to get impacted. One needs to be more careful in small cap stocks as they have outperformed the market and were driven by near term results.

Monsoon likely to be normal in India: IMD

The Southwest Monsoon is likely to be normal in North and South India, above-normal in Central India and below-normal in East and Northeast India, as mentioned by the MeT department.

India Meteorological Department (IMD) Director General Mrutunjay Mohapatra said that the monsoon this year is likely to be normal in the country. It is likely to be in the range of 96-104 % of the Long Period Average (LPA).

Southwest Monsoon seasonal (June to September) rainfall over the country is most likely to be normal (96 to 104% of Long Period Average (LPA). Quantitatively, the monsoon seasonal (June to September) rainfall over the country is likely to be 101% of the Long Period Average (LPA) with a model error of plus or minus 4 per cent.

The LPA of the season rainfall over the country for the period 1961-2010 is 88 cm. Meanwhile, the update on monsoon has also boosted investor sentiment.

Sectoral Performance

On the sectoral front, Nifty PSU Banks and Nifty Media have outperformed all other major indices with a higher gain of 18.8% and 15.3% respectively. Some other sectors also have shown positive momentum like Nifty Realty, Auto, Nifty NBFCs, Nifty Private Bank, Nifty Smallcap100 by 9.3%, 8.6%, 7.3% and 7.0% respectively. Comparatively FMCG, Nifty IT, Nifty Metals and Nifty Pharma have shown a positive movement of 3.7%, 5.6%, 4.2% and 4.0% respectively.

On The Global Front

Global equities were volatile in May 2021, Dow Jones rose by 1.2% and Nasdaq Index declined by 1.1% respectively. In context to that S&P500 has shown a flat by 0.3%. However, Nikkei showed a negative move of 1.6% and FTSE 100 rose by 1.4%. Global stock market moved positively shrugging off recent period of volatility and embracing hopes for brighter days as the pandemic ebbs and on stronger-than expected labour-market data. As the U.S. economy advanced with its vaccination program and reopening measures, employment and labour force participation are expected to pick up in the coming months. Markets also got strength as investors grew more comfortable that the Federal Reserve and other central banks would maintain their economic support despite a near-term bout of inflation.

In commodities, gold rose by 6.5% in the month of May, while Brent crude increased by 2.6%. USD/INR decreased 1.8% in the month of May.

Economic Data Wrap Up: May

- India's March Federal Fiscal Deficit (USD) hit by 786.99B as compared to 14,055.47B in February.
- India's May Nikkei Services PMI declined to 46.4 as compared to 54 in April.
- India's May Nikkei Markit Manufacturing PMI decreased to 50.8 as compared to 55.5 in April.
- India's April CPI inflation came in at 4.29% as compared to 5.52% in March.
- India's March IIP Grew by 22.4% YoY as compared to -3.4% in February. Previous revised from -3.6%
- India's April WPI inflation grew at 10.49% as compared to 7.39% in March.
- India's April GDP Quarterly (YoY) (Q4) grew at 1.6% as compared to 0.4%.
- India's May Trade Balance (USD) decreased by 6.32B as compared to -15.1B in April.

Nifty Technical Outlook: June - 2021

CMP = 15582



On the monthly chart, we are observing a strong bull candle which suggests upside momentum. In coming month if Nifty trades and close above 15508 level then it is likely to test 16156 – 16503 – 16908 levels. However, if Nifty trades and close below 15356 level then it can test 15009 – 14662 – 14258 levels.

At present the monthly trend is up. Hence, near 15009 - 14662 levels is strong support if Nifty holds the mentioned level then it may test 16156 – 16503 – 16908 levels. Hence, one needs to adopt buy on decline strategy as stock specific move is likely to continue.



Fundamental Stock



Marksans Pharma Ltd.

Marksans Pharma Ltd

BUY

Target Price: Rs. 86

Value Parameters

NSE Code	MARKSANS
CMP(As on 3rdJun, 2021)	Rs 73
Face Value	Rs 1
52 Week High/Low	82/21
Market Cap (Rs Cr)	2,984
EPS (FY23E)	Rs 6.9
P/E (x) (FY23E)	10.5

Company Overview

Marksans Pharma Ltd. is among the fastest growing pharmaceutical companies in India engaged in Research, Manufacturing & Marketing of generic pharmaceutical formulations. Company has established a dominant position in regulated markets in India and abroad. Leveraging its state-of-the-art research and development facilities, the Company has forayed into diverse segments within the Pharma space. Manufacturing Facilities present in Goa, India which is one of the biggest manufacturing facilities in Asia that is spread over 18,000 square metres campus manufacturing oral solid tablets, soft gelatin capsules and hard capsules, Farmingdale, USA manufactures soft gels, tablets and capsules.

Investment Rationale

US market & scheduled product launches are key things to watch ahead: Company is more focused on developing its US business and for that company has already acquired a Time Cap Labs, Inc. in the US during FY15. Company has robust distribution network with concentrated portfolio in the US. Company is planning to launch 4-5 products in the US and also working on ANDA filings in the US and product registration in various regulated markets. We expect US to be a key region for company in the future

Maintaining EBITDA margins at current level for the near future: Company's EBITDA margins have expanded by 836bps over the last three years standing at 24.7% as in FY21. Focus on higher margin products, efficiently off-setting the rising input cost and strong business model coupled with higher operational efficiencies has witnessed the stellar performance in the margin which company believes to continue.

Strong balance sheet and improving return ratios: Markasans has recovered and became a debt free company with strong free cash flow (INR 150 cr in FY20). This is strongly reflected in the 26.7% ROE in FY21. The 5 year average ROE of 14.0% is also quite impressive after the past harsh decade. The debt repayment in FY20 has further strengthened the return ratios of the company.

Robust R&D investments:

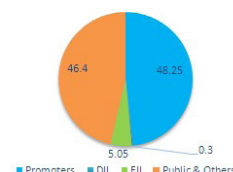
Company has two R&D centers with over 50 experienced Scientists to identify niche areas, in regulated and emerging markets. Company continued to focus on R&D investments leading to a robust pipeline of new developed and under development products. Company develops own products through its in-house R&D facility in OTC and RX business segment across the geographies.

Outlook & Valuation:

Company has established enough capacity to meet the future market demand and it is utilizing its surplus cash in R&D as well as on registration of its products in various regulated markets. Over FY21-FY23E, margins are expected to remain range bound. We expect that product specific higher input cost will be offset by other products and hence we project EBITDA margins to come in at 23.5%/23.8% in FY22E/FY23E and we estimate revenue and PAT CAGR of 16.6% & 10.7% respectively during FY21-23E. At CMP of Rs 73, Marksans is currently trading at PE of 12.6x/12.2x and 10.6x to its FY21A/22E/23E respectively. We have an Accumulate rating on the stock with a target price of Rs 86.

Shareholding Pattern % (Mar - 21)

Shareholding Pattern % (Mar '21)



AUT SECTOR MAY SALES



Maruti Suzuki

Total Sales: 46,555 units, 151% YoY up
 Domestic Sales: 35,293 units, 154% YoY up
 PV Sales: 32,903 units, 140% YoY up
 Exports: 11,262 units, 142% YoY up



TVS Motor

Total Sales: 166,889 units, 183% YoY up
 Domestic Sales: 52,084 units, 27% YoY up
 2 Wheeler Sales: 154,416 units, 175% YoY up
 Exports: 114,674 units, 548% YoY up



Mahindra & Mahindra

Total Sales: 17,447 units, 112 % YoY up
 PV Sales: 8004 units, 107% YoY up
 M&HCV Sales: 188 units, 284% YoY up
 Exports: 1935 units, 300% YoY up



Atul Auto

Total Sales: 100 units, -75.32% YoY down



Bajaj Auto

Total Sales: 271,862 units, 114 % YoY up
 Domestic Sales: 60,830 units, 52% YoY up
 CV Sales: 31,308 units, 118% YoY up
 Motorcycle Sales: 240,554 units, 113% YoY up
 Exports: 211,032 units, 142% YoY up



Escorts

Total Sales: 6,423 units, -2.60 % YoY down
 Domestic Sales: 6,158 units, -4.60 % YoY down
 Exports: 265 units, 89.30 % YoY up



Hero MotoCorp

Total Sales: 183,044 units, 62.44 % YoY up
 Motorcycle Sales: 178,706 units, 68.53% YoY up
 Scooters Sales: 4,338 units, -34.71% YoY down
 Domestic Sales: 159,561 units, 46.59% YoY up
 Exports: 23,483 units, 512.49% YoY up



Ashok Leyland

Total Sales: 3,199 units, 125% YoY up
 M&HCV Sales: 1,953 units, 634% YoY up
 LCV Sales: 1,246 units, 8% YoY up



Tata Motors

Total Sales: 26,661 units, 475% YoY Up
 Exports: 2,030 units, 222% YoY up
 PV Sales: 15,181 units, 382% YoY Up
 CV Sales: 11,401 units, 666 %YoY down
 M&HCV Sales: 2,583 units, 567% YoY up



Volvo-Eicher Commercial Vehicles

Total Sales: 1,223 units, 78.3 % YoY up
 Exports: 519 units, 124.7 % YoY up
Eicher Motorcycle
Total Sales: 27,294 units, 43% YoY up
 Exports: 7,221 units, 956 % YoY up

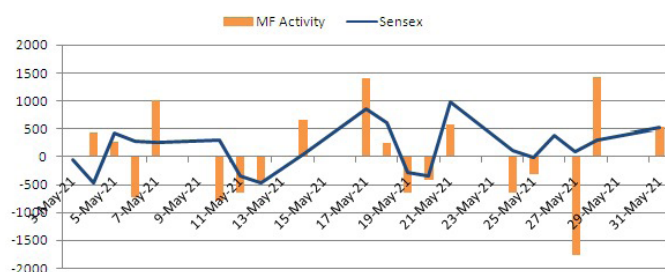


MUTUAL FUNDS ROUNDUP

Indian equity markets rejoiced and ended on positive note in May 2021. The barometer index, S&P BSE Sensex delivered positive returns of 6.47% to settle at 51937.44 and Nifty50 gained 6.50 % ending the month at 15582.80.

MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 105.45 crores in the month of May 2021. Highest Buying was recorded in the 3rd week of the month when the fund houses made total net buy of Rs 1140.50 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Sellers to the tune of Rs 6931.05 crores worth of equities in May 2021.



Mutual Fund Activity In May 2021

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	16353.16	15403.85	949.31
2nd Week	14350.20	15579.27	-1229.07
3rd Week	20408.93	19268.88	1140.05
4th Week	19965.61	21259.41	-1293.80
5th Week	3765.91	3226.95	538.96
Total	74843.81	74738.36	105.45

Note: Mutual Fund activity as on May 2021

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st June, 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)	40.96	25133	5-Jan-10	51.2	15.06	16.12	12.96	1000	5000
ICICI Pru Bluechip Fund (G)	57.08	27033	23-May-08	58.91	12.25	14.33	14.3	100	100
Mirae Asset Large cap Fund(G)	69.23	23353	4-Apr-08	61.49	13.81	15.91	15.84	1000	5000
Multi Cap Fund									
Axis Focused 25 Fund(G)	40.12	15521	29-Jun-12	60.42	13.04	17.47	16.74	500	5000
Kotak Standard Multicap Fund(G)	47.55	34115	11-Sep-09	58.52	12.87	15.27	14.04	500	5000
SBI Magnum Multicap Fund (G)	67.42	12034	29-Sep-05	66.26	12.42	14.46	12.97	500	1000
Mid Cap Fund									
DSP MidCap Fund(G)	82.38	11249	25-Jun-07	63.89	13.8	16.97	15.59	500	500
L&T Mid Cap Fund (G)	183.72	6395	9-Aug-04	65.96	8.9	16.09	18.91	500	5000

Note: Returns as on 31st May, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 1 st June,2021 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	3.34	2284.58	25040	0.25	0.8	1.54	3.24	7.34
ICICI Pru Liquid Fund(G)	3.4	304.6	40714	0.26	0.8	1.55	3.25	7.06
Ultra Short Term Fund								
Kotak Saving Fund(G)	3.73	33.91	12421	0.28	1.04	1.77	3.6	7.11
L&T Ultra Short term Fund(G)	3.56	34.42	2998	0.24	0.91	1.61	3.71	7.26

Note: NAV and Returns as on 31st May, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st June, 2021 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	27.36	7251	28-Dec-15	79.83	18.69	21.22	20.38
Axis LT Equity Fund(G)	64.24	28239	29-Dec-09	55.98	13.51	15.71	17.62
Kotak Tax Saver(G)	62.76	1866	31-May-96	65.5	15.26	15.74	12.55

Note: NAV and Returns as on 31st May, 2021, Returns <1 yr annualised, >1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS JUNE 2021



June 01

- Indian Automobile Sales Data, by Automakers
- USD ISM Manufacturing PMI
- INR Nikkei Markit Manufacturing PMI (May)

June 03

- USD ISM Services PMI
- USD Unemployment Claims
- INR Nikkei Services PMI (May)

June 04

- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD Unemployment Rate
- INR Reverse REPO Rate
- INR Interest Rate Decision

June 08

- Indian Automobile Sales Data, by SIAM

June 10

- EUR Monetary Policy Statement
- EUR ECB Press Conference
- USD CPI m/m
- USD Core CPI m/m

June 11

- INR Manufacturing Output (MoM) (Apr)
- INR Industrial Production (YoY) (Apr)
- INR Cumulative Industrial Production (Apr)

June 14

- INR WPI Manufacturing Inflation (YoY) May)
- INR WPI Inflation (YoY) (May)

June 15

- USD Core Retail Sales m/m
- USD PPI m/m
- USD Retail Sales m/m

June 16

- USD FOMC Economic Projections
- USD FOMC Statement
- USD Federal Funds Rate

June 23

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

June 24

- GBP MPC Official Bank Rate Votes
- GBP Monetary Policy Summary
- GBP Official Bank Rate



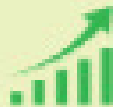
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*Note: The above figures are calculated on the basis of returns for illustrative purposes only. Actual fund investments are subject to market risks. Returns could vary significantly depending on various factors and should not be construed as indication of future performance in any manner.

20 YEARS PERIOD



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