

ARIHANT'S

VALUE *Plus*

Issue : April 2016



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MOVERS & SHAKERS

INDIAN INDICES

Indices	Mar-16	Feb-16	Monthly Change (%)
SENSEX	25341.86	23002.00	10.17↑
NIFTY 50	7738.40	6987.05	10.75↑
NIFTY BANK	16141.65	13946.40	15.74↑
NIFTY MIDCAP 100	12752.60	11558.70	10.33↑
NIFTY 500	6452.15	5829.95	10.67↑
NIFTY IT	11309.30	10278.40	10.03↑
NIFTY REALTY	156.55	130.30	20.15↑
NIFTY INFRA	2548.15	2261.25	12.69↑

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Mar-16	Feb-16	Monthly Change (%)
AUTO	18001.76	15851.55	13.56↑
BANKEX	18391.96	15814.82	16.30↑
CD	11480.50	11054.04	3.86↑
CG	12861.33	11239.38	14.43↑
FMCG	7692.32	7114.45	8.12↑
HC	15149.25	15207.69	-0.38↓
IT	11387.95	10229.49	11.32↑
METAL	7540.75	6759.24	11.56↑
OIL&GAS	9161.61	8214.24	11.53↑
PSU	6106.65	5525.87	10.51↑
REALTY	1228.35	1051.08	16.87↑
TECK	6104.86	5513.60	10.72↑

(Source: BSE)

GLOBAL INDICES

Indices	Mar-16	Feb-16	Monthly Change (%)
DOW JONES	17685.09	16516.50	7.08↑
NASDAQ	4869.85	4557.95	6.84↑
HANG SENG	20776.70	19111.93	8.71↑
FTSE	6174.90	6097.09	1.28↑
NIKKEI	16758.67	16026.76	4.57↑

(Source: Telequote software)

COMMODITIES

Particular	Mar-16	Feb-16	Monthly Change (%)
MCX GOLD	28549.00	29513.00	-3.27↓
MCX SILVER	36751.00	36081.00	1.86↑
MCX CRUDE OIL	2572.00	2321.00	10.81↑
MCX NATURAL GAS	129.90	118.10	9.99↑

(Source: Telequote software)

FOREX

Particulars	Mar-16	Feb-16	Monthly Change (%)
MCX-SX USDINR	66.24	68.41	-3.17↓
MCX-SX EURINR	75.38	74.47	1.22↑
MCX-SX GBPINR	95.18	94.83	0.37↑
MCX-SX JPYINR	59.10	60.58	-2.44↓

(Source: Telequote software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/ Sales
Total for Mar 2016	1,06,254.28	85,111.36	21,142.92↑
Total for 2016*	2,50,182.70	2,45,687.20	4,495.00↑

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/ Sales
Total for Mar 2016	15,604.50	23,662.40	-8,057.70↓
Total for 2016*	66,220.40	61,004.70	5,216.10↑

* From Jan-29 Mar,2016

(Source: SEBI)



MARKET OUTLOOK

Market Outlook: April

Going ahead, RBI's monetary policy will be the major trigger for Indian equity markets. Further, markets will closely watch the implementation of key legislations such as GST bill and bankruptcy law, Q4FY16 corporate earnings and state elections for further direction. On the global front, European Central Bank (ECB) meeting and US FOMC meeting will be the key events to watch for. We recommend investors to ignore short-term volatility and invest for long term in fundamentally strong companies.

Monthly Market Roundup

Indian equity markets started the month of March on a jubilant note delivering robust returns above 10%. Positive domestic and macro economic data coupled with strong FII inflows lead to bullish sentiment in the markets. Further, cut in interest rates on small savings schemes fueled expectation of a reduction in lending rates by bank. The major trigger for the markets remained expectation of rate cut by RBI on account of union budget's fiscal prudence measures and low inflation numbers.

Besides, dovish comments from the US Federal Reserve chairman Janet Yellen indicated lessened chances of a US rate hike.

The month finally ended with upward bias as S&P BSE Sensex delivered positive return of 10.17% to settle at 25341.86 and Nifty 50 gained 10.75% ending the month at 7738.40.

On the institutional side, foreign institutional investors (FIIs) bought Rs 21,142.92 crore worth of equities during the month while domestic mutual fund houses sold Rs 8,057.70 crore in March 2016.

Economic Data Wrap Up – March

- India's Feb Nikkei manufacturing PMI unchanged at 51.1 MoM.
- India's Feb Nikkei Services PMI fell to 51.4 from 54.3 in Jan.
- India's Jan IIP growth at (-) 1.5% from (-) 1.3% in Dec.
- India's Feb CPI inflation rose to 5.18% from 5.69% in Jan.
- India's Feb WPI inflation at (-) 0.91% vs (-) 0.90% in Jan.
- India's Feb FDI inflows rose to \$6.34 bln from \$5.90 bln YoY.
- India's Feb trade deficit fell to \$6.54 bln vs \$7.64 bln in Jan.
- India's Oct-Dec current account deficit (CAD) narrowed to to \$7.1 bln or 1.3% of GDP from \$7.7 bln or 1.5% of GDP QoQ.

Technical Outlook: April



The current price action on the monthly chart has formed a strong bull candle which has closed above the median line of the channel. However, the monthly trend is still down and would reverse only if monthly trades and closes above 8100 level. In coming month if Nifty trades and closes above 7878 level then it is likely to test 8094 – 8311 – 8564 levels. However, if Nifty trades and closes below 7598 level then it can test 7382 – 7165 – 6913 levels.

Broadly, we are of the opinion that the monthly trend is still down, however if Nifty trades and closes above 8100 level then monthly down trend would reverse and uptrend would resume. Hence, 8100 level on closing basis remains make or break level going forward. However, we maintain our stance that stock specific activity is likely to continue.

FUNDAMENTAL PICK

City Union Bank Ltd.

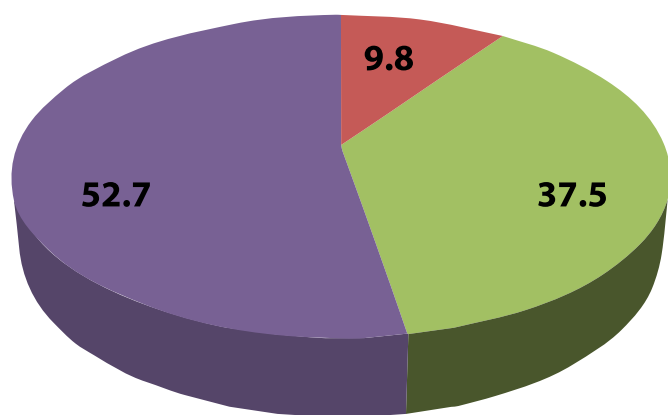
Accumulate

Target Price Rs 116

Value Parameters

BSE Code	532210
NSE Symbol	CUB
CMP (As on 4 th Apr, 2016)	Rs 97
Face Value	Rs 1
52 Week High/Low	106/77
Market Cap (Rs cr)	5,821
ABV (Rs) (FY17E)	58
P/ABV ratio (x) (FY17E)	1.5

Shareholding Pattern % (Dec' 15)



■ DII ■ FII ■ Public & Others

Company Overview

City Union Bank Ltd, the oldest private sector bank in India, was founded on October 31, 1904 and is headquartered at Kumbakonam, Tamil Nadu, India. The bank in the beginning preferred the role of a regional bank. The first branch of the Bank was opened at Mannargudi on 24th January 1930. Presently the bank has pan India presence & operates through 500 branches, 1302 ATM & employee strength of 4,437. The bank has greater presence in Tamil Nadu about 50%. The main focus of the Bank is lending to MSME, Retail/Wholesale Trade with granular asset profile including providing short term and long term loans to agricultural sector.

Investment Rationale

- The bank has diversified loan book with greater exposure to the MSME sector. The small-ticket loans along with the shrinking financial health of the PSU banks are likely to lead the road ahead for the bank. We expect the bank to grow at a CAGR of 10.5% for FY15-17E.
- The bank stays strong on capital adequacy. The total capital ratio (Basel II) for the bank in FY13 stood at 13.98 & grew to 16.59 in FY15. CAR as per Basel III rose from 15.01 in FY14 to 16.52 in FY15. We expect the bank to stay strong on its capital adequacy for FY15-17E with a slight drop in FY16.
- The bank manages the costs efficiently. In FY15 the cost to income ratio dropped down to 42.8 from 44.1 in FY14. This year (9M) too, the ratio has dropped down to 40.23. This is likely due to the decelerating growth in branches & employee strength.
- The bank continues to keep its NIM healthy. Net interest income for the bank has been on a consistent rise with NIM above 3% for nearly a decade.

Valuations

We have valued the bank at its P/ABV multiple of 2.0 (x) to its FY17E adjusted book value per share. We have arrived at a target of Rs 116 per share at which the valuations look reasonable. At CMP of Rs 97 the stock is trading at the FY17E P/E and P/ABV of 9.8 & 1.7 respectively and has "Accumulate" rating on the stock.



JET AIRWAYS

TECHNICAL PICK

Jet Airways (India) Ltd :

Buy

CMP: ₹ 594 (As on 5th Apr, 2016)

Target Price : ₹ 640-670

Buy : ₹ 594-580

Stop-Loss: ₹ 560

Jet Airways (India) Ltd is an India-based company, which provides passenger and cargo air transportation services. It operates through two segments, air transportation and leasing of aircraft. It operates flights to 73 destinations in India and international countries, including Abu Dhabi, Bahrain, Bangkok, Brussels, Colombo, Dammam, Dhaka, Doha, Dubai, Ho Chi Minh City, Hong Kong, Jeddah, Kathmandu, Kuwait, London (Heathrow), Muscat, New York (Newark), Paris, Riyadh, Sharjah, Singapore, and Toronto. As of July 24, 2015, the company had a fleet of 116 aircraft, which includes a mix of Boeing 777-300 ERs/ Airbus A330-200/300 aircraft, Next Generation Boeing 737s, and ATR 72-500/600s. The company offers a frequent flyer program, JetPrivilege. Its subsidiaries include Jet Lite (India) Ltd and Jet Airways Training Academy Private Ltd.

Technical Outlook:

On the daily chart, the stock is trading in a channel and has shown consolidation at 515 to 565 levels. Further the momentum indicators are gaining momentum. This suggests upside in this counter.

Hence we recommend buying the stock at Rs 594 or on a decline up to Rs 580 with a stop loss of Rs 560 for a target of Rs 640 – 670 levels. Aggressive traders can buy at current price for above mentioned target.





March Sales

AUTO SECTOR



Maruti Suzuki

Total Sales: 129,345 units, 16% yoy up
 PV Sales: 92,105 units, 7.4% yoy up
 Domestic Sales: 118,895 units, 14.6% yoy up
 Exports: 10,450 units; 33.4% yoy up



TVS Motor

Total Sales: 232,527 units, 10% yoy up
 2Wheeler Sales: 226,653 units, 13.3% yoy up
 3Wheeler Sales: 5,874 units, 46% yoy down
 Exports: 31,121 units, 27% yoy down



Mahindra & Mahindra

Total Sales: 52,718 units, 17% yoy up
 PV Sales: 26,885 units, 21% yoy up
 CV Sales: 17,438 units, 24% yoy up
 Exports: 3,751 units, 7% yoy down



Atul Auto

Total Sales: 3,303 units, 2.51% yoy up



Tata Motors

Total Sales: 53,057 units, 1% yoy up
 PV Sales: 8,454 units, 44% yoy down
 CV Sales: 38,247 units, 20% yoy up
 M&HCV Sales: 18,538 units, 24% yoy up
 LCV Sales: 19,709 units, 15% yoy up
 Exports: 6,356 units; 17% yoy up



Escorts

Total Sales: 5,403 units, 28% yoy up
 Domestic Sales: 5,327 units, 27.9% yoy up
 Exports: 76 units, 27% yoy up



Bajaj Auto

Total Sales: 305,800 units, 22% yoy up
 CV Sales: 41,551 units, 2% yoy up
 Motorcycle Sales: 264,249 units, 26% yoy up
 Exports: 101,519 units, 3% yoy up



Ashok Leyland

Total Sales: 16,702 units, 31% yoy up
 M&HCV Sales: 13,240 units, 32% yoy up
 LCV Sales: 3,462 units, 27% yoy up



Hero MotoCorp

Total Sales: 606,542 units, 14% yoy up



Volvo-Eicher Commercial Vehicles

Total Sales: 6,753 units, 50% yoy up
Eicher Branded Trucks & Buses
Total Sales: 6,633 units, 50.7% yoy up
 Domestic Sales: 5,944 units, 45.5% yoy up
 Exports: 689 units, 117.4% yoy up



COMMODITY OUTLOOK

JEERA MAY

CMP: ₹ 16310 (As on 4th Apr, 2016)

Buy on dips: ₹ 15800-15750

Target Price : ₹ 17100-18500

Stop-Loss: < ₹ 14950

Jeera or cumin seed is an India dominated commodity. The flavoring spice is used in many therapeutic ways as well. Since India contributes 75 to 80 percent of worldwide production, Jeera prices usually sees frequent spells of high volatility as any local factor be it weather, domestic demand or carry forward stocks emerges in a season or two to impact demand-supply scenario at International level. Presently, Jeera is in the last leg of harvest and the recent rally that started in first week of February, i.e. during peak supply period, has its strong foothold. Rains in Gujarat & Rajasthan during Feb-March period has resulted in lower than estimated output and if we talk about superior quality crop then the numbers further declines. Also, at International scenario, things are not very smooth as crop in another major exporter Syria is not up to the mark. All in all, we have a tight supply scenario as there is negligible support from carry forward stocks while



demand is actually soaring. So, as mentioned above, this season of Jeera is in bullish cycle.

Technically, prices have recently broken above a bullish continuation pattern called 'ascending triangle' and it is to be seen that when will the traders' remorse stage will occur as it will provide the best opportunity to enter long. Momentum indicators RSI & MACD are going strong in favor while ADX is trading above 35 which suggest that an ample scope for further rise is comfortably there.

We recommend buying Jeera May on dips to Rs 15800-15750 for targets in the range of Rs 17100-18500. Maintain stop loss below Rs 14950.



MUTUAL FUND

COMMENTARY

MUTUAL FUND ROUNDUP

Indian equity markets registered robust returns in March 2016. The barometer index, S&P BSE Sensex delivered positive return of 10.17% to settle at 25341.86 and Nifty 50 gained 10.75% ending the month at 7738.40.

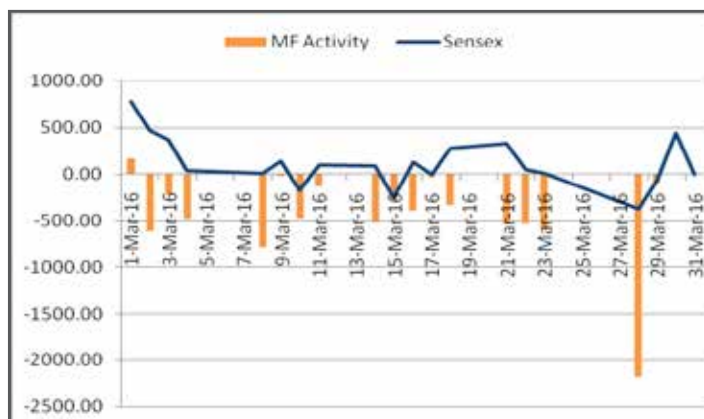
MF ACTIVITY

Indian mutual funds turned net sellers of equities to the tune of Rs 8,057.70 crore for the month of March 2016. Highest selling was recorded in the fifth week of the month when the fund houses made total net sell of Rs 2,269.90 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs 21,142.92 crore worth of equities in March 2016.

MUTUAL FUND ACTIVITY IN MAR 2016

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	4291.80	5444.00	-1152.10
2 nd Week	2833.60	4247.90	-1414.20
3 rd Week	3805.80	5368.00	-1562.20
4 th Week	2405.70	4065.00	-1659.30
5 th Week	2267.60	4537.50	-2269.90
Total	15604.50	23662.40	-8057.70

Note: Mutual Fund Activity as on 29th Mar, 2016



EQUITY SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	Launch Date	Returns (%)				Min. Investment Amount		Fund Type
			One Year	Three Years	Five Years	Since Inception	SIP	Lumpsum	
IDFC Premier Equity Fund	68.16	Sep-05	-7.79	22.95	16.89	20.00	2,000	10,000	Mid-Cap Fund
DSP BlackRock Micro Cap Fund	40.90	Jun-07	3.51	39.98	22.51	17.32	500	1,000	Small-Cap Fund
Franklin India Bluechip	344.23	Dec-93	-3.10	15.10	9.52	20.85	500	5,000	Large Cap Fund
HDFC Prudence Fund	353.36	Feb-94	-5.52	16.72	10.66	17.46	500	5,000	Hybrid Fund
Canara Robeco Emerging Equities Fund	56.59	Mar-05	-2.91	31.80	20.63	16.97	1,000	5,000	Small-Cap Fund
ICICI Prudential Focused Bluechip Equity Fund	27.52	Jan-13	-6.83	15.84	10.32	13.72	1,000	5,000	Large-Cap Fund
SBI Bluechip Fund	27.92	Feb-06	-1.75	19.77	13.82	10.62	500	5,000	Multi-Cap Fund

Note: NAV and Returns as on 31st Mar 16, Returns < 1 yr annualised, > 1 yr compounded annualised.

DEBT SCHEME- LIQUID FUNDS RECOMMENDATION

Scheme Name	Latest NAV*	AAA/ LAAA/ A1+/P1+/ PR1+/F1+ SOV	AUM as on 31 st Jan 2016 (Rs in Cr.)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Axis Treasury Advantage Fund	1683.98	100.00%	1693.52	11.4	8.44	8.02	8.56	8.36
Birla Sun Life Cash Plus	404.29	99.10%	22475.90	7.8	7.64	7.68	8.14	7.49
Reliance Money Manager	2074.86	100.00%	12064.00	9.24	7.68	7.5	8.16	8.38
HDFC Cash Mgmt Fund Saving	3154.79	97.26%	8304.39	8.52	7.84	7.72	8.1	7.27
Kotak Treasury Advantage	24.1477	100.00%	4240.73	8.76	7.24	7.42	8.2	7.85

Note: NAV and Returns as on 31st Mar 16, Returns < 1 yr annualised, > 1 yr compounded annualized.

ELSS SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	Launch Date	Returns (%)			
			OneYear	Three Years	Five Years	Since Inception
Axis Long Term Equity Fund	29.19	Dec-09	-6.34	26.99	18.64	18.59
IDFC Tax Advantage Fund	36.10	Dec-08	-9.68	19.57	12.67	19.30
Franklin India Taxshield	412.25	Apr-99	-2.92	21.55	14.14	24.46
ICICI Prudential Long Term Equity Fund	255.32	Aug-99	-5.83	20.62	12.67	21.50
Birla Sunlife 96 Tax Saver	20.96	Mar-08	-3.69	23.63	13.25	9.51

Note: NAV and Returns as on 31st Mar 16, Returns < 1 yr annualised, > 1 yr compounded annualized.



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The Month Ahead

Key Financial Events- April 2016

Apr 1

- Indian Automobile Sales Data, by Automakers
- Chinese Manufacturing PMI
- US Non-Farm Employment



Apr 4

Indian Nikkei Manufacturing PMI



Apr 5

- RBI Monetary Policy
- Indian Nikkei Services PMI
- US Trade Balance



Apr 6

US FOMC Meeting Minutes



Apr 8-12

- Indian Automobile Sales Data, by SIAM
- Indian FDI Equity Inflow



Apr 12

- Indian Industrial Production (IIP)
- Indian Consumer Price Index (CPI)



Apr 13

Chinese Trade Balance



Apr 14

- Indian WPI Inflation
- BoE Monetary Policy
- European Industrial Production



Apr 15

- Indian Trade Data
- Chinese GDP
- Chinese Industrial Production
- US Industrial Production



Apr 20

Japanese Trade Balance



Apr 21

European Central Bank Meeting



Apr 27

- Japan Monetary Policy Meeting
- US FOMC Meeting



Apr 28

- Japanese Industrial Production
- US Advanced GDP



Apr 29

- Indian Core Sector Growth
- Indian Government Finance



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