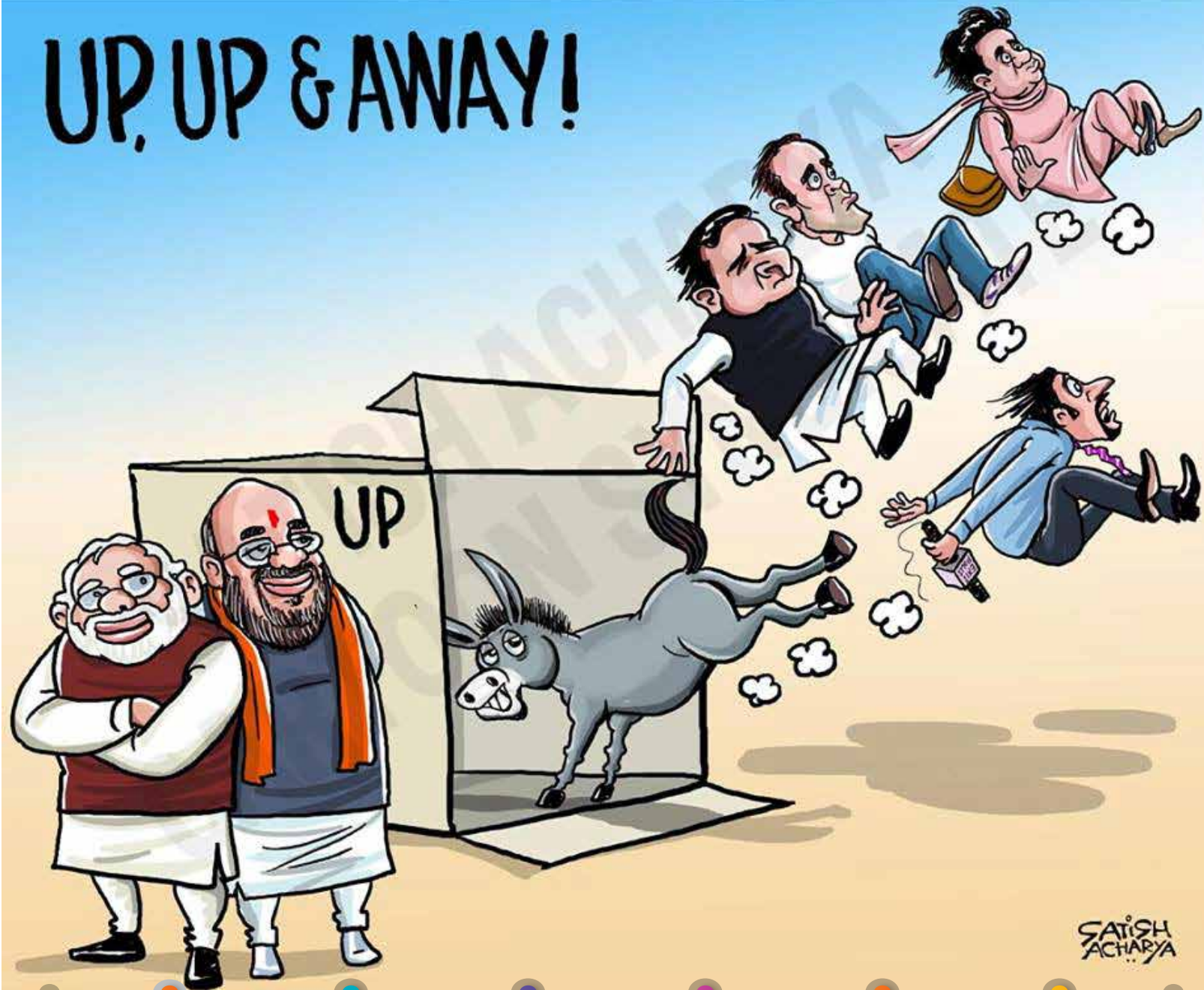


ARIHANT'S

# VALUE *Plus*

Issue : April 2017

## UP, UP & AWAY!



SATISH  
ACHARYA

**INSIDE  
THE ISSUE**

Page 3

**Market  
Outlook**

Page 4-5

**Technical  
Picks**

Page 6

**Auto  
Sector**

Page 7

**Commodity  
Outlook**

Page 8-9

**Mutual  
Fund**

# MOVERS & SHAKERS















## INDIAN INDICES

Indices	Mar-17	Feb-17	Monthly Change (%)
SENSEX	29620.50	28743.32	3.05 ↑
NIFTY 50	9173.75	8879.60	3.31 ↑
NIFTY BANK	21444.15	20607.25	4.06 ↑
NIFTY MIDCAP 100	17197.15	16480.50	4.35 ↑
NIFTY 500	7995.05	7709.10	3.71 ↑
NIFTY IT	10703.25	10680.95	0.21 ↑
NIFTY REALTY	214.95	197.20	9.00 ↑
NIFTY INFRA	3096.65	2997.85	3.30 ↑

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Mar-17	Feb-17	Monthly Change (%)
AUTO 	22012.66	21486.06	2.45 ↑
BANKEX 	24420.77	23482.44	4.00 ↑
CD 	15257.34	13778.67	10.73 ↑
CG 	16446.03	15333.49	7.26 ↑
FMCG 	9270.25	8799.89	5.35 ↑
HC 	15312.40	15384.97	-0.47 ↓
IT 	10365.51	10376.10	-0.10 ↓
METAL 	11804.46	11893.05	-0.74 ↓
OIL&GAS 	13563.63	13534.47	0.22 ↑
PSU 	8596.71	8464.27	1.56 ↑
REALTY 	1599.97	1495.06	7.02 ↑
TECK 	5771.47	5765.37	0.11 ↑





(Source: BSE)

## GLOBAL INDICES

Indices	Mar-17	Feb-17	Monthly Change (%)
DOW JONES	20663.22	20812.24	-0.72 ↓
NASDAQ	5911.74	5825.44	1.48 ↑
HANG SENG	24111.59	23740.73	1.56 ↑
FTSE	7322.92	7263.44	0.82 ↑
NIKKEI	18909.26	19118.99	-1.10 ↓

(Source: Telequote software)

## COMMODITIES

Particular	Mar-17	Feb-17	Monthly Change (%)
MCX GOLD 	28463.00	29566.00	-3.73 ↓
MCX SILVER 	42326.00	43247.00	-2.13 ↓
MCX CRUDE OIL 	3161.00	3566.00	-11.36 ↓
MCX NATURAL GAS 	201.00	185.00	8.65 ↑

(Source: Telequote software)

## FOREX

Particulars	Mar-17	Feb-17	Monthly Change (%)
USD-INR ₹	64.86	66.68	-2.73 ↓
EUR-INR €	69.10	70.53	-2.03 ↓
GBP-INR £	81.42	82.56	-1.38 ↓
JPY-INR ¥	58.23	59.14	-1.54 ↓

(Source: Telequote software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/ Sales
Total for Mar 2017	1,64,842.51	1,33,516.05	31,326.46 ↑
Total for 2017*	3,49,945.60	3,09,893.40	40,052.20 ↑

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/ Sales
Total for Mar 2017	43,483.90	41,116.30	2,367.60 ↑
Total for 2017*	1,18,942.90	1,09,302.10	9,641.20 ↑

\*From Jan-30 Mar, 2017

(Source: SEBI)





# MARKET OUTLOOK

## Market Outlook: April

Going ahead, Indian equity markets will remain positive this month on the back of thumping victory for the BJP in Uttar Pradesh elections. The election results has lifted concerns over political stability, due to which now most FPIs are of the view that the government will now push reform agenda. The election results could provide a much needed boost to government to accelerate the pace of reforms, including the rollout of the crucial Goods and Services Tax (GST). GST is one of the key reforms that have the potential to bring about a structural change in the Indian economy.

On the economic data front, the RBI's monetary policy which will be scheduled on 6<sup>th</sup> April, 2017 and the US Federal Reserve's stance on interest rate would also impact the markets. Further, Indian macro economic data, Q4FY17 corporate earnings, European Central Bank (ECB) monetary policy and Japanese monetary policy will be major events to watch for. Hence, we recommend investors to invest in fundamentally sound companies for long term.

## Nifty Technical Outlook: April



On the monthly chart, we are observing a bull candle which has registered new all-time high this suggests that momentum on the upside is likely to continue. In the coming month if Nifty trades and closes above 9245 level then it is likely to test 9349 – 9454 – 9576 levels. However, if Nifty trades and closes below 9102 level then it can test 8997 – 8893 – 8771 levels.

Broadly, we are of the opinion that monthly trend is up and 9000 to 8950 remains crucial demand zone going ahead. Hence as long as Nifty holds the mentioned level on closing basis there is high probability that markets are likely to test 9400 - 9600 levels in couple of months.

## Monthly Market Roundup

Indian equity markets started the March month on an optimistic note. The markets remained positive throughout the month and touched all time high in reaction to the BJP's landslide victory in Uttar Pradesh elections. The US Fed hiked interest rates by 25 basis points, as expected, but didn't raise projections for future tightening gave comfort to global investors. Positive news from the tabling of GST bills and the Finance Minister's comments regarding a policy decision for solving India's bad loans problems, also helped markets to gain momentum. Further, the

market sentiments were lifted after the Lok Sabha cleared four bills related to the Goods and Services Tax (GST).

The month finally ended with upward bias as S&P BSE Sensex delivered positive returns of 3.05% to settle at 29620.50 and Nifty50 gained 3.31% ending the month at 9173.75.

On the institutional side, foreign institutional investors (FIIs) bought Rs 31,326.46 crore worth of equities during the month while domestic mutual fund houses continued their buying spree with net purchases of Rs 2,367.60 crore in March 2017.

## Economic Data Wrap Up – March

- India's Feb Nikkei manufacturing PMI rose to 50.7 from 50.4 in Jan.
- India's Feb Nikkei Services PMI rose to 50.3 from 48.7 in Jan.
- India's Jan IIP growth rose to 2.7% vs -0.1 % in Dec.
- India's Feb CPI inflation rose to 3.65% from 3.17% in Jan.
- India's Feb WPI inflation rose to 6.55% from 5.25% in Jan.
- India's Feb trade deficit rose to \$8.90 bln from \$6.57 bln YoY.
- India Oct-Dec CAD at 1.4% of GDP vs 0.6% of GDP QoQ.
- India's Feb core industries growth fell to 1% vs 3.4% in Jan.



## TECHNICAL PICK

Bajaj Finance Ltd is a non-banking finance company (NBFC). The company is engaged in lending and allied activities. It focuses on consumer lending, small and medium-sized enterprises (SME) lending, commercial lending, rural lending, fixed deposits and value-added services. Its consumer lending products include two-wheelers and three-wheelers finance, consumer durables finance, digital products finance, retailer finance, salaried personal loans, e-commerce consumer finance, e-commerce seller finance and home loan. It's SME lending products include loan against property and business loans. Its commercial lending products include loan against securities and financial institutions group lending business. Its rural lending products include personal loans cross-sell, salaried personal loans and gold loans. It offers retail fixed deposits and wholesale fixed deposits. It is engaged in life insurance distribution, general insurance distribution and mutual fund distribution. They also extended their product line with the launch of IPO financing for high networth customers. The company plans to introduce new products, thus increasing its product portfolio as well as widen its presence in semi-urban and rural markets.

### Technical Outlook:

The multi time frame analysis clearly suggests that the stock is in a firm uptrend. Further we are observing that the momentum indicators are gaining strength which clearly indicates that the upside momentum is likely to continue.

**Hence we recommend buying in stock at Rs 1178 or on a decline up to Rs 1165 with a stop loss of Rs 1155 for a target of Rs 1220-1250 levels.**

### Bajaj Finance Ltd

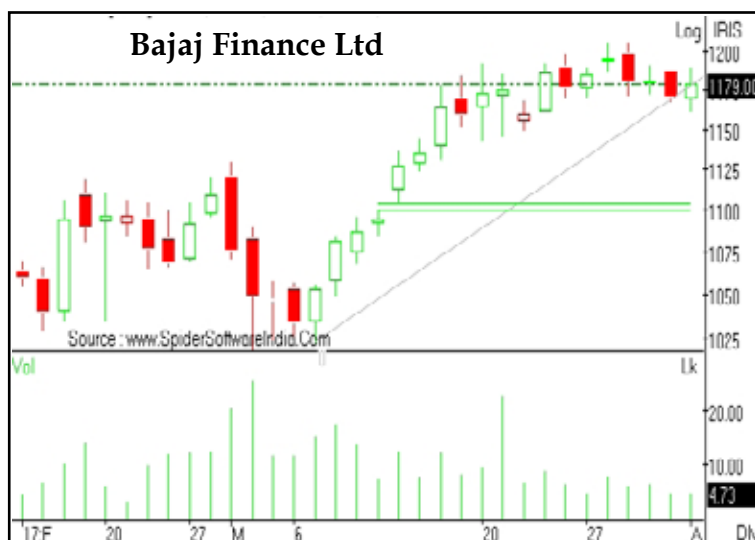
**BUY**

CMP: ₹1178 (As on 03<sup>rd</sup> Apr 2017)

Buy: ₹1178-1165

Target Price: ₹1220-1250

Stop-Loss: ₹1155







## TECHNICAL PICK

ICICI Bank Ltd is India's second-largest bank. The service offered by the company includes Deposits, Loans, Cards, Investments, Insurance and Demat. In the NRI segment services offered include Money Transfer, Bank Accounts, Investment, Home Loans, Insurance, Loans against FD, etc. It offers a wide range of banking products and financial services to corporate and retail customers. It mainly operates in Retail Banking, Wholesale Banking and Treasury. ICICI Bank also offers wide range of financial services to corporate and retail customers through its specialized subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. It has subsidiaries in UK, Russia and Canada, branches in US, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia.

### Technical Outlook:

On the weekly chart, the stock is making a higher top higher bottom formation which is a sign of strength. Further on the daily chart we are observing that 290 is multiple resistances, however looking at the RSI which is gaining momentum suggests that the stock has potential to cross the above mentioned resistance.

**Hence we recommend buying in stock at Rs 286 or on a decline up to Rs 280 with a stop loss of Rs 270 for a target of Rs 300-320 levels.**

### ICICI Bank Limited

### BUY

CMP: ₹286 (As on 03<sup>rd</sup> Apr 2017)

Buy on decline: ₹286-280

Target Price: ₹300-320

Stop-Loss: ₹270



# AUTO SECTOR

March Sales



## Maruti Suzuki

**Total Sales:** 139,763 units, 8% yoy up

**PV Sales:** 97,756 units, 6.1% yoy up

**Domestic Sales:** 127,999 units, 7.7% yoy up

**Exports:** 11,764 units, 12.6% yoy up



## TVS Motor

**Total Sales:** 256,341 units, 10.2% yoy up

**2Wheeler Sales:** 250,979 units, 10.7% yoy up

**3Wheelers Sales:** 5,362 units, 8.7% yoy down

**Exports:** 38,462 units, 23.6% yoy up



## Mahindra & Mahindra

**Total Sales:** 56,031 units, 6.3% yoy up

**PV Sales:** 25,352 units, 6% yoy down

**CV Sales:** 22,908 units, 31% yoy up

**Exports:** 2,709 units, 27.8% yoy down



## Atul Auto

**Total Sales:** 3,174 units, 3.9% yoy down



## Tata Motors

**Total Sales:** 57,145 units, 8% yoy up

**PV Sales:** 15,433 units, 84% yoy up

**CV Sales:** 35,876 units, 6% yoy down

**Exports:** 5,836 units, 8% yoy down



## Escorts

**Total Sales:** 7,079 units, 31% yoy up

**Domestic Sales:** 7,014 units, 31.7% yoy up

**Exports:** 65 units, 14.5% yoy down



## Bajaj Auto

**Total Sales:** 272,197 units, 11% yoy down

**CV Sales:** 17,830 units, 35% yoy down

**Motorcycle Sales:** 151,449 units, 14% yoy up

**Exports:** 102,918 units, 1.4% yoy up



Ashok Leyland

## Ashok Leyland

**Total Sales:** 18,682 units, 11.8% yoy up

**M&HCV Sales:** 15,258 units, 15.2% yoy up

**LCV Sales:** 3,424 units, 1.1% yoy down



## Hero MotoCorp

**Total Sales:** 609,951 units, 0.56% yoy up



EICHER

## Volvo-Eicher Commercial Vehicles

**Total Sales:** 7,327 units, 8.5% yoy up

**Eicher Branded Trucks & Buses**

**Total Sales:** 7,088 units, 6.9% yoy up

**Domestic Sales:** 6,410 units, 7.7% yoy up

**Exports:** 678 units, 1.6% yoy down



# COMMODITY OUTLOOK

## Crude Oil: Solace of Quantum

**Crude Oil May BUY**

CMP: ₹3365 (As on 04<sup>th</sup> Apr 2017)

Buy on dips: ₹3260-3250

Target Price: ₹3377-3460

Stop-Loss: < ₹3180

2017 didn't start on a good note for crude oil. The fuel of the fuels, which was trading on a high momentum till the end of 2016, started to converge back on the primary bearish trend and how! The sell-off that started right on the first day of this year extracted a hefty sum, equivalent to twenty five percent of the price.

There are many theories doing the rounds at fundamental level, including those regarding OPEC's effort to cut more output this month and regarding a sharp fall in shipped oil supplies. Both these factors have created a buzz in last one week and it seems that we may see a short to mid-term rise in crude prices. All in all, it's a 'quantum card' played to provide some kind of solace to bulls.



Technical charts have indicated the same much before in the form of few divergences. Both RSI & MACD were in positive divergence well in advance while ADX is slowly coming out of negative forces. Now, we can see a positive crossover as well in RSI & MACD. The 'Hammer' candlestick pattern formed on 27<sup>th</sup> March will act as a key support from here. The only point for bulls to worry is a slight decline seen in volumes. However, this may set-off once resistances are crossed. Thus, a good opportunity is on the cards for bulls who have struggled a lot in last three months.

**We recommend buying in Crude Oil May contract on dips to Rs 3260-3250 for targets in the range of Rs 3377-3460. Maintain stop loss below Rs 3180.**





# MUTUAL FUND COMMENTARY

## MUTUAL FUND ROUNDUP

Indian equity markets registered positive returns in March 2017. The barometer index, S&P BSE Sensex delivered positive return of 3.05% to settle at 29620.50 and Nifty 50 gained 3.31% ending the month at 9173.75.

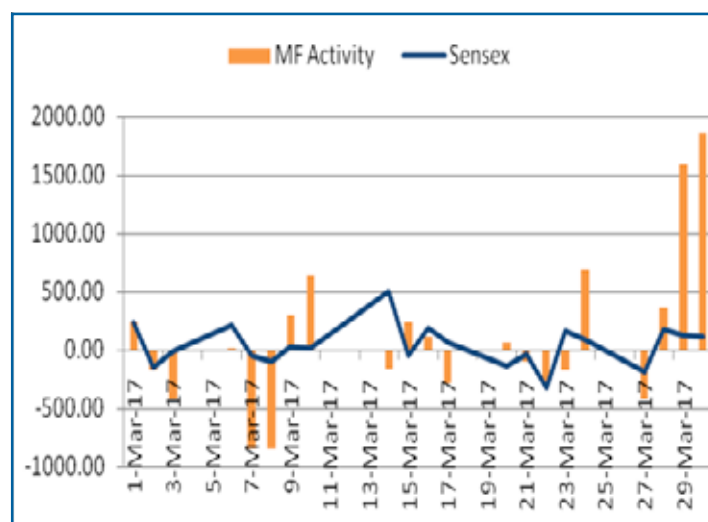
## MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 2,367.60 crore in the month of March 2017. Highest buying was recorded in the fifth week of the month when the fund houses made total net buy of Rs 3,383.30 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs 31,326.46 crore worth of equities in March 2017.

## MUTUAL FUND ACTIVITY IN MAR 2017

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 <sup>st</sup> Week	5389.30	5737.80	-348.40
2 <sup>nd</sup> Week	7975.80	8723.80	-748.00
3 <sup>rd</sup> Week	8603.40	8703.90	-100.60
4 <sup>th</sup> Week	8726.80	8545.50	181.30
5 <sup>th</sup> Week	12788.60	9405.30	3383.30
<b>Total</b>	<b>43483.90</b>	<b>41116.30</b>	<b>2367.60</b>

Note: Mutual Fund Activity as on 30<sup>th</sup> Mar, 2017





## EQUITY SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	AUM as on 28 <sup>th</sup> Feb 2017 (Rs in Cr)	Launch Date	Returns (%)				Min. Investment Amount	
				One Year	Three Years	Five Years	Since Inception	SIP	Lump sum
Large Cap Fund									
Birla Sun Life Frontline Equity Fund	193.10	15520	30-Aug-02	24.21	18.07	18.28	23.21	1,000	5,000
SBI Blue Chip Fund	33.57	11629	14-Feb-06	20.66	20.35	19.47	11.50	500	5,000
Mirae Asset India Opp. Fund	39.89	3197	04-Apr-08	28.51	21.36	19.63	16.64	1,000	5,000
Multi Cap Fund									
Motilal Oswal MOST Focused Multicap 35 Fund	22.77	5436	28-Apr-14	37.53	N.A.	N.A.	32.48	1,000	5,000
Franklin India High Growth Companies Fund	34.59	5723	26-Jul-07	25.71	25.86	23.18	13.67	500	5,000
Birla Sun Life Advantage Fund	369.44	2694	24-Feb-95	31.07	24.63	20.98	18.37	1,000	5,000
ICICI Prudential Value Discovery Fund	131.28	16434	16-Aug-04	20.23	23.67	21.99	22.62	1,000	5,000
Mid Cap & Small Cap Fund									
Franklin India Smaller Co. Fund	51.69	4860	13-Jan-06	34.52	33.10	30.29	15.76	500	5,000
HDFC Mid-cap Opportunities Fund	49.79	14755	25-Jun-07	36.90	29.52	24.82	17.90	1,000	5,000
Mirae Asset Emerging Bluechip	42.54	3297	09-Jul-10	42.69	34.81	29.53	23.51	1,000	5,000
DSP BlackRock Micro Cap Fund	49.28	3008	14-Nov-06	39.83	30.68	23.48	16.60	500	1,000
Invesco India Contra Fund	37.94	368	11-Apr-07	28	23.79	19.76	14.30	500	5,000
ICICI Prudential Banking and Financial Services Fund	51.66	1655	22-Aug-08	56.50	28.84	24.43	21.01	1,000	5,000
Reliance Small Cap Fund	34.59	3038	16-Sep-10	16.44	40.92	36.23	30.34	500	5,000

Note: NAV and Returns as on 31<sup>st</sup> Mar 2017, Returns < 1 yr annualised, > 1 yr compounded annualised

## DEBT SCHEME- LIQUID FUNDS RECOMMENDATION

Scheme Name	Latest NAV*	AUM as on 28 <sup>th</sup> Feb 2017 (Rs in Cr.)	Returns (%)				
			One Month	Three Months	Six Months	One Year	Since Inception
DSP BlackRock Liquidity Fund	2318.98	15048	0.55	1.62	3.32	7.25	7.68
HDFC Liquid Fund	3200.95	30998	0.55	1.62	3.31	7.25	7.32
Birla Sun Life Cash Manager Fund	392.18	7721	0.48	1.58	3.48	8.03	7.50
Franklin India Ultra Short Bond Fund	22.26	8399	0.61	2.11	4.44	9.53	8.99
Birla Sun Life Cash Manager	392.18	7721	0.48	1.58	3.48	8.03	7.50
Reliance Money Manager Fund	2242.54	16963	0.51	1.62	3.58	8.08	8.38

Note: NAV and Returns as on 31<sup>st</sup> Mar 2017, Returns < 1 yr annualised, > 1 yr compounded annualised.

## ELSS SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	Launch Date	Returns (%)			
			OneYear	Three Years	Five Years	Since Inception
Birla Sun Life Tax Relief 96	25.82	06-Mar-08	23.54	23.43	20.59	11.02
DSP BlackRock Tax Saver	40.79	18-Jan-07	31.13	23.67	20.88	14.82
Franklin India Taxshield	489.89	10-Apr-99	19.16	20.51	17.97	24.36
Motilal Oswal MOST Focused Long Term Fund	14.78	15-Jan-15	39.77	N.A.	NA	19.54

Note: NAV and Returns as on 31<sup>st</sup> Mar 2017, Returns < 1 yr annualised, > 1 yr compounded annualised

# The Month Ahead

## Key Financial Events-Apr 2017

**Apr 01-03**

- Indian Automobile Sales Data, by Automakers
- Indian Nikkei Manufacturing PMI
- Chinese Manufacturing PMI



**Apr 04**

- Europe Revised GDP
- US Trade Balance



**Apr 05**

US FOMC Meeting Minutes



**Apr 06**

- Indian Nikkei Services PMI
- RBI Monetary Policy



**Apr 07**

- UK Industrial Production
- US Non-Farm Employment



**Apr 10-14**

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



**Apr 11**

Europe Industrial Production



**Apr 12**

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



**Apr 13**

- Chinese GDP
- Chinese Industrial Production
- Chinese Trade Balance



**Apr 17**

- Indian WPI Inflation
- European Industrial Production



**Apr 17-21**

Indian Trade Data



**Apr 18-22**

- US Industrial Production
- Japanese Trade Balance
- OPEC Meetings



**Apr 27**

- Japanese Monetary Policy
- ECB Monetary Policy



**Apr 28**

- UK Prelim GDP
- US Advance GDP



**Apr 30**

- Indian Core Sector Growth
- Indian Government Finance



ARIHANT Capital Markets Ltd.





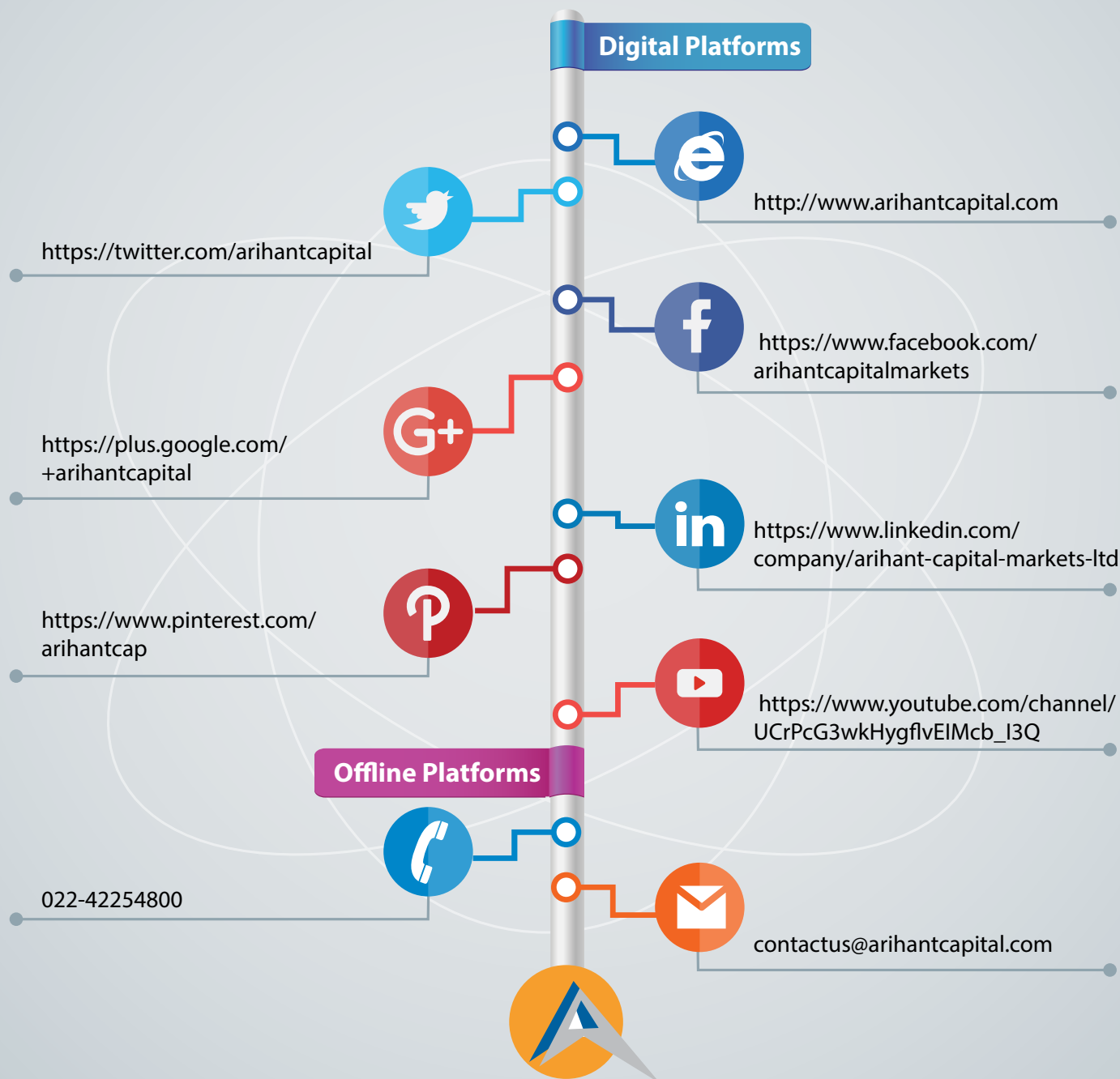
**SIMPLE**  
SYSTEMATIC

**INTELLIGENT**  
INVESTMENT

**PRACTICAL**  
PLAN

## Start an SIP Today

A disciplined approach to wealth creation



**ARIHANT** Capital Markets Ltd.

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

Registered Office: E-5 Ratlam Kothi, Indore – 452001 (M.P). BSE - INB/INF 010705532; NSE – INB/INF 230783938;  
NSDL : IN-DP-NSDL-165-2000; CDSL: IN-DP-CDSL-317-2005; AMFI – ARN 15114; SEBI - RA INH000002764

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd (hereinafter referred to as Arihant). This document does not constitute an offer or solicitation 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 data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant and/or its affiliates and/or employees may have interest/positions, final or otherwise in securities/commodities, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Any decision to purchase or sell as a result of the opinions expressed in this report will be the full responsibility of the person authorizing such transactions. The products/instruments discussed in this report may not be suitable for all investors. Any person subscribing to or investing in any product/instruments should do so on the basis of and after verifying the terms attached to such product/ instrument. Products/instruments are subject to market risks and returns may fluctuate depending on various factors. Past performance of the products/instruments does not indicate the future prospects & 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 for investment. This information is subject to change without any prior notice. No matter contained in this document may be reproduced or copied without the consent of the firm.