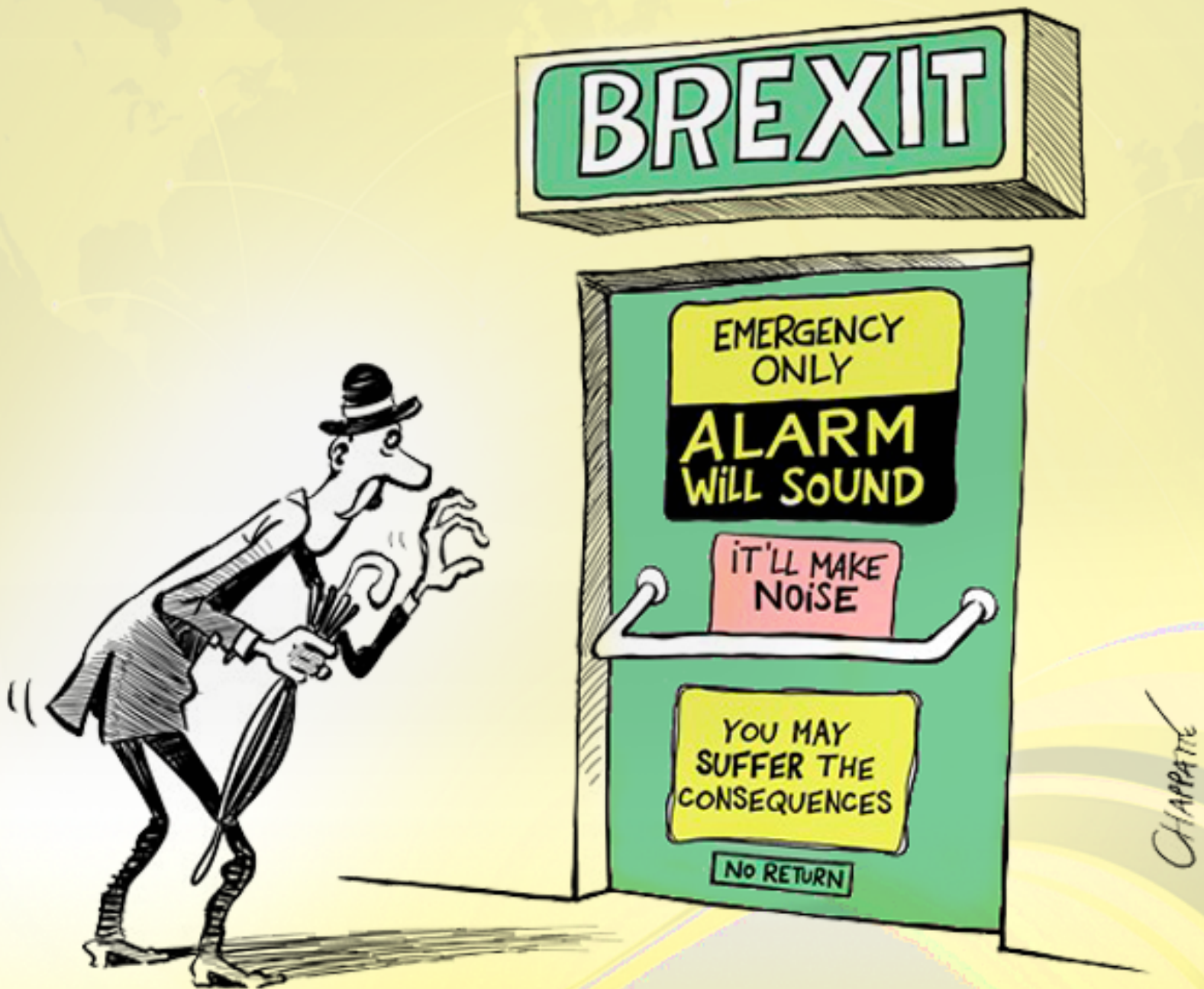


ARIHANT'S

VALUE *Plus*

Issue : July 2016



CHIAPPATI

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MOVERS & SHAKERS

INDIAN INDICES

Indices	Jun-16	May-16	Monthly Change (%)
SENSEX	26999.72	26667.96	1.24 ↑
NIFTY 50	8287.75	8160.10	1.56 ↑
NIFTY BANK	17935.40	17620.90	1.78 ↑
NIFTY MIDCAP 100	13816.45	13292.65	3.94 ↑
NIFTY 500	6980.80	6804.00	2.60 ↑
NIFTY IT	11120.15	11395.85	-2.42 ↓
NIFTY REALTY	200.25	183.15	9.34 ↑
NIFTY INFRA	2845.70	2753.55	3.35 ↑

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Jun-16	May-16	Monthly Change (%)
AUTO 	19744.64	19363.25	1.97 ↑
BANKEX 	20531.20	20111.74	2.09 ↑
CD 	11973.11	11761.37	1.80 ↑
CG 	14874.79	14464.97	2.83 ↑
FMCG 	8452.76	8045.03	5.07 ↑
HC 	15493.00	15246.16	1.62 ↑
IT 	11199.95	11576.14	-3.25 ↓
METAL 	8519.69	7950.38	7.16 ↑
OIL&GAS 	9720.95	9321.96	4.28 ↑
PSU 	6716.58	6256.79	7.35 ↑
REALTY 	1532.82	1421.08	7.86 ↑
TECK 	6068.82	6227.10	-2.54 ↓

(Source: BSE)

GLOBAL INDICES

Indices	Jun-16	May-16	Monthly Change (%)
DOW JONES	17929.99	17787.20	0.80 ↑
NASDAQ	4842.67	4948.06	-2.13 ↓
HANG SENG	20436.12	20815.09	-1.82 ↓
FTSE	6504.33	6230.79	4.39 ↑
NIKKEI	15575.92	17234.98	-9.63 ↓

(Source: Telequote software)

COMMODITIES

Particular	Jun-16	May-16	Monthly Change (%)
MCX GOLD	31199.00	28627.00	8.98 ↑
MCX SILVER	43467.00	38400.00	13.20 ↑
MCX CRUDE OIL	3304.00	3333.00	-0.87 ↓
MCX NATURAL GAS	197.00	155.00	27.10 ↑

(Source: Telequote software)

FOREX

Particulars	Jun-16	May-16	Monthly Change (%)
MCX-SX USDINR	67.52	67.26	0.39 ↑
MCX-SX EURINR	75.11	75.03	0.11 ↑
MCX-SX GBPINR	89.75	98.37	-8.76 ↓
MCX-SX JPYINR	65.36	60.54	7.96 ↑

(Source: Telequote software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/ Sales
Total for Jun 2016	1,00,866.19	97,153.31	3,712.88 ↑
Total for 2016*	5,27,997.80	5,08,830.60	19,166.50 ↑

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/ Sales
Total for Jun 2016	21,006.30	21,092.60	-85.90 ↓
Total for 2016*	1,33,175.10	1,23,613.40	9,563.00 ↑

* From Jan - Jun, 2016

(Source: SEBI)



MARKET OUTLOOK

Market Outlook: July

Going ahead, the equity markets have already discounted the 'Rexit' and 'Brexit' issue. The US Federal Reserve said that there is no probability of interest rate hike this year and the Cabinet's approval of the Seventh Pay Commission will work like "Icing on the cake" for further upward movement in the markets. Focus will now shift to Q1FY17 corporate earnings season starting from second week of July and the monsoon session of parliament to be held from July 18 to Aug 12 that will be looked upon for important announcement by government about economic reforms. Further, macroeconomic events, monsoon progress, movement of rupee against dollar, crude oil price movement and US FOMC meeting scheduled for Jul 27, 2016 will be closely watched. As a rule "Panic always creates buying opportunity in stocks". We recommend investors to adopt buy on dips strategy and invest in good quality stocks at reasonable valuations.

Monthly Market Roundup

Indian equity markets witnessed a roller coaster ride throughout the month of June despite starting on a subdued note. The Reserve Bank of India kept the key policy rates unchanged in its second bimonthly monetary policy review owing to concern of rising inflation. Rexit and Brexit were the two major events that gripped markets in extreme bouts of volatility. The announcement by RBI governor Raghuram Rajan that he will not continue at RBI for second term left the market with negative sentiments. Further, Britain's decision to leave the European Union was nightmarish for global equity markets that were expecting Britain to remain in European Union. However, Indian

equity markets overlooked Brexit event and recouped all losses as macroeconomic and fundamentals of the country overpowered the sentiments. Further, the government approval of Seventh Pay Commission's recommendations on pay and pensions of central government staff was considered as a boost to consumption thus supporting market sentiments.

The month finally ended with upward bias as S&P BSE Sensex delivering positive return of 1.24% to settle at 26999.72 and Nifty 50 gaining 1.56% ending the month at 8287.75.

On the institutional side, foreign institutional investors (FIIs) bought Rs 3,712.88 crore worth of equities during the month while domestic mutual fund houses sold Rs 85.90 crore in June 2016.

Economic Data Wrap Up – June

- India's May Nikkei manufacturing PMI rose to 50.7 from 50.5 in Apr.
- India's May Nikkei Services PMI fell to 51 from 53.7 in Apr.
- India's Apr IIP growth fell to (-) 0.8% from 0.3% in Mar.
- India's May CPI inflation rose to 5.76% from 5.39% in Apr.
- India's May WPI inflation rose to 0.79% from 0.34% in Apr.
- India's Jan-Mar FDI inflows fell to \$8.8 bln from \$9.3 bln YoY.
- India's May trade deficit rose to \$6.27 bln from \$4.84 bln in Apr.
- India's May core sector growth fell to 2.8% from 8.5% in Apr.

Nifty Technical Outlook: July



The current price action on the monthly chart suggests that the undertone in the market is positive and momentum on the upside is likely to continue. In coming month, if Nifty trades and close above 8362 level then it is likely to test 8473 – 8585 – 8714 levels. However, if Nifty trades and close below 8213 level then it can test 8101 – 7990 – 7861 levels.

Broadly, we are of the opinion that immediate resistance is at 8362 level. Any close above the mentioned level would propel Nifty to 8600 to 8700 levels. We maintain our stance that stock specific activity is likely to continue.



TECHNICAL PICK

Castrol India Ltd

Buy

CMP: ₹393.65 (As on 01st Jul, 2016)

Buy: ₹401-390

Target Price: ₹430-445

Stop-Loss: ₹375

Castrol India Limited is an India-based company engaged in providing coke and refined petroleum products. The company is involved in manufacturing lubricating oils. The company operates through two segments automotive and non-automotive. The company's brands include Castrol Activ, Castrol Power1, Castrol GTX, Castrol MAGNATEC, Castrol EDGE, Castrol CRB Turbo, Castrol VECTON and Castrol Go!. The company's products also include Castrol CRB Multi, Castrol CRB Turbo Plus, Castrol Vecton CI4+ and Castrol Magnatec Professional OE 5W20. The company offers non-automotive lubricants, such as industrial lubricants, and marine and energy lubricants. The company operates across three market sectors of the lubricants industry includes automotive, industrial, and marine and energy applications. The company offers products for cars, motorcycles, scooters and trucks, among others. The company's holding company is Castrol Limited.

Technical Outlook:

On the daily chart, we are observing that a price have made a double bottom at 360 levels and is forming a W-pattern. Further, we are observing that momentum indicator is gaining strength. This suggests upside momentum.

Hence we recommend one to buy this stock at Rs 401 or on a decline up to Rs 390 with a stop loss of Rs 375 for a target of Rs 430-445 levels.





TECHNICAL PICK

UPL Ltd

Buy

CMP: ₹560.50 (As on 01st Jul, 2016)

Buy: ₹558-545

Target Price: ₹580-610

Stop-Loss: ₹535

UPL Limited is a generic agrochemical company. The company is engaged in the business of manufacturing and marketing crop protection chemicals. It is also engaged in offering crop protection solutions. The company manufactures crop protection chemicals and industrial chemicals across around 28 manufacturing locations across the world. It offers a product portfolio of crop protection chemicals, including fungicides, herbicides, insecticides, plant growth regulators, rodenticides, specialty chemicals, nutrifeeds and seeds. The company operates through two business segments agro activity and non-agro activity. The agro activity segment includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products. The non-agro activity segment includes manufacture and marketing of industrial chemical and other non-agricultural related products. It operates through around 76 global subsidiaries in the agrochemical space.

Technical Outlook:

On the daily chart, we are observing that prices are trading in an upward channel. This suggests that momentum on the upside is likely to continue. Further, we are observing that momentum indicator is gaining strength.

Hence we recommend one to buy this stock at Rs 558 or on a decline up to Rs 545 with a stop loss of Rs 535 for a target of Rs 580 – 610 levels.





June Sales

AUTO SECTOR



Maruti Suzuki

Total Sales: 98,840 units, 13.9% yoy down

PV Sales: 72,551 units, 16.3% yoy down

Domestic Sales: 92,133 units, 10.2% yoy down

Exports: 6,707 units; 44.7% yoy down



TVS Motor

Total Sales: 247,085 units, 11.3% yoy up

2Wheeler Sales: 239,957 units, 13.8% yoy up

3Wheeler Sales: 7,128 units, 35.8% yoy down

Exports: 39,112 units, 19.1% yoy down



Mahindra & Mahindra

Total Sales: 39,011 units, 8% yoy up

PV Sales: 17,070 units, 7% yoy up

CV Sales: 13,540 units, 6% yoy up

Exports: 4,020 units, 41% yoy up



Atul Auto

Total Sales: 3,339 units, 0.3% yoy up



Tata Motors

Total Sales: 44,276 units, 8.3% yoy up

PV Sales: 12,509 units, 22% yoy up

CV Sales: 26,164 units, 2% yoy up

M&HCV Sales: 10,147 units, 11% yoy down

LCV Sales: 16,017 units, 14% yoy up

Exports: 5,603 units; 11% yoy up



Escorts

Total Sales: 6,946 units, 11.3% yoy up

Domestic Sales: 6,890 units, 12.2% yoy up

Exports: 56 units, 43.4% yoy down



Bajaj Auto

Total Sales: 316,969 units, 4% yoy down

CV Sales: 43,671 units, 0.1% yoy down

Motorcycle Sales: 273,298 units, 5% yoy down

Exports: 123,252 units, 21% yoy down



Ashok Leyland

Total Sales: 11,108 units, 6.5% yoy up

M&HCV Sales: 8,685 units, 8% yoy up

LCV Sales: 2,423 units, 0.4% yoy up



Hero MotoCorp

Total Sales: 549,533 units, 1.3% yoy up



Volvo-Eicher Commercial Vehicles

Total Sales: 4,935 units, 18.5% yoy up

Eicher Branded Trucks & Buses

Total Sales: 4,878 units, 20% yoy up

Domestic Sales: 4,256 units, 20.3% yoy up

Exports: 622 units, 18.2% yoy up



COMMODITY OUTLOOK

Shining Silver

CMP: ₹ 46403 (As on 01st Jul, 2016)

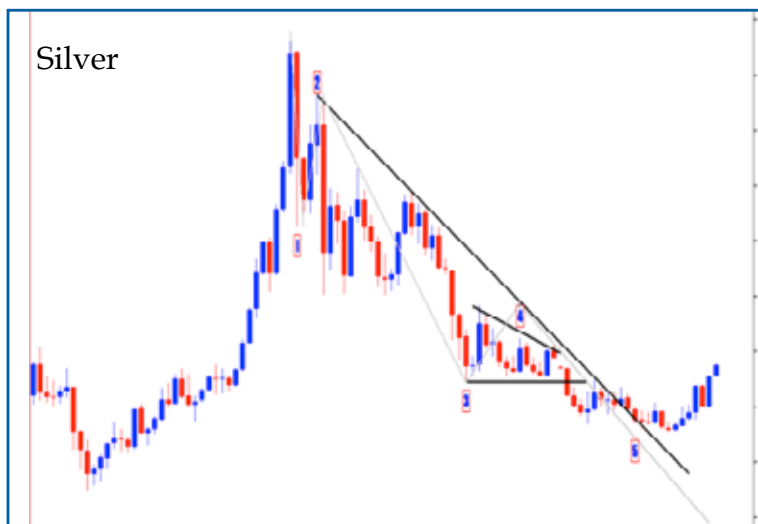
Buy: ₹ 45800-45500

Target Price: ₹ 52000-56000

Stop-Loss: < ₹ 41600

After remaining in downtrend for most part of the year 2013, 2014 and 2015, Silver has shown a consistent recovery this year. The white metal has also outperformed its elder sibling, Gold, in first half of the current year. Gold rose around 24% this year till June whereas Silver added more than 35% gains in the same period, clearly getting an edge over the former.

Technically, both Gold and Silver were in a primary bearish trend since 2011. In last four years Gold has seen strong relief rallies in between various stages of bearish waves but the frequency of these rallies have remained very low as far as Silver is concerned. Either the spells have remained shorter or the magnitude of the rally had been compromised, thus keeping the white metal on back foot in India as well, where a weak INR against USD led Gold score a huge premium in this era of primary bearish



trend while Silver could not even get closer to all time high. But 2016 seems to have begun a change in the pattern of waves during primary trend. With the recovery in US, prospects of a strong growth in India amid deterioration of brand China and recent event like 'Brexit', the 'safe haven' status of Gold can further be hit, providing an opportunity to Silver to lead from the front not only as a precious metal but also as an industrial metal having sound and tangible demand-supply logistics. Getting back on the technical side, the fifth impulsive wave of the current primary bearish trend is still not over. Prices have taken a halt here and the recent crucial trend line breakout on monthly chart of Silver suggests an extension of the corrective waves (upward) in 2016. The current rally can shape up into an ABC structure within the impulsive 5th wave and can take prices to \$26, the point where overlapping will start and break the bearish impulsion. All in all, the probabilities for a conversion of the relief rally into a mid-term bullish rally are very high.

We recommend buying Silver September contract at Rs 45800-45500 for targets in the range of Rs 52000-56000. Maintain stop loss below Rs 41600.



MUTUAL FUND

COMMENTARY

MUTUAL FUND ROUNDUP

Indian equity markets registered positive returns in June 2016. The barometer index, S&P BSE Sensex delivered positive return of 1.24% to settle at 26999.72 and Nifty 50 gained 1.56% ending the month at 8287.75.

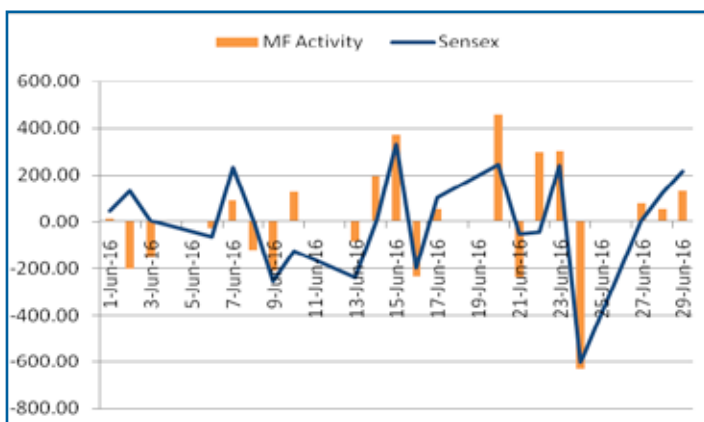
MF ACTIVITY

Indian mutual funds turned net sellers of equities to the tune of Rs 85.90 crore for the month of June 2016. Highest selling was recorded in the first week of the month when the fund houses made total net sell of Rs 342.10 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs 3,712.88 crore worth of equities in June 2016.

MUTUAL FUND ACTIVITY IN JUN 2016

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	2038.50	2380.50	-342.10
2 nd Week	3915.00	4062.40	-147.30
3 rd Week	4634.40	4327.50	307.00
4 th Week	5736.40	5553.20	183.40
5 th Week	4682.00	4769.00	-86.90
Total	21006.30	21092.60	-85.90

Note: Mutual fund activity as on 30th Jun, 2016



EQUITY SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	Launch Date	Returns (%)				Min. Investment Amount	
			One Year	Three Years	Five Years	Since Inception	SIP	Lumpsum
Large Cap Fund								
Birla Sun Life Frontline Equity Fund	169.34	30-Aug-02	3.48	20.17	14.09	22.74	1,000	5,000
Franklin India Bluechip	371.95	1-Dec-93	4.13	17.67	11.59	21.05	500	5,000
ICICI Prudential Focused Bluechip Equity Fund	30.17	23-May-08	3.57	18.79	12.73	14.68	1,000	5,000
Multi Cap Fund								
ICICI Prudential Value Discovery Fund	119.87	16-Aug-04	4.68	32.39	19.90	23.32	1,000	5,000
Franklin India High Growth Companies Fund	29.98	26-Jul-07	1.08	29.30	18.53	13.16	500	5,000
Mirae Asset India Opportunities Fund	33.91	4-Apr-08	3.81	23.87	15.21	16.03	1,000	5,000
Mid Cap & Small Cap Fund								
Franklin India Prima Plus Fund	465.93	1-Dec-93	4.84	24.54	16.00	19.33	500	5,000
Motilal Oswal Most Focused Midcap 30 Fund	21.04	24-Feb-14	3.75	-	-	37.20	1,000	5,000
Mirae Asset Emerging Bluechip Fund	33.70	9-Jul-10	11.82	38.18	23.95	22.63	1,000	5,000
DSP BlackRock Bluechip Fund	47.54	14-Jun-07	18.20	46.53	25.48	18.86	500	1,000

Note: NAV and Returns as on 30th Jun 2016, 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 May 2016 (Rs in Cr.)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Axis Liquid Fund	1709.36	100.00%	11809.6	7.62	8.14	8.04	8.05	8.29
Birla Sun Life Cash Manager Fund	259.75	100.00%	6892.16	7.67	8.83	8.37	8.13	7.48
DSP BlackRock Liquidity Fund	2204.72	100.00%	5734.75	7.51	8.10	8.00	8.00	7.74
Tata Liquid Fund - HIP	1019.76	100.00%	3860.74	7.59	8.11	7.99	8.03	7.43
SBI Premier Liquid Fund	2444.79	100.00%	29160.7	7.48	8.21	8.07	8.04	7.84

Note: NAV and Returns as on 30th Jun 2016, 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
Axis Long Term Equity Fund	31.49	29-Dec-09	1.67	28.07	19.57	19.27
Franklin India Taxshield	444.65	10-Apr-99	4.25	24.23	16.07	24.67
Reliance Tax Saver	46.26	21-Sep-05	0.78	27.98	17.30	15.38
Birla Sun Life Tax Relief 96	22.52	06-Mar-08	4.81	25.67	15.49	10.29

Note: NAV and Returns as on 30th Jun 2016, Returns < 1 yr annualised, > 1 yr compounded annualised



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What is the SIP amount I should invest every month?

To understand, let's have a look at Mr Bachchan, who wants to send his daughter to a good university

1

Q1 - What is my goal?

"I wish to arrange funds for my daughter's education which would cost me Rs 50 lakhs"



2

Q2 – How much do I expect to earn?

"I expect a 12.5% rate of return per annum"



3

Q3-By when, do I want to reach my goal?

"My daughter is 3 years old right now, she will go to a good university in 15 years from now"




You need to invest Rs 10,065.61 per month and get Rs 50,00,000.00* in 15 years (* Rs 50,00,000 adjusted with inflation, value of which is Rs 1,14,505.56 in 15 years)



The Month Ahead

Key Financial Events-July 2016

July 1

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

July 5

Indian Nikkei Services PMI



July 6

- US Trade Balance
- US FOMC Meeting Minutes



July 8

- Japanese Current Account
- US Non-Farm Employment
- US Unemployment Rate



July 11-15

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



July 12

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



July 13

- Chinese Trade Balance
- European Industrial Production



July 13-15

Indian Trade Data



July 14

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



July 15

- Chinese GDP
- Chinese Industrial Production
- US Industrial Production



July 21

European Monetary Policy



July 22

Japanese Trade Balance



July 27

- US FOMC Meeting
- UK Prelim GDP



July 28

Japanese Monetary Policy



July 29

- Indian Core Sector Growth
- Indian Government Finance
- US Advance GDP





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