

Arihant's **VALUE** *Plus*

Issue | **March 2018**

Happy Women's Day

#SHEINVESTS



Celebrating the spirit of women this March

*Keep tuned for interesting workshops & webinar for
Women on Personal Finance*



**Inside
The Issue**

03



**Market
Outlook**

04



**Fundamental
Stock**

05



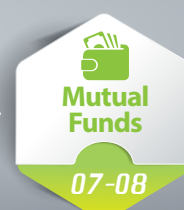
**Auto
Sector**

06



**Commodity
Outlook**

07-08



**Mutual
Funds**

09



**Fund Manager
View**

MOVERS & SHAKERS















INDIAN INDICES

Indices	Feb-18	Jan-18	Monthly Change (%)
SENSEX	34184.04	35965.02	-4.95 ↓
NIFTY 50	10492.85	11027.70	-4.85 ↓
NIFTY BANK	25107.40	27379.45	-8.30 ↓
NIFTY MIDCAP 100	19664.90	20785.20	-5.39 ↓
NIFTY 500	9261.90	9697.90	-4.50 ↓
NIFTY IT	12809.00	12986.40	-1.37 ↓
NIFTY REALTY	326.90	344.70	-5.16 ↓
NIFTY INFRA	3452.35	3619.50	-4.62 ↓

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Feb-18	Jan-18	Monthly Change (%)
AUTO 	24832.40	25945.30	-4.29 ↓
BANKEX 	28313.85	30986.13	-8.62 ↓
CD 	21187.21	22476.79	-5.74 ↓
CG 	19075.79	20363.58	-6.32 ↓
FMCG 	10506.36	10711.47	-1.91 ↓
HC 	14113.01	14559.39	-3.07 ↓
IT 	12505.73	12556.98	-0.41 ↓
METAL 	15173.80	15427.36	-1.64 ↓
OIL&GAS 	15505.76	16368.16	-5.27 ↓
PSU 	8335.96	9116.57	-8.56 ↓
REALTY 	2468.34	2609.09	-5.39 ↓
TECK 	6742.46	6831.63	-1.31 ↓





(Source: BSE)

GLOBAL INDICES

Indices	Feb-18	Jan-18	Monthly Change (%)
DOW JONES	25029.20	26149.39	-4.28 ↓
NASDAQ	7273.01	7411.48	-1.87 ↓
HANG SENG	30844.72	32887.27	-6.21 ↓
FTSE	7231.91	7533.55	-4.00 ↓
NIKKEI	22068.24	23098.29	-4.46 ↓

(Source: Telequote software)

COMMODITIES

Particulars	Feb-18	Jan-18	Monthly Change (%)
MCX GOLD 	30379.00	30117.00	0.87 ↑
MCX SILVER 	38246.00	39319.00	-2.73 ↓
MCX CRUDE OIL 	4093.00	4112.00	-0.46 ↓
MCX NATURAL GAS 	175.90	190.50	-7.66 ↓

(Source: Telequote software)

FOREX

Particular	Feb-18	Jan-18	Monthly Change (%)
USD-INR ₹	63.17	63.58	-0.64 ↓
EUR-INR €	79.46	78.92	0.68 ↑
GBP-INR £	89.66	90.23	-0.63 ↓
JPY-INR ¥	61.08	58.23	4.89 ↑

(Source: Telequote software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2018	1,07,281.83	1,18,319.23	-11,037.40
Total for 2018*	2,39,633.40	2,36,889.70	2,744.10

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2018	54,705.05	42,324.17	12,380.88
Total for 2018*	1,22,165.95	1,02,398.67	11,171.59

*From Jan-Feb 2018

(Source: SEBI)

Market Outlook

Monthly Market Roundup

Benchmarks indices Sensex and Nifty fell 4.8 per cent each in February and foreign investors pulled Rs 12,500 crore out of Indian equity markets in February. Global equities sell off was triggered by a spike in US bond yields and global crude oil prices trading above US\$ 60 a barrel. The February sell-off is the worst ever in terms of outflows by foreign investors.

Earlier, domestic indices had declined after the Union government announced re-introduction of long-term capital gains (LTCG) tax on capital gains on equities exceeding Rs 1 lakh at 10% in Budget 2018-19.

During the month banking sector stocks witnessed the worst hit amidst all other sectors. The fall in Nifty PSU Bank index was sharp, underperforming even the headline NSE Bank index because of unveiling PNB Fraud case, challenges from rising NPAs, tightening of regulatory norms, higher credit costs and higher provisioning norms.

The government's revenue from the Goods and Services Tax remained stable in January, 2018. Total collections for the month stood at Rs 86,318 crore as compared to Rs 86,703 crore collected in December, 2017.

GDP growth in India in 3QFY18 was recorded at 7.2% as compared to 6.5% in 2Q FY18, making India fastest growing economy in the world.

The Monetary Policy Committee (MPC) of the Reserve Bank of India decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6%. Consequently, the reverse repo rate under the LAF remains at 5.75%.

The Ministry of Housing & Urban Affairs has approved the construction of 1,86,777 more affordable houses for the benefit of urban poor under Pradhan Mantri Awas Yojana (Urban) with an investment of Rs 11,169 crore with Central assistance of Rs 2,797 crore.

Market Outlook : March

For the month ahead, only a strong Q3 financial performance for most of the companies and likely continuation of the same in next few quarters can support the current valuation of key market indices. However, Indian markets are likely to remain in consolidation phase. FIIs and DIIs trend, bond yield and crude oil price movement are the key factors to watch out for. Investors should invest in fundamentally strong companies with long term perspective only on dips.

Nifty Technical Outlook: March



The current price action on the monthly chart has formed a bearish Engulfing pattern. The bearish implication of the said pattern will get activated once Nifty trades and close below 10276 level.

In current month Nifty has resistance at 10897 – 11143 – 11429 levels whereas on the downside, 10088 – 9843 – 9557 levels. In coming month if Nifty trades above 10652 then it is likely to test 10897 – 11143 – 11429 levels. However, if Nifty trades below 10333 then it is likely to test 10088 – 9843 – 9557 levels.

Broadly, looking at the bearish engulfing pattern on the monthly chart we advise traders to adopt cautious approach towards the markets. The said pattern would get negated only if nifty trades and close above 11171.55 level.

Economic Data Wrap Up – February

- India's Jan Nikkei manufacturing PMI fell to 52.4 from 54.7 in Dec.
- India's Jan CPI inflation fell to 5.07% from 5.21% in Dec.
- India's Jan Nikkei services PMI rose to 51.7 from 50.9 in Dec.
- India's Jan WPI inflation fell to 2.84% from 3.58% in Dec.
- India's Dec IIP growth fell to 7.1% from 8.8% in Nov.
- India's Jan trade deficit rose to \$16.30 bln from \$9.90 bln YoY.

Fundamental Stock



Century Textile & Industries Ltd

Accumulate

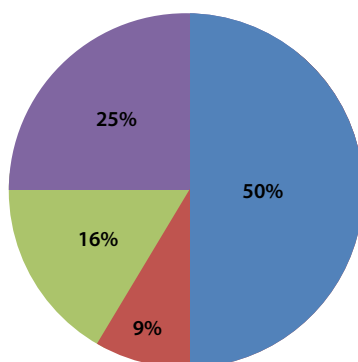
Target Price Rs: 1329

Value Parameters

BSE Code	500040
NSE Symbol	CENTURYTEX
CMP	Rs.1200
Face Value	Rs 10
52 Week High/Low	1471/915
Market Cap (Rs cr)	13,491
EPS (TTM)	29.53
PE ratio (x)	40.61

Shareholding Pattern % (Dec' 17)

Promoters DII's FIIs Other



Company Overview

Century Textiles & Industries Ltd has a wide portfolio that includes the manufacture of Yarn, Denim, Viscose filament rayon yarn, Tyrecords, Caustic soda, Sulfuric acid, Salt, cement, Pulp & paper and Real-Estate.

Textiles (Cotton fabrics, Denim cloth, Yarn, Viscose Filament Yarn & Tyre Yarn):

Cotton textiles and yarn faced various challenges during the year, including sluggish demand in domestic and export markets, the possibility of a pickup of demand

from USA and other importing countries for textile products is likely to improve the performance of this business segment.

Cement During the FY 2016-17, the Company has produced 9.9 million tons of cement as compared to 10.2 million tons previous year, witnessing a de-growth of 3%.

Pulp and paper Century textile is the only Indian paper company producing all types of paper products like writing and printing paper, copier paper, and tissue & board.

During the year, quarter over quarter, this segment continued to improve its performance.

Real Estate: Company has developed a commercial property on the land adjacent to its registered office in Worli, Mumbai; called **Birla Aurora &** is leased out to the extent of **about 90%** and **Birla Centurion** is leased out to the extent of **60%**.

Company aims to increase revenues from the Real-Estate segment.

Outlook & Valuation

Century textile has been continuously growing and diversifying its business, Cement contributes 4328Cr to total revenue (TTM).

Textile contributes 682Cr (Adjusted for transfer of VFY/VSF business to Grasim Industries) to total revenue (TTM).

Pulp & Paper and Real-Estate contribute 2196Cr and 125 Cr respectively to total revenue.

We have valued each segment differently with different valuation metrics according to industry average and our estimated market cap comes to 14,887Cr. Based on this we arrive at fair price of Rs. 1329. We have 'Accumulate' rating on the stock, on the back of healthy profit growth in trailing twelve months.

AUT SECTOR

February Sales



Maruti Suzuki

Total Sales: 149,824 units, 15% yoy up
Domestic Sales: 137,900 units, 14% yoy up
PV Sales: 136,648 units, 13% yoy up
Exports: 11,924 units, 25% yoy up



TVS Motor

Total Sales: 290,673 units, 37% yoy up
2Wheeler Sales: 280,942 units, 36.2% yoy up
3Wheelers Sales: 9,731 units, 86.3% yoy up
Exports: 58,564 units, 53.2% yoy up



Mahindra & Mahindra

Total Sales: 51,127 units, 19% yoy up
Domestic Sales: 48,473 units, 20% yoy up
PV Sales: 22,389 units, 8% yoy up
M&HCV Sales: 828 units, 16% yoy up
Exports: 2,654 units, 15% yoy up



Atul Auto

Total Sales: 3,621 units, 26.5% yoy up



Tata Motors

Total Sales: 58,993 units, 38% yoy up
PV Sales: 17,771 units, 45% yoy up
CV Sales: 41,222 units, 36% yoy up
M&HCV Sales: 15,241 units, 25% yoy up
Exports: 4,768 units, 3% yoy down



Escorts

Total Sales: 6,462 units, 52.2% yoy up
Domestic Sales: 6,295 units, 53.4% yoy up
Exports: 167 units, 16.8% yoy up



Bajaj Auto

Total Sales: 357,883 units, 31% yoy up
Domestic Sales: 214,023 units, 35% yoy up
CV Sales: 60,369 units, 111% yoy up
Motorcycle Sales: 297,514 units, 21% yoy up
Exports: 143,860 units, 26% yoy up



Ashok Leyland

Total Sales: 18,181 units, 29% yoy up
M&HCV Sales: 13,726 units, 21% yoy up
LCV Sales: 4,455 units, 63% yoy up



Hero MotoCorp

Total Sales: 629,597 units, 20% yoy up



Volvo-Eicher Commercial Vehicles

Total Sales: 6,889 units, 25% yoy up
Eicher Branded Trucks & Buses
Total Sales: 6,796 units, 26.3% yoy up
Domestic Sales: 5,783 units, 20% yoy up
Exports: 1,013 units, 83.9% yoy up

Zinc-Into the wave of undercurrent

Zinc

SELL

CMP: Rs 220.15 (As on 02nd Mar 2018)

Sell: @ Rs 222.80-223.00

Targets: Rs 215.10-209.50

Stop loss: > Rs 227.20

The highly impulsive bullish rally in Zinc that began in January 2016 has completed more than 26 months. We saw a six months long corrective ABC structure during the above mentioned period of bullish rally but when this corrective leg completed in May last year, the Zinc juggernaut just grew fast & furious to claim the longest leap of 50% with virtually no major challenge from bears. However, if one looks at the price movement of last few weeks, it becomes clear that the metal has hit the 'tired bull' stage and we may see the beginning of fourth wave from here.

A series of candlesticks with large movement in terms of price BUT a lackluster outcome can be seen on weekly chart, particularly in last five weeks. There is a huge negative divergence in momentum indicators like RSI & MACD coupled with an equally effective negative crossover that has taken place just a few days back and if our forecast for the beginning of the fourth wave turns out to be real then these divergences & crossovers will be seen as the trigger point. Notably, the crucial ADX is also showing strength building up in the bears' camp with its directional movement threads getting a negative crossover. On daily chart,



we can clearly see an irregular ABC correction pattern taking shape with the 'C' wave nearing a final breakdown after a successful breach of a trend line. If we apply Fibonacci study on this wave structure, we can further conclude that there is a huge possibility of prices seeing a reciprocal movement that may take prices till the golden ratio of 61.8% of the current impulsive leg which actually is 161.8% of the second wave that lasted for six months long. All these factors are pointing towards a wave of undercurrent building up.

We recommend going short in Zinc March contract at Rs 222.80-223.00 for targets in the range of Rs 215.10-209.50. Maintain stop loss above Rs 227.20.

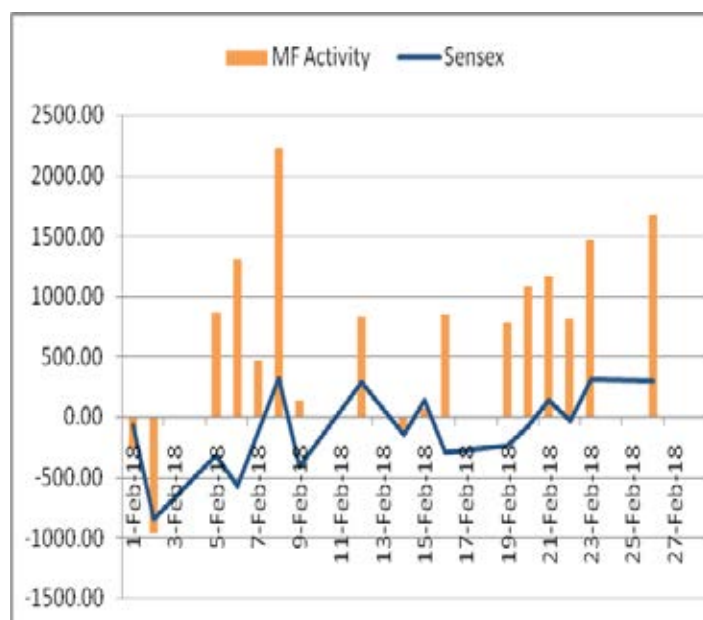


MUTUAL FUND ROUNDUP

Indian equity markets ended on negative note in February 2018. The barometer index, S&P BSE Sensex and Nifty50 delivered negative return of 4.8% each to settle at 34184.04 and 10492.85 respectively.

MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 12,380.88 crore in the month of February 2018. Highest buying was recorded in the fourth week of the month when the fund houses made total net buy of Rs 5,312.47 crore of equities. On the other hand, foreign institutional investors (FIIs) sold Rs 11,037.40 crore worth of equities in February 2018.



Mutual Fund Activity In February 2018

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	6691.57	7913.19	-1221.62
2 nd Week	17296.93	12290.12	5006.81
3 rd Week	9193.07	7583.18	1609.89
4 th Week	18275.43	12962.96	5312.47
5 th Week	3248.05	1574.72	1673.33
Total	54705.05	42324.17	12380.88

Note: Mutual Fund activity as on 26th Feb 2018

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 st Jan 2018 (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	229.46	20531	30-Aug-02	15.96	8.67	17.80	22.58	1,000	5,000
Mirae Asset India Opportunities Fund	46.93	6612	04-Apr-08	22.13	12.56	21.52	16.90	1,000	5,000
SBI Blue Chip Fund	37.89	18151	14-Feb-06	17.12	10.12	18.56	11.70	500	5,000
Kotak Select Focus Fund Regular Plan	31.65	17843	11-Sep-09	13.62	9.90	19.82	14.28	1000	5000
Multi Cap Fund									
Birla Sun Life Advantage Fund	417.45	5966	24-Feb-95	16.44	12.13	22.87	18.20	1,000	5,000
Motilal Oswal MOST Focused Multicap 35	26.45	11938	28-Apr-14	21.71	16.59	N.A.	28.83	1,000	5,000
Mid Cap and Small Cap Fund									
DSP BlackRock Small and Mid Cap Fund	56.25	5414	14-Nov-06	20.46	15.77	26.10	16.51	500	1,000
Franklin India Smaller Companies Fund	60.88	7280	13-Jan-06	24.89	16.80	30.39	16.05	500	5,000
HDFC Mid-cap Opportunities Fund	56.94	20278	25-Jun-07	21.08	14.87	26.62	17.71	500	5,000
Mirae Asset Emerging Bluechip Fund	49.90	5302	09-Jul-10	22.83	19.40	31.13	22.98	1,000	5,000
Reliance Small Cap Fund	46.01	6542	16-Sep-10	41.82	23.16	36.68	22.52	500	5,000

Note: Returns as on 28th Feb, 2018, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	Latest NAV*	AUM as on 31 st Jan 2018 (Rs in Cr.)	Returns (%)				
			One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund							
SBI Premier Liquid Fund	2697.33	26525	0.53	1.62	3.23	6.56	7.66
HDFC Liquid Fund	3388.61	27433	0.53	1.60	3.19	6.51	7.28
Ultra Short Term Fund							
UTI Treasury Adv Fund - Inst Plan	2376.29	10507	0.48	1.37	2.93	6.66	8.30
Reliance Money Manager Fund	2372.74	15075	0.51	1.25	2.73	6.40	8.21

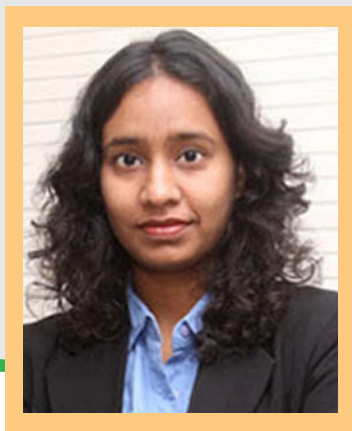
Note: NAV and Returns as on 28th Feb, 2018, Returns < 1 yr annualised, > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	Launch Date	Returns (%)			
			OneYear	Three Years	Five Years	Since Inception
Aditya Birla Sun Life Tax Relief 96	31.02	06-Mar-08	27.81	12.37	22.92	12.00
DSP BlackRock Tax Saver	46.14	18-Jan-07	17.36	12.50	21.03	14.75
Reliance Tax Saver (ELSS) Fund	63.44	10-Apr-99	19.93	8.32	23.32	16.00
Motilal Oswal MOST Focused Long Term Fund	17.91	15-Jan-15	27.17	19.33	N.A.	20.63

Note: NAV and Returns as on 28th Feb, 2018, Returns <1 yr annualised, >1 yr compounded annualised

Interview with Ms Lakshmi Iyer



Every year in march, we celebrate the spirit of womanhood by educating our female investors on matters of personal finance and the freedom to attain financial independence. Arihant Capital firmly believes that it's indeed time to own the hustle of your savings in your hands and woman definitely play a major role in it. So, let us hear the insights from such a role model, a female fund manager,

Ms Lakshmi Iyer,
CIO (Debt) & Head – Products, Kotak Mutual Fund.

Can you tell us about yourself and your work at Kotak AMC ? How has been your journey so far?

It has been a delightful journey for me at Kotak AMC. From research analyst to fund manager to CIO, the journey has been a fruitful one indeed. The world of finance is exciting and it requires you to stay connected with markets and 'market wallas'. That's what keeps me going at this job

Did you face some initial struggles as a female in this male dominated industry?

Not at all. It's all about perception of the kind of job that you do and if you are enjoying what you are doing. Be it sports or finance, women are making a mark in their own way. It's important to focus on what one what's to achieve than being worried about gender mismatches!

What keeps you motivated to be consistently working in this field?

If you are passionate about something, you are self-motivated to keep going. The world of finance is indeed very exciting, though it has its own sets of challenges. But who said it will always be a smooth ride. Key is to withstand the ups and downs and be determined to reach the finish line. Also when you see fewer people getting to the top, you start pushing yourself a tad more, knowing fully well that you are capable of doing it!

What are the common mistakes an investor makes according to you and how can they overcome it ? Mistakes are always part of life... only good thing is that you tend to get a chance to make amends most of the time. Most common mistake an investor makes is mistaking insurance to be an investment product - when it's actually a risk cover! Another common observation I make is that investors keep holding on to gold and tend to exit financial investments at the first sign of volatility or correction.. Gradually these are witnessing some changes, which tells you some mistakes are being corrected

Why do you think debt oriented schemes are less popular amidst retail investors as a financial solution vis-à-vis equity oriented schemes ? How do you think we can amend it?

The general impression is that If you have invested in traditional modes like bank FDs, post office savings, NSC etc. your debt allocation is taken care of. Lack of financial literacy is the root cause of such impressions. Debt oriented schemes have investment solutions suited to all rate cycles. Hence, it's important to sync your time horizon and risk appetite before initiating such investments... If one methodically approaches financial planning with guidance, if needed from an advisor, I firmly believe we can amend it. After all even villains morph into good hearted souls in Bollywood movies :)

What are your interests other than finance?

I'm a financial geek, filmi and foodie in that order I also love travelling and exploring offbeat destinations within and outside India.

THE MONTH AHEAD KEY FINANCIAL EVENTS MARCH 2018



MAR 01

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



MAR 04

Italian Parliamentary Election



MAR 05

Indian Nikkei Services PMI



MAR 07

- European GDP
- UK Annual Budget Release
- US Trade Balance



MAR 08

- Japanese GDP
- Chinese Trade Balance
- ECB Monetary Policy



MAR 09

- BOJ Monetary Policy
- UK Industrial Production
- US Non-Farm Employment



MAR 12

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



MAR 12-16

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



MAR 14

- Indian WPI Inflation
- Chinese Industrial Production
- European Industrial Production



MAR 15-20

- Indian Trade Data
- Indian Balance of Payment



MAR 16

US Industrial Production



MAR 19

- Japanese Trade Balance
- European Trade Balance



MAR 21

US FOMC Meeting Minutes



MAR 22

BOE Monetary Policy



MAR 28

US Final GDP



MAR 30

- Indian Core Sector Growth
- Indian Government Finance



ArihantCapital
Generating Wealth

THIS WOMEN'S DAY MORE POWER TO ALL THE WOMEN



**ACCOUNT OPENING FEE
FOR WOMEN**

Register for free Workshop

For details, visit :



Offer available only for March

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 his 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.