

WE'LL BRING CHINA TO ITS KNEES...



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# MOVERS & SHAKERS






## INDIAN INDICES

Indices	Jul-19	Jun-19	Monthly Change (%)
SENSEX	37481.12	39394.64	-4.86↓
NIFTY 50	11118.00	11788.85	-5.69↓
NIFTY BANK	28876.00	31105.20	-7.17↓
NIFTY MIDCAP 100	15921.20	17654.10	-9.82↓
NIFTY 500	9044.95	9657.95	-6.35↓
NIFTY IT	15620.20	15936.45	-1.98↓
NIFTY REALTY	267.45	284.80	-6.09↓
NIFTY INFRA	3086.65	3369.20	-8.39↓

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Jul-19	Jun-19	Monthly Change (%)
AUTO 	15472.03	17904.15	-13.58↓
BANKEX 	32689.44	34971.86	-6.53↓
CD 	22342.30	26128.00	-14.49↓
CG 	17555.91	19855.41	-11.58↓
FMCG 	11062.33	11361.92	-2.64↓
HC 	12704.38	12889.34	-1.43↓
IT 	15733.49	15654.11	0.51↑
METAL 	9685.46	11107.22	-12.80↓
OIL & GAS 	13236.95	14803.26	-10.58↓
PSU 	6967.88	7832.33	-11.04↓
REALTY 	2072.20	2201.44	-5.87↓
TECK 	7675.41	7674.21	0.02↑

(Source: BSE)

## GLOBAL INDICES

Indices	Jul-19	Jun-19	Monthly Change (%)
DOW JONES	26864.27	26599.96	0.99↑
NASDAQ	8175.42	8006.24	2.11↑
HANG SENG	27777.75	28542.62	-2.68↓
FTSE	7586.78	7425.63	2.17↑
NIKKEI	21521.53	21275.92	1.15↑

## COMMODITIES

Particulars	Jul-19	Jun-19	Monthly Change (%)
MCX GOLD 	34517.00	34206.00	0.91↑
MCX SILVER 	41227.00	37452.00	10.08↑
MCX CRUDE OIL 	4032.00	4095.00	-1.54↓
MCX NATURAL GAS 	155.10	161.50	-3.96↓

(Source: Teletquote software)

## FOREX

Particular	Jul-19	Jun-19	Monthly Change (%)
USD-INR ₹	68.98	69.02	-0.06↓
EUR-INR €	77.09	78.45	-1.73↓
GBP-INR £	83.73	87.60	-4.42↓
JPY-INR ¥	63.36	63.95	-0.92↓

(Source: Teletquote software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for July 2019	99,776.10	112,194.83	-12,418.73
Total for 2019*	823,350.42	758,447.41	64,903.71

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for July 2019	61,902.84	49,423.98	12,478.86
Total for 2019*	428,658.13	391,881.43	36,776.70

\*Till July 2019

(Source: SEBI)

## Monthly Market Roundup

In the month of July, the S&P BSE Sensex was down by 5.5% and the CNX Nifty was down by 7.3%. The month was an eventful month and the markets remained highly volatile throughout the month. The key highlight for the month was the much awaited union budget. The budget was not very positive for the Indian equity markets mainly because of the super rich tax imposed on the foreign portfolio investors. The super rich tax was followed by heavy selling by the foreign investors throughout the month.

**On the sectoral front,** All the sectors faced a lot of pressure throughout the month. All the major indices ended in red. Nifty Infrastructure, Nifty Metal, NIFTY IT, Nifty Pharma, Nifty FMCG, Nifty Auto, Nifty midcap and Nifty small-cap ended the month with loss of -8.9% , -1.1% , -6.30%, -2.3%, -1.81%, -14.67%, -10.97% and -8.75% respectively.

**On the economic front,** Goods and Services Tax collection was reported to be Rs 1.02 lakh Cr for the month, a gain of 3.9% on YoY basis. In addition to this, auto sales continued to face pressure due to weak buyer sentiment. Passenger vehicle sales declined 16% YoY, while two wheelers sales witnessed a decline of 13.8% YoY. Overall there was a clear sign of slowdown in the economic activity.

**On The Global Front:** The world indices were mixed for the month of July. Some world markets ended the month on a positive note while the others closed in red. US' Nasdaq, UK's FTSE and US' Dow Jones were gainers, up 2.25%, 1.19% and 1.80% respectively. Whereas, Hong Kong's Hang Seng, Germany's DAX and Japans Nikkie ended the moth with loss of -3.80%, -2.65% and -1.07% respectively. China's Shanghai composite slipped by 3.66%.

## Nifty Technical Outlook: August -2019



On the monthly chart, we are observing a strong bear candle which suggests that undertone in the market has turned negative.

In coming month if Nifty trades and close below 10910 level then it is likely to test 10646 – 10359 – 10026 levels. However, if Nifty trades and close above 11303 levels then it can 11590 – 11877 – 12211 levels.

**Since the Monthly trend has turned down rallies are likely to attract selling pressure. Broadly, for current month we are of the opinion that 10640 remains crucial level if breached then selling would drag Nifty to 10359 – 10026 levels. Hence one needs to be cautious and wait for the dust to settle.**

## Economic Data Wrap Up – : July

- India's July Nikkei manufacturing PMI rose to 52.5 from 52.7 in June.
- India's June Nikkei services PMI fell to 49.7 from 50.2 in May.
- India's May IIP growth decline to 3.1% compared to 3.4 % in May.
- India's June CPI inflation rose to 3.18% from 3.05% in May.
- India's June WPI inflation fell to 2.02 % from 2.5% in June.

# Fundamental Stock



## Voltamp Transformers Ltd

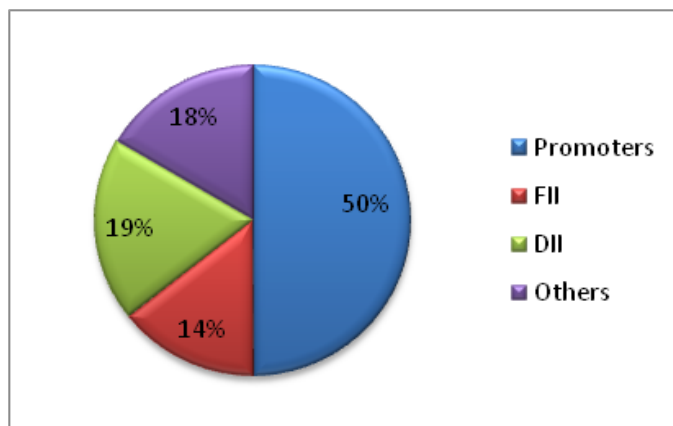
BUY

Target Price: Rs. 1263

### Value Parameters

BSE Code	532757
NSE Symbol	VOLTAMP
CMP (As on 2 <sup>nd</sup> Aug, 2019)	Rs 1024
Face Value	Rs 10
52 Week High / Low	1271/735
Market Cap (Rs Cr)	1,039
EPS (FY21E)	Rs 120
PE ratio (x) (FY21E)	8.5

### Shareholding Pattern % (June' 19)



### Company Overview

Voltamp is a market leader in dry type transformers having more than 40% market share and enjoys 15% market share in Industrial application transformers. Current order book of Rs 5050mn provides good revenue visibility with stable margin and decent volume growth. Voltamp is currently trading at a P/E of 8.7x its FY21E earnings, which is very attractive compared to its peers and more so considering its debt free status, free cash flow generation and impressive return ratios.

### Investment Rationale

**Focussed player in transformer sector with customised offerings**

Voltamp Transformer is a leading manufacturer of customised transformers for industrial, building and power applications. The company is a market leader in the dry type transformers with more than 15% market share in industrial application transformers.

**Trusted vendor for leading companies helps in getting repeat business**

Voltamp is the trusted vendor for leading business houses across industries, like profitable and Navratna PSUs, large co-operatives as well as MNCs.

**Robust order book to provide revenue visibility**

Voltamp has a robust order book of Rs 5050mn at the end of Q4FY19, which has grown by 25% YoY and crossed the Rs 5 bn mark. The company registered a strong growth of ~40% in order inflows in Q4FY19, which we expect to continue going forward with possible up-tick in infrastructure capex from private players as well as increased government orders.

**Debt free company with strong balance sheet**

Voltamp has maintained its debt free status for more than 20 years now by virtue of its minimal exposure to SEBs.

### Valuations

At CMP of Rs 1024, Voltamp is trading at FY20E and FY21E, P/E multiples of 10.7x and 8.5x respectively, which is attractive considering its debt free status, free cash flow generation and impressive return ratios. We have valued the company at a target P/E of 10.5x its FY21E EPS, which yields a target price of Rs 1263 per share, giving upside of 23%.

# AUT SECTOR

July Sales



## Maruti Suzuki

**Total Sales: 109,264 units, -33.5% YoY down**  
Domestic Sales: 100,006 units, -35.1% YoY down  
PV Sales: 96,478 units, -36.7% YoY down  
Exports: 9,258 units, -9.4% YoY down



## TVS Motor

**Total Sales: 279,465 units, -15% YoY down**  
2Wheeler Sales: 265,679 units, -16% YoY down  
3Wheelers Sales: 13,786 units, 3% YoY up  
Exports: 69,994 units, 3% YoY up



## Mahindra & Mahindra

**Total Sales: 40,142 units, -15% YoY down**  
Domestic Sales: 37,474 units, -16% YoY down  
PV Sales: 16,831 units, -15% YoY down  
CV Sales: 15,969 units, -17% YoY down  
M&HCV Sales: 417 units, -52% YoY down  
Exports: 2,668 units, -15% YoY down



## Atul Auto

**Total Sales: 3,272 units, -15.12% YoY down**



## Tata Motors

**Total Sales: 32,938 units, -34% YoY down**  
PV Sales: 10,485 units, -31% YoY down  
CV Sales: 22,453 units, -36% YoY down  
M&HCV Sales: 5,465 units, -46% YoY down  
Exports: 3,374 units, -32% YoY down



## Escorts

**Total Sales: 4860 units, -15% YoY down**  
Domestic Sales: 4,505 units, -22% YoY down  
Exports: 355 units, -179.5% YoY down



## Bajaj Auto

**Total Sales: 381,530 units, -5% YoY down**  
Domestic Sales: 205,470 units, -13% YoY down  
CV Sales: 59,320 units, -10% YoY down  
Motorcycle Sales: 322,210 units, -3% YoY down  
Exports: 176,060 units, 8% YoY up



## Ashok Leyland

**Total Sales: 10,927 units, -28% YoY down**  
M&HCV Sales: 6,722 units, -39% YoY down  
LCV Sales: 4,205 units, Flat YoY.



## Hero MotoCorp

**Total Sales: 535,810 units, -12% YoY down**



## Volvo-Eicher Commercial Vehicles

**Total Sales: 4,048 units, -32.1% YoY down**

## Eicher Motorcycle

**Total Sales: 54,185 units, -22% YoY down**  
Domestic Sales: 49,182 units, -12% YoY down  
Exports: 5,003 units, 143% YoY up

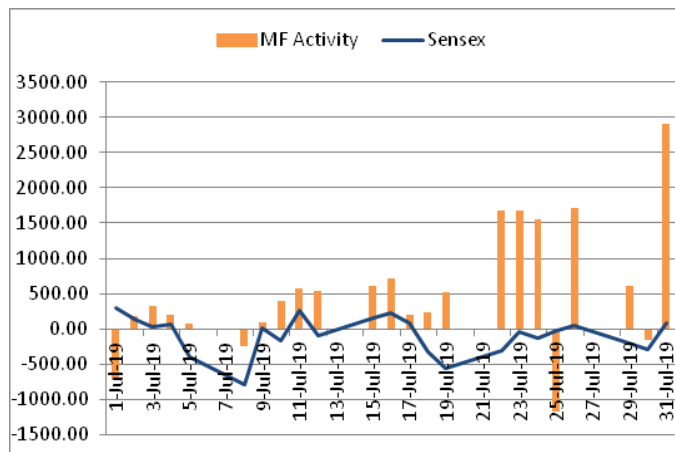


## MUTUAL FUND ROUNDUP

Indian equity markets ended on negative note in July 2019. The barometer index, S&P BSE Sensex delivered negative returns of 4.86% to settle at 37481.12 and Nifty50 lost 5.69% ending the month at 11118.00.

### MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 12478.86 crore in the month of July 2019. Highest buying was recorded in the fourth week of the month when the fund houses made total net buy of Rs 5469.81 crore of equities. On the other hand, foreign institutional investors (FIIs) sold Rs 12418.73 crore worth of equities in July 2019.



### Mutual Fund Activity In July 2019

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	9866.66	9826.11	40.55
2nd Week	13662.76	12311.68	1351.08
3rd Week	12655.02	10384.59	2270.43
4th Week	18891.54	13421.73	5469.81
5th Week	6826.86	3479.87	3346.99
<b>Total</b>	<b>61902.84</b>	<b>49423.98</b>	<b>12478.86</b>

Note: Mutual Fund activity as on 31<sup>st</sup> July 2019

## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 <sup>th</sup> June, 2019 (Rs in Cr)	Launch Date	Returns (%)				Min. Investment Amount	
				(Rs in Cr)	Three Years	Five Years	Since Inception	SIP	Lump sum
<b>Large Cap Fund</b>									
Axis Bluechip Fund(G)	29.97	5,746	05-Jan-10	10.47	15.32	11.82	12.05	1000	5000
ICICI Pru Bluechip Fund (G)	43.20	22,182	23-May-08	9.04	12.74	11.33	14.08	100	100
Mirae Asset Large cap Fund(G)	52.13	13,065	04-Apr-08	12.12	15.44	14.41	15.84	1000	5000
<b>Multi Cap Fund</b>									
Axis Focused 25 Fund(G)	28.59	7,978	29-Jun-12	4.34	15.90	14.36	16.07	1000	5000
Kotak Standard Multi cap Fund(G)	36.31	26,010	11-Sept-09	10.78	14.23	14.96	13.85	500	5000
SBI Magnum Multi cap Fund (G)	50.15	7,583	29-Sept-05	9.01	12.27	14.72	12.47	500	1000
<b>Mid Cap Fund</b>									
HDFC Mid-Cap Opportunities Fund(G)	54.31	22,825	25-Jun-07	-0.93	10.55	13.20	15.15	500	5000
L&T Mid Cap Fund (G)	131.82	4,880	9-Aug-04	-2.64	12.28	15.01	18.92	500	5000

Note: Returns as on 31<sup>th</sup> July, 2019, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

## Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 30 <sup>th</sup> June, 2019 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
<b>Liquid Fund</b>								
Axis Liquid(G)	7.10	2101.36	32,993	0.55	1.78	3.63	7.52	7.92
ICICI Pru Liquid Fund(G)	7.03	280.27	68,727	0.55	1.78	3.62	7.44	7.86
<b>Ultra Short Term Fund</b>								
Kotak Saving Fund(G)	8.08	30.50	13,037	0.48	1.79	4.04	8.01	7.78
L&T Ultra Short term Fund(G)	7.65	31.06	3,023	0.49	1.76	3.90	7.89	7.47

Note: NAV and Returns as on 31<sup>st</sup> July, 2019, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

## ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 <sup>th</sup> June, 2019 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	18.02	2,112	28-Dec-15	12.21	18.66	-	18.31
Axis LT Equity Fund(G)	45.87	19,817	29-Dec-09	6.68	13.39	14.81	17.32
HDFC Tax Saver(G)	532.72	7,545	31-May-96	7.46	11.43	8.22	24.00

Note: NAV and Returns as on 31<sup>st</sup> July, 2019, Returns < 1 yr annualised, > 1 yr compounded

# THE MONTH AHEAD KEY FINANCIAL EVENTS AUGUST 2019



## AUG 1

- Indian Nikkei Manufacturing PMI
- Italian Manufacturing PMI
- UK Monetary Policy Summary
- US FOMC Press Conference

PMI

## AUG 01- 02

- Indian Automobile Sales Data, by Automakers



## AUG 02

- Indian Nikkei services PMI
- Italian Services PMI
- Canada Trade Balance

PMI

## AUG 05

- Indian Nikkei services PMI
- Italian Services PMI
- RBI MPC meeting

PMI

## AUG 07

- French Trade Balance



## AUG 08

- Indian Automobile Sales Data, by SIAM
- Japan Current Account



## AUG 09

- French Industrial Production
- US PPI
- Italian Trade Balance
- UK GDP
- Indian IIP
- UK Industrial Production

PPI

## AUG 13

- US CPI
- Indian CPI
- French Final CPI
- German Final CPI

CPI

## AUG 14

- Indian WPI
- US Retail Sales
- UK CPI

WPI

## AUG 22

- Europe ECB Monetary Policy Meeting Accounts

ECB

## AUG 23

- French Flash Services PMI
- German Flash Manufacturing PMI

PMI

## AUG 26

- US Core Durable Goods Orders m/m
- US Durable Goods Orders m/m

Goods

## AUG 29

- US Prelim GDP q/q
- German Prelim CPI m/m

GDP

## AUG 30

- Europe Core CPI Flash Estimate y/y
- Canada GDP m/m

GDP

## AUG 31

- China Manufacturing PMI

PMI

**ArihantCapital**  
Generating Wealth

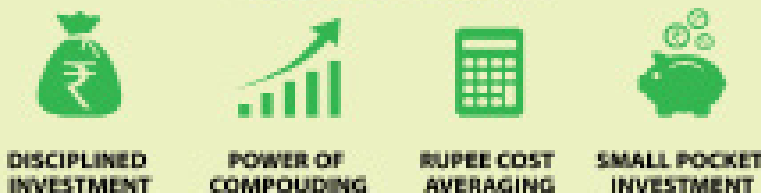




**THINK  
BIG  
START SMALL**

## ARIHANT'S SIP INVESTMENT

### WHY SIP INVESTMENT



**DISCIPLINED INVESTMENT**

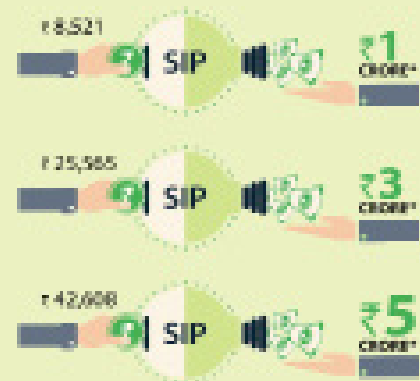
**POWER OF COMPOUNDING**

**RUPEE COST AVERAGING**

**SMALL POCKET INVESTMENT**

\*Note: Illustration depicts an illustration for the sake of ₹10,000 for illustration purposes only. Actual fund investments are subject to market risks. The actual result may vary from depicted illustration depending on a number of factors. Please do not take any decision on the basis of this illustration or any other notice.

### 20 YEARS PERIOD



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