

Arihant's

VALUE

Plus

Issue |

March 2019



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INDIAN INDICES

Indices	Feb-19	Jan-19	Monthly Change (%)
SENSEX	35867.44	36256.69	-1.07↓
NIFTY 50	10792.50	10830.95	-0.36↓
NIFTY BANK	26789.90	27295.45	-1.85↓
NIFTY MIDCAP 100	16721.10	16904.75	-1.09↓
NIFTY 500	8955.95	9003.85	-0.53↓
NIFTY IT	15732.00	15499.30	1.50↑
NIFTY REALTY	230.25	228.55	0.74↑
NIFTY INFRA	2917.70	2976.85	-1.99↓

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Feb-19	Jan-19	Monthly Change (%)
AUTO	18805.66	18494.59	1.68↑
BANKEX	30027.41	30731.37	-2.29↓
CD	21410.25	21255.75	0.73↑
CG	17087.68	17311.11	-1.29↓
FMCG	11353.74	11615.86	-2.26↓
HC	13760.65	13881.35	-0.87↓
IT	15253.86	15264.10	-0.07↓
METAL	10766.55	10958.60	-1.75↓
OIL&GAS	13802.15	13612.32	1.39↑
PSU	6736.42	6904.46	-2.43↓
REALTY	1795.97	1774.09	1.23↑
TECK	7590.53	7520.46	0.93↑

(Source: BSE)

GLOBAL INDICES

Indices	Feb-19	Jan-19	Monthly Change (%)
DOW JONES	25916.00	24999.67	3.67↑
NASDAQ	7532.53	7281.74	3.44↑
HANG SENG	28633.18	27942.47	2.47↑
FTSE	7074.73	6968.85	1.52↑
NIKKEI	21385.16	20773.49	2.94↑

(Source: Telequote software)

COMMODITIES

Particulars	Feb-19	Jan-19	Monthly Change (%)
MCX GOLD	32981.00	33056.00	-0.23↓
MCX SILVER	39134.00	40439.00	-3.23↓
MCX CRUDE OIL	4058.00	3869.00	4.88↑
MCX NATURAL GAS	199.70	201.50	-0.89↓

(Source: Telequote software)

FOREX

Particular	Feb-19	Jan-19	Monthly Change (%)
USD-INR ₹	70.97	71.26	-0.41↓
EUR-INR €	81.24	82.01	-0.94↓
GBP-INR £	94.60	93.66	1.00↑
JPY-INR ¥	64.23	65.68	-2.21↓

(Source: Telequote software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2019	117,899.79	100,680.17	17,219.62
Total for 2019*	211,964.10	200,008.60	11,955.90

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2019	47,009.00	39,651.20	7,357.80
Total for 2019*	103,269.59	88,906.52	18,802.64

*Till Feb 2019

(Source: SEBI)

Markets have continued to remain volatile led by mixed global cues as well as border tensions across India and Pakistan. Domestically, macros have improved in terms of lower inflation, possibility of further cut in interest rates by RBI, easing off of oil prices as well as expectations of healthy growth in profits for FY20. Among the sectors one can focus on banks, pharma, IT services, metals & NBFCs.

Monthly Market Roundup

In the month of February, the S&P BSE Sensex was down by 1.07% and the CNX Nifty was down by 0.35%. Indian equity markets closed in the red as investors remained concerned over rising oil prices after Saudi Arabia declared deeper cuts in oil production. Further, the terrorist attacks in Kashmir and its repercussions weighed on the market sentiment, thereby muting buying interest.

On the sectoral front, NIFTY IT, NIFTY Energy and NIFTY Bank ended with gains of 7.3%, 3.2% and 0.5% respectively. Nifty PSE, Nifty FMCG, Nifty Realty ended lower by -5.4%, -2.4% and -1.7% respectively. While, Nifty Midcap 100 ended lower by -5.4%.

On the economic front, Goods and Services Tax (GST) collections slipped below Rs 1 lakh crore mark to Rs 97,247 crore in the month of February from Rs 1.02 lakh crore in the previous month. Passenger vehicle sales continued to remain under pressure in the New Year with wholesale volumes falling 1.87% yoy to 280125 units in January. Two wheeler sales fell 5.18% YoY. G-Sec yields rose 12bps during Feb-19, to end the month at 7.60%

Foreign Portfolio Investors (FPIs) have bought stocks worth \$1.86 billion, the highest since March 2018 when they had pumped in over \$2 billion.

On The Global Front, World markets ended the month of Feb-19 on a positive note. China's Shanghai composite, US' Dow Jones, US' Nasdaq, Germany's DAX, Japan's Nikkei, Hong Kong's Hang Seng, UK's FTSE and Singapore's Strait were gainers, up 13.8%, 3.6%, 3.4%, 3.1%, 2.9%, 2.5%, 1.5% and 0.7% respectively

Nifty Technical Outlook: March



On the monthly chart, prices have formed three consecutive narrow range body formations which have closed above the median line of the channel. This suggests indecisiveness prevailing at current levels.

In coming month if Nifty trades and close above 10896 level then it is likely to test 11051 – 11207 - 11388 levels. However, if Nifty trades and close below 10688 level then it can test 10533 – 10378 - 10197 levels.

Broadly we are of the opinion that 10500 is crucial support for current month as long as Nifty holds the above mentioned zone there is high probability that Nifty would test 11029 – 11147 – 11284 levels on the upside. Hence cautiously positive approach at current

Economic Data Wrap Up – Feb

- India's Feb Nikkei manufacturing PMI rose to 54.3 from 53.9 in Jan.
- India's Jan CPI inflation fell to 2.05% from 2.19% in Dec.
- India's Feb Nikkei services PMI rose to 52.5 from 52.2 in Jan.
- India's Jan WPI inflation fell to 2.76% from 3.80% in Dec.
- India's Dec IIP growth rose to 2.4% from 0.5 % in Nov.
- India's Jan trade deficit reduced to \$14.73 bln from \$ 15.67 bln YoY.

Fundamental Stock

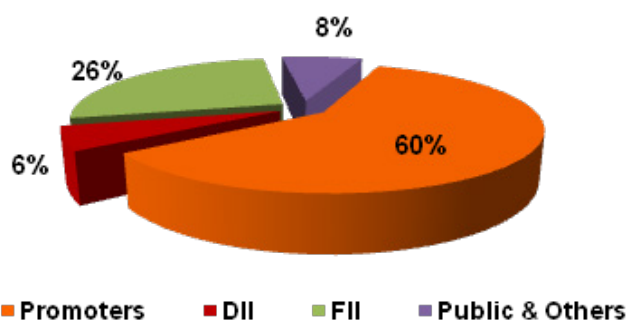


Marico

BUY Target Price: Rs 464

Value Parameters	
BSE Code	532528
NSE Symbol	MARICO
CMP (As on 5 th March, 2019)	Rs 336
Face Value	Rs 1
52 Week High/Low	397/283
Market Cap (Rs mn)	433,742
EPS (FY21E)	10.3
PE Ratio (x)	32.6

Shareholding Pattern % (December '18)



Company Overview

Marico Limited is one of India's leading consumer products companies operating in the beauty and wellness space. Currently present in 25 countries across emerging markets of Asia and Africa, Marico has nurtured multiple brands in the categories of hair care, skin care, edible oils, health foods, male grooming, and fabric care. Marico's India business markets household brands such as Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Mediker and Revive, among others that add value to the life of 1 in every 3 Indians. The International business offers unique brands such as Parachute, HairCode, Fiancée, Caivil, Hercules, Black Chic, Isoplus, Code 10, Ingwe, X-Men and Thuan Phat that are localized to fulfil the lifestyle needs of its international consumers.

Product Portfolio

The company primarily caters to the 'Beauty and Wellness' theme. It has a wide product portfolio comprising of the following segments, 1) coconut oils, 2) leave-in hair nourishment, 3) healthy foods and 4) male grooming. Each of the above segments has different sub-segments targeting to specific segment of customers depending on their specific requirements.

Investment Rationale

- **Impressive volume growth in key segments to drive domestic business growth**

Over FY19-21E, Marico is confident of delivering 8-10% volume growth coupled with healthy market share gains, on the back of increased investment in the core portfolio, aggressive new product launches, distribution expansion & judicious pricing.

- **EBITDA margin to be maintained at 18% level with upside trigger**

Marico will continue to drive cost excellence across the organization to extract savings that will be redeployed towards igniting profitable growth. EBITDA margin is expected to be maintained at 18% with upside trigger.

- **Strong distribution network gives opportunity for huge headroom for growth**

Marico has a strong distribution network, with overall reach spanning 4.9 mn outlets out of 10.1 mn total outlets, this itself presents a huge opportunity for Marico to grow further in future.

- **PAT to witness 17.8% CAGR over FY18-20E**

With 14.6% CAGR revenue growth over FY18-20E and stable EBITDA margin around 17-18% level, we expect Marico's PAT to grow from Rs 8145mn in FY18 to Rs 11,162mn in FY20E, thereby registering a CAGR of 17.1% over

Outlook & Valuation

At CMP of Rs 336, Marico trades at FY19E, FY20E and FY21E, P/E multiples of 46x, 38.9x and 32.6x respectively. We value the stock at FY21E target P/E multiple of 45x, which yields a target price of Rs 464 per share. We are positive on Marico and have a BUY rating with a TP of Rs 464, which gives an upside of 38.1%.

AUT SECTOR

February Sales



Maruti Suzuki

Total Sales: 148,682 units, -0.8% yoy down
 Domestic Sales: 139,100 units, 0.9% yoy up
 PV Sales: 136,912 units, 0.2% yoyup
 Exports: 9582 units, -19.6% yoy down



TVS Motor

Total Sales: 299,353 units, 3% yoyup
 2Wheeler Sales: 285,611 units, 2% yoyup
 3Wheelers Sales: 13,742 units, 41% yoyup
 Exports: 66,570 units, 14% yoyup



Mahindra & Mahindra

Total Sales: 56,005 units, 10% yoyup
 Domestic Sales: 52,915 units, 9% yoyup
 PV Sales: 26,109 units, 17% yoyup
 CV Sales: 21,154 units, 1% yoyup
 M&HCV Sales: 686 units, -17% yoydown
 Exports: 3,090 units, 16% yoyup



Atul Auto

Total Sales: 4106 units, 13.39% yoyup



Tata Motors

Total Sales: 57,221 units, -3% yoydown
 PV Sales: 18,110 units, 2% yoyup
 CV Sales: 39,111 units, -5% yoydown
 M&HCV Sales: 12,437 units, -18% yoydown
 Exports: 2,930 units, -39% yoydown



Escorts

Total Sales: 7,240 units, 12% yoyup
 Domestic Sales: 6,918 units, 9.9% yoyup
 Exports: 322 units, 92.8% yoyup



Bajaj Auto

Total Sales: 393,089 units, 10% yoyup
 Domestic Sales: 221,706 units, 4% yoyup
 CV Sales: 65,104 units, 8% yoyup
 Motorcycle Sales: 327,985 units, 10% yoyup
 Exports: 171,383 units, 19% yoyup



Ashok Leyland

Total Sales: 18,245 units, 0% yoy up
 M&HCV Sales: 13,291 units, -3% yoydown
 LCV Sales: 4,954 units, 11% yoyup



Hero MotoCorp

Total Sales: 61,721 units, -2% yoydown



Volvo-Eicher Commercial Vehicles

Total Sales: 6,428 units, -6.7% yoydown

Eicher Motorcycle

Total Sales: 6,263 units, -14% yoydown
 Domestic Sales: 6,006 units, 15.8% yoydown
 Exports: 256 units, 49% yoyup

Commodity Outlook

Copper

CMP: Rs 455.00 (As on 06th Mar, 2019)

Buy on dips to : > Rs 444.00 - 442.00

Targets: Rs 479.00 - 495.00

Stop loss: < Rs 425.00

After consolidating in the year 2016 and then building up on a strong bullish rally in the following year, Copper slipped into a corrective phase in the second half of 2018. The dull phase ended with the year and then begun a relief rally with the arrival of the New Year 2019. Thus, in the first two months of this year, the bulls have given a tough fight to the bears and have successfully overpowered them. Let's see, in which direction will this fight be heading and who will come out as the victor? The answer to this question is wrapped in another question-will the two month relief rally convert into another leg of the full fledged bullish rally or will it end up just being a relief rally?

On monthly chart of Copper, we can see huge formations in the form of rallies and corrections as per the prevailing primary trend. If we apply Elliott Wave theory to this chart, we can see that prices are into the 5th impulsive bullish wave and as per the theory, the 5th wave is said to be the strongest as far as commodities are concerned. We can see that after scoring new multi year highs in mid 2018, Copper prices started to correct. The six month long correction can be



segregated between two parts that are joined by a short period of bounce back in the opposite direction. This whole structure has shaped up into a continuation harmonic pattern called AB=CD. The pattern is known to bring the required and measured correction and then push prices back in the direction of the main trend. This is likely to reflect in Copper and that's the reason why it is a good chance for traders with a mid to long term outlook to enter buy positions. **Buy Copper April contract on dips to Rs. 444.00-442.00 for targets in the range of Rs. 479.00-495.00. Maintain stop loss below Rs. 425.00.**

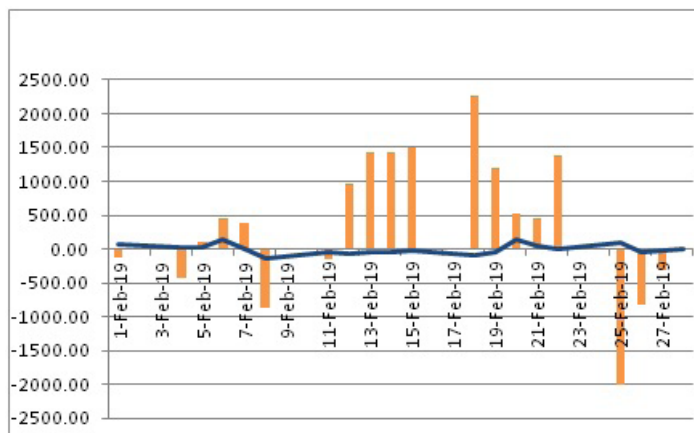


MUTUAL FUND ROUNDUP

Indian equity markets ended on negative note in February 2019. The barometer index, S&P BSE Sensex delivered negative returns of 1.07% to settle at 35867.44 and Nifty50 lost 0.36% ending the month at 10792.50.

MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 7,357.80 crore in the month of Feb 2019. Highest buying was recorded in the fourth week of the month when the fund houses made total net buy of Rs 5833.93 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs 17219.62 crore worth of equities in February 2019.



Mutual Fund Activity In February 2019

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	2687.05	2815.24	-128.19
2 nd Week	9738.13	10088.49	-350.36
3 rd Week	14235.43	9060.91	5174.52
4 th Week	13239.34	7405.41	5833.93
5 th Week	7109.05	10281.15	-3172.10
Total	47009.00	39651.20	7357.80

Note: Mutual Fund activity as on 27th Feb 2019



Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on Jan 31 st , 2019 (Rs in Cr)	Launch Date	Returns (%)				Min. Investment Amount	
				One Year	Three Years	Five Years	Since Inception	SIP	Lump sum
Large Cap Fund									
Axis Bluechip Fund(G)	26.78	3961	05-Jan-10	7.25	16.79	14.81	11.15	1000	5000
ICICI Pru Bluechip Fund (G)	39.52	19863	23-May-08	-1.13	16.49	14.31	13.6	500	1000
SBI Blue Chip Fund	36.25	20292	14-Feb-06	-4.34	12.62	14.87	10.38	500	5000
Multi Cap Fund									
Axis Focused 25 Fund(G)	25.74	6511	29-Jun-12	0.39	19.35	16.23	15.11	1000	5000
Mirae Asset India Equity Fund	47.57	10343	04-Apr-08	1.36	19.37	18.09	15.38	1000	5000
SBI Magnum Multi cap Fund (G)	45.01	6396	29-Sept-05	-4.47	15.85	18.21	11.89	500	1000
Mid Cap Fund									
HDFC Mid-Cap Opportunities Fund	50.99	20381	25-Jun-07	-10.69	16.27	19.32	14.99	500	5000
L&T Mid Cap Fund (G)	125.05	3665	9-Aug-04	-13.37	18.5	22.85	18.96	500	5000

Note: Returns as on 28thFeb, 2019, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	Latest NAV*	AUM as on Jan 31 st , 2019 (Rs in Cr)	Returns (%)				
			One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund							
Axis Liquid	2051.36	25067	0.57	1.82	3.73	7.54	7.94
ICICI Pru Liquid Fund	273.58	62667	0.54	1.79	3.67	7.46	7.87
Ultra Short Term Fund							
Kotak Saving Fund	29.71	7911	0.59	2.12	3.98	7.79	7.77
L&T Ultra Short term Fund	30.28	1373	0.59	2.1	3.99	7.74	7.46

Note: NAV and Returns as on 28th Feb, 2019, 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 LT Equity Fund(G)	41.43	29-Dec-09	0.87	15.25	18.41	16.7
Aditya Birla SL Tax Relief '96(G)	29.99	29-Mar-96	-3.32	16.2	18.5	10.51
Mirae Asset Tax Saver(G)	16.4	28-Dec-15	-0.07	22.93	-	16.87

Note: NAV and Returns as on 28th Feb, 2019, Returns <1 yr annualised, >1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS MAR 2019



MAR 01

- Indian Nikkei Manufacturing PMI
- GST Collection for Feb

GST

MAR 01-02

- Indian Automobile Sales Data, by Automakers



MAR 05

- Indian Nikkei Services PMI

PMI

MAR 07-10

- Indian Automobile Sales Data, by SIAM
- ECB Press Conference



MAR 08

- Canada Unemployment Rate
- US Unemployment Rate



MAR 12

- Indian Industrial Production (IIP)
- Indian Consumer Price Index (CPI)
- UK GDP
- US Retail Sales

GDP

MAR 13

- US PPI



MAR 14

- Indian WPI Inflation
- US Retail Sales



MAR 20

- US Fed Meeting
- US Industrial Production



MAR 21

- UK Retail Sales



MAR 28

- US Final GDP

GDP

MAR 29

- UK Current Account
- Canada GDP

GDP



**THINK
BIG
START SMALL**

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



**DISCIPLINED
INVESTMENT**



**POWER OF
COMPOUNDING**



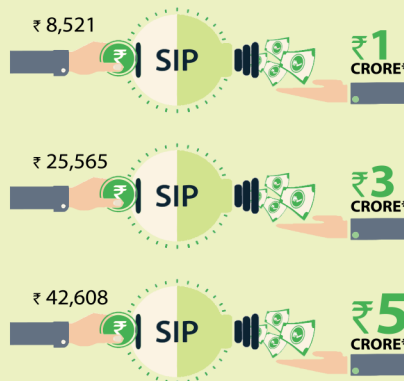
**RUPEE COST
AVERAGING**



**SMALL POCKET
INVESTMENT**

* Note: The above figures are calculated at the rate of 14% p.a. for illustration purpose only. Mutual fund investments are subject to market risks. The actual result may vary from depicted result depending on scheme selected. It could not be construed to be indicative of scheme performance in any manner.

20 YEARS PERIOD



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