

Arihant's

# VALUE *Plus*

Issue |

May 2019



अप्रैल की शुरुआत में ही पारा  
40°C के पार

## Loksabha Election 2019



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# MOVERS & SHAKERS



## INDIAN INDICES

Indices	Apr-19	Mar-19	Monthly Change (%)
SENSEX	39031.55	38672.91	0.93↑
NIFTY 50	11748.15	11623.90	1.07↑
NIFTY BANK	29764.80	30426.80	-2.18↓
NIFTY MIDCAP 100	17566.40	18258.50	-3.79↓
NIFTY 500	9664.30	9663.70	0.01↑
NIFTY IT	16705.40	15628.20	6.89↑
NIFTY REALTY	258.30	269.20	-4.05↓
NIFTY INFRA	3107.50	3207.90	-3.13↓

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Apr-19	Mar-19	Monthly Change (%)
AUTO	18839.40	18824.89	0.08↑
BANKEX	33328.45	34141.94	-2.38↓
CD	23873.81	23856.65	0.07↑
CG	18030.56	18471.99	-2.39↓
FMCG	11764.37	11741.51	0.19↑
HC	14367.02	14407.89	-0.28↓
IT	16263.51	15280.30	6.43↑
METAL	11513.24	11355.12	1.39↑
OIL&GAS	15357.85	15269.70	0.58↑
PSU	7446.22	7640.47	-2.54↓
REALTY	2008.64	2077.09	-3.30↓
TECK	7979.32	7621.79	4.69↑

(Source: BSE)

## GLOBAL INDICES

Indices	Apr-19	Mar-19	Monthly Change (%)
DOW JONES	26592.91	25928.68	2.56↑
NASDAQ	8095.39	7729.32	4.74↑
HANG SENG	29699.11	29050.04	2.23↑
FTSE	7418.22	7285.62	1.82↑
NIKKEI	22258.73	21205.81	4.97↑

(Source: Telequote software)

## COMMODITIES

Particulars	Apr-19	Mar-19	Monthly Change (%)
MCX GOLD	31756.00	31734.00	0.07↑
MCX SILVER	37209.00	37761.00	-1.46↓
MCX CRUDE OIL	4467.00	4185.00	6.74↑
MCX NATURAL GAS	180.80	186.70	-3.16↓

(Source: Telequote software)

## FOREX

Particular	Apr-19	Mar-19	Monthly Change (%)
USD-INR	69.84	69.59	0.36↑
EUR-INR	78.55	78.27	0.36↑
GBP-INR	91.00	91.12	-0.13↓
JPY-INR	62.88	62.83	0.08↑

(Source: Telequote software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Apr 2019	110,741.08	89,547.74	21,193.64
<b>Total for 2019*</b>	<b>472,762.70</b>	<b>405,633.30</b>	<b>67,130.10</b>

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Apr 2019	45,956.00	50,850.63	-4,894.63
<b>Total for 2019*</b>	<b>204,912.54</b>	<b>201,882.42</b>	<b>3,030.12</b>

\*Till Apr 2019

(Source: SEBI)



## Monthly Market Roundup

In the month of April, the S&P BSE Sensex was up by 1% and the CNX Nifty was up by 1.1%. Indian equity markets closed in the green. The markets were highly volatile during the month and similar trend was seen in global equities. The Indian market was in line with global equities after the International Monetary Fund (IMF) lowered its outlook on global economic growth. IMF has also scaled down Indian economic growth forecast marginally to 7.3% for the current fiscal from 7.4%.

**On the sectoral front,** NIFTY IT, Nifty Pharma, Nifty FMCG, Nifty Auto ended with gains of 5.6%, 1.2%, 0.4%, and 1.9% respectively. Nifty Midcap 100, NIFTY Energy and NIFTY Realty ended lower by 4.2%, 0.2% and 3.3% respectively. NIFTY Bank and NIFTY infra slipped by 1.4% and 2% respectively.

**On the economic front,** Goods and Services Tax (GST) collections increased to Rs 1.13 lakh Cr in the month of April compared to Rs 1.06 lakh Cr in the previous month. Passenger vehicle sales declined 17% YoY, two wheelers sales showed a decline by 10% YoY.

**(Foreign Portfolio Investors (FPIs))** buying has also slowed for the current month as compared to the previous month. They have bought stocks worth Rs 17,291 Cr in April as compared to Rs. 45,981 Cr in March.

**On The Global Front,** World markets ended the month of April-19 on a positive note. US' Nasdaq, Hong Kong's Hang Seng, UK's FTSE, Germany's DAX, Japan's Nikkei and US' Dow Jones were gainers, up 5.6%, 2.2%, 2.2%, 3.27%, 2.51% and 2.4% respectively. China's Shanghai composite slipped by 4.29%.

## Market Outlook : May

Markets have continued to remain volatile led by mixed global cues and anticipation of election results. We expect the volatility to increase going forward.

Domestically, macros have improved in terms of lower inflation, possibility of further cut in interest rates by RBI, reduction of border tension between India and Pakistan as well as expectations of healthy earning by companies going forward. Among the sectors one can focus on banks, Pharma, IT services, metals.

## Nifty Technical Outlook: May



On the monthly chart, after a strong bull candle we are observing a narrow range body formation which suggests indecisiveness prevailing at current levels.

In coming month if Nifty trades and close above 11812 level then it is likely to test 11901 – 11991 – 12095 levels. However, if Nifty trades and close below 11684 level then it can 11594 – 11505 – 11400 levels.

**Broadly, the monthly trend remains up and any corrective move near 11594 – 11505 buying is likely to emerge. In such scenario Nifty may test 11901 – 11991 – 12095 levels.**

## Economic Data Wrap Up – April

- India's April Nikkei manufacturing PMI fell to 51.8 from 52.6 in March.
- India's March CPI inflation rose to 2.86% from 2.6% in Feb.
- India's March WPI inflation rose to 3.18% from 2.93% in Feb.
- India's March trade deficit rose to \$10.89 bn from \$9.60 bn in Feb.
- India's March Nikkei services PMI fell to 52.0 from 52.5 in Feb.
- India's Feb IIP growth rose mere of 0.1% compared to 1.7% in Jan.

# Fundamental Stock

## Oberoi Realty Ltd.

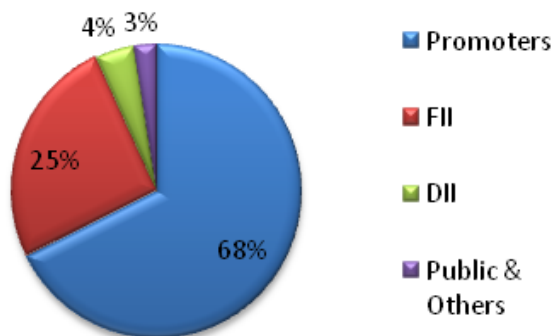
BUY

Target Price: Rs. 634

### Value Parameters

BSE Code	533273
NSE Symbol	OBEROIRLTY
CMP(As on 2 <sup>nd</sup> May, 2019)	Rs 522
Face Value	Rs 10
52 Week High/Low	608/351
Market Cap (Rs cr)	18,889
EPS (FY21E)	29.9
PE ratio (x) (FY21E)	17.5

### Shareholding Pattern % (March '19)



## Company Overview

Oberoi Realty Ltd. (ORL) is India's leading real estate development company, focused on premium developments in the residential, office space, retail, hospitality and social infrastructure verticals. It is an established brand with good track record and management bandwidth to execute large projects. The company is a Mumbai-focused player, with ample know-how of the micro market and the regulatory environment, which allows it to identify attractive opportunities in the city.

## Investment Rationale

**A large, growing population to drive demand for real estate** In a growing economy like India, increasing share of real estate in the country's GDP would be supported by increased pace of industrial activity, improving income level of a growing population and rapid pace of urbanisation, which in turn would drive demand for real estate.

**Key regulatory reforms driving significant momentum** Regulatory changes like RERA and GST will help the operating environment to be more transparent thereby benefitting the organised players like ORL to gain market share which in turn will drive sales momentum.

**Established brand with special focus on Mumbai market** ORL is a Mumbai-focused developer with an established brand name and good know-how of the micro market, which allows it to identify attractive opportunities in the city. With the interim budget raising the disposable income in the hands of the people, and a growing number of young, upwardly mobile professionals in Mumbai, there will be substantial demand for ORL's projects.

## Valuation

We have valued ORL using DCF method, wherein we have calculated value of its ongoing and forthcoming projects, pending value from completed development projects and completed annuity projects. We have discounted ORL's cash flows at WACC of 11.4% till FY25E and calculated its terminal value beyond that assuming terminal growth rate of 3%. Our DCF method yields a NAV of Rs 634/share for ORL. We have a 'BUY' rating on the stock with a target price of Rs 634 per share.

# AUT SECTOR

April Sales



## Maruti Suzuki

**Total Sales: 143,245 units, -17.2% yoy down**  
 Domestic Sales: 134,068 units, -18.7% yoy down  
 PV Sales: 131,385 units, -19.6% yoy down  
 Exports: 9,177 units, 14.6% yoy UP



## TVS Motor

**Total Sales: 318,937 units, 5% yoy up**  
 2Wheeler Sales: 305,883 units, 4% yoy up  
 3Wheeler Sales: 13,104 units, 15% yoy up  
 Exports: 69,565 units, 13% yoy up



## Mahindra & Mahindra

**Total Sales: 43721 units, -9% yoy down**  
 Domestic Sales: 41603 units, -8% yoy down  
 PV Sales: 19966 units, -9% yoy down  
 CV Sales: 17321 units, -9% yoy down  
 M&HCV Sales: 474 units, -48% yoy down  
 Exports: 2118 units, -26% yoy down



## Atul Auto

**Total Sales: 3,346 units, 22.21% yoy up**



## Tata Motors

**Total Sales: 42,577 units, -20% yoy down**  
 PV Sales: 12,694 units, -26% yoy down  
 CV Sales: 29,883 units, -18% yoy down  
 M&HCV Sales: 9,403 units, -33% yoy down  
 Exports: 1,402 units, -53% yoy down



## Escorts

**Total Sales: 5,264 units, -15% yoy Down**  
 Domestic Sales: 4,986 units, -18.2% yoy down  
 Exports: 278 units, 202% yoy up



## Bajaj Auto

**Total Sales: 423,315 units, 2% yoy up**  
 Domestic Sales: 232,104 units, 1% yoy up  
 CV Sales: 57,047 units, -13 % yoy down  
 Motorcycle Sales: 366,268 units, 5% yoy up  
 Exports: 191,211 units, 3% yoy up



## Ashok Leyland

**Total Sales: 13,626 units, 7% yoy up**  
 M&HCV Sales: 9346 units, 4% yoy up  
 LCV Sales: 4280 units, 15% yoy up



## Hero MotoCorp

**Total Sales: 574,366 units, -17% yoy down**



## Volvo-Eicher Commercial Vehicles

**Total Sales: 3961 units, 0.0% yoy unchanged**  
**Eicher Motorcycle**

**Total Sales 62,879 units, -17% yoy down**  
 Domestic Sales: 59,137 units, -26% yoy down  
 Exports: 3,742 units, 140% yoy up



# Commodity Outlook

## Silver lining

**BUY: CMP- Rs. 37391 (as on 03-05-2019)**

**Targets: Rs. 38770 - 39600**

**Stop Loss: Below Rs. 36500**

After failing to make any real impact this year, bulls are recollecting themselves to score some brownie points in Silver. Among bullion segment, Silver has been dominated by Gold since last many years. After scoring all time highs in international market in the year 2011, both the precious metals gradually slipped into the primary bearish trend. We have seen many bouts of short term relief rallies in Gold post 2011 but Silver hasn't sparked even half of the momentum on most of the occasions. However, things are likely to turn in favor of Silver in the near future as the white metal is looking strong on technical charts with a long term perspective.

Since Silver is in a primary bearish trend, we can see a 5 wave structure in the making on quarterly charts. From the mid of the year 2011 till 2015, the bearish structure till 3<sup>rd</sup> impulsive wave can be seen completed. Now since wave 2 completed in just a short lived plain correction, we can see the current wave 4 taking an extended time to finish in a definite pattern or structure as per the rules. Thus, we can conclude that the white metal is trading in the 4<sup>th</sup> wave since more than last three years and has almost completed two legs of the structure. The opportunity here is the third leg of the 4<sup>th</sup> wave structure which is likely to bring smiles on the faces of buyers before collapsing back to push the prices down towards 5<sup>th</sup> wave. As per the Fibonacci retracement calculations based on reciprocals, the third and final leg of the 4<sup>th</sup> wave structure is likely to



take prices to \$22.00 in international market from the current levels of \$14.85. Every cloud has a 'silver lining'!! **Buy July contract at cmp Rs. 37391 for targets Rs. 38770 & Rs. 39690. Maintain stop loss below Rs. 36500.**

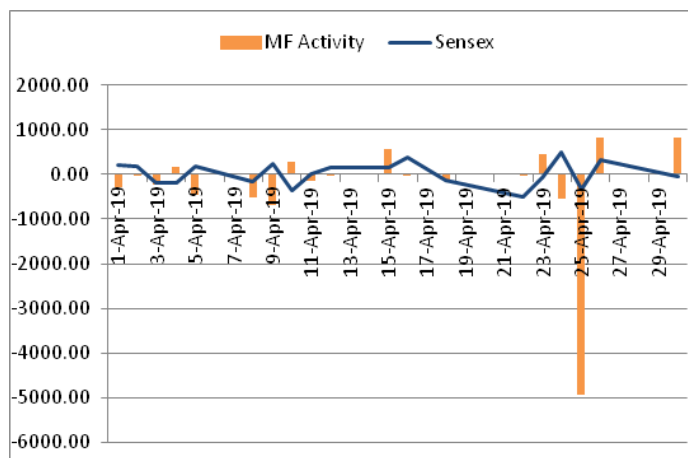


## MUTUAL FUND ROUNDUP

Indian equity markets ended on positive note in April 2019. The barometer index, S&P BSE Sensex delivered positive returns of 0.93 % to settle at 39031.55 and Nifty50 gained 1.07% ending the month at 11748.15.

### MF ACTIVITY

Indian mutual funds turned net sellers of equities to the tune of Rs. 4,894.63 crore in the month of April 2019. Buying was recorded in the fifth week of the month when the fund houses made total net buy of Rs 826.01 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs. 21,193.64 crore worth of equities in April 2019.



### Mutual Fund Activity In April 2019

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 <sup>st</sup> Week	12467.53	13275.19	-807.66
2 <sup>nd</sup> Week	9243.27	10332.67	-1089.40
3 <sup>rd</sup> Week	8203.69	7803.22	400.47
4 <sup>th</sup> Week	13135.62	17359.67	-4224.05
5 <sup>th</sup> Week	2905.89	2079.88	826.01
<b>Total</b>	<b>45956.00</b>	<b>50850.63</b>	<b>-4894.63</b>

Note: Mutual Fund activity as on 30<sup>th</sup> Apr 2019



## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on Mar 31 <sup>st</sup> , 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)	28.79	4,802	05-Jan-10	9.38	15.25	14.62	11.79	1000	5000
ICICI Pru Bluechip Fund (G)	42.60	21,579	23-May-08	5.03	14.48	14.48	14.16	500	1000
Mirae Asset Large cap Fund(G)	51.48	11,893	04-Apr-08	8.53	17.33	18.21	15.96	1000	5000
Multi Cap Fund									
Axis Focused 25 Fund(G)	27.63	7,190	29-Jun-12	0.04	16.85	16.75	15.90	1000	5000
Kotak Standard Multi cap Fund(G)	35.64	23,881	11-Sept-09	7.01	16.45	18.65	13.88	500	5000
SBI Magnum Multi cap Fund (G)	49.04	7,095	29-Sept-05	1.52	13.95	18.33	12.45	500	1000
Mid Cap Fund									
HDFC Mid-Cap Opportunities Fund(G)	54.51	22,791	25-Jun-07	-9.60	13.45	18.30	15.41	500	5000
L&T Mid Cap Fund (G)	131.57	4,390	9-Aug-04	-11.51	15.65	20.92	19.14	500	5000

Note: Returns as on April 30<sup>th</sup>, 2019, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

## Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on Mar 31 <sup>st</sup> , 2019 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	7.10	2077.06	21,028	0.58	1.81	3.72	7.53	7.94
ICICI Pru Liquid Fund(G)	7.03	277.01	45,842	0.58	1.79	3.70	7.45	7.87
Ultra Short Term Fund								
Kotak Saving Fund(G)	8.08	30.10	11,492	0.44	1.90	4.23	7.87	7.77
L&T Ultra Short term Fund(G)	7.65	30.67	2,380	0.44	1.86	4.13	7.77	7.47

Note: NAV and Returns as on 30<sup>th</sup> April, 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
Mirae Asset Tax Saver(G)	17.72	28-Dec-15	6.32	20.93	-	18.69
Axis LT Equity Fund(G)	44.41	29-Dec-09	1.90	14.28	18.15	17.24
Aditya Birla SL Tax Relief '96(G)	31.58	29-Mar-96	-2.74	13.71	18.39	10.86

Note: NAV and Returns as on 30<sup>th</sup> April, 2019, Returns <1 yr annualised, >1 yr compounded



# THE MONTH AHEAD KEY FINANCIAL EVENTS MAY 2019



## MAY 01

- US FOMC Statement
- US ISM Manufacturing PMI



## MAY 01-02

- Indian Automobile Sales Data, by Automakers
- Indian Nikkei Manufacturing PMI
- US FOMC Press Conference
- Italian Manufacturing PMI



## MAY 03

- Europe PPI
- US unemployment Rate



## MAY 06

- Italian Services PMI
- Europe Retail Sales



## MAY 07

- Indian Automobile Sales Data, by SIAM
- French Trade Balance



## MAY 08

- ECB Monetary Policy Meeting Accounts



## MAY 09

- Canada Trade Balance
- US PPI

PPI

## MAY 10

- French Industrial Production(IIP)
- UK GDP
- Indian Manufacturing Production



## MAY 13

- French Final CPI
- Indian Consumer Price Index (CPI)

CPI

## MAY 14

- Japan Current Account
- German Final CPI
- Indian WPI
- Europe Industrial Production (IIP)

WPI

## MAY 15

- German Prelim GDP
- US Retail Sales

GDP

## MAY 17

- German WPI

WPI

## MAY 22

- UK CPI
- FOMC Meeting Minutes

CPI

## MAY 23

- Indian General Election Results



## MAY 30

- US Prelim GDP

GDP

**ArihantCapital**  
Generating Wealth



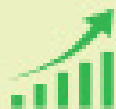
**THINK  
BIG  
START SMALL**

## ARIHANT'S SIP INVESTMENT

### WHY SIP INVESTMENT



**DISCIPLINED  
INVESTMENT**



**POWER OF  
COMPOUNDING**



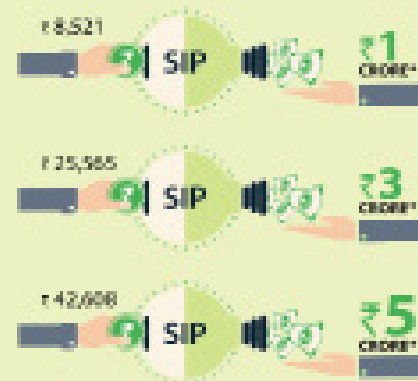
**RUPEE COST  
AVERAGING**



**SMALL POCKET  
INVESTMENT**

\*Note: Illustrative figures are calculated for the case of ₹10,000 per illustration purposes only. Mutual fund investments are subject to market risks. The actual result may vary from depicted illustration depending on the future with risk. Should not be construed as indication of future performance in any manner.

### 20 YEARS PERIOD



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NSDL : IN-DP-NSDL-165-2000; CDSL: IN-DP-CDSL-317-2005; AMFI – ARN 15114; SEBI - RA INH000002764

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