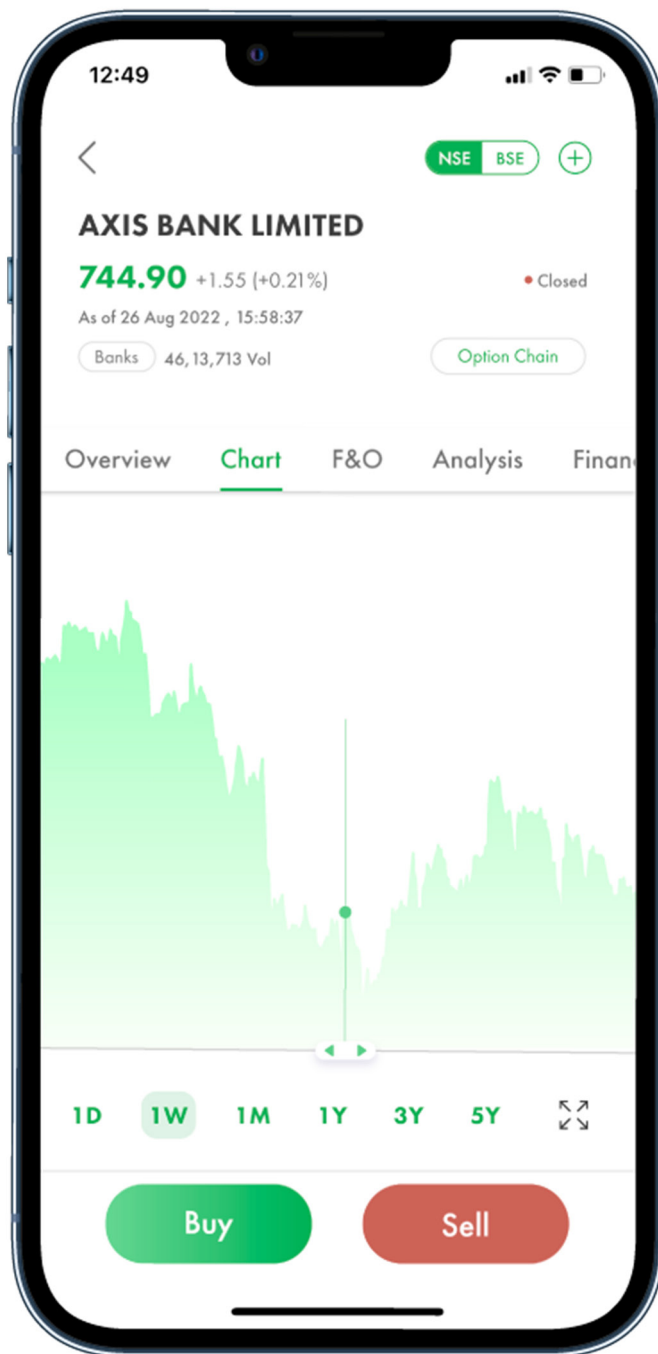


Arihant's **VALUE** *Plus*

Issue | **Feb 2023**



Inside
The Issue

Market
Outlook
03-04

Fund
Stock
05

Auto
Sector
06

Mutual
Funds
07-08

Key
Events
09

MOVERS & SHAKERS



INDIAN INDICES

Indices	Jan-23	Dec-22	Change (%)
SENSEX	59549.90	60840.74	-2.12
NIFTY 50	17662.15	18105.30	-2.45
NIFTY BANK	40655.05	42986.45	-5.42
NIFTY MIDCAP 100	30676.45	31509.10	-2.64
NIFTY 500	14935.50	15448.85	-3.32
NIFTY IT	29740.35	28621.70	3.91
NIFTY REALTY	411.55	431.80	-4.69
NIFTY INFRA	5061.35	5252.10	-3.63

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Jan-23	Dec-22	Change (%)
AUTO 	30452.05	28923.14	5.29
BANKEX 	46689.64	48906.28	-4.53
CD 	37732.22	39722.17	-5.01
CG 	33806.17	33342.22	1.39
FMCG 	16108.25	16075.30	0.20
HC 	22491.63	23033.66	-2.35
IT 	29655.45	28671.86	3.43
METAL 	21152.96	20855.59	1.43
OIL & GAS 	18522.05	20409.11	-9.25
PSU 	9750.67	10017.86	-2.67
REALTY 	3279.56	3446.85	-4.85
TECK 	13651.57	13413.34	1.78

(Source: BSE)

GLOBAL INDICES

Indices	Jan-23	Dec-22	Change (%)
DOW JONES	34086.04	33147.25	2.83
NASDAQ	11584.55	10466.48	10.68
HANG SENG	21842.33	19781.41	10.42
FTSE	7784.87	7451.74	4.47
NIKKEI	27327.11	26094.50	4.72





(Source: MoneyControl)

COMMODITIES

Particular	Jan-23	Dec-22	Change (%)
MCX GOLD 	57190.00	55017.00	3.95
MCX SILVER 	68829.00	69413.00	-0.84
MCX CRUDE OIL 	6463.00	6555.00	-1.40
MCX NATURAL GAS 	224.10	377.80	-40.68

(Source: MCX)

FOREX

Particular	Jan-23	Dec-22	Change (%)
USD-INR 	81.73	82.74	-1.22
EUR-INR 	88.78	88.53	0.28
GBP-INR 	100.70	100.11	0.59
JPY-INR 	0.62	0.63	-1.59

(Source: Investing.com)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jan 2023	148813.62	177856.94	-29,043.32
Total for 2023*	148,813.62	177,856.94	-29,043.32

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Jan 2023	101,886.72	83,928.96	17,957.76
Total for 2023*	101,886.72	83,928.96	17,957.76

*Till 30th Jan 2023

(Source: SEBI)

Monthly Market Roundup

As of January 2023, Domestic markets witnessed a setback with the Nifty 50 and Sensex Index ending the month with a downside of 2.9% and 3.8% respectively. Nifty SmallCap250, Nifty LargeMidcap250, Nifty smallcap100, Nifty Midcap100 and Nifty Midcap50 followed suit as they were down by 3%, 3.6%, 3%, 3.5% and 2.1% respectively.

The top gaining sector for January was the Auto Industry (5.2%), followed by IT Sector (3.5%) and FMCG (0.6%)

The sectors that showed decline for January were Metal Industry (-6.1%), Media Industry (-5.8%), Realty (-5.6%) and Pharma Industry (-1.5%). Banking (-5.9%) industry showed decline with Private Banking declining by 5.8% and PSU Banks declining by 7.9%. NBFCs declined by 4.5%.

Adani's \$108 billion crisis shakes investors' faith in India

The Adani Group has shed \$108 billion in market value since Hindenburg Research accused it of stock manipulation and accounting fraud in a Jan. 24 report. But it was only when the tycoon scrapped a \$2.4 billion share sale this week that the potential for lasting impact became clear. Adani's rebuttal had failed to reassure investors. Once ranked No. 2 among the world's wealthiest, he has tumbled to No. 21 on the Bloomberg Billionaires Index.

The small, but famed, US short seller has revived old doubts about corporate governance at the Adani conglomerate. The fallout from its almost 100-page report threatens to undermine investor confidence in India more broadly, and in the nation's regulatory framework — whether its claims ultimately prove to be true or not.

"Things are moving very fast in the market, with a potentially major reassessment of the risks of investing in Indian equities by international investors," said Singapore-based Gary Dugan, chief executive officer of Global CIO Office, an asset manager and financial advisory firm. "That reassessment includes governance, corporate transparency, nepotism and indebtedness."

If the slide in asset prices continues and further shakes investor confidence in Adani's empire, that would be a

setback for India's growth story at a pivotal time. Banks like HSBC Holdings Plc and companies like Apple Inc. are expanding in India to hedge their exposure to China, where a government crackdown on businesses and an erratic pandemic policy have turned investors wary.

Adani, 60, has been close to Prime Minister Narendra Modi for decades. And his business — with investments in capital-intensive projects such as airports, power plants and data centers — is at the heart of Modi's growth agenda. As a national champion, the tycoon has aligned his business interests with Modi's development goals, often stepping in where the state lacks resources or competence, helping create thousands of jobs.

On the global front

Global equities ended in the positive zone in January 2023, with Dow Jones gaining 2.8%, the S&P 500 gaining 6.2%, and the Nasdaq gaining 10.7%. FTSE100 showed slight increase of 2.5%, while Nikkie225 showed a decline of 0.9%.

In commodities, gold rose by 4.7%, but crude prices were down by 1.6%. USD/INR declined by 1.2% in the month of January.



Economic Data Wrap Up: Jan - 2023

- India's January Nikkei Services PMI rose to 58.5 as compared to 56.4 in December.
- India's December CPI inflation came in at 5.72% as compared to 5.88% in November.
- India's November IIP came in at 7.1% as compared to -4% in October.
- India's December WPI inflation came in at 4.95% as compared to 5.85% in October.
- India's December Trade Balance (USD) came at -23.76B as compared to -23.89B in October.

Nifty Technical Outlook: Feb - 2023

CMP = 17,662.00



On the monthly chart, we observe that the bearish engulfing pattern has been activated. Further, the RSI is showing a negative divergence, suggesting weakness. In the coming month, if Nifty trades and closes above 17,827 levels then it is likely to test 18,074 - 18,321-18,609 levels. However, if Nifty trades and closes below 17,496 levels then it can test 17,249 - 17,003 - 16,715 levels.

Since the bearish implication of bearish engulfing pattern has been activated coupled with RSI's negative divergence, we are of the opinion that one needs to adopt a cautious approach at current level.



Fundamental Stock



BIRLASOFT LTD

BUY
Target
₹343

Stock Details:

NSE Code	BSOFT
CMP (As on February 3 rd , 2023)	INR 268
Face Value	INR2
52 Week High / Low	501/ 262
Market Cap (INR Cr)	7,43,569

Company Overview: Birlasoft (BSFOT) Ltd in Q3FY23, Weak set of numbers led by one-time provisioning: The company has reported consolidated revenue of INR 12,219Mn, +14% YoY/5.8% QoQ in Q3FY23 against our estimate of INR 12,113 Mn backed by strong growth in BFSI, Manufacturing, and Energy & Utilities. BFSI grew by 29.8% YoY/7.9% QoQ, Manufacturing grew by 16.3% YoY/0.3% QoQ, and Energy & Utilities grew by 1.7%QoQ/7.4% YoY. Increase in other expenses was due to the creation of a provision related to the bankruptcy of Invacare Corporation and amounted to INR 1,510.14 mn against outstanding receivables and contract assets as on 31 December 2022.

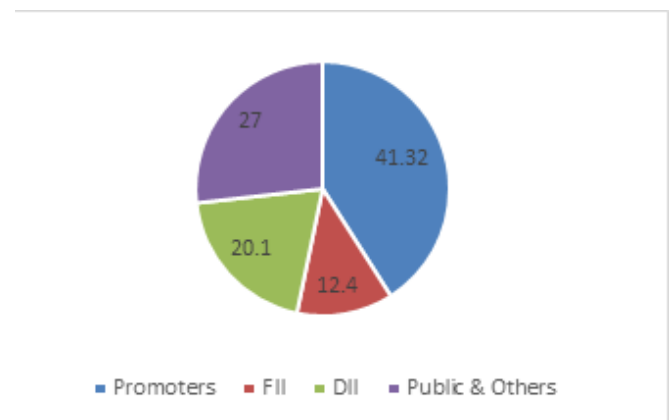
Investment Rationale:

Lower Margin with our estimates led by higher other expenses: Consolidated EBIT stood at INR -136Mn against our estimate of INR +1,583 Mn due to the last leg of the wage hike and also some hiring on the top management front. On the margins front, the EBIT margin came at -1.1% against our estimate of 13.1%. Excluding provisioning related to bankruptcy, the operating Margin stood at 13.4%. We believe, will see further margin expansion as the company ended Q3FY23 with a total headcount of 12,530, which is a growth of 5% y/y. But more importantly attrition, has been improving attrition in Q3 stood at 25.5% and this is an improvement of 27.9% in Q1 and 27.4% in Q2 as the attrition levels get better.


Healthy TCV Deal wins: The company signed deals of TCV \$ 231 M during the quarter which represents a 39% growth quarter-over quarter and 27% growth y/y and TCV new deal wins of \$ 102 M (Funnel size is going up as the company sign lot of new contracts and the company has 3 good deals).

Valuation Outlook: Birlasoft reported a disappointing operating performance in Q3FY23 and the reported performance was further accentuated by one-off provisions. The exact financial impact of bankruptcy filings by Invacare remains unpredictable currently. Birlasoft has made a provision of INR 1.5bn against the outstanding receivables and contract assets and is taking legal advice on the matter. The company expects margin expansion and better growth in the top line front in Q4 led by strong new deals and no furloughs. It targets to return to ~15% EBITDA margin going forward. We have cut EPS estimates by 15-40% for FY23E-FY25E. We expect revenue growth at a CAGR of 18.4% during FY23E-25E. We value Birlasoft at a PE of 15x its FY25E EPS of INR 22.9, which yields a target price of INR 343 per share and we assign a BUY rating on the stock.

Shareholding Pattern % (Dec 2023)




AUTO SECTOR JANUARY SALES



Maruti Suzuki
Total Sales: 1,72,535 units, 11.10% YoY UP
 Domestic Sales: 1,55,142 units, 13.70% YoY UP
 PV Sales: 1,47,348 units, 13.33% YoY UP
 Exports: 17,393 units, 3.07% YoY DOWN




TVS Motor
Total Sales: 2,75,115 units, 3% YoY UP
 Domestic Sales: 2,16,471 units, 29% YoY up
 Exports: 57,024 units, 23.22% YoY down



Mahindra & Mahindra
Total Sales: 64,335 units, 37.00 % YoY UP
 PV Sales: 33,040 units, 65.00% YoY up
 M&HCV Sales: 948 units, 59.00% YoY up
 Exports: 3,009 units, 5% YoY up




Atul Auto
Total Sales: 2,205 units, 27.68% YoY up



Bajaj Auto
Total Sales: 2,85,995 units, 21% YoY DOWN
 Domestic Sales: 1,73,270 units, 16% YoY UP
 CV Sales: 44,888 units, 12.0 % YoY UP
 Exports: 1,12,725 units, 47 % YoY down




Escorts
Total Sales: 6,649 units, 16.50% YoY up
 Domestic Sales: 6,235 units, 22.2% YoY up
 Exports: 414 units, 31.50% YoY down




Hero MotoCorp
Total Sales: 3,56,690 units, 6.45% YoY DOWN
 Motorcycle Sales: 3,33,638 units, 6.76% YoY DOWN
 Scooters Sales: 23,052 units, 1.84% YoY UP
 Domestic Sales: 3,49,437 units, 2.57% YoY DOWN
 Exports: 7,253 units, 66.75% YoY DOWN



Ashok Leyland
Total Sales: 17,200 units, 23% YoY UP
 M&HCV Sales: 11,050 units, 28% YoY up
 LCV Sales: 6,150 units, 17% YoY UP



Tata Motors
Total Sales: 81,069 units, 6.4% YoY Up
 Exports: 995 units, -68.30% YoY down
 CV Sales: 32,780 units, 7 YoY down
 PV Sales: 48,289 units, 18 % YoY up



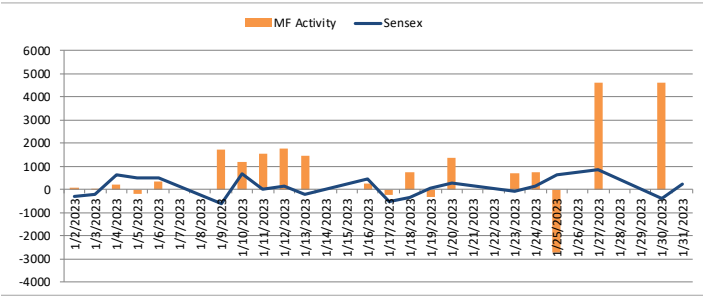
Volvo-Eicher Commercial Vehicles
Total Sales: 7,181 units, 32.1 YoY up
 Exports: 201 units, 74.9% YoY down
Eicher Motorcycle
Total Sales: 74,746 units, 27% YoY UP
 Exports: 7,044 units, 23 % YoY DOWN

(Source: NSE)



MUTUAL FUNDS ROUNDUP

Indian equity markets ended on a negative note in January 2023. The barometer indices S&P BSE Sensex and NIFTY 50 both delivered negative returns and settled at 59,549.90 (-2.12%) and 17,662.15 (-2.45%) respectively in January.



MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 17,957.76 crores in the month of January 2023. Highest buying was recorded in the 2nd week of the month when the fund houses made total net buy of Rs 7,664.99 crores of equities. On the other hand, foreign institutional investors (FIIs) were net sellers to the tune of Rs 29,043.22 crores worth of equities in Jan 2023.



Mutual Fund Activity in Jan 2023

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	20,731.81	20,282.60	449.21
2nd Week	23,510.57	15,845.58	7,664.99
3rd Week	19,772.77	17,903.99	1,868.78
4th Week	28,513.81	25,177.14	3,336.67
5th Week	9,357.76	4,719.65	4,638.11
Total	101,886.72	83,928.96	17,957.76

Note: Mutual Fund activity as on 30th Jan, 2023

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 st Jan, 2023 (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)	41.96	35,198	05-Jan-10	-6.61	9.17	10.35	11.59	100	500
ICICI Pru Bluechip Fund (G)	68.51	35,049	23-May-08	3.87	15.92	10.40	13.99	100	100
Mirae Asset Large cap Fund(G)	78.12	34,194	04-Apr-08	-0.13	13.35	9.51	14.86	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	36.92	16,724	29-Jun-12	-15.05	5.53	6.76	13.12	100	500
Kotak - Flexi Cap Fund (G)	53.60	37,418	11-Sept-09	1.78	12.33	9.48	13.35	500	5000
SBI - Flexi Cap Fund (G)	74.66	16,160	29-Sept-05	-1.56	12.98	8.85	12.28	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	85.59	13,699	25-Jun-07	-5.75	11.96	8.44	14.15	500	500
HSBC MidCap Fund (G)	205.64	7,444	9-Aug-04	1.18	13.83	6.68	17.76	500	5000

Note: NAV and Returns as on 31st January 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 31 st Jan, 2023 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	6.62	2455.98	29,674	0.53	1.65	3.08	5.14	6.98
ICICI Pru Liquid Fund(G)	-	326.93	40,973	0.53	1.62	3.01	5.02	7.12
Ultra Short Term Fund								
Kotak Saving Fund(G)	-	36.26	12,060	0.48	1.56	2.80	4.63	7.22
HSBC Ultra Short term Fund(G)	6.99	1140.86	2,372	0.52	1.65	3.00	4.78	4.48

Note: NAV and Returns as on 31st January 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 st Jan, 2023 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.69	14,020	28-Dec-15	-1.15	17.17	12.19	17.12
Axis LT Equity Fund(G)	61.63	30,472	29-Dec-09	-11.84	7.04	7.81	14.89
Kotak Tax Saver(G)	74.30	3,161	23-Nov-05	3.39	15.37	11.65	12.37

Note: NAV and Returns as on 31st January 2023, Returns < 1 yr annualized, Returns> 1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS February 2023



Feb 01

- USD ADP Non-Farm Employment Change
- USD ISM Manufacturing PMI
- USD JOLTS Job Openings
- USD Federal Funds Rate
- USD FOMC Press Conference

Feb 02

- GBP BOE Monetary Policy Report
- EUR Monetary Policy Statement
- EUR ECB Press Conference

Feb 03

- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD ISM Services PMI

Feb 08

- INR RBI Interest Rate Decision (Repo Rate)
- USD Final Wholesale Inventories m/m

Feb 10

- GBP GDP m/m
- USD Prelim UoM Consumer Sentiment
- USD Prelim UoM Inflation Expectations

Feb 13

- INR Consumer Price Index (YoY)(Jan)

Feb 14

- INR WPI Inflation(Jan)
- INR Trade Deficit Government(Jan)
- USD CPI m/m & Y/Y
- USD Core CPI m/m

Feb 15

- USD Core Retail Sales m/m
- USD Empire State Manufacturing Index
- USD Retail Sales m/m

Feb 16

- USD Core PPI m/m
- USD PPI m/m
- USD Unemployment Claims

Feb 21

- USD Flash Services PMI
- USD Flash Manufacturing PMI
- USD Existing Home Sales

Feb 23

- USD FOMC Meeting Minutes
- USD Prelim GDP q/q
- USD Unemployment Claims

Feb 24

- USD Core PCE Price Index m/m
- USD New Home Sales
- USD Revised UoM Consumer Sentiment

Feb 27

- USD Core Durable Goods Orders m/m
- USD Durable Goods Orders m/m
- USD Pending Home Sales m/m

Feb 28

- USD CB Consumer Confidence
- USD Richmond Manufacturing Index



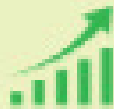
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



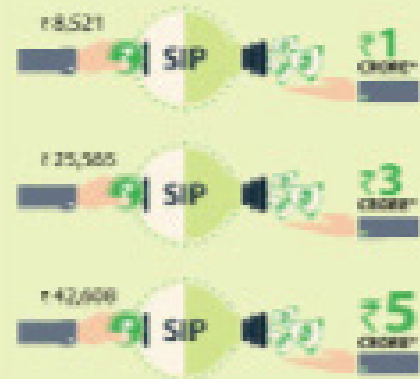
RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*Note: The above figures are calculated for the use of ₹1000 for illustration purposes only. Actual fund investments are subject to market risks. Returns could vary from the depicted illustration depending on market conditions. It should not be construed as indication of future performance in any manner.

20 YEARS PERIOD



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