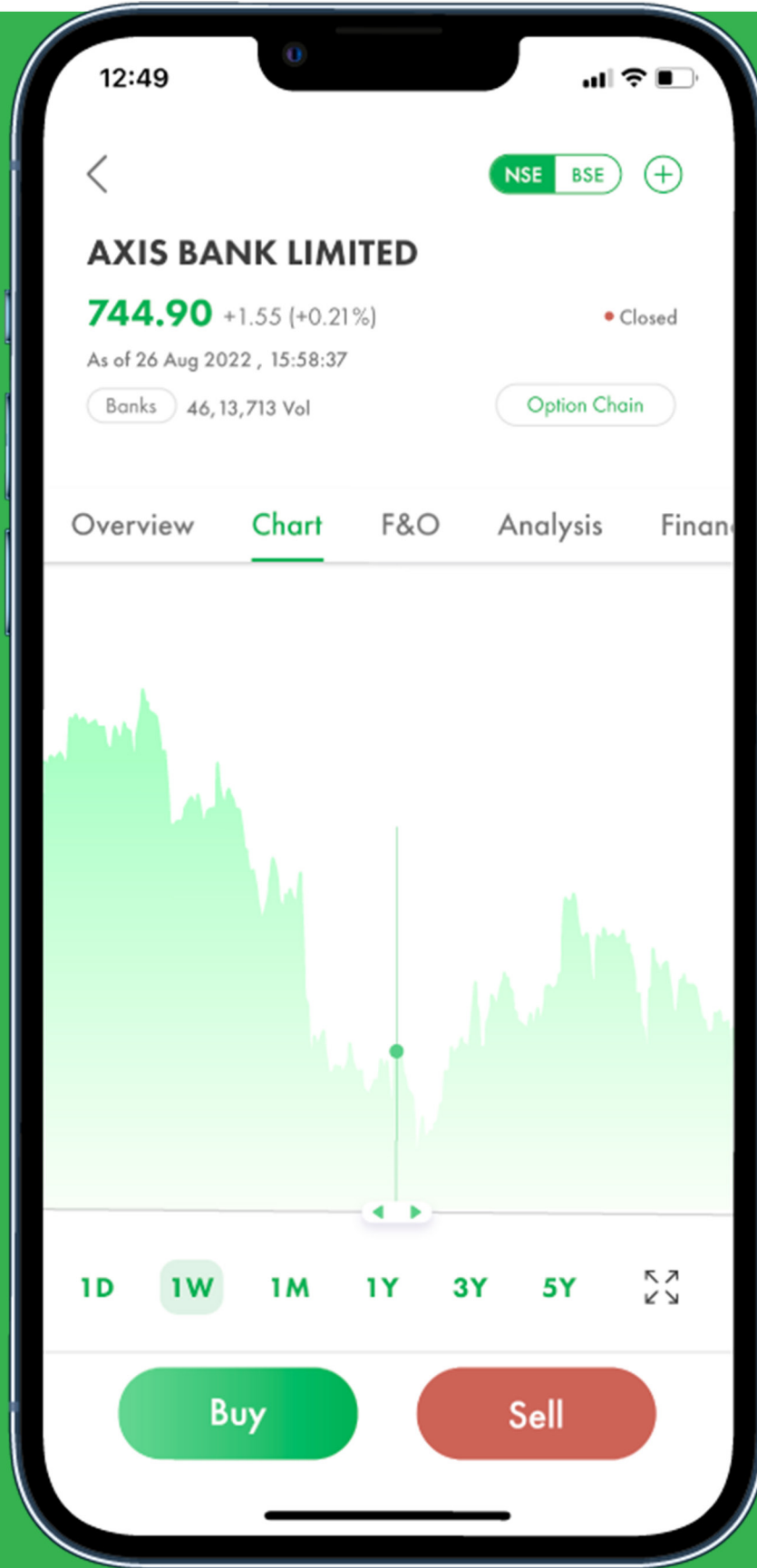


Arihant's VALUE *Plus*

Issue | **July 2023**



MOVERS & SHAKERS




INDIAN INDICES

Indices	Jun-23	May-23	Change (%)
SENSEX	64,718.56	62,622.24	3.35
NIFTY 50	19,189.05	18,534.40	3.53
NIFTY BANK	44,747.35	44,128.15	1.40
NIFTY MIDCAP 100	35,754.35	33,761.30	5.90
NIFTY 500	16,430.00	15,766.40	4.21
NIFTY IT	29,563.00	29,319.75	0.83
NIFTY REALTY	520.00	478.80	8.60
NIFTY INFRA	5,739.30	5,440.45	5.49

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Jun-23	May-23	Change (%)
AUTO 	34,919.72	32,732.08	6.68
BANKEX 	50,500.57	50,017.52	0.97
CD 	42,861.12	40,855.93	4.91
CG 	40,725.76	37,220.98	9.42
FMCG 	18,690.49	18,253.41	2.39
HC 	25,814.46	23,681.37	9.01
IT 	29,876.53	29,346.42	1.81
METAL 	20,561.27	19,542.69	5.21
OIL & GAS 	18,209.80	17,972.15	1.32
PSU 	10,736.16	10,361.02	3.62
REALTY 	4,161.18	3,833.16	8.56
TECK 	13,423.12	13,233.13	1.44

(Source: BSE)

GLOBAL INDICES

Indices	Jun-23	May-23	Change (%)
DOW JONES	34,407.60	32,908.28	4.56
NASDAQ	13,787.92	12,935.29	6.59
HANG SENG	18,916.43	18,234.27	3.74
FTSE	7,531.53	7,453.10	1.05
NIKKEI	33,450.00	30,771.00	8.71





(Source: MoneyControl)

COMMODITIES

Particular	Jun-23	May-23	Change (%)
MCX GOLD 	58,211.00	60,690.00	-4.08
MCX SILVER 	68,935.00	72,102.00	-4.39
MCX CRUDE OIL 	5,799.00	5,690.00	1.92
MCX NATURAL GAS 	230.40	190.00	21.26

(Source: MCX)

FOREX

Particular	Jun-23	May-23	Change (%)
USD-INR 	82.09	82.68	-0.71
EUR-INR 	89.56	88.36	1.36
GBP-INR 	104.28	102.82	1.42
JPY-INR 	56.86	59.33	-4.16

(Source: Investing.com)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jun 2023	288,785.19	243,048.48	45,736.71
Total for 2023*	1,098,161.77	1,032,056.31	66,105.46

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Jun 2023	90,657.19	80,823.52	9,833.67
Total for 2023*	585,744.95	523,654.45	62,091.31

*Till 26th June, 2023

(Source: SEBI)

Monthly Market Roundup

In June 2023, the domestic market reached its all-time high with benchmark Nifty and Sensex Index ending the month above 19,100 with 4.5% profit and 64,000 with 3.6% profit in a month respectively. The major reason for this rally was FII buying, amid increasing faith in the domestic growth prospects in the backdrop of a subdued global environment. So far in June, they have poured more than \$3 billion into Indian equities. With RBI keeping the policy rates unchanged also contributed to the rally.

Moreover, positive trends in global markets have also contributed to the gains in the domestic market. Improving economic indicators in the US and indications of likely stimulus measures by China have propelled sentiment globally.

India shines as an attractive destination for investors from across the globe, offering steady growth, falling inflation, better external trade/services situation, improving corporate earnings trajectory, prudent growth-enhancing and fiscal policies. From the March lows, benchmark indices have risen nearly 13%.

With 3 major IPOs IKIO Lightings, ideaForge, and Cyient DLM hitting the Indian markets, which witnessed a significant interest from investors.

The broad market has also shown positive performance including Nifty Midcap 50 up by 5.1% & Nifty SmallCap 250 up by 4.1%.

UNCTAD slashed India's growth forecast for year 2023

The UN Trade and Development Conference (UNCTAD) in its latest Trade and Development Report said that India grew by 6.6 percent in 2022, ceding the pole position among G20 countries in 2022 to oil-rich Saudi Arabia, which grew at 8.6 percent. Meanwhile, as current government spending has been weakening, but export orders remain on the rise, India's GDP growth is projected to decelerate to 6.0 percent in 2023, assuming the financial fallout from higher interest rates is contained to the bank runs and bailouts of the first quarter.

FII Inflows: Foreign institutional investors (FIIs) have invested over \$10 billion in the Indian stock market, driving the Nifty to surpass 19,100 points. After being net sellers in the previous two years, FIIs have shown interest in Indian equities since March 2023. In comparison, domestic institutional investors (DIIs) have been selling, with only Rs 1,785 crore in buying. Factors contributing to India's outperformance include strong FII equity flows, increased mutual fund equity flows, rural and capex cycle recovery.

India's GDP has reached \$3.75 trillion in 2023, from around \$2 trillion in 2014, moving from 10th largest to the 5th largest economy in the world. India is now being called a Bright Spot in the global economy.

Sectoral Performance: On the sectoral front, Nifty PSE and Nifty Realty have outperformed all other major indices with a higher gain of 5.8% and 8.6% respectively. All other sectors have also shown positive momentum like Nifty PHARMA- 8.5%, Nifty NBFCs- 4.4%, NIFTY FMCG- 2.2%, Nifty ENERGY- 3.4%, Bank Nifty- 1.4%, NIFTY Auto- 6.6% and Nifty Metal- 5.4%. On the other side only, Nifty Media was negative by -0.7%.

On the global Front: Global equities were positive in June 2023, Dow Jones rose by 4% and Nasdaq Index up by 6.5% respectively. In context to that S&P500 has also shown a rise by 5.4%. However, Nikkei showed a positive move of 8.7% and FTSE100 increased by 1%. The US economy expanded at a much faster pace in the first three months of the year than previously estimated, GDP increased at a 2% annualized pace for the January-March period, up from the previous estimate of 1.3% and ahead of the 1.4% Dow Jones consensus forecast. Federal Reserve Chairman Jerome Powell-led FOMC voted to pause its aggressive campaign of interest rate hikes despite "elevated" inflation while indicating that another sharp increase could be needed before year-end. After 10 straight increases since March 2022, the Fed's rate-setting committee voted to hold its benchmark lending rate between 5.0 percent and 5.25 percent. In commodities, gold decreased by 3.6% in the month of June, while Brent crude increased by 2.2%. USD/INR was negative to 0.47% in the month of June.

Economic Data Wrap Up: June - 2023

- India's May Federal Fiscal Deficit (USD) hit 2102.87B as compared to 1,335.95B in May.
- India's May Nikkei Services PMI declined to 61.2 as compared to 62 in May.
- India's May Nikkei Market Manufacturing PMI grew by 58.7 as compared to 57.2 in May.
- India's May CPI inflation came in at 4.25% as compared to 4.70% in May.
- India's April IIP came in at 4.2% YoY as compared to 1.7% in April.
- India's May WPI inflation came in at -3.48% as compared to -0.94% in May.
- India's May Trade Balance (USD) decreased by -22.12B as compared to -15.14B in May.

Nifty Technical Outlook: July - 2023

CMP = 19,189.00



On the monthly chart, we are observing that prices have given a breakout of bullish Cup- Handle pattern. This suggests that the momentum on the upside is likely to continue. In coming month if Nifty trades and close above 19336 level then it is likely to test 19551 - 19766 - 20017 levels. However, if Nifty trades and close below 19042 level then it can test 18827 - 18612 - 18361 levels.

Broadly, looking at the current price action it is evident that Nifty is likely to test 19551 - 19766 - 20017.

Hence, one needs to adopt positive approach at current level as stock specific activity is likely to continue.



Fundamental Stock



STERLITE TECHNOLOGIES LTD.

BUY
Target
₹202

Stock Details:

NSE Code	STLTECH
CMP(As on 3 rd July, 2023)	INR 149
Face Value	INR 2
52 Week High/Low	193/129
Market Cap (INRMn)	58,480
EPS (FY25e)	INR11
P/E (x) (FY25e)	13.3

Company Overview: Sterlite Technologies is one of the largest Optical Fibre (OF) and Optical Fibre Cables (OFC) manufacturers in India. It's one of the leading integrators of digital networks providing All-in 5G solutions. The product portfolio comprises of OF, OFC, Optical interconnect products, Global services, and Digital & Technology solutions. The company has 10 global manufacturing facilities which possess 50mn Fkm OF capacity and 42mn Fkm OFC capacity. It has 4 innovation centres and 650 patents across glass science, precision manufacturing, etc. The company has strong clients across the globe and exports to more than 100 countries.

Investment Rationale:

Focused on global leadership through market share: Sterlite Technologies global ex-China OFC market share stood at 12% in FY23 vs 5% in FY20. The market share doubled in 2 years and continuously gained market share through long-term contracts in focus markets. The American market share increased from 1% to 14% over the period of FY20 to FY23. The Europe market share increased from 11% to 20% over the period of FY20 to FY23. The company continues to focus on North America and Europe markets. In India, STL has reported a strong order book with profitable projects in strategic segments.

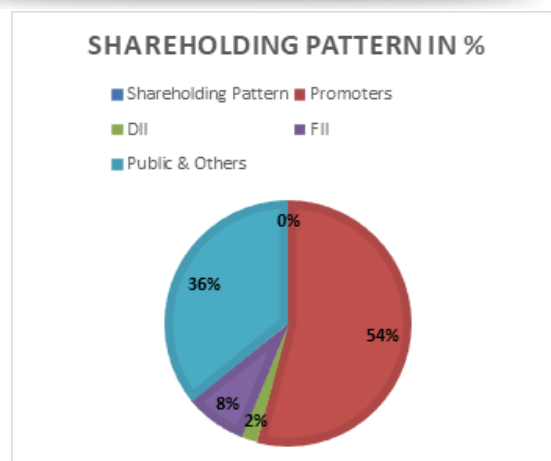
Strong leverage of group to benefit: Apollo Pipes enjoys strong brand recall and visibility due to APL Apollo Tubes' strong and vast network of 800+ distributors and 1,00,000+

retailers. This acts as an added advantage compared to its peers where synergistic growth is not present.

Capacity expansion will drive business growth: Sterlite Technologies has incurred a Capex of INR 4,000mn in FY23 and the Capex is expected around INR 3,500mn to INR 4,000mn in FY24E. Optical fibre cable (OFC) capacity stood at 33mn fkm/annum and is expected to reach 42mn fkm/ annum in H1FY24E. Optical fibre capacity stood at 50mn fkm/annum in FY23, around 42mn fkm is expected to be captive to make OFC and the remaining optical fibre will be sold to selected customers.


Valuation Outlook: Sterlite Technologies has a strong order book (~1.6x of FY23 revenue) and China mobile tender would lead to further opportunities. The optical networking business is continuing to grow with 20% margins and increasing in interconnect attach rate would improve the margins further. UK services business is expected to be profitable in FY24E and digital business is expected to be breakeven in Q3FY24E-Q4FY24E. We believe telecom capex for 5G and the upcoming 6G would provide business visibility. Revenue is expected to grow at a CAGR 10% over the period of FY23-FY25E, and RoE is expected to improve from 11.4% (FY23) to 17.7% in FY25E. We have used a DCF Model to value Sterlite Technologies, it has healthy and consistent cash flow generation over the forecasted period. We initiate coverage with a "BUY" rating at a Target Price of INR 202 per share based on DCF; an upside of 38.4%.

Shareholding Pattern % (March '23)




AUTOMOTIVE SECTOR


JUNE SALES



Maruti Suzuki
Total Sales: 1,59,418 units, 2.28% YoY UP
 Domestic Sales: 1,39,648 units, 5.77% YoY UP
 PV Sales: 1,33,027 units, 8.42% YoY UP
 Exports: 19,770 units, -17.04% YoY DOWN




TVS Motor
Total Sales: 3,16,441 units, 3.00% YoY UP
 Domestic Sales: 2,35,833 units, 22% YoY UP
 Exports: 79,144 units, -30.84% YoY DOWN



Mahindra & Mahindra
Total Sales: 62,429 units, 15.00 % YoY UP
 PV Sales: 32,588 units, 21.00% YoY UP
 M&HCV Sales: 1,161 units, 88.00% YoY UP
 Exports: 2,505 units, -10% YoY DOWN




Atul Auto
Total Sales: 1,267 units, -30.31% YoY DOWN



Bajaj Auto
Total Sales: 3,40,981 units, -2% YoY DOWN
 Domestic Sales: 1,99,983 units, 45% YoY UP
 CV Sales: 47,332 units, 52 % YoY UP
 Exports: 1,40,998 units, -32 % YoY down




Escorts
Total Sales: 9,850 units, -2.00% YoY DOWN
 Domestic Sales: 9,270 units, 0.1% YoY UP
 Exports: 580 units, -26.2% YoY DOWN



Hero MotoCorp
Total Sales: 4,36,993 units, -9.87% YoY DOWN
 Motorcycle Sales: 4,04,474 units, -12.34% YoY Down
 Scooters Sales: 32,519 units, 38.69% YoY UP
 Domestic Sales: 4,22,757 units, -8.73% YoY DOWN
 Exports: 14,236 units, -34.36% YoY DOWN



Ashok Leyland
Total Sales: 15,221 units, 5.00% YoY UP
 M&HCV Sales: 9,962 units, 6.00% YoY up
 LCV Sales: 5,259 units, 2.00% YoY UP



Tata Motors
Total Sales: 74,973 units, -1.62% YoY DOWN
 Exports: 1,290 units, -56.47% YoY DOWN
 CV Sales: 34,314 units, -8.0 YoY DOWN
 PV Sales: 47,359 units, 5.00% YoY UP



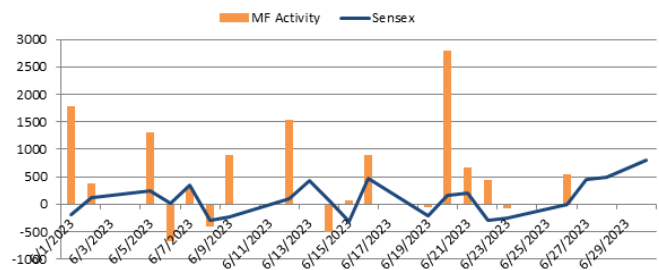
Volvo-Eicher Commercial Vehicles
Total Sales: 6,715 units, 6.5 YoY UP
 Exports: 250 units, -58.4% YoY DOWN
Eicher Motorcycle
Total Sales: 77,109 units, 26.00% YoY UP
 Exports: 9,614 units, -14.00 % YoY DOWN

(Source: NSE)



MUTUAL FUNDS ROUNDUP

Indian equity markets ended with Positive note in June 2023. The barometer index, S&P BSE Sensex and NIFTY 50 both delivered Positive returns and settle at 64718.56 (3.35%) and 19189.05 (3.53%) respectively in June month.



MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs. 9,833.67 Crores in the month of June 2023. Highest buying was recorded in the 4th week of the month when the fund houses made total net buy of Rs. 3,746.49 Crores of equities. On the other hand, foreign institutional investors (FIIs) were net buyers to the tune of Rs. 45,736.71 Crores worth of equities in June 2023.



Mutual Fund Activity in June 2023

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	10,466.01	8,302.29	2,163.72
2nd Week	22,755.63	21,350.99	1,404.64
3rd Week	25,199.77	23,223.04	1,976.73
4th Week	28,200.07	24,453.58	3,746.49
5th Week	4,035.71	3,493.62	542.09
Total	90,657.19	80,823.52	9,833.67

Note: Mutual Fund activity as on 26th June, 2023

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 th Jun, 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)	45.76	33,644	05-Jan-10	17.21	16.84	11.01	11.93	100	500
ICICI Pru Bluechip Fund (G)	74.78	37,016	01-May-08	23.69	25.24	13.53	14.24	100	100
Mirae Asset Large cap Fund(G)	84.872	34,640	04-Apr-08	19.55	22.41	12.78	15.06	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	41.96	15,680	29-Jun-12	15.02	15.82	8.89	13.91	100	500
Kotak - Flexi Cap Fund (G)	58.483	38,305	11-Sept-09	24.16	21.87	12.26	13.64	500	5000
SBI - Flexi Cap Fund (G)	82.3895	17,056	29-Sept-05	20.32	24.07	12.35	12.61	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	94.166	13,712	25-Jun-07	21.51	20.71	12.32	14.43	100	100
HSBC MidCap Fund (G)	228.26	7,271	9-Aug-04	23.02	24.23	11.00	18.00	500	5000

Note: NAV and Returns as on 30th Jun, 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 30 th Jun, 2023 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	7.09	2,527	28,315	0.54	1.72	3.42	6.47	6.98
ICICI Pru Liquid Fund(G)	7.10	336	44,481	0.53	1.70	3.39	6.37	7.12
Ultra Short Term Fund								
Kotak Saving Fund(G)	7.54	37.34	13,054	0.56	1.87	3.47	6.27	7.22
HSBC Ultra Short term Fund(G)	7.48	24.37	442	0.68	2.09	3.48	6.04	7.18

Note: NAV and Returns as on 30th Jun, 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 th Jun, 2023 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	33.87	15,837	28-Dec-15	21.40	26.57	16.08	17.64
Axis LT Equity Fund(G)	71.09	31,187	29-Dec-09	21.91	17.92	10.57	15.63
Kotak Tax Saver(G)	82.09	3,687	23-Nov-05	26.08	26.00	15.27	12.70

Note: NAV and Returns as on 30th Jun, 2023, Returns < 1 yr annualized, Returns> 1 yr compounded annualized.

THE MONTH AHEAD KEY FINANCIAL EVENTS July 2023



Jul 06

- USD ADP Non-Farm Employment Change
- USD Unemployment Claims
- USD ISM Services PMI
- USD JOLTS Job Openings

Jul 07

- GBP BOE Gov Bailey Speaks
- USD Non-Farm Employment Change
- USD Unemployment Rate
- GBP BOE Gov Bailey Speaks

Jul 11

- GBP Claimant Count Change

Jul 12

- USD Core CPI m/m
- USD CPI y/y
- INR CPI (YoY) (Jun)
- INR Industrial Production (YoY) (May)

Jul 13

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

Jul 14

- USD Prelim UoM Consumer Sentiment
- INR WPI Inflation (YoY) (Jun)

Jul 17

- USD Empire State Manufacturing Index

Jul 18

- USD Core Retail Sales m/m
- AUD Monetary Policy Meeting Minutes

Jul 20

- USD Unemployment Claims

Jul 24

- GBP Flash Manufacturing/Services PMI
- EUR French Flash Manufacturing/Services PMI
- USD Flash Manufacturing/Services PMI

Jul 25

- USD CB Consumer Confidence

Jul 26

- USD FOMC Statement
- USD Federal Funds Rate

Jul 27

- USD FOMC Press Conference
- USD Advance GDP q/q
- USD Unemployment Claims
- EUR Monetary Policy Statement
- EUR ECB Press Conferenc

Jul 28

- USD Core PCE Price Index m/m
- USD Employment Cost Index q/q

Jul 31

- EUR German Prelim CPI m/m



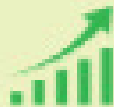
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



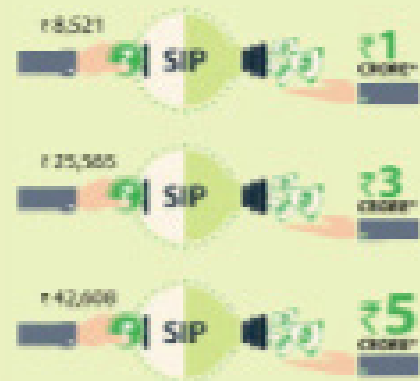
RUPEE COST AVERAGING



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. Avoided risk for construction of investment performance in any market.

20 YEARS PERIOD



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