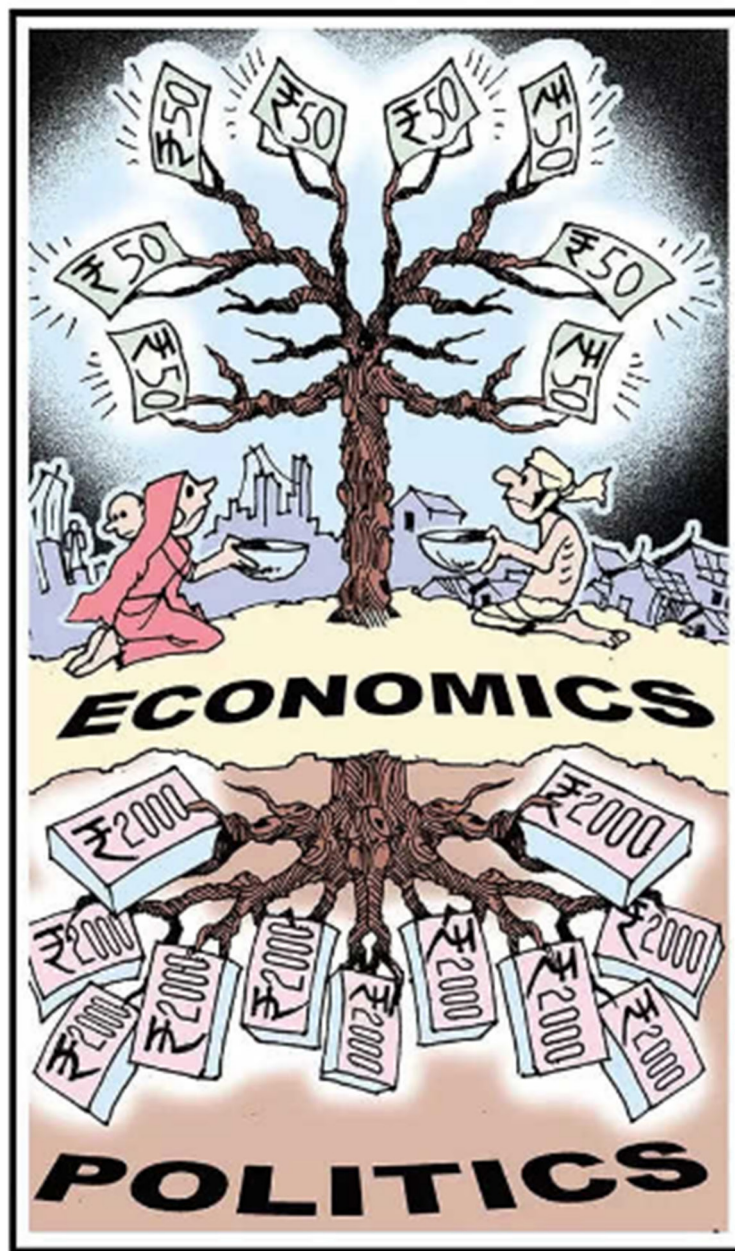


Arihant's

VALUE *Plus*

Issue | Aug 2022

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INDIAN INDICES

Indices	July-22	June-22	Change (%)
SENSEX	57570.25	53018.94	8.58
NIFTY 50	17158.25	15780.00	8.73
NIFTY BANK	37491.40	33425.00	12.17
NIFTY MIDCAP 100	29634.25	26452.75	12.03
NIFTY 500	14665.65	13387.55	9.55
NIFTY IT	29152.30	27843.00	4.70
NIFTY REALTY	450.95	385.30	17.04
NIFTY INFRA	4890.55	4619.80	5.86

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	July-22	June-22	Change (%)
AUTO 	28728.64	26768.23	7.32
BANKEX 	43130.69	38475.94	12.10
CD 	39570.36	34699.00	14.04
CG 	29717.26	26025.50	14.19
FMCG 	15489.37	13766.10	12.52
HC 	22901.59	21605.93	6.00
IT 	29488.38	28313.08	4.15
METAL 	18189.39	15552.22	16.96
OIL & GAS 	18999.02	18021.93	5.42
PSU 	8657.35	8012.85	8.04
REALTY 	3591.24	3068.27	17.04
TECK 	13429.02	12964.27	3.58

(Source: BSE)

GLOBAL INDICES

Indices	July-22	June-22	Change (%)
DOW JONES	32845.13	31029.31	5.85
NASDAQ	12390.69	11177.89	10.85
HANG SENG	20156.51	21996.89	-8.37
FTSE	7423.43	7312.32	1.52
NIKKEI	27801.64	26393.04	5.34





(Source: MoneyControl)

COMMODITIES

Particular	July-22	June-22	Change (%)
MCX GOLD 	51466.00	50699.00	1.51
MCX SILVER 	57553.00	58893.00	-2.28
MCX CRUDE OIL 	7842.00	8387.00	-6.50
MCX NATURAL GAS 	442.70	447.70	-1.12

(Source: Falcon software)

FOREX

Particular	July-22	June-22	Change (%)
USD-INR 	79.46	78.97	0.63
EUR-INR 	81.44	82.76	-1.59
GBP-INR 	96.74	96.12	0.64
JPY-INR 	59.68	58.16	2.61

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for July 2022	150,973.20	150,965.81	7.39
Total for 2022*	1,101,161.22	1,325,098.15	-223,936.93

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for July 2022	80,131.44	73,211.84	6,919.60
Total for 2022*	634,167.08	506,277.37	127,889.71

*Till 27th July 2022

(Source: SEBI)

Monthly Market Roundup

As of July 2022, domestic markets witnessed a sharp risk-on rally after touching lows in June 2022. The benchmark indices Nifty 50 and BSE Sensex ended the month with gains of 8.9% and 8.8%, respectively. The US Federal Reserve increased the Federal Funds Rate by 75 basis points, which was in-line with market estimates. However, the major positive trigger for the market was the decline in commodity prices, which will help lower inflation going forward. The RBI Monetary Policy meeting is scheduled in the first week of August. The market has factored in an interest rate hike in the range of 35-50 basis points.

SEBI mulls cap on PMS investments in related entities

The Securities and Exchange Board of India (SEBI) may tighten rules on investments by portfolio management services (PMS) firms in-group entities. The capital market regulator may impose a limit to the exposure of these portfolio managers, which cater to high net worth and ultra-high net worth individuals, having observed that some entities put clients' money in associate firms.

The current thought process of SEBI is to cap PMS firms' investments in all equity and debt securities of related parties put together at 30%. It may also ask these asset managers to obtain clients' permission, if the money manager wants to invest in any related parties.

The cap of 30% is being considered at the group level. This means that not more than 30% of clients' funds can be in all related parties put together. The PMS Manager may not be allowed to invest more than 10-15% of the clients' money in a single, related-party entity.

IMF slashes India's FY23 GDP growth forecast to 7.4%

The International Monetary Fund (IMF) slashed India's growth forecast for 2022-23 (FY23) by 80 basis points to 7.4%. According to the agency, this was due to less favourable external conditions and rapid policy tightening by the central bank. In its update to the April World Economic

Outlook, the IMF said that though a global recession in 2022 was ruled out with a growth estimate of 3.2%, the balance of risks was squarely to the downside, driven by a wide range of factors that could adversely affect the global economic performance.

The risk of recession is particularly prominent in 2023, when in several economies growth is expected to bottom out, household savings accumulated during the pandemic will have declined, and even small shocks could cause economies to stall. The United States is likely to have real GDP growth of only 0.6% in the fourth quarter of 2023 on a year-on-year basis, which makes it increasingly challenging to avoid a recession.

The downward revision of India's growth forecast by the IMF came days after the Asian Development Bank pared down its growth projection for India to 7.2% for FY23, from 7.5%, citing higher-than-anticipated inflation since April and subsequent monetary tightening by the Reserve Bank of India. The country's inflation remained above the RBI's upper tolerance limit for a sixth straight month in June. On June 8, the six-member Monetary Policy Committee (MPC) of the RBI raised the repo rate by 50 basis points, following an off-cycle rate hike of 40 basis points in May, making it a 90 basis point rate hike in just over a month.

On the global front

Global equities also showed strength in July 2022. Dow Jones was up by 5.6%, whereas Nasdaq Index rebounded by 11.8%. In context, S&P 500 increased by 8.0%, whereas Nikkei was up by 7.2% and FTSE100 advanced by 3.5%. Market sentiments will be guided by geo political news like China-Taiwan tension, Russia-Ukraine conflict and Central Bank actions.

In commodities, gold declined by 1.3%. Brent crude prices declined by 1.5%. USD/INR was marginally up by 0.5% in the month of July.

Economic Data Wrap Up: July - 2022

- India's June Nikkei Services PMI increased to 59.2 as compared to 58.9 in May.
- India's July Nikkei S&P Global Manufacturing PMI increased to 56.4 as compared to 53.9 in June
- India's June CPI inflation came in at 7.01% as compared to 7.04% in May
- India's May IIP came in at 19.6% YoY as compared to 7.1% in April
- India's June WPI inflation came in at 15.18% as compared to 15.88% in May
- India's June Trade Balance (USD) came at -26.18B as compared to -24.32B in May

Nifty Technical Outlook: Aug - 2022

CMP = 17,158.25



On the monthly chart, we observe a “Bullish Engulfing” pattern which has close above the median line of the second channel. This pattern will get activated if Nifty trades and closes above 17,172 on monthly basis. In the coming month if Nifty trades and closes above 17,470 level then it is likely to test 17,955 – 18,440 – 19,005 levels. However, if Nifty trades and closes below 16,846 level then it can test 16,361 – 15,877 – 15,313 levels.

Broadly, looking at the current price action it is evident that any pullback to the level of 16,800 – 16,361 should be used to go long for a target of 17,955 – 18,440 – 19,005. Hence, one needs to adopt a positive approach at the current levels.



Fundamental Stock

bajaj CONSUMER CARE

**BAJAJ
CONSUMER CARE
LTD**

BUY
Target
₹210

Stock Details:

NSE Code	BAJAJCON
CMP (As on 3 rd August 22)	INR 163
Face Value	INR 1
52 Week High / Low	INR 289/129
Market Cap (INR Cr)	2,420

Bajaj Consumer Care Ltd. (BCCL): is the second-largest entity in the Shishir Bajaj Group of companies, which is a well-known corporate group. The company is the leading player in the Light Hair Oil category with the flagship brand Bajaj Almond Drops Hair Oil commanding around 65% market share in its category. It also has a business presence in skin care, hygiene, and international business. The company markets and distributes its products in India and exports to over 30 countries, with primary focus in SAARC, Gulf & Middle East, ASEAN and African regions.

Investment Rationale:

Robust balance sheet: The company has a strong cash reserve, which amounts to cash per share of INR 37. It is expected to increase going forward. In addition, with increasing operating profit, the company will benefit from higher cash flow from operations in coming years. As per Bloomberg estimates, FY24E EBITDA is INR 222 crores and it is likely to touch INR 255-260 crores. The company can utilize the excess cash generation to expand its operations and undertake inorganic growth opportunities through acquisition of brands.

Margin expansion and investment for the brand building: With decline in raw material prices, operating margins are expected to improve going forward. Growth is likely to be better in both almondz and non-almondz category compared to market estimates. This would lead to re-rating of the stock.

Improved visibility: In-store execution is being strengthened along with improved store visibility. E-commerce continued to scale up well with growth of around 80% on full year basis. Digital brands: Natyv Soul and Bajaj 100% Pure are scaling

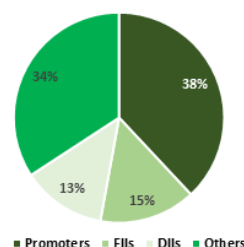
up well. Bajaj Coconut oil is included in major chains like Dmart, Reliance and Star Bazaar.

New launch will lead to better growth: MFL's New launches contribute to about 9% of e-commerce B2C sales. Bajaj Consumer Care launched Bajaj Almond Drops Moisturizing Soap and plans to launch a bouquet of other products in skincare and haircare under the brand Bajaj Coco Onion Hair Oil, launched recently sticky hair oil and has a pleasant fragrance and Bajaj Sarson Amla Hair Oil in Dec 2021 to leverage the equity of Bajaj and gain rural distribution strength.

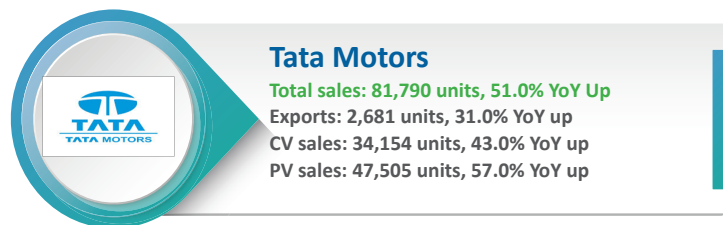
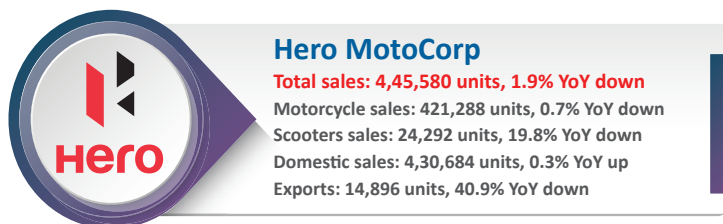
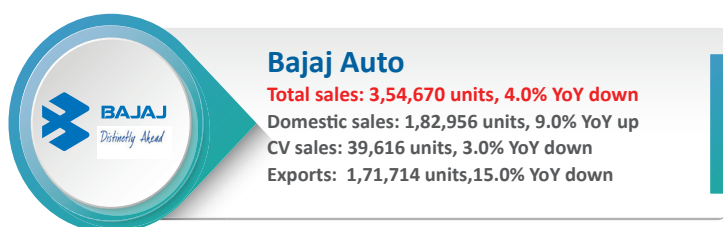
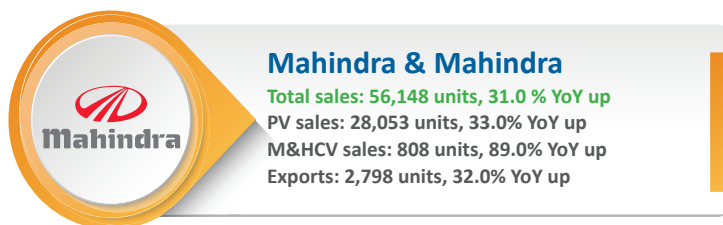
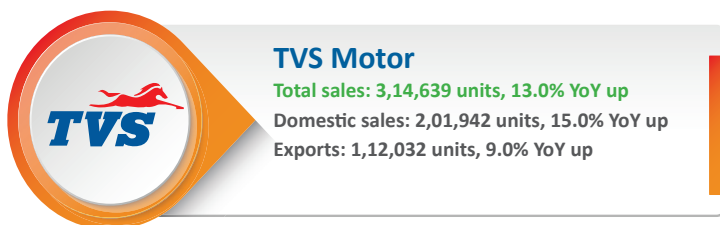
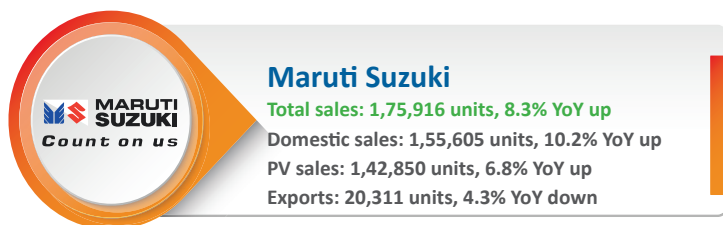
Social media influencers: Almond Drops Hair Oil (ADHO) continued to be supported across TV, social media platforms and print media supporting key markets with increased investments in advertising during the quarter. The new youthful thematic campaign, dialing up the element of style has started getting positive views across the younger consumers. Digital marketing for ADHO has been continuously dialed up and the company is now actively using new age influencers to reach out to younger consumers.

Valuation Outlook: The company is focusing on establishing new brands in the long run though it will impact EBITDA margins in the short run. The company on fundamental planning looks strong. A slowdown in the rural market and sluggish performance by the wholesale channel will affect the near-term revenue performance of the company. However, Bajaj is a strong brand and has a great presence, the sentiments in the rural and urban market look positive with some hiccups in the next few quarters due to rising inflation. With decline in commodity prices, we expect margins to improve and likely to touch 25% plus in FY24. Overall, we are positive for long term with a price objective of INR 210 per share.

Shareholding Pattern % (June - 22)



AUTOMOTIVE SECTOR JULY SALES

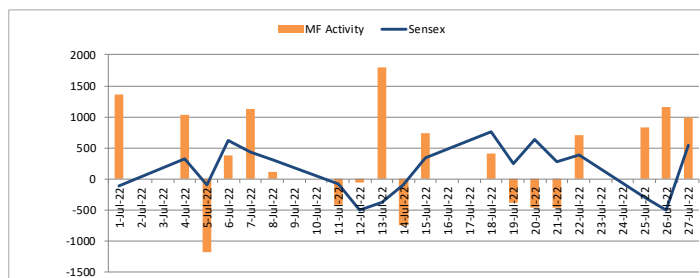


(Source: NSE)



MUTUAL FUNDS ROUNDUP

Indian equity markets rejoiced and ended on positive note in Jul 2022. The barometer index, S&P BSE Sensex delivered positive returns of 8.58% to settle at 57,570.25 and Nifty 50 gained 8.73 % ending the month at 17,158.25.



MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of INR 6,919.60 crores in the month of July 2022. Highest buying was recorded in the 5th week of the month when the fund houses made total net buy of INR 2,970.86 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Buyers to the tune of INR 7.39 crores worth of equities in Jul 2022.



Mutual Fund Activity in July 2022

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st week	5,802.04	4,438.42	1,363.62
2nd week	23,599.35	22,118.82	1,480.53
3rd week	17,989.51	16,682.53	1,306.98
4th week	19,772.72	19,975.11	(202.39)
5th week	12,967.82	9,996.96	2,970.86
Total	80,131.44	73,211.84	6,919.60

Note: Mutual Fund activity as on 27th July 2022

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st Aug, 2022 (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)	43.17	32,322	05-Jan-10	1.82	14.34	12.86	12.34	500	5,000
ICICI Pru Bluechip Fund (G)	65.08	29,981	23-May-	10.27	16.85	11.46	14.11	100	100
Mirae Asset Large cap Fund(G)	76.69	30,299	04-Apr-08	6.04	15.78	11.40	15.28	1,000	5,000
Multi Cap Fund									
Axis Focused 25Fund(G)	40.94	16,702	29-Jun-12	-2.66	14.48	11.04	15.00	500	5,000
Kotak - Flexi Cap Fund (G)	51.50	33,341	11-Sept-09	3.70	14.70	10.08	13.56	500	5,000
SBI - Flexi Cap Fund (G)	73.71	14,491	29-Sept-05	4.59	15.59	10.73	12.59	500	1,000
Mid Cap Fund									
DSP Mid Cap Fund(G)	85.59	12,502	25-Jun-07	-3.31	18.75	10.17	14.64	500	500
L&T MidCap Fund (G)	201.80	6,022	9-Aug-04	1.10	18.49	8.43	18.19	500	5,000

Note: Returns as on 1st Aug, 2022, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 1 st Aug, 2022 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	2.16	2,382.66	22,426	0.39	1.11	2.00	3.72	7.01
ICICI Pru Liquid Fund(G)	2.13	317.36	43,502	0.38	1.07	1.94	3.63	7.15
Ultra Short Term Fund								
Kotak Saving Fund(G)	2.22	35.28	11,303	0.39	0.82	1.79	3.42	7.27
L&T Ultra Short term Fund(G)	2.27	35.82	1,479	0.38	0.84	1.79	3.48	7.03

Note: NAV and Returns as on 1st Aug, 2022, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st Aug, 2022 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.17	11,495	28-Dec-15	4.96	20.77	14.49	18.25
Axis LT Equity Fund(G)	66.10	27,628	29-Dec-09	-2.46	14.64	11.36	16.19
Kotak Tax Saver(G)	71.22	2,529	23-Nov-05	6.95	18.71	11.86	12.48

Note: NAV and Returns as on 1st Aug, 2022, Returns <1 yr annualised, >1 yr compounded annualised.

THE MONTH AHEAD KEY FINANCIAL EVENTS Aug 2022



Aug 01

- USD ISM Manufacturing PMI
- INR Nikkei S&P Global Manufacturing PMI (Jul)

Aug 02

- USDJOLTS Job Openings
- INR Trade Balance
- INR Exports (USD)
- INR Imports (USD)

Aug 05

- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD Unemployment Rate
- INR Interest Rate Decision
- INR Cash Reserve Ratio

Aug 08

- Indian Automobile Sales Data, by SIAM

Aug 10

- USDCPI m/m
- USDCore CPI m/m

Aug 12

- INR CPI (YoY) (Jul)
- INR Cumulative Industrial Production (Jun)
- INR Industrial Production (YoY) (Jun)

Aug 16

- INR WPI Food (YoY) (Jul)
- INR WPI Manufacturing Inflation (YoY) (Jul)
- INR WPI Inflation (YoY) (Jul)

Aug 17

- USDCPI y/y
- USDCore Retail Sales m/m
- USD Retail Sales m/m
- USD FOMC Meeting Minutes

Aug 22

- EURGerman Flash Manufacturing PMI
- EURGerman Flash Services PMI
- GBPFlash Manufacturing PMI
- GBPFlash Services PMI

Aug 30

- USDCB Consumer Confidence

Arihant Capital
Generating Wealth



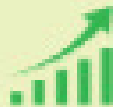
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



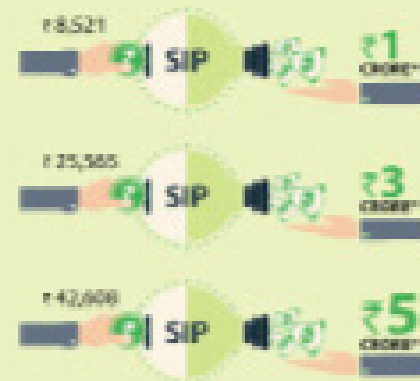
RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*Note: The above figures are calculated for the use of rupee cost averaging for illustration purposes only. Actual fund investments are subject to market risks. Investors should always consult a financial advisor regarding any investment decisions. It should not be construed as a recommendation or guarantee of future performance in any manner.

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