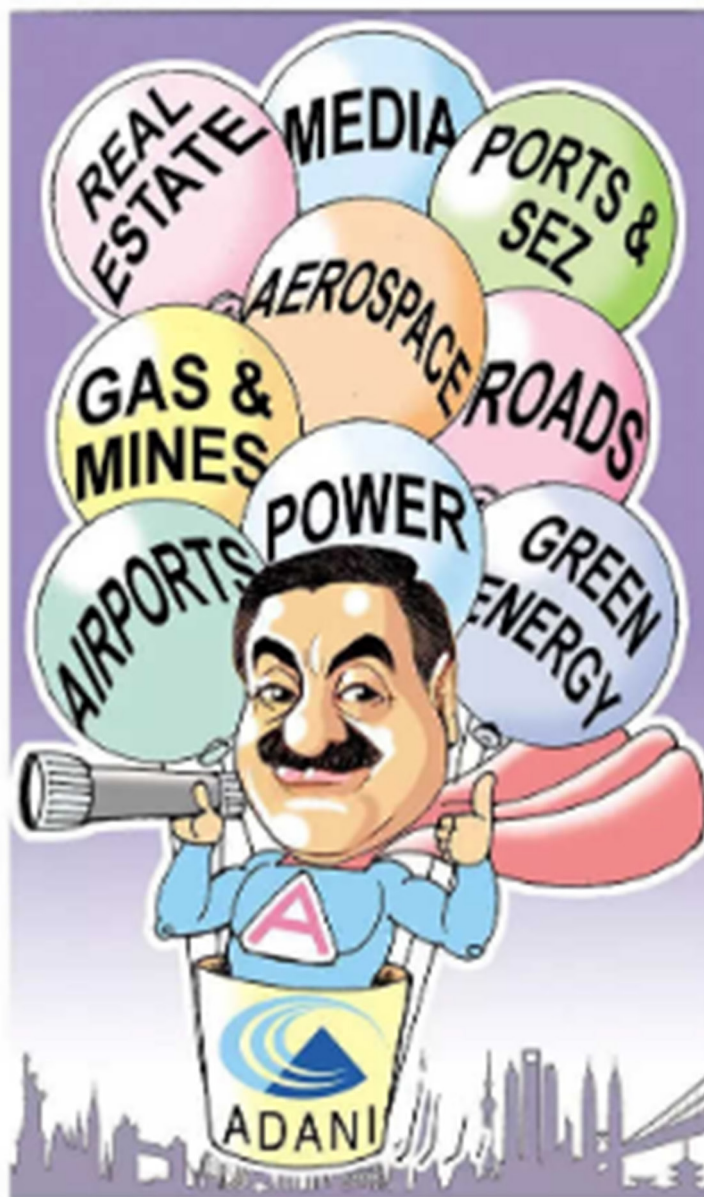


Arihant's **VALUE** Plus

Issue | **Sep 2022**

JUST LIKE THAT AJIT NINAN



Up, Up and A-way

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MOVERS & SHAKERS



INDIAN INDICES

Indices	Aug-22	July-22	Change (%)
SENSEX	59537.07	57570.25	3.42
NIFTY 50	17759.30	17158.25	3.50
NIFTY BANK	39536.75	37491.40	5.46
NIFTY MIDCAP 100	31481.70	29634.25	6.23
NIFTY 500	15325.05	14665.65	4.50
NIFTY IT	28407.90	29152.30	-2.55
NIFTY REALTY	463.20	450.95	2.72
NIFTY INFRA	5127.55	4890.55	4.85

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Aug-22	July-22	Change (%)
AUTO 	30334.18	28728.64	5.59
BANKEX 	45295.67	43130.69	5.02
CD 	42711.42	39570.36	7.94
CG 	32224.78	29717.26	8.44
FMCG 	15954.27	15489.37	3.00
HC 	23013.78	22901.59	0.49
IT 	28914.80	29488.38	-1.95
METAL 	19166.08	18189.39	5.37
OIL & GAS 	20289.83	18999.02	6.79
PSU 	9088.27	8657.35	4.98
REALTY 	3690.82	3591.24	2.77
TECK 	13257.08	13429.02	-1.28

(Source: BSE)

GLOBAL INDICES

Indices	Aug-22	July-22	Change (%)
DOW JONES	31790.87	32845.13	-3.21
NASDAQ	11883.14	12390.69	-4.10
HANG SENG	19954.39	20156.51	-1.00
FTSE	7361.63	7423.43	-0.83
NIKKEI	28091.53	27801.64	1.04





(Source: MoneyControl)

COMMODITIES

Particular	Aug-22	July-22	Change (%)
MCX GOLD 	51188.00	51466.00	-0.54
MCX SILVER 	54350.00	57553.00	-5.57
MCX CRUDE OIL 	7077.00	7842.00	-9.76
MCX NATURAL GAS 	722.00	642.70	12.34

(Source: Falcon software)

FOREX

Particular	Aug-22	July-22	Change (%)
USD-INR 	79.52	79.51	0.02
EUR-INR 	79.94	81.43	-1.83
GBP-INR 	92.38	96.76	-4.53
JPY-INR 	57.24	59.71	-4.14

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Aug 2022	192,089.53	144,793.01	47,296.52
Total for 2022*	1,293,250.75	1,469,891.16	-176,640.41

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Aug 2022	131,181.49	126,539.35	4,642.14
Total for 2022*	765,348.57	632,816.72	132,531.85

*Till 26th Aug 2022

(Source: SEBI)

Monthly Market Roundup

In August 2022, the benchmark indices Nifty 50 and BSE Sensex ended the month with a gain of 3.4% on a month-on-month basis. Outperforming the global indices such as Dow Jones, Nasdaq, and S & P. The market sentiments turned positive amid reduction in crude oil prices and commodity prices, which will help in reduction of inflation going ahead. The US Fed's interest rate hike was in line with market estimates. The US Federal Reserve said that the interest rate forward trajectory will be data dependent, which implied that inflation cooling-off can lead to stabilization in interest rate.

Nifty Midcap 50 & Nifty Small Cap 250 grew by 3.1% and 3.9% respectively on a month-on-month basis. This was driven by outperformance from stocks of Banking (4.3%) and Metal (6.4%) sector, which were amongst the outperformers in the previous month. Indices related to the financial sector also remained buoyant with Nifty Private Bank up by 5.5%, Nifty PSU Bank up by 6.1%, and NBFCs up by 3.7% on a month-on-month basis. Defensive sectors like FMCG increased by 3.0%. IT and Pharma index underperformed by 2.8% and 0.5% respectively.

Going ahead market sentiments will depend upon global events and upcoming result season.

Indian economy to grow over 7% in FY23, says finance secretary T V Somanathan: The government is expecting the economy to grow at 7-7.5% in 2022-23, in line with its projections made at the beginning of this financial year. India registered a growth of 8.7% in 2021-22. The economy grew by 13.5% in the April-June quarter, much below the RBI's projection of 16.2%. The RBI has projected a growth rate of 7.2 per cent for the current financial year.

The real GDP further increased to INR 36.85 lakh crore in Q1 of FY 2022-23, registering a year-on-year rise of 13.5% and growth of 3.8% over Q1 of FY 2019-20. With a 13.5 per cent growth rate, the GDP has recovered the pre-pandemic output and gone beyond by near 4%. Gross fixed capital

formation (GFCF) as a percentage of GDP (at 2011-12 prices) stood at 34.7 per cent, the highest in the first quarter of the past 10 years, supported by various reforms and measures taken by the government leading to the reinvigoration of the capex cycle and crowding-in of private investment.

The government has continued to support the investment activity with capital expenditure reaching INR 1.75 lakh crore during the first quarter of 2022-23, which is 23.4% of the budget estimate and 57% higher as compared to the corresponding period of the last year. On the second quarter, the robust performance of High-frequency indicators in July and August 2022 indicates sustained growth in the July-September period. India's private sector is not very interest rate sensitive; 75-100 basis points may not deter private investment.

On the global front

Global equities showed a downfall in August 2022, Dow Jones was down by 3.9%, whereas Nasdaq Index down by 5.2%. In context to that, S&P 500 decreased by 4.0% whereas, Nikkei was up by 0.4% and FTSE100 declined by 1.7%. 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 3.4%, while Brent crude prices declined by 4.4%. USD/INR was marginally up by 0.7% in the month of August.

Economic Data Wrap Up: Aug - 2022

- India's July Nikkei Services PMI increased to 55.5 as compared to 59.2 in June.
- India's Aug Nikkei S&P Global Manufacturing PMI increased to 56.2 as compared to 56.4 in July.
- India's July CPI inflation came in at 6.71% as compared to 7.01% in June.
- India's June IIP came in at 12.3% YoY as compared to 19.6% in May.
- India's July WPI inflation came in at 8.16% as compared to 9.19% in June.
- India's July Trade Balance (USD) came at -30.00B as compared to -31.02B in June.

Nifty Technical Outlook: Sep - 2022

CMP = 17,759.30



On the monthly chart, we are observing that prices have closed above the high of Bullish engulfing pattern (17172). This has activated the bullish implication of the said pattern. Hence, momentum on the upside is likely to continue. In coming month if Nifty trades and close above 17923 level then it is likely to test 18412 - 18697 - 18949 levels. However, if Nifty trades and close below 17594 level then it can test 17350 - 17106 - 16821 levels.

Broadly, looking at the current price action it is evident that momentum on the upside is likely to test 18412 - 18697 - 18949. Hence, one needs to adopt positive approach at current level.



Fundamental Stock



GHCL LTD

BUY
Target
₹898

Stock Details:	
NSE Code	GHCL
CMP(As on 1 st Sept2022)	INR 601
Face Value	INR 10
52 Week High/Low	695/349
Market Cap (INR Cr)	5,739

Company Overview: GHCL Ltd is the largest single location manufacturer of Soda Ash in India. It has a plant facility at Sutrapada in Gujarat. It reported its Q1FY23 earnings, which were robust and largely in-line with our estimates. The company has benefitted from operational efficiencies and supportive industry dynamics in soda ash segment

Investment Rationale:

Capacity expansion to drive volume growth: GHCL has an installed capacity of 1.1 million MTPA. The current utilization is above 90%. The company is further executing a brownfield expansion to increase its soda ash capacity by 50,000 MTPA at its present location. The plant has been commissioned around Q4FY22 and will see the full effect in FY23. Apart from this, the company is undertaking a greenfield project to set up 0.5 million MTPA soda ash plant facility. It will require about 800 acres of land, of which about 70% has already been acquired. The facility is expected to be completed by FY26. In the long term, the current capacity will expand by about 50%, thus greatly enhancing the operating leverage of the company. It will also benefit the company to develop and sustain competitive edge over its competitors. Post the textile demerger in 1HFY23, the company will be a pure play soda ash manufacturer.

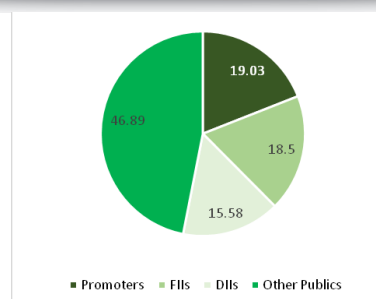
Diversified and marquee clientele: Soda Ash is extensively used in the detergent, glass and chemical segment. Sodium Bicarbonate, which is a derivative of Soda Ash is a value-added product. It has application in industries like Food, Chemicals, Poultry, Tannery and Pharma. GHCL Ltd. has strong relationship with marquee clients. It sells Dense Soda Ash, Light Soda Ash and Sodium Bicarbonate under the

Lion Brand. Its clientele includes heavy weights like Hindustan Unilever Ltd., Procter & Gamble, Patanjali, Hindustan Zinc, Piramal Glass, Jyothy Laboratories, Gujarat Borosil Ltd., Fena, Saint-Gobain, Modi Guard Glass Mirror, etc. Majority of these entities are cash rich and have strong balance sheet to make payments to GHCL Ltd. Also, as the clientele is diversified, there is less dependence on a single customer entity.

Robust balance sheet and sustained operational cashflows: The Gross Debt on the books stood at around INR 618 Cr, while the Net Debt stood at INR 5,730 Mn. The Net Debt/Equity ratio is 0.2x. With the tightness in the soda ash market, the corresponding prices are moving higher, which will positively impact sales realizations, operating profit and related operational cash flows.


Valuation outlook: The global and domestic soda ash industry is witnessing supply-demand imbalance. Additionally, the ongoing Ukraine-Russia conflict has further tightened the domestic market, thus supporting price growth. The company is expanding its capacity through brownfield and greenfield project, which will facilitate volume growth. It reported strong earnings growth in Q1FY23 and we believe that the growth trajectory will continue in FY23, facilitated by supportive industry dynamics. We value the overall company on a SOTP basis, factoring its Chemical and Textile business. We appraise the base business of Chemicals on EV/EBITDA multiple of 7x its FY24EEBITDA and arrive at a fair value of INR 800 per share. The Textile business is valued by applying 25% discount to its replacement cost, yielding per share value of INR 98. Accordingly, we maintain our BUY rating on the stock with the Target Price of INR 898 per share.

Shareholding Pattern % (June - 22)




AUTOMOTIVE SECTOR

AUGUST SALES



Maruti Suzuki
Total Sales: 1,65,173 units, 26.37% YoY up
 Domestic Sales: 1,37,537 units, 30.02% YoY up
 PV Sales: 1,34,166 units, 30.02% YoY up
 Exports: 21,481 units, 4.18% YoY up




TVS Motor
Total Sales: 333,787 units, 15.0% YoY up
 Domestic Sales: 239,325 units, 33.0% YoY up
 Exports: 93,111 units, -15.0% YoY down



Mahindra & Mahindra
Total Sales: 59,049 units, 93.06 % YoY up
 PV Sales: 29,852 units, 87.0% YoY up
 M&HCV Sales: 656 units, 28.0% YoY up
 Exports: 2,912 units, 8.00% YoY Down




Atul Auto
Total Sales: 9,055 units, 103.25% YoY up



Bajaj Auto
Total Sales: 4,01,595 units, 8.0% YoY up
 Domestic Sales: 2,56,755 units, 49.0 % YoY up
 CV Sales: 45,970 units, 31.0 % YoY up
 Exports: 1,44,840 units, -28.0 % YoY down




Escorts
Total Sales: 6,111 units, 7.3% YoY up
 Domestic Sales: 5,308 units, 7.9% YoY up
 Exports: 803 units, 3.9% YoY up



Hero MotoCorp
Total Sales: 4,62,608 units, 1.92% YoY UP
 Motorcycle Sales: 4,30,799 units, 2.4% YoY up
 Scooters Sales: 31,809 units, 4.39% YoY down
 Domestic Sales: 4,50,740 units, 4.50% YoY up
 Exports: 11,868 units, 47.80% YoY down



Ashok Leyland
Total Sales: 13,625 units, 58.0% YoY up
 M&HCV Sales: 8,148 units, 113.0% YoY up
 LCV Sales: 5,386 units, 16.0% YoY up



Tata Motors
Total Sales: 78,843 units, 36.0% YoY Up
 Exports: 2,179 units, -40.0% YoY down
 CV Sales: 31,492 units, 6.0% YoY up
 PV Sales: 47,166 units, 68.0% YoY up



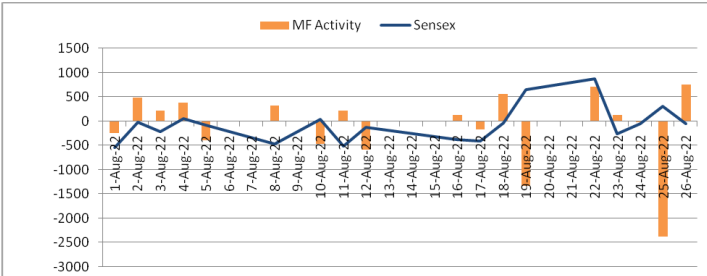
Volvo-Eicher Commercial Vehicles
Total Sales: 5,003 units, 4.4% YoY up
 Exports: 363 units, -54.80% YoY
Eicher Motorcycle
Total Sales: 70,112 units, 53.0% YoY up
 Exports: 7,220 units, 6% YoY up

(Source: NSE)



MUTUAL FUNDS ROUNDUP

Indian equity markets rejoiced and ended on positive note in August 2022. The barometer index, S&P BSE Sensex delivered positive returns of 3.42% to settle at 59537.07 and Nifty 50 gained 3.50% ending the month at 17759.30.



MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 4,642.14 crores in the month of August 2022. Highest buying was recorded in the 1st week of the month when the fund houses made total net buy of Rs 6,223.50 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Buyers to the tune of Rs 47,296.52 crores worth of equities in August 2022.



Mutual Fund Activity in Aug 2022

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st week	42,543.40	36,319.90	6,223.50
2nd week	27,527.40	30,005.62	-2,478.22
3rd week	23,266.44	22,979.35	287.09
4th week	37,844.25	37,234.48	609.77
Total	131,181.49	126,539.35	4,642.14

Note: Mutual Fund activity as on 26th Aug 2022

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st Sep, 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)	44.33	35,915	05-Jan-10	-3.92	15.03	13.13	12.48	500	5000
ICICI Pru Bluechip Fund (G)	66.80	32,525	23-May-08	6.17	18.22	11.97	14.22	100	100
Mirae Asset Large cap Fund(G)	78.37	32,913	04-Apr-08	1.29	16.72	11.77	15.35	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	42.16	18,712	29-Jun-12	-8.23	15.28	11.46	15.18	500	5000
Kotak - Flexi Cap Fund (G)	53.63	36,316	11-Sept-09	3.17	16.42	10.87	13.81	500	5000
SBI - Flexi Cap Fund (G)	75.88	15,671	29-Sept-05	2.08	17.09	11.01	12.71	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	89.10	13,838	25-Jun-07	-1.64	20.32	11.22	14.84	500	500
L&T MidCap Fund (G)	209.13	6,534	9-Aug-04	2.64	20.35	9.04	18.32	500	5000

Note: Returns as on 1st Sep, 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 Sep, 2022 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	2.16	2394.21	20,917	0.46	1.25	2.20	3.91	7.00
ICICI Pru Liquid Fund(G)	2.13	318.87	38,404	0.45	1.23	2.15	3.81	7.15
Ultra Short Term Fund								
Kotak Saving Fund(G)	2.22	35.45	11,487	0.43	1.24	2.02	3.59	7.26
L&T Ultra Short term Fund(G)	2.27	36.00	1,461	0.44	1.25	2.00	3.66	7.02

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

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st Sep, 2022 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.88	12,615	28-Dec-15	1.45	21.69	14.98	18.38
Axis LT Equity Fund(G)	68.81	31,361	29-Dec-09	-7.25	15.82	12.29	16.43
Kotak Tax Saver(G)	74.08	2,794	23-Nov-05	7.12	20.78	12.79	12.67

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

THE MONTH AHEAD KEY FINANCIAL EVENTS September 2022



Sep 02

- USD Average Hourly Earnings m/m
- USD Non-Farm Employment Change
- USD Unemployment Rate

Sep 08

- EUR Monetary Policy Statement
- USD Unemployment Claims
- EUR ECB Press Conference

Sep 13

- USD CPI y/y
- USD CORE CPI y/y

Sep 14

- GBP CPI y/y
- USD PPI y/y
- INR WPI Inflation(Aug)

Sep 15

- GBP Monetary Policy
- USD Core Retail Sales m/m
- USD Empire State Manufacturing Index
- USD Retail Sales m/m

Sep 20

- CNY PBoC Interest Rate Decision
- EUR French Flash Services PMI
- EUR German Flash Manufacturing PMI
- GBP Flash Manufacturing PMI

Sep 21

- USD FOMC Economic Projections
- USD FOMC Statement
- USD Fed Interest Rate Decision

Sep 22

- USD FOMC Press Conference

Sep 23

- USD Flash Services PMI
- USD Flash Manufacturing PMI

Sep 25

- EUR Italian Parliamentary Election

Sep 29

- USD Final GDP q/q
- USD Unemployment Claims

Sep 30

- CNY Non-Manufacturing PMI(Sep)
- CNY Caixin Manufacturing PMI(Sep)
- USD Core PCE Price Index m/m
- GBP GDP (QoQ)(Q2)
- RBI Interest Rate Decision (Repo Rate)

Arihant Capital
Generating Wealth



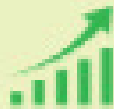
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



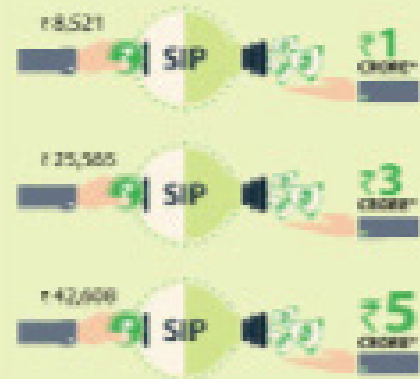
RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*Note: The above figures are calculated for the use of ₹1000 for illustration purposes only. Actual fund investments are subject to market risks. Returns may vary from expected results depending on market conditions. Mutual fund returns are dependent on market performance in any market.

20 YEARS PERIOD



Equities & Derivatives | Commodities | Currency | Bonds | IPO | Mutual Fund Advisory | POC | Depository | Online Trading | Mobile Trading | Merchant Banking

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 REGD. - INDP4920-355-2008-CDSL - IN-DP-CDSL-113-2005; AMFI - AMFI 15114; SEBI - RA/INF000003764

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