

ARIHANT'S

VALUE *Plus*

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NIFTY HITS 10000


**Inside
The Issue**


**Market
Outlook**

Page-3


**Technical
Picks**

Page-4-5


**Auto
Sector**

Page-6


**Commodity
Outlook**

Page-7


**Mutual
Fund**

Page-8-9













MOVERS AND SHAKERS

INDIAN INDICES

Indices	Jul-17	Jun-17	Monthly Change (%)
SENSEX	32514.94	30921.61	5.15 ↑
NIFTY 50	10077.10	9520.90	5.84 ↑
NIFTY BANK	25103.65	23211.20	8.15 ↑
NIFTY MIDCAP 100	18514.60	17729.75	4.43 ↑
NIFTY 500	8793.30	8331.60	5.54 ↑
NIFTY IT	10755.75	10155.05	5.92 ↑
NIFTY REALTY	282.95	263.45	7.40 ↑
NIFTY INFRA	3401.35	3201.35	6.25 ↑

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Jul-17	Jun-17	Monthly Change (%)
AUTO 	24463.15	23408.17	4.51 ↑
BANKEX 	28386.54	26277.96	8.02 ↑
CD 	16466.93	16012.71	2.84 ↑
CG 	17972.61	17075.94	5.25 ↑
FMCG 	10093.85	10428.17	-3.21 ↑
HC 	14195.40	14190.58	0.03 ↑
IT 	10437.79	9833.46	6.15 ↑
METAL 	12425.99	11374.12	9.25 ↑
OIL&GAS 	14189.96	13202.65	7.48 ↑
PSU 	8686.79	8112.61	7.08 ↑
REALTY 	2186.28	2043.23	7.00 ↑
TECK 	5897.04	5523.75	6.76 ↑

(Source: BSE)

GLOBAL INDICES

Indices	Jul-17	Jun-17	Monthly Change (%)
DOW JONES	21891.12	21349.63	2.54 ↑
NASDAQ	6348.13	6140.42	3.38 ↑
HANG SENG	27323.99	25764.58	6.05 ↑
FTSE	7372.00	7312.72	0.81 ↑
NIKKEI	19925.18	20033.43	-0.54 ↓

(Source: Telequote software)

COMMODITIES

Particulars	Jul-17	Jun-17	Monthly Change (%)
MCX GOLD 	28580.00	28439.00	0.50 ↑
MCX SILVER 	38645.00	38344.00	0.78 ↑
MCX CRUDE OIL 	3183.00	2968.00	7.24 ↑
MCX NATURAL GAS 	180.00	193.80	-7.12 ↓

(Source: Telequote software)

FOREX

Particulars	Jul-17	Jun-17	Monthly Change (%)
USD-INR ₹	64.18	64.58	-0.62 ↓
EUR-INR €	75.27	73.67	2.17 ↑
GBP-INR £	84.24	83.79	0.54 ↑
JPY-INR ¥	58.06	57.67	0.68 ↑

(Source: Telequote software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jul 2017	1,15,583.96	1,07,984.09	7,599.87 ↑
Total for 2017*	7,92,792.00	7,31,837.40	60,954.40 ↑

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jul 2017	50,268.51	38,468.66	11,799.85 ↑
Total for 2017*	3,04,306.16	2,52,537.41	51,769.05 ↑

*From Jan - Jul, 2017

(Source: SEBI)



Monthly Market Roundup

Indian equity markets climbed at a fresh lifetime high and delivered splendid return of 23% in the calendar year 2017. The S&P BSE Sensex crossed 32,000 levels and Nifty50 crossed 10,000 levels for the first time in history.

The Nifty50 touched record high level of 10114.85 and S&P BSE Sensex touched 32672.66 levels on 27th July, 2017. Falling inflation has lifted the possibility of interest rate cut by the RBI and the US Federal Reserve hinting at gradual rate hikes kept market sentiment strong. The chain of positive news including the BJP's strong win in UP elections, good monsoon, successful rollout of GST, recovery in corporate earnings, FII's investment and macro-economic improvement helped markets to attained record high levels.

Further, the International Monetary Fund (IMF) in its

latest World Economic Outlook (WEO) report said that growth in India is expected to pick up further in 2017 and 2018. According to IMF, India's growth is projected to accelerate to 7.7% in 2018-19, from 7.2 % forecast for 2017-18. India will remain ahead of China in growth race in 2017 as well as 2018. These comments said by IMF also boosted the market sentiment.

The month finally ended with upward bias as S&P BSE Sensex delivered positive returns of 5.15% to settle at 32514.94 and Nifty 50 gained 5.84% ending the month at 10077.10.

On the institutional side, foreign institutional investors (FIIs) bought Rs 7,599.87 crore worth of equities during the month while domestic mutual fund houses continued their buying spree with net purchases of Rs 11,799.85 crore in July 2017.

Economic Data Wrap Up - July

- India's Jun Nikkei manufacturing PMI fell to 50.9 from 51.6 in May.
- India's Jun Nikkei Services PMI rose to 53.1 from 52.2 in May.
- India's May IIP growth fell to 1.7% from 2.8% in Apr.
- India's Jun CPI inflation fell to 1.54% from 2.18% in May.
- India's Jun WPI inflation fell to 0.9% from 2.17% in May.
- India's Jun trade deficit rose to \$12.96 bln from \$8.12 bln YoY.
- India's Jun core sector growth fell to 0.4% from 4.1% in May.

Market Outlook: August

Going ahead, Indian equity markets are expected to continue upward journey after touching record high levels. The RBI's monetary policy review, trends in global markets, corporate earnings, GDP and US FOMC meeting minutes will dictate the market direction. The improvement in macro economic factors i.e. low inflation, controlled fiscal deficit, rising consumer demand, improving tax discipline and good rainfall offers good opportunity for companies to perform well in long run. Investors should stay invested only in companies with good management and with attractive business models.

Nifty Technical Outlook: August



On the monthly chart, we are observing a strong bull candle which suggests that upside momentum is likely to continue. In the coming month if Nifty trades and closes above 10187 levels then it is likely to test 10354 - 10521 - 10715 levels. However, if Nifty trades and closes below 9966 level then it can test 9800 - 9633 - 9439 levels.

Broadly, we are of the opinion that for current month as long as Nifty holds 9600 on daily closing basis there is high probability that Nifty may test the 10500 - 10700 in couple of months.




ESCORTS

TECHNICAL PICK



Escorts Limited is among India's leading engineering conglomerates operating in the high growth sectors of agri-machinery, construction & material handling equipment, railway equipment and auto components.

The company offers agricultural tractors under the Farmtrac, Powertrac, and Escorts brands; and engines for agricultural tractors. It also provides round and flat tubes, heating elements, double acting hydraulic shock absorbers for railways coaches, center buffer couplers, automobile shock absorbers, telescopic front forks, mcpherson struts, brake blocks, and internal combustion engines, as well as various brakes for use in railway, construction, earth moving, and material handling equipment. In addition, the company offers lubricants, such as engine and gear oils; and engines and gensets, as well as trades in oils and lubricants, implements, trailers, tractors, compressor accessories and spares, construction equipment, and earth moving and material handling equipment. Further, it is involved in the aero business.

Technical Outlook:

On the daily chart, the stock has made a double bottom at 635 levels this suggests upside momentum. Further, RSI reading has crossed 50 levels which suggests upside momentum.

Hence we recommend buying in stock at Rs 680 or on a decline up to Rs 667 with a stop loss of Rs 650 for a target of Rs 710-730 levels.

Escorts Ltd

BUY

CMP: ₹ 680 (As on 01st Aug 2017)

Buy: ₹ 680-667

Target Price: ₹ 710-730

Stop-Loss: ₹ 650





Mahindra & Mahindra

Mahindra & Mahindra Ltd

BUY

CMP: ₹ 1423 (As on 01st Aug 2017)

Buy: ₹ 1423-1400

Target Price: ₹ 1460-1500

Stop-Loss: ₹ 1380



TECHNICAL PICK



Mahindra and Mahindra Limited is engaged in the manufacture of passenger cars, commercial vehicles and tractors. The company's segments include Automotive which is engaged in the sale of automobiles, spare parts and related services; Farm Equipment which is engaged in the sale tractors, spare parts and related services; IT Services which includes business consulting and related support activities; Financial Services which includes services relating to financing, leasing and hire purchase of automobiles and tractors; Steel Trading and Processing which is engaged in trading and processing of steel; Infrastructure including operation of commercial complexes, project management and development; Hospitality including sale of timeshare; Systech which consists of automotive components and other related products and services; Two wheelers which consists of sale of two wheelers, spare parts and related services, and Others which includes logistics, after-market and investments.


Technical Outlook:

On the weekly and daily chart, the stock has given a consolidation breakout at 1420 levels. Further both on weekly and daily chart the RSI is gaining momentum. This suggests upside momentum.


Hence we recommend buying in stock at Rs 1423 or on a decline up to Rs 1400 levels with a stop loss of Rs 1380 for a target of Rs 1460-1500 levels.

AUT SECTOR


July Sales

Maruti Suzuki
Total Sales: 165,346 units, 20.6% yoy up
 PV Sales: 111,803 units, 19.4% yoy up
 Domestic Sales: 154,001 units, 22.4% yoy up
 Exports: 11,345 units, 0.10% yoy up




TVS Motor
Total Sales: 271,171 units, 9% yoy up
 2Wheeler Sales: 263,336 units, 9.7% yoy up
 3Wheeler Sales: 7,835 units, 1.6% yoy down
 Exports: 50,957 units, 26.8% yoy up



Mahindra & Mahindra
Total Sales: 41,747 units, 6% yoy up
 PV Sales: 20,962 units, 21% yoy up
 CV Sales: 15,023 units, 14% yoy up
 Exports: 1,985 units, 52% yoy down




Atul Auto
Total Sales: 3,402 units, 7% yoy up



Tata Motors
Total Sales: 46,216 units, 7% yoy up
 Domestic Sales: 42,775 units, 13% yoy up
 PV Sales: 14,993 units, 10% yoy up
 CV Sales: 27,842 units, 15% yoy up
 Exports: 3,441 units, 36% yoy down



Escorts
Total Sales: 5,418 units, 34.3% yoy up
 Domestic Sales: 5,275 units, 33.4% yoy up
 Exports: 143 units, 74.4% yoy up



Bajaj Auto
Total Sales: 307,727 units, 7% yoy down
 Domestic Sales: 186,497 units, 6% yoy down
 CV Sales: 42,545 units, 4% yoy down
 Motorcycle Sales: 265,182 units, 7% yoy down
 Exports: 121,230 units, 8% yoy down



Ashok Leyland
Total Sales: 11,981 units, 14% yoy up
 M&HCV Sales: 9,026 units, 10% yoy up
 LCV Sales: 2,955 units, 28% yoy up



Hero MotoCorp
Total Sales: 623,269 units, 17% yoy up



Volvo-Eicher Commercial Vehicles
Total Sales: 4,359 units, 0.34% yoy down
Eicher Branded Trucks & Buses
Total Sales: 4,316 units, 0.02% yoy up
 Domestic Sales: 3,714 units, 1.36% yoy up
 Exports: 602 units, 7.5% yoy down

COMMODITY OUTLOOK



Copper: Is it the arrival of a king?

Copper August

CMP: ₹ 405.65 (As on 02nd Aug 2017)

Buy: > ₹ 415

Targets: ₹ 448 - 479

Stop loss: < ₹ 392

Copper, once touted as the 'king of base metals' saw a major downturn in the year 2014 and 2015. The decline actually started during the last quarter of 2013 after reaching an all time high of Rs 512 in August, the same year. A glut of inventory kept copper under consistent pressure for next two years, making prices tumble more than forty two percent during the above time frame. It was in 2016 when the chief metal consolidated strongly and gave first signs of a bullish reversal in November when it rallied more than twenty one percent. This was a major turning point which has pushed Copper to the present scenario when it is very near to a big breakout to reclaim its lost glory.

On monthly chart, we can see that the three year long correction plus consolidation phase is captured in a channel. In November 2016, a strong breakout of this channel pattern turned heads and rekindled the interest of traders and investors in copper. However, after the huge breakout, prices went back into the



consolidation mode for a brief period, shaping up pattern further into insider pattern. The rally seen in last two months has repositioned copper near the top of the insider candlestick pattern and it seems that the right time has arrived for a big breakout. The expected breakout has the potential to take prices near all time high. Momentum indicators are also supporting the continuation of the bull rally with their toned position and free space for further rise.

We recommended buying in Copper August contract above Rs 415 for targets in the range of Rs 448-479. Maintain stop loss below Rs 392.

MUTUAL FUND

MUTUAL FUND ROUNDUP

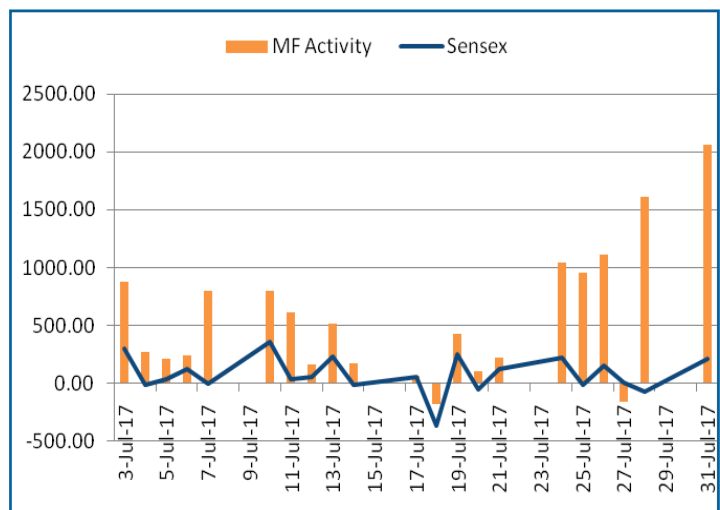
Indian equity markets ended at record high levels in July 2017. The barometer index, S&P BSE Sensex delivered positive return of 5.15% to settle at 32514.94 and Nifty50 gained 5.84% ending the month at 10077.10.

MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 11,799.85 crore in the month of July 2017. Highest buying was recorded in the fourth week of the month when the fund houses made total net buy of Rs 4,535.19 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs 7,599.87 crore worth of equities in July 2017.

MUTUAL FUND ACTIVITY IN JULY 2017

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	10552.50	8183.59	2368.91
2 nd Week	9991.48	7752.71	2238.77
3 rd Week	10371.94	9778.45	593.49
4 th Week	15626.12	11090.93	4535.19
5 th Week	3726.47	1662.98	2063.49
Total	50268.51	38468.66	11799.85



EQUITY SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	AUM as on 30 th Jun 2017 (Rs in Cr)	Launch Date	Returns (%)				Min. Investment Amount	
				One Year	Three Years	Five Years	Since Inception	SIP	Lump sum
Large Cap Fund									
Birla Sun Life Frontline Equity Fund	212.15	17,404	30-Aug-02	18.74	15.19	20.31	23.41	1,000	5,000
Mirae Asset India Opportunities Fund	44.72	3,848	04-Apr-08	24.36	18.62	22.74	17.44	1,000	5,000
SBI Blue Chip Fund	36.65	13,942	14-Feb-06	15.23	16.81	20.94	12.00	500	5,000
Multi Cap Fund									
Birla Sun Life Advantage Fund	418.09	3,549	24-Feb-95	23.22	22.27	24.79	18.72	1,000	5,000
Franklin India High Growth Companies Fund	37.65	6,527	26-Jul-07	21.07	19.03	25.47	14.14	500	5,000
Motilal Oswal MOST Focused Multicap 35 Fund	25.34	6,785	28-Apr-14	28.51	27.71	N.A.	33.01	1,000	5,000
Mid Cap & Small Cap Fund									
DSP BlackRock Small and Mid Cap Fund	52.75	4,017	14-Nov-06	23.66	23.40	26.17	16.78	500	1,000
Franklin India Smaller Companies Fund	55.14	5,696	13-Jan-06	20.55	23.36	31.77	15.92	500	5,000
HDFC Mid-cap Opportunities Fund	54.09	16,606	25-Jun-07	26.52	23.05	27.06	18.22	1,000	5,000
Mirae Asset Emerging Bluechip Fund	47.40	3,898	09-Jul-10	33.65	29.38	32.81	24.16	1,000	5,000
Reliance Small Cap Fund	39.07	3,767	16-Sep-10	38.37	27.42	33.12	21.72	500	5,000

Note: Returns as on 31st July, 2017, Returns < 1 yr annualized, Returns > 1 yr compounded annualized

DEBT SCHEME- LIQUID FUNDS RECOMMENDATION

Scheme Name	Latest NAV*	AUM as on 30 th Jun 2017 (Rs in Cr.)	Returns (%)				
			One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund							
DSP BlackRock Liquidity Fund	2368.26	16,402	0.53	1.67	3.25	6.78	7.65
HDFC Liquid Fund	3268.33	31,985	0.54	1.65	3.23	6.74	7.30
Ultra Short Term Fund							
Birla Sun Life Cash Manager Fund	402.06	7,668	0.78	2.05	3.47	7.59	7.50
Franklin India Ultra Short Bond Fund	22.92	10,419	0.83	2.33	4.35	9.30	9.00
Reliance Money Manager Fund	2298.28	17,607	0.72	1.99	3.52	7.63	8.35

Note: NAV and Returns as on 31st July 2017, 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
Birla Sun Life Tax Relief 96	28.55	06-Mar-08	21.08	19.98	23.21	11.80
DSP BlackRock Tax Saver	44.60	18-Jan-07	20.98	18.55	22.69	15.25
Franklin India Taxshield	530.04	10-Apr-99	16.01	16.75	20.12	24.40
Motilal Oswal MOST Focused Long Term Fund	16.84	15-Jan-15	34.05	N.A.	N.A.	22.92

Note: NAV and Returns as on 31st July 2017, Returns < 1 yr annualised, > 1 yr compounded annualised

THE MONTH AHEAD KEY FINANCIAL EVENTS AUGUST 2017



AUG 01

- Indian Automobile Sales Data, by Automakers
- Indian Nikkei Manufacturing PMI
- Chinese Caixin Manufacturing PMI
- UK Manufacturing PMI



AUG 02

- RBI Monetary Policy



AUG 03

- Indian Nikkei Services PMI
- BoE Monetary Policy



AUG 04

- US Non-Farm Employment
- US Trade Balance



AUG 07-11

- Indian Automobile Sales Data, by SIAM
- Indian FDI Equity Inflow



AUG 08

- Chinese Trade Balance



AUG 10

- UK Manufacturing Production



AUG 11

- Indian Industrial Production (IIP)



AUG 14

- Indian WPI Inflation
- Indian Consumer Price Index (CPI)
- Japanese GDP
- Chinese Industrial Production
- European Industrial Production



AUG 14-18

- Indian Trade Data



AUG 16

- US FOMC Meeting Minutes



AUG 17

- Japanese Trade Balance
- European Trade Balance
- US Industrial Production
- ECB Monetary Policy Meeting Accounts



AUG 24

- UK GDP



AUG 30

- US Prelim GDP



AUG 31

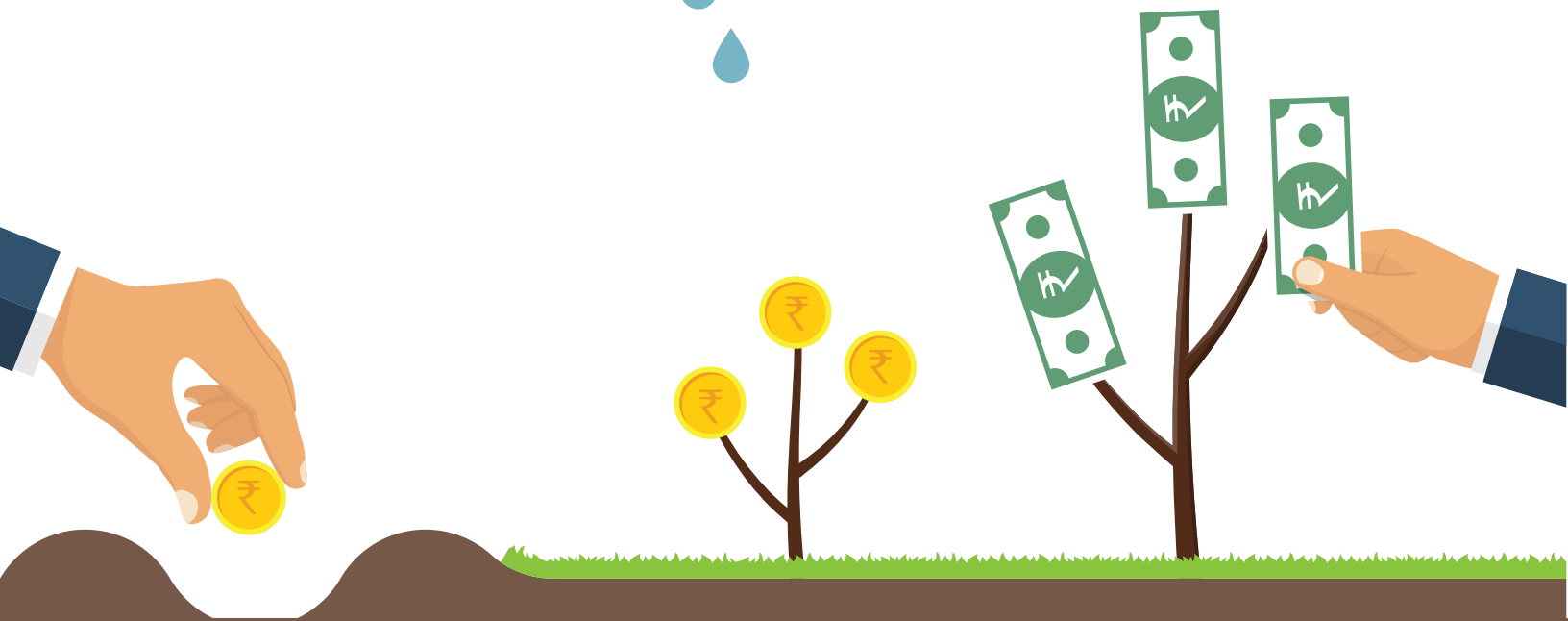
- Indian GDP
- Indian Core Sector Growth
- Indian Government Finance



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