

Arihant's

VALUE

Plus

Issue Dec 2017




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MOVERS AND SHAKERS

INDIAN INDICES

Indices	Nov-17	Oct-17	Monthly Change (%)
SENSEX	33149.35	33213.13	-0.19 ↓
NIFTY 50	10226.55	10335.30	-1.05 ↓
NIFTY BANK	25332.40	25019.35	1.25 ↑
NIFTY MIDCAP 100	19895.15	19578.40	1.62 ↑
NIFTY 500	9154.50	9153.60	0.01 ↑
NIFTY IT	11115.30	10837.90	2.56 ↑
NIFTY REALTY	325.60	304.50	6.93 ↑
NIFTY INFRA	3517.25	3581.85	-1.80 ↓

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Nov-17	Oct-17	Monthly Change (%)
AUTO 	25205.37	25414.76	-0.82 ↓
BANKEX 	28631.42	28284.00	1.23 ↑
CD 	21460.61	18465.61	16.22 ↑
CG 	18455.38	18423.27	0.17 ↑
FMCG 	10321.18	10263.72	0.56 ↑
HC 	13990.28	14281.60	-2.04 ↓
IT 	10730.87	10362.22	3.56 ↑
METAL 	13902.30	14730.27	-5.62 ↓
OIL&GAS 	15927.91	16552.40	-3.77 ↓
PSU 	9182.95	9400.88	-2.32 ↓
REALTY 	2445.67	2301.28	6.27 ↑
TECK 	6080.59	5974.65	1.77 ↑

(Source: BSE)

GLOBAL INDICES

Indices	Nov-17	Oct-17	Monthly Change (%)
DOW JONES	24272.35	23377.24	3.83 ↑
NASDAQ	6873.97	6727.67	2.17 ↑
HANG SENG	29177.35	28245.54	3.30 ↑
FTSE	7326.67	7493.08	-2.22 ↓
NIKKEI	22724.96	22011.61	3.24 ↑

(Source: Telequote software)

COMMODITIES

Particulars	Nov-17	Oct-17	Monthly Change (%)
MCX GOLD 	29012.00	29153.00	-0.48 ↓
MCX SILVER 	37532.00	38818.00	-3.31 ↓
MCX CRUDE OIL 	3687.00	3528.00	4.51 ↑
MCX NATURAL GAS 	197.10	187.80	4.95 ↑

(Source: Telequote software)

FOREX

Particular	Nov-17	Oct-17	Monthly Change (%)
USD-INR ₹	64.46	64.75	-0.45 ↓
EUR-INR €	76.72	75.31	1.87 ↑
GBP-INR £	87.19	85.58	1.88 ↑
JPY-INR ¥	57.27	57.12	0.26 ↑

(Source: Telequote software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Nov 2017	1,32,931.64	1,13,203.84	19,727.80 ↑
Total for 2017*	12,32,478.00	11,75,341.40	57,136.40 ↑

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Nov 2017	52,554.32	41,885.64	10,668.68 ↑
Total for 2017*	5,09,894.93	4,02,069.05	1,07,826.18 ↑

*From Jan - 27 Nov, 2017

(Source: SEBI)



Monthly Market Roundup

Indian equity markets witnessed a roller coaster ride in November month. Markets started the month on optimistic note as World Bank report has showed India's rank in ease of doing business jumped 30 places to 100 among 190 countries. Market participants were cautious due to concerns over the impact of high crude oil prices on the fiscal deficit and an increase in retail inflation also poured cold water on expectations of further rate cuts by the RBI. Further, Moody's lifted equity markets mood in the second half of the month. Moody's upgraded India's credit rating from Baa3 to Baa2, and changed the outlook from stable to positive. It's the first upgrade of India's rating in 14 years. However, S&P

differs from Moody's, holds India rating at BBB, with a stable outlook. On the F&O expiry day benchmark indices logged their biggest single-day fall in two months, while investors also cut down their positions ahead of the GDP data.

The month finally ended with downward bias as S&P BSE Sensex delivered negative returns of 0.19% to settle at 33149.35 and Nifty50 lost 1.05% ending the month at 10226.55.

On the institutional side, foreign institutional investors (FIIs) bought Rs 19,727.80 crore worth of equities during the month while domestic mutual fund houses continued their buying spree with net purchases of Rs 10,668.68 crore in November 2017.

Economic Data Wrap Up - November

- India's Oct Nikkei manufacturing PMI fell to 50.3 from 51.2 in Sep.
- India's Oct Nikkei services PMI rose to 51.7 from 50.7 in Sep.
- India's Sep IIP growth fell to 3.8% from 4.5% in Aug.
- India's Oct CPI inflation rose to 3.58% from 3.28% in Sep.
- India's Oct WPI inflation rose to 3.59% from 2.60% in Sep.
- India's Oct trade deficit rose to \$14.02 bln from \$11.13 bln YoY.
- India's Oct core sector growth at 4.7% unchanged from Sep.
- India's Apr-Oct fiscal deficit rose to Rs 5.25 trln vs Rs 4.23 trln YoY.
- India's Jul-Sep GDP growth rose to 6.3% from 5.7% QoQ.

Market Outlook: December

Going ahead, Indian equity markets will remain highly volatile this month ahead of three high impact events i.e. RBI monetary policy, Gujarat assembly election results and the US Fed interest rate decision. The Gujarat assembly elections will be held in two phases on December 9 and 14. The RBI's monetary policy will be announced on December 6 while the Gujarat election results will be declared on December 18. The outcome of the assembly elections will set the tone for the market. Further, US FOMC meeting, BOE monetary policy, ECB monetary policy, BOJ monetary policy, macroeconomic data, FIIs and DIIs trend, currency movement and crude oil price movement are the key factors to watch out for. Investors should adopt buy on dips strategy and invest in fundamentally strong companies with long term perspective.

Nifty Technical Outlook: December



On the monthly chart, after strong bull candle we are observing a spinning top candlestick pattern which suggests a consolidation of previous rise. In the coming month if Nifty trades and closes above 10305 levels then it is likely to test 10421 - 10557 - 10671 levels. However, if Nifty trades and closes below 10147 level then it can test 10032 - 9916 - 9781 levels.

Broadly, we are of the opinion that for current month 10032 is crucial support level any monthly close below 10032 would derailed the monthly uptrend. Hence as long as Nifty holds 10032 levels there is fair chance that Nifty may retest all time high of 10490 or even extend its gains to 10600 levels in couple of months.



FUNDAMENTAL STOCK

developments and affordable homes. As a part of diversification strategy, company aims to increase revenues from the leasing business.

Investment Rationale

Strong portfolio of ongoing and planned development projects located in attractive south India property markets with Robust Bangalore market fundamentals and preference for organized players post RERA should aid BEL's well-balanced portfolio and currently in the process of developing 30 million square feet across seven cities over the next five years. As per management statement in Annual report of FY17 BEL will be launching 11.53 mn. sq. ft. during the FY17-18. This will comprise of 5.02 mn. sq. ft. of real estate space, 5.76 mn. sq. ft. of Commercial Space and 0.13 mn. sq. ft. of Hospitality space. BEL entered into an MOU with Intercontinental Hotels to initially set up 10 Holiday Inn Express hotels out of total 20 hotel properties planned across by 2020.

Outlook & Valuation

Brigade, September Quarter sales were up 8% YoY to Rs 484 Cr and PAT was up by 38% YoY to Rs 41.62 Cr. Company plans to increase focus on hospitality and leasing business and is expected to improve on its sales with diversified portfolio.

BEL highlighted the fact that sales for Q2FY18 were slow because of RERA-related compliance. Going forward sales are expected to pick up from Q4FY18, as BEL is launching 2.4 mn sq ft under both residential and commercial project, 2mn sq ft of commercial-lease project and building 0.43 mn sq ft of two IBIS Hotels in the second half of FY17-18.

Our Conservative SOTP valuation for BEL comes to Rs 350 per share considering projects that have visibility over next year. We have 'ACCUMULATE' rating on this stock.

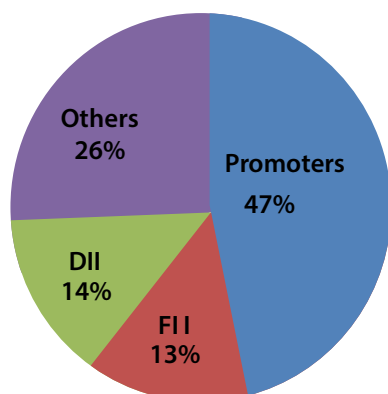
Accumulate Target Price Rs 350

Value Parameters

BSE Code	532929
NSE Symbol	BRIGADE
CMP (As on 04 th Dec, 2017)	Rs 302
Face Value	Rs 10
52 Week High/Low	Rs 322/145
Market Cap (Rs cr)	4068
EPS (TTM)	13.71
PE Ratio (x)	22.97

Shareholding Pattern % (Sep' 17)

Promoters DII FII Other



Company Overview

Brigade Enterprises Ltd has a diverse and mature portfolio of real estate, lease rental and hospitality businesses and successfully expanded footprints beyond Bengaluru and Mysuru to other high-growth potential cities like Chennai, Hyderabad, Kochi and GIFT City, Gujarat. It has an in-house, fully integrated property development team comprising engineers and architects who oversee the development of properties from inception to completion. Its land bank strategy includes outright purchase of land parcels as well as entering into joint development its product mix consist of premium residential apartments, mixed use



FUNDAMENTAL STOCK

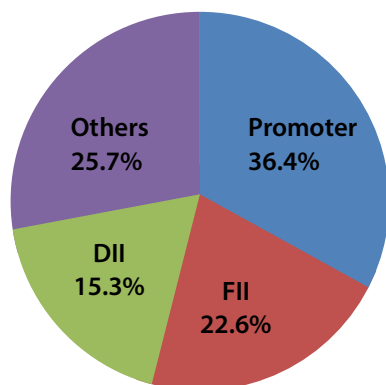
Buy Target Price Rs 472

Value Parameters

BSE Code	500570
NSE Symbol	TATA MOTORS
CMP (As on 01 st Dec, 2017)	Rs 399
Face Value	Rs 2
52 Week High/Low	Rs 358/552
Market Cap (Rs cr)	1,38,329
EPS (TTM)	34.82
PE Ratio (x)	13.63

Shareholding Pattern % (Sep' 17)

■ Promoters ■ DIIs ■ FIIs ■ Other



Company Overview

Tata Motors Ltd is one of India's largest automobile company. They are the leader in commercial vehicles in each segment, and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. The company is the world's fourth largest truck manufacturer, and the world's second largest bus manufacturer.

Investment Rationale

- JLR's strategy is to achieve sustainable profitable growth by investing proportionally more in new products, technology and manufacturing capacity.

- The automotive environment is now more challenging with the shift to electrification, greater geopolitical uncertainty (e.g. Brexit) and softer markets in the UK and US with more competitive conditions generally.
- As previously indicated, JLR expects margin pressures seen in FY17, including higher incentive levels and launch and growth costs, to continue in FY18.
- Profitability by quarter will continue to reflect seasonality and launch timing, with prior model Range Rover and Range Rover Sport running out in Q3 and a very strong pipeline of exciting new products expected to ramp up in Q4 and beyond.

Focus of standalone business is to achieve PAT breakeven, as a combination of sales enhancement and rigorous cost reduction. Some of the initiatives are as follows:

- Network expansion.
- Cost reduction initiatives in areas of material cost, variable costs, fixed costs, etc.
- Improvement of supplier base.
- CV demand is expected to remain robust, led by macro factors such as government thrust on infrastructure, restriction on overloading and growth in e-commerce segments.

Concern

Downside risks to our rating and price target include:


- Any macro shock that disrupts luxury car growth in any global market;
- Lower-than-anticipated earnings;
- Slower-than-anticipated take-up for new model launches.

Valuations


Our fair value for Tata Motors based on SOTP is coming at Rs 472 per share. We have **BUY** rating on this stock.

AUT SECTOR


November Sales

Maruti Suzuki
Total Sales: 154,600 units, 14.1% yoy up
 Domestic Sales: 145,300 units, 15% yoy up
 PV Sales: 107,660 units, 11.3% yoy up
 Exports: 9,300 units, 0.8% yoy up




TVS Motor
Total Sales: 251,965 units, 12% yoy up
 2Wheeler Sales: 243,323 units, 11.1% yoy up
 3Wheelers Sales: 8,642 units, 46.9% yoy up
 Exports: 47,207 units, 43.8% yoy up



Mahindra & Mahindra
Total Sales: 38,570 units, 18% yoy up
 Domestic Sales: 36,039 units, 21% yoy up
 PV Sales: 16,030 units, 21% yoy up
 CV Sales: 15,554 units, 22% yoy up
 Exports: 2,531 units, 6% yoy down




Atul Auto
Total Sales: 3,555 units, 3.04% yoy up



Tata Motors
Total Sales: 52,464 units, 58% yoy up
 PV Sales: 17,157 units, 35% yoy up
 CV Sales: 35,307 units, 72% yoy up
 M&HCV Sales: 12,851 units, 88% yoy up
 Exports: 4,927 units, 12% yoy down



Escorts
Total Sales: 5,119 units, 6.5% yoy up
 Domestic Sales: 4,941 units, 5.2% yoy up
 Exports: 178 units, 64.8% yoy up



Bajaj Auto
Total Sales: 326,458 units, 21% yoy up
 Domestic Sales: 179,835 units, 16% yoy up
 CV Sales: 62,488 units, 94% yoy up
 Motorcycle Sales: 263,970 units, 11% yoy up
 Exports: 146,623 units, 27% yoy up



Ashok Leyland
Total Sales: 14,460 units, 51% yoy up
 M&HCV Sales: 10,641 units, 54% yoy up
 LCV Sales: 3,819 units, 44% yoy up



Hero MotoCorp
Total Sales: 605,270 units, 26% yoy up



Volvo-Eicher Commercial Vehicles
Total Sales: 4,916 units, 54.9% yoy up
Eicher Branded Trucks & Buses
Total Sales: 4,727 units, 54.2% yoy up
 Domestic Sales: 4,062 units, 68.7% yoy up
 Exports: 665 units, 1.2% yoy up

COMMODITY OUTLOOK



Dhaniya January

BUY

CMP: Rs 5618 (As on 04th Dec 2017)

Buy on dips: Rs 5400-5380

Targets: Rs 6000-6400

Stop loss: < Rs 5200

Dhaniya, once touted as one of the most speculative agro commodity on trading bourses, slipped into sluggish price movement amid falling volumes and lackluster trading since the start of 2016. However, there were a couple of spells of decisive movement but those were not significant to bring in a sustainable rally. Prices declined to as low as Rs 4200 per quintal in October this year, equating the bottom formed in 2012 during the same month. Meanwhile, the price crash seen in October this year proved to be a blessing in disguise as the news of a low acreage for next Dhaniya crop due in April'2018 coincided with low prices and turned the attention of bargain hunters who barged on it as a hot commodity.

On technical charts, we can see a very significant trend line breakout that has successfully brought the much needed daily close above the resistance line. There is a positive movement emerging in momentum indicators. RSI and



MACD are well in the positive divergence with a crossover while ADX has decisively shifted in the bullish territory. Prices are also now above the strategically important 'three bands-three base' moving average. There is still enough time left for next crop to arrive. Fundamental reports are pointing towards a low production due to decreased acreage. This coupled with a low carryover stock due to GST implementation is likely to fuel price rise. All in all, traders are having a very good opportunity in Dhaniya which can help finish the current year with a bang!

We recommend buying in Dhaniya January contract on dips to Rs 5400-5380 for targets in the range of Rs 6000-6400. Maintain stop loss below Rs 5200.

MUTUAL FUND

MUTUAL FUND ROUNDUP

Indian equity markets ended on negative note in November 2017. The barometer index, S&P BSE Sensex delivered negative return of 0.19% to settle at 33149.35 and Nifty50 lost 1.05% ending the month at 10226.55.

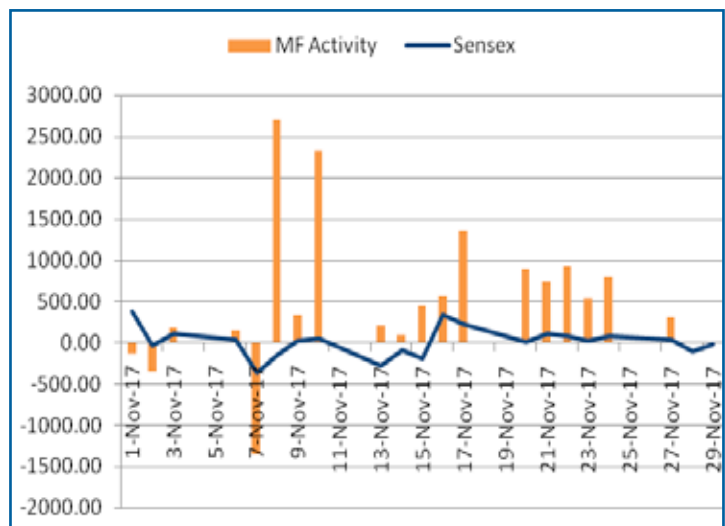
MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 10,668.68 crore in the month of November 2017. Highest buying was recorded in the second week of the month when the fund houses made total net buy of Rs 4,145.51 crore of equities. On the other hand, foreign institutional investors (FIIs) bought Rs 19,727.80 crore worth of equities in November 2017.

Mutual Fund Activity In November 2017

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	8517.02	8837.33	-320.31
2 nd Week	17970.22	13824.71	4145.51
3 rd Week	11305.07	8646.39	2658.68
4 th Week	12829.54	8944.37	3885.17
5 th Week	1932.47	1632.84	299.63
Total	52554.32	41885.64	10668.68

Note: Mutual Fund activity as on 27th Nov 2017



EQUITY SCHEME RECOMMENDATION

Scheme Name	Latest NAV*	AUM as on 31 st Oct 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	215.23	19799	30-Aug-02	25.01	10.49	17.17	22.96	1,000	5,000
Mirae Asset India Opportunities Fund	46.80	5232	04-Apr-08	32.13	14.24	20.68	17.33	1,000	5,000
SBI Blue Chip Fund	37.72	16480	14-Feb-06	23.85	12.40	18.21	11.92	500	5,000
Multi Cap Fund									
Birla Sun Life Advantage Fund	435.88	4904	24-Feb-95	32.77	16.58	22.46	18.64	1,000	5,000
Kotak Select Focus Fund	32.72	15195	26-Jul-07	28.66	13.84	20.60	15.23	500	5,000
Motilal Oswal MOST Focused Multicap 35	26.20	9966	28-Apr-14	33.00	20.33	N.A.	30.74	1,000	5,000
Mid Cap and Small Cap Fund									
DSP BlackRock Small and Mid Cap Fund	55.98	4959	14-Nov-06	30.97	18.03	23.33	16.87	500	1,000
Franklin India Smaller Companies Fund	61.54	6704	13-Jan-06	35.77	20.35	30.24	16.51	500	5,000
HDFC Small Cap Fund	44.00	1518	25-Jun-07	49.12	20.69	23.22	16.60	1,000	5,000
Mirae Asset Emerging Bluechip Fund	50.96	4820	09-Jul-10	38.67	23.51	30.73	24.16	1,000	5,000
Reliance Small Cap Fund	45.04	5143	16-Sep-10	51.20	24.94	32.95	23.01	500	5,000

Note: Returns as on 30th Nov, 2017, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

DEBT SCHEME- LIQUID FUNDS RECOMMENDATION

Scheme Name	Latest NAV*	AUM as on 31 st Oct 2017 (Rs in Cr.)	Returns (%)				
			One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund							
SBI Premier Liquid Fund	2655.22	25223	0.51	1.58	3.22	6.55	7.69
HDFC Liquid Fund	3336.23	26353	0.51	1.56	3.18	6.51	7.29
Ultra Short Term Fund							
UTI Treasury Adv Fund - Inst Plan	2344.99	11194	0.48	1.54	3.43	7.01	8.36
Reliance Money Manager Fund	2344.44	19088	0.44	1.47	3.41	6.65	8.28

Note: NAV and Returns as on 30th Nov, 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	30.83	06-Mar-08	36.42	16.25	21.81	12.25
DSP BlackRock Tax Saver	47.26	18-Jan-07	28.77	15.06	20.52	15.36
Reliance Tax Saver (ELSS) Fund	65.90	10-Apr-99	35.97	12.41	22.43	16.71
Motilal Oswal MOST Focused Long Term Fund	17.33	15-Jan-15	35.48	N.A.	N.A.	21.21

Note: NAV and Returns as on 30th Nov, 2017, Returns < 1 yr annualised, > 1 yr compounded annualised

THE MONTH AHEAD KEY FINANCIAL EVENTS DECEMBER 2017



DEC 01

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

DEC 05

- Indian Nikkei Services PMI
- US Trade Balance



DEC 06

RBI Monetary Policy



DEC 07-12

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



DEC 08

- Japanese Final GDP
- Chinese Trade Balance
- UK Manufacturing Production
- US Non-Farm Employment



DEC 09 & 14

Gujarat Assembly Elections



DEC 12

- Indian Industrial Production (IIP)
- Indian Consumer Price Index (CPI)
- Indian Current Account



DEC 13

- US FOMC Meeting
- European Industrial Production



DEC 14

- Indian WPI Inflation
- Chinese Industrial Production
- BOE Monetary Policy
- ECB Monetary Policy



DEC 15

- Indian Trade Data
- US Industrial Production



DEC 18

- Assembly Elections Result
- Japanese Trade Balance



DEC 19

US Current Account



DEC 21

- BOJ Monetary Policy
- US Final GDP



DEC 22

- UK Current Account
- UK Final GDP



DEC 29

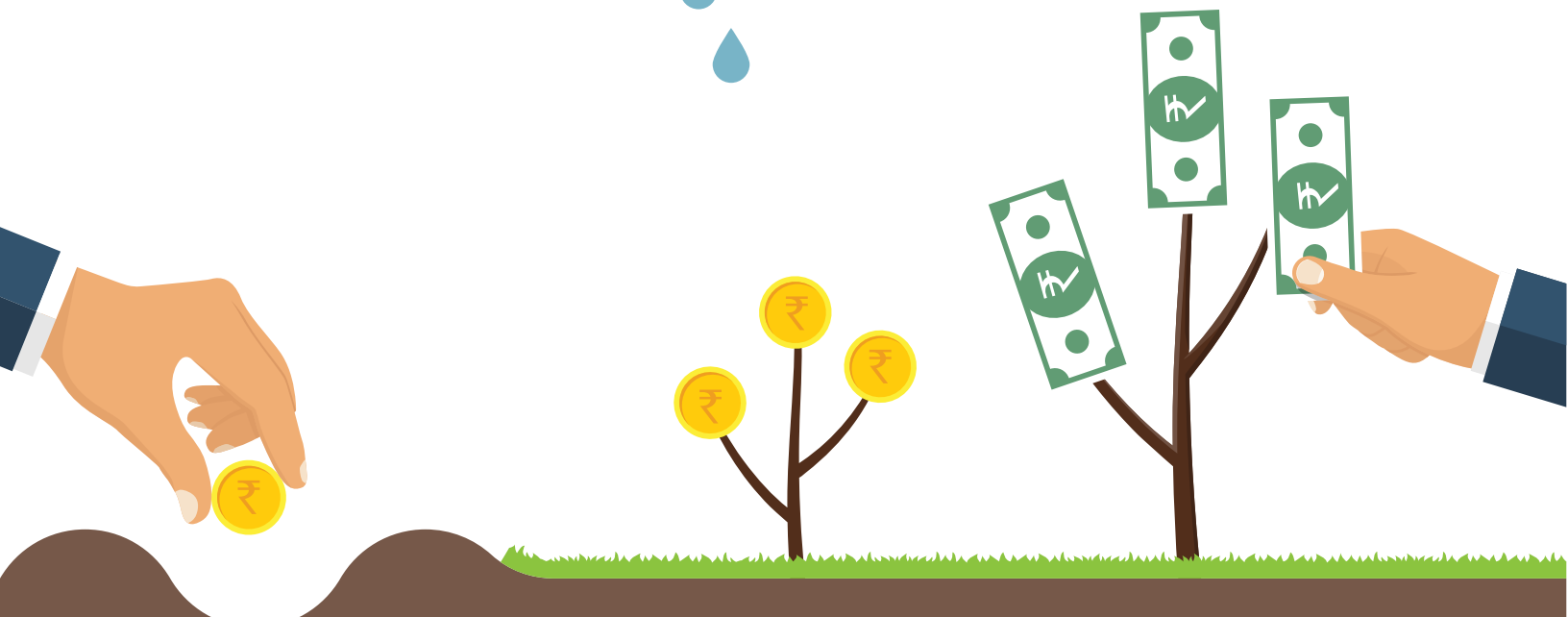
- Indian Core Sector Growth
- Indian Government Finance



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