

Inside  
The Issue

Market  
Outlook

03

Fundamental  
Stock

04

Auto  
Sector

05

Commodity  
Outlook

06

Mutual  
Funds

07-08

Key  
Events

09

# MOVERS & SHAKERS















## INDIAN INDICES

Indices	Aug-18	Jul-18	Change (%)
SENSEX	38645.07	37606.58	2.76 ↑
NIFTY 50	11680.50	11356.50	2.85 ↑
NIFTY BANK	28061.75	27764.15	1.07 ↑
NIFTY MIDCAP 100	19920.45	18876.90	5.53 ↑
NIFTY 500	9992.00	9650.60	3.54 ↑
NIFTY IT	15811.40	14587.80	8.39 ↑
NIFTY REALTY	275.85	272.85	1.10 ↑
NIFTY INFRA	3289.25	3158.10	4.15 ↑

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Aug-18	Jul-18	Change (%)
AUTO 	24716.48	24496.98	0.90 ↑
BANKEX 	31741.91	31005.96	2.37 ↑
CD 	21696.40	20902.46	3.80 ↑
CG 	18996.76	18295.56	3.83 ↑
FMCG 	12771.69	12012.67	6.32 ↑
HC 	15945.17	14205.73	12.24 ↑
IT 	15548.52	14527.23	7.03 ↑
METAL 	13821.31	12659.62	9.18 ↑
OIL&GAS 	15079.04	15023.57	0.37 ↑
PSU 	7907.60	7688.09	2.86 ↑
REALTY 	2141.43	2094.86	2.22 ↑
TECK 	7817.25	7383.64	5.87 ↑

(Source: BSE)

## GLOBAL INDICES

Indices	Aug-18	Jul-18	Change (%)
DOW JONES	25964.82	25415.19	2.16 ↑
NASDAQ	8109.54	7671.79	5.71 ↑
HANG SENG	27888.55	28583.01	-2.43 ↓
FTSE	7432.42	7748.76	-4.08 ↓
NIKKEI	22865.15	22553.72	1.38 ↑

(Source: Telequote software)

## COMMODITIES

Particulars	Aug-18	Jul-18	Change (%)
MCX GOLD 	30129.00	29878.00	0.84 ↑
MCX SILVER 	36701.00	38321.00	-4.23 ↓
MCX CRUDE OIL 	4959.00	4734.00	4.75 ↑
MCX NATURAL GAS 	206.90	192.80	7.31 ↑

(Source: Telequote software)

## FOREX

Particular	Aug-18	Jul-18	Change (%)
USD-INR ₹	71.06	68.54	3.68 ↑
EUR-INR €	82.43	80.09	2.92 ↑
GBP-INR £	92.10	89.90	2.45 ↑
JPY-INR ¥	63.97	61.28	4.39 ↑

(Source: Telequote software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Aug 2018	100,340.33	98,564.92	1,775.41
<b>Total for 2018*</b>	<b>907,682.41</b>	<b>910,073.70</b>	<b>-2,391.29</b>

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Aug 2018	53,846.99	49,727.56	4,119.43
<b>Total for 2018*</b>	<b>481,838.08</b>	<b>410,320.41</b>	<b>71,517.67</b>

\*From Jan-30 Aug 2018

(Source: SEBI)



## Monthly Market Roundup

Indian equity markets started the August month on a strong note due to government's reduction in goods and services tax (GST) rate on 88 goods and services and better-than-expected quarterly results from index pivots also fortified sentiment on the domestic bourses. Positive global stocks also triggered buying. Markets traded volatile in most of the sessions during the month after the Reserve Bank of India's monetary policy and escalating US-China trade spat.

Equity benchmarks scaled fresh record highs throughout the month and registered decent gains. Sustained capital inflow and healthy earnings boosted the sentiment. However, the trading sentiment in the mid weeks was fragile amid escalating trade war tensions and firmness in crude oil prices. Global cues, however, were mixed due to lingering trade war worries.

The Sensex and Nifty scaled all-time highs last week, with the benchmark BSE Sensex touching the 38,900 level and Nifty touching the 11,700 level for the first time. Domestic stocks logged strong gains on favorable global cues. However, renewed US-China trade war concern capped gains.

The month finally ended with upward bias as S&P BSE Sensex delivered positive returns of 2.76% to settle at 38645.07 and Nifty50 gained 2.85% ending the month at 11680.50.

On the institutional side, foreign institutional investors (FIIs) buy Rs 1775.41 crore worth of equities during the month while domestic mutual fund houses continued their buying spree with net purchases of Rs 4119.43 crore in August 2018.

## Market Outlook : September

Going ahead, Indian equity markets are expected to remain positive this month. Domestic and global macroeconomic data will dictate trend of the market. Auto stocks will be in focus as the auto companies will start announcing monthly sales numbers for August 2018 starting from 1st week. Trend in global markets, investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs), the movement of rupee against the dollar and crude oil price movement will dictate trend on the bourses this month. On the global front, the Caixin China General Manufacturing PMI, US ISM manufacturing PMI and US ISM non manufacturing PMI are the major factors which will be tracked by investors.

## Nifty Technical Outlook: September



The current price action on the monthly chart has formed two consecutive bull candles which suggest that momentum on the upside is likely to continue.

In coming month if Nifty trades and close above 11783 level then it is likely to test 11937 - 12090 - 12269 levels. However, if Nifty trades and close below 11577 level then it can 11424 - 11270 - 11092 levels.

**Broadly, we are of the opinion that the monthly trend is up. Hence as long as Nifty holds 11265 level there is a possibility that Nifty may test 11937 - 12090 - 12269 in couple of months.**

## Economic Data Wrap Up – Aug

- India's Jul Nikkei manufacturing PMI fell to 52.3 from 53.1 in Jun.
- India's Jul Nikkei services PMI rose to 54.2 from 52.6 in Jun.
- India's Jun IIP growth rose to 7.00% from 3.9% in May.
- India's Jul CPI inflation fell to 4.17% from 4.92% in Jun.
- India's Jul WPI inflation fell to 5.09% from 5.77% in Jun.
- India's Jul trade deficit rose to \$18.02 bln from \$11.45 bln YoY.
- India's Jul fiscal gap rose to Rs 1.112 trln vs Rs 632 bln YoY.

# Fundamental Stock



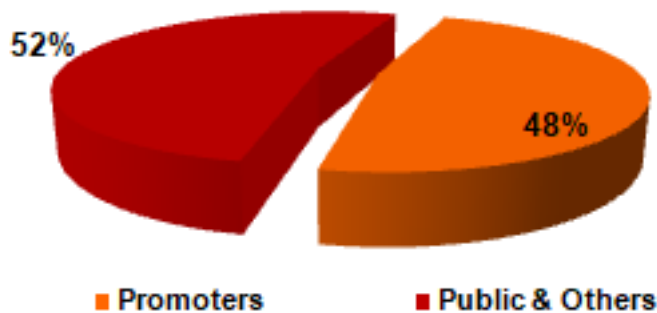
## Shakti Pumps

BUY Target Price: Rs 651

### Value Parameters -

BSE Code	531431
NSE Symbol	SHAKTIPUMP
CMP (As on 28 <sup>th</sup> Aug, 2018)	Rs 426
Face Value	Rs 10
52 Week High/Low	790/392
Market Cap (Rs mn)	7838
EPS (FY20E)	32.6
PE ratio (x)	13.1

### Shareholding Pattern % (June '18)



### Company Overview

Shakti Pumps is India's leading manufacturer of energy efficient pumps, catering to a variety of sectors including agricultural, industrial, domestic and horticultural. The company was established in 1982 as a partnership firm led by Mr. Manoharlal Patidar, a first generation entrepreneur. The firm was set up as a SSI Unit for manufacturing of pumps and electric control panel in the industrial area of Pithampur, in Dhar district of Madhya Pradesh (35 kms. from Indore). The company has presence in over 100 countries and more than 15-20% of revenues come from exports through its three wholly owned subsidiaries in US (Shakti Pumps LLC, USA), UAE (Shakti Pumps FZE, UAE) and Australia (Shakti Pumps Pty Ltd. Australia).

### Investment Rationale

- With government's thrust on promoting renewable energy – solar pumps to be the next growth driver for Shakti

With government's thrust on renewable energy and promotion of solar pumps through schemes like KUSUM, Shakti having more than 50% market share in solar pumps will be a direct beneficiary of the same.
- Expected revival in export revenues to aid Shakti's topline growth

Due to better acceptance of stainless steel pumps in the overseas markets, Shakti has primarily been an export oriented company. However due to setback faced in its main export market of gulf during FY15-16, export share in total revenue declined from a high of 69% in FY14 to 41% in FY16. As Shakti has diversified into new export markets, we believe export revenues will revive and should contribute meaningfully to Shakti's topline growth over FY18-20E.
- Increased demand for efficient pumps to facilitate domestic revenue growth

We expect Shakti's domestic revenue to show strong growth of 22.3% CAGR over FY18-20E, primarily driven by higher demand for energy efficient pumps where Shakti has an edge over its peers as well as due to increased brand awareness and distribution reach of Shakti.
- PAT to witness 32.5% CAGR over FY18-20E

With 22.3% CAGR revenue growth over FY18-20E and stable EBITDA margin around 17-18% level, we expect Shakti's PAT to grow from Rs 341mn in FY18 to Rs 599mn in FY20E, thereby registering a CAGR of 32.5% over FY18-20E.

### Outlook & Valuation

At CMP of Rs 426, Shakti Pumps is trading at FY19E and FY20E, P/E multiples of 16.3x and 13.1x respectively. We value the stock at a FY20E target P/E multiple of 20x, which yields a target price of Rs 651 per share. We are bullish on the future prospects of Shakti Pumps and initiate coverage on the stock with a BUY rating and a target price of Rs 651 (20x FY20E earnings), which gives an upside potential of 52.8%.

# AUTO SECTOR

## August Sales



### Maruti Suzuki

**Total Sales: 158,189 units, -3.4% yoy down**  
 Domestic Sales: 147,700 units, -2.8% yoy down  
 PV Sales: 114,261 units, -1.4% yoy down  
 Exports: 10,489 units, -10.4% yoy down



### TVS Motor

**Total Sales: 343,217 units, 8% yoy up**  
 2Wheeler Sales: 330,076 units, 7% yoy up  
 3Wheelers Sales: 13,141 units, 56% yoy up  
 Exports: 66,028 units, 45% yoy up



### Mahindra & Mahindra

**Total Sales: 48,324 units, 14% yoy up**  
 Domestic Sales: 45,373 units, 15% yoy up  
 PV Sales: 19,758 units, 2% yoy up  
 CV Sales: 20,326 units, 25% yoy up  
 M&HCV Sales: 1,148 units, 113% yoy up  
 Exports: 2,951 units, 14% yoy up



### Atul Auto

**Total Sales: 4,430 units, 10.12% yoy up**



### Tata Motors

**Total Sales: 58,262 units, 27% yoy up**  
 PV Sales: 18,420 units, 28% yoy up  
 CV Sales: 39,859 units, 26% yoy up  
 M&HCV Sales: 12,715 units, 16% yoy up  
 Exports: 5,478 units, 78% yoy up



### Escorts

**Total Sales: 4,812 units, 4.9% yoy up**  
 Domestic Sales: 4,674 units, 6.3% yoy up  
 Exports: 138 units, -27% yoy down



### Bajaj Auto

**Total Sales: 437,092 units, 30% yoy up**  
 Domestic Sales: 255,631 units, 27% yoy up  
 CV Sales: 74,169 units, 45% yoy up  
 Motorcycle Sales: 362,923 units, 28% yoy up  
 Exports: 181,461 units, 35% yoy up



### Ashok Leyland

**Total Sales: 17,386 units, 27% yoy up**  
 M&HCV Sales: 13,158 units, 24% yoy up  
 LCV Sales: 4,228 units, 38% yoy up



### Hero MotoCorp

**Total Sales: 685,047 units, 1% yoy up**



### Volvo-Eicher Commercial Vehicles

**Total Sales: 6,069 units, 32.7% yoy up**  
**Eicher Branded Trucks & Buses**  
**Total Sales 5,948 units, 31.6% yoy up**  
 Domestic Sales: 4,843 units, 26.8% yoy up  
 Exports: 1,105 units, 57.2% yoy up



## Chana: A chance NOT by chance

Chana October contract

### CHANA

### BUY

Strategy: **Buy** at Rs.4000 & **add more** above Rs.4100

Targets: **Rs.4475-Rs.4700**

Stop Loss: **below** Rs.3820

If fast paced volatility is considered as the driving force for agro commodity market then price movements of Chana can be easily labeled as its synonym. Chana, one of the most volatile commodities in Indian market has a history of frequently coming face to face with 'make or break' situation after intermediate price swings. Once again Chana seems to be on a similar platform, thanks to the inconsistency at fundamental level, triggered by government policies. Let's see what technical charts have in store amid highly dynamic fundamentals.

From a bottom of Rs.1427 per quintal in November 2004 to an all-time high of around Rs.9400 per quintal in July 2016 and then again tumbling to a multiyear low of Rs.3245 per quintal in June this year, Chana has seen it all. Thus, the sell-off that began in second half of 2016 managed to snatch more than two third of the price till June this year! However, things have started to improve since last two months and the commodity known as the 'pulse of the pulses' is now showing signs of a mid to long term reversal after the first leg that can be best described as a relief rally or corrective wave 'A' at the moment. The aforementioned relief rally was followed by a zigzag shaped downward movement which was triggered by a series of pulses sector related dilemmatic



decisions taken by government. This profit booking can be captured as corrective wave 'B'. A & B legs are mentioned as corrective waves since the primary trend is still bearish. A major trend line support can also be seen on daily chart which has the potential to take prices into the most impulsive leg of this secondary trend i.e. wave 'C'. All in all, it is not an early bird view BUT a real-time forecast that dare to foresee a blessing in disguise and instill the confidence in the minds of traders! **Buy Chana October at cmp Rs.4000 & add more above Rs.4100 for targets in the range of Rs.4475-Rs.4700. Maintain stop loss below Rs.3820.**

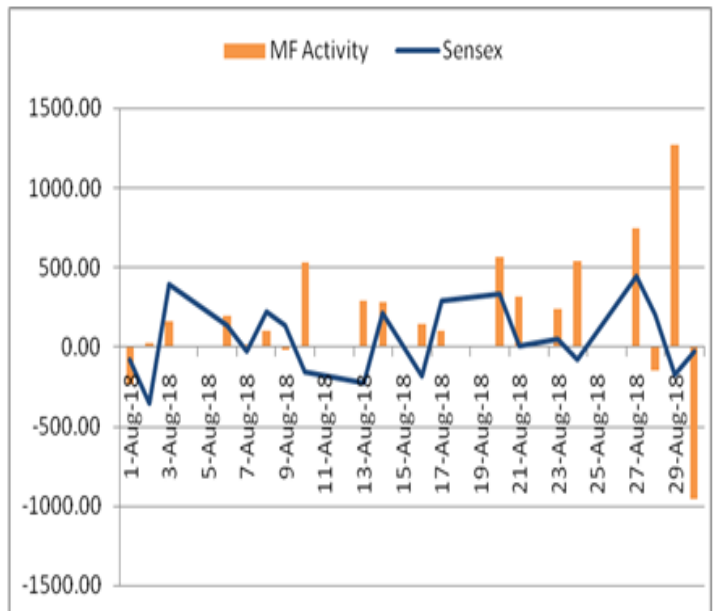


## MUTUAL FUND ROUNDUP

Indian equity markets ended on positive note in August 2018. The barometer index, S&P BSE Sensex delivered positive returns of 2.76% to settle at 38645.07 and Nifty50 gain 2.85% ending the month at 11680.50.

### MF ACTIVITY

Indian mutual funds turned net buyers of equities to the tune of Rs 4119.43 crore in the month of August 2018. Highest buying was recorded in the fourth week of the month when the fund houses made total net buy of Rs 1651.74 crore of equities. On the other hand, foreign institutional investors (FIIs) buy Rs 1775.41 crore worth of equities in August 2018.



### Mutual Fund Activity In August 2018

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	7240.31	7294.56	-54.25
2nd Week	12233.60	11423.01	810.59
3rd Week	10412.10	9601.10	811.00
4th Week	11290.03	9638.29	1651.74
5th Week	12670.95	11770.60	900.35
<b>Total</b>	<b>53846.99</b>	<b>49727.56</b>	<b>4119.43</b>

Note: Mutual Fund activity as on 30<sup>th</sup> Aug 2018

## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on Aug 31 <sup>st</sup> , 2018 (Rs in Cr)	Launch Date	Returns (%)				Min. Investment Amount	
				One Year	Three Years	Five Years	Since Inception	SIP	Lump sum
<b>Large Cap Fund</b>									
Aditya Birla SL Frontline Equity Fund	231.20	21380	30-Aug-02	9.67	13.42	20.27	22.31	1000	1000
ICICI Pru Bluechip Fund (G)	43.38	18747	23-May-08	15.01	15.10	19.82	15.34	500	1000
SBI Blue Chip Fund	40.12	20284	14-Feb-06	9.75	13	21.68	11.71	500	5000
Axis Bluechip Fund(G)	28.79	2568	05-Jan-10	21.17	15.39	19.44	12.73	1000	5000
<b>Multi Cap Fund</b>									
Axis Focused 25 Fund(G)	29.75	5499	29-Jun-12	21.93	19.58	22.73	19.14	1000	5000
Mirae Asset India Equity Fund	50.98	8531	04-Apr-08	14.47	16.76	24.71	16.95	1000	5000
Motilal Oswal Multicap 35	27.11	13861	28-Apr-14	3.76	16.05	N.A.	25.81	1000	5000
SBI Magnum Multicap Fund (G)	49.63	5850	29-Sept-05	10.84	15.56	24.88	13.23	500	1000
<b>Mid Cap and Small Cap Fund</b>									
Aditya Birla SL Small Cap Fund (G)	39.41	2247	31-May-07	4.79	17.09	29.55	12.95	1000	1000
DSP BlackRock Mid Cap Fund	56.63	5676	14-Nov-06	9.31	15.66	30.45	15.82	500	1000
HDFC Mid-Cap Opportunities Fund	59.09	21149	25-Jun-07	11.28	16.27	30.21	17.24	500	5000
Franklin India Smaller Companies Fund	58.10	7295	13-Jan-06	5.02	15.01	31.46	14.94	500	5000
Reliance Small Cap Fund	44.97	7019	16-Sep-10	15.70	22.12	39.07	20.62	500	5000
L&T MidCap Fund (G)	144.90	3066	9-Aug-04	7.64	17.80	32.01	20.95	500	5000

Note: Returns as on 31<sup>st</sup> Aug, 2018, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

## Debt Scheme- Liquid Funds Recommendation

Scheme Name	Latest NAV*	AUM as on Aug 31 <sup>st</sup> , 2018 (Rs in Cr)	Returns (%)				
			One Month	Three Months	Six Months	One Year	Since Inception
<b>Liquid Fund</b>							
Aditya Birla Sun Life Liquid Fund	286.57	53017	0.58	1.84	3.71	7.06	7.43
Axis Liquid Fund	1978.73	24297	0.58	1.85	3.73	7.10	7.96
<b>Ultra Short Term Fund</b>							
Aditya Birla SL Savings Fund(G)	351.19	18728	0.58	2.01	3.68	6.50	7.74
UTI Treasury Adv Fund - Inst Plan	2462.70	10843	0.59	2.07	3.64	6.60	8.25

Note: NAV and Returns as on 31<sup>st</sup> Aug, 2018, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

## ELSS Scheme Recommendation

Scheme Name	Latest NAV*	Launch Date	Returns (%)			
			OneYear	Three Years	Five Years	Since Inception
DSP BlackRock Tax Saver	48.51	18-Jan-07	8.65	15.12	23.52	14.56
Reliance Tax Saver (ELSS) Fund	59.14	10-Apr-99	-2.12	10.43	24.78	14.71
Axis LT Equity Fund(G)	46.41	29-Dec-09	21.11	14.68	26.96	19.27
Aditya Birla SL Tax Relief '96(G)	33.59	29-Mar-96	19.71	16.40	25.89	12.24

Note: NAV and Returns as on 31<sup>st</sup> Aug, 2018, Returns <1 yr annualised, >1 yr compounded annualised



# THE MONTH AHEAD KEY FINANCIAL EVENTS SEP 2018



## SEP 01

- Indian Automobile Sales Data, by Automakers



## SEP 03

- Indian Nikkei Manufacturing PMI
- UK Manufacturing PMI



## SEP 05

- Indian Nikkei Services PMI
- US Trade Balance



## SEP 06

- US Non-Farm Employment Change



## SEP 07-11

- Indian Automobile Sales Data, by SIAM



## SEP 10

- Japan Final GDP
- UK GDP
- UK Industrial Production
- Japan Current Account



## SEP 10-12

- Indian FDI Equity Inflow



## SEP 11

- Europe Good Trade Balance



## SEP 12

- Indian Consumer Price Index (CPI)
- Indian Industrial Production (IIP)
- Europe Industrial Production



## SEP 14

- Indian WPI Inflation
- Indian Trade Data
- China Industrial Production
- Europe Trade Balance
- US Industrial Production



## SEP 19

- Japan Trade Balance
- Japan Monetary Policy Statement
- US Current Account



## SEP 20

- OPEC-JMMC Meetings



## SEP 25

- Japan Monetary Policy Meeting Minutes



## SEP 26

- US FOMC Statement



## SEP 30

- Indian Core Sector Growth
- Indian Government Finance
- China Manufacturing PMI



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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 at the rate of 14% p.a. for illustration purpose only. Mutual fund investments are subject to market risks. The actual result may vary from depicted result depending on scheme selected. It could not be construed to be indicative of scheme performance in any manner.

### 20 YEARS PERIOD



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