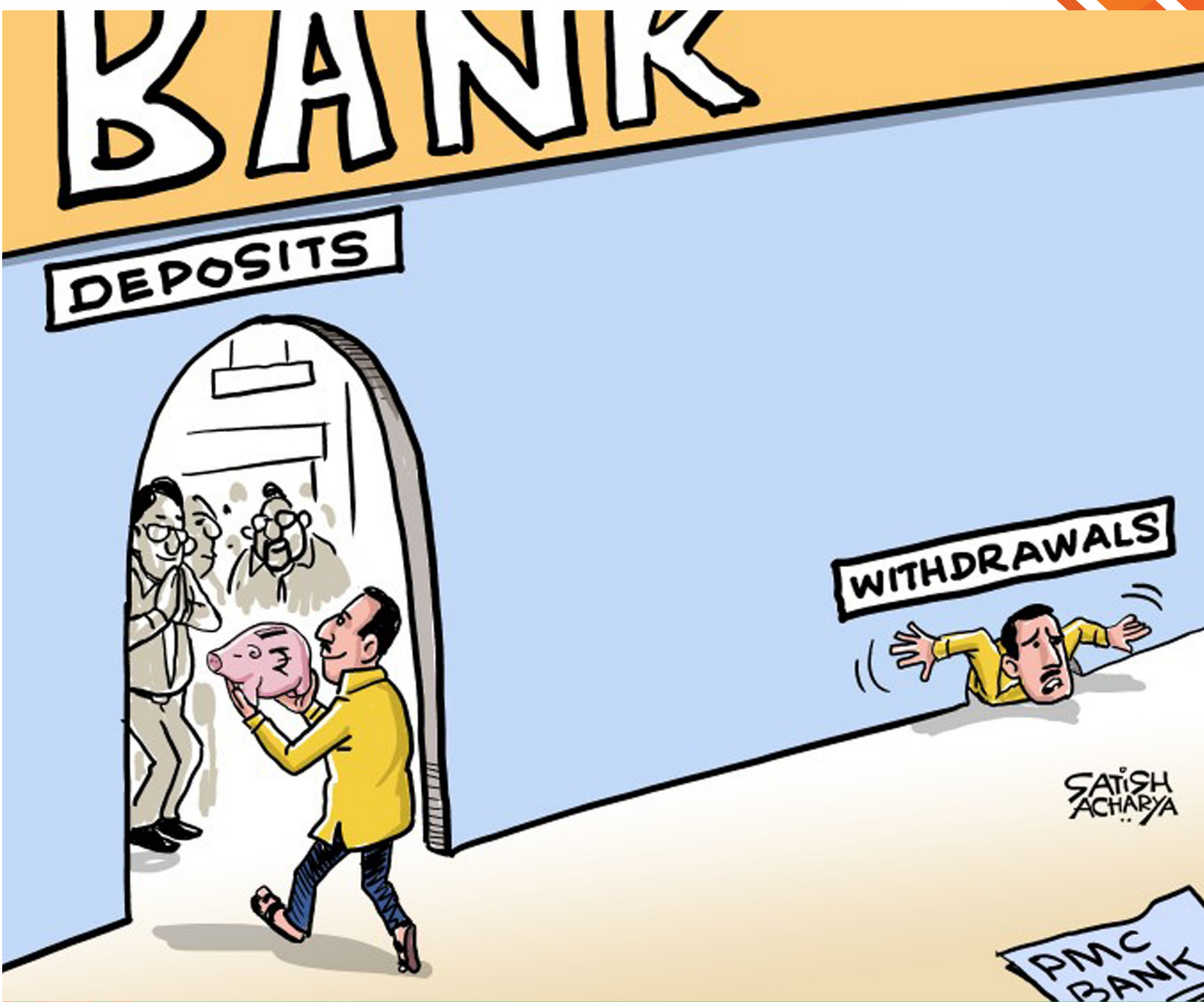


Arihant's

VALUE

Plus

Issue | NOVEMBER 2019



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MOVERS & SHAKERS



INDIAN INDICES

Indices	Oct-19	Sep-19	Monthly Change (%)
SENSEX	40129.05	38667.33	3.78↑
NIFTY 50	11877.45	11477.25	3.49↑
NIFTY BANK	30066.25	29103.15	3.31↑
NIFTY MIDCAP 100	16818.90	16026.00	4.95↑
NIFTY 500	9689.65	9340.90	3.73↑
NIFTY IT	15559.40	15540.15	0.12↑
NIFTY REALTY	269.00	258.75	3.96↑
NIFTY INFRA	3322.55	3208.40	3.56↑

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices		Oct-19	Sep-19	Monthly Change (%)
AUTO		18945.63	16761.78	13.03↑
BANKEX		33924.81	32889.09	3.15↑
CD		26893.46	25872.79	3.94↑
CG		18823.14	18695.27	0.68↑
FMCG		12245.94	11766.98	4.07↑
HC		13229.05	12493.53	5.89↑
IT		15392.04	15669.92	-1.77↓
METAL		9305.46	9085.65	2.42↑
OIL & GAS		15734.75	14642.13	7.46↑
PSU		7190.87	6659.26	7.98↑
REALTY		2062.95	1978.01	4.29↑
TECK		7461.08	7654.03	-2.52↓

GLOBAL INDICES

Indices	Oct-19	Sep-19	Monthly Change (%)
DOW JONES	27046.23	26916.83	0.48↑
NASDAQ	8292.36	7999.34	3.66↑
HANG SENG	26906.72	26092.27	3.12↑
FTSE	7248.38	7408.21	-2.16↓
NIKKEI	22927.04	21755.80	5.38↑

COMMODITIES

Particulars		Oct-19	Sep-19	Monthly Change (%)
MCX GOLD		38578.00	36913.00	4.51↑
MCX SILVER		46764.00	44119.00	6.00↑
MCX CRUDE OIL		3853.00	3880.00	-0.70↓
MCX NATURAL GAS		187.00	165.80	12.79↑

(Source: Falcon software)

FOREX

Particular		Oct-19	Sep-19	Monthly Change (%)
USD-INR	₹	70.99	70.87	0.17↑
EUR-INR	€	79.29	77.31	2.56↑
GBP-INR	£	91.99	87.14	5.57↑
JPY-INR	¥	65.79	65.65	0.21↑

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Oct 2019	123,844.35	111,368.61	12,475.74
Total for 2019*	1,174,961.26	1,107,626.20	67,335.06

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Oct 2019	60,314.22	56,643.30	3,670.92
Total for 2019*	621,377.06	551,353.99	70,023.07

*Till Oct 2019

(Source: SEBI)

Monthly Market Roundup

In the month of October, the Indian benchmark indices saw a handsome rally with S&P BSE Sensex up by 3.8% and the CNX Nifty growing by 3.5%. The month was a stable month and the markets saw rally on the back of positive global cues and continued buying from foreign investors. During the month some of the key data points came out which showed that Indian economy is still in doldrums despite the rally seen in equity markets. During the month inflation data for September got released. India's September CPI inflation rose to 3.99% compared to 3.28% in August. While WPI inflation data for September fell to 39-month low of 0.33% compared to 1.08% in August. The low inflation data though comforting for RBI to maintain its policy easing stance, it shows that there is a slowdown in the economy in the demand side, which can also be corroborated from the weak IIP data which got released during the month. India's IIP growth contracted to -1.1% in August compared to an increase of 4.3% in July.

On the sectoral front, all the sectoral indices were in green except BSE IT, which was the only losing sector at -1.77% for the month. Other major sectoral indices saw rally in October, after witnessing heavy selling pressure in previous couple of months. Nifty Auto was top performer with 12.76% gain, followed by Nifty PSU Bank (+9.25%). Nifty 50 Midcap and Nifty 100 Smallcap ended the month with gain of 5.59% and 2.71% respectively.

On the economic front, Goods and Services Tax collection was reported to be Rs 95,380cr for the month, a gain of 4% on YoY basis, however it fell short of the coveted 1 lakh cr mark. As far as auto sales numbers are concerned, October 2019 turned out to be a better month during this fiscal year in terms of domestic dispatches in passenger vehicles (PV) and two wheeler (2W) segment. This was on account of festival season couple with discount schemes from the automakers specially in PV and 2W segment. The sales reports of October 2019 saw a significant drop in volumes with major players including Tata Motors, TVS Motors and Ashok Leyland reporting a drop of 32%, 19% and 35% respectively. However, Maruti Suzuki's sales volumes were up 5% during the month. Among all segments, PV saw a marginal growth of 1.2% at 28,447 units while the 2W posted a single digit decline of 9.1% at 1,807,720 units last month. This was mainly because of occurrence of festivals like Navratiri, Dussehra, Dhanteras and Diwali in the same month. The commercial vehicle (CV) segment registered the steepest decline of 25.7% at 61,948 units. Meanwhile, top two-wheeler makers Hero and Bajaj have registered a plunge of -0.06% and -13% respectively in sales. Overall there was slight recovery in

in auto segment due to festive season during the October month.

On the global front, there was some easing of tension on the US-China trade war front, with both parties agreeing for a patch up and signing of a truce deal. With relative calm returning in global markets indices across the globe mostly closed the month on a positive note. Hong Kong's Hang Seng, Germany's DAX, China's Shanghai Composite and Japan's Nikkei ended the month with gains of +3.1%, +3.5%, +0.8% and +5.4% respectively, while US' Nasdaq and US' Dow Jones closed the month in green with gains of +3.7% and +0.5% respectively. The only losing index for the month was UK's FTSE, which ended the month with a loss of 2.2%, mainly due to volatility surrounding the Brexit event.

Nifty Technical Outlook: Nov - 2019



On the monthly chart, we are observing two consecutive bull candle closed above the median line of the channel. This suggests that the undertone in the market is positive.

In coming month if Nifty trades and close above 12040 level then it is likely to test 12289 – 12539 – 12830 levels. However, if Nifty trades and close below 11714 level then it can 11465 – 11216 – 10925 levels.

Broadly we are of the opinion that the monthly trend has turn up and any decline in the range of 11714 – 11465 should be used as to go long, with a stop loss of 11200 for a target of 12289 – 12539 – 12830 levels.

Economic Data Wrap Up : October

- India's October Nikkei manufacturing PMI slipped to 24-month low at 50.6 from 51.4 in September.
- India's October Nikkei services PMI rose to 49.2 from 48.7 in September.
- India's IIP growth contracted to -1.1% in August compared to an increase of 4.3% in July.
- India's September CPI inflation rose to 3.99% compared with 3.28% in August.
- India's September WPI inflation fell to 39-month low of 0.33% compared to 1.08% in August.

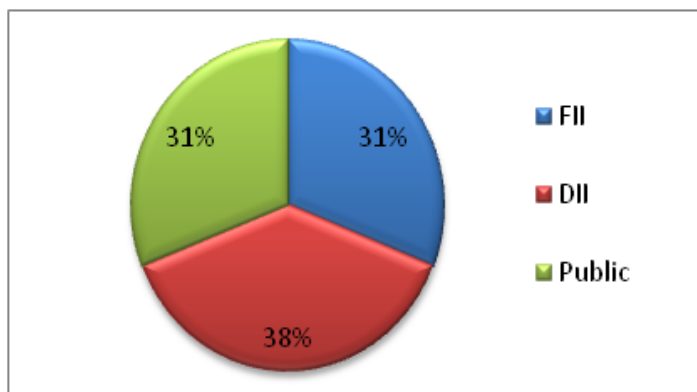
Fundamental Stock



Accumulate Target Price: Rs. 1364

Value Parameters	
BSE Code	534091
NSE Symbol	MCX
CMP (As on 1 st Nov, 2019)	Rs 1,187
Face Value	Rs 10
52 Week High / Low	1,213/644
Market Cap (Rs Cr)	6,060
EPS (FY22E)	Rs 51
PE ratio (x) (FY22E)	23.5

Shareholding Pattern % (Sep '19)



Company Overview

Multi Commodity Exchange of India (MCX) is India's first listed electronic commodity exchange company. It is a state-of-the-art commodity derivatives exchange that offers online trading, clearing & settlement operations of commodities futures transactions as well as a platform for risk management services. The Exchange has widespread national reach, with 703 registered members and 56,074 Authorized Persons with its presence in around 1052 cities and towns across India and 20,54,425 terminals (including IBT, WT, CTCL) as on 30th September 2019.

Investment Rationale

Dominant player with highest market share in commodity derivatives: MCX has maintained its market share in the commodity segment despite increasing competition from other exchanges. The commodity derivatives market in India is still underpenetrated. MCX is the leading player, with >90% market share as on FY19.

MCX to launch trading in three indices: MCX is planning to launch index trading in three of its flagship indices iComdex Composite Index, iComdex Bullion index and iComdex base Metal index, which will lead to substantial increase in volumes at the exchange.

Transaction fees remains a major contributor (+90%) of total revenue: The Company derives its revenues from transaction fees, admission fees, annual subscription fees, terminal charges, connectivity income, interest income, dividend from and gains on sale of investments and other miscellaneous income.

Flawless balance sheet with solid track record: MCX delivered consistently better performance good margins over the past couple of years. It has generated 8% CAGR revenue growth in last 5 years despite volatility in the global market.

Valuations: We believe, MCX's revenue/earnings would grow at ~20% CAGR respectively over FY19-22E led by upturn in average daily traded value (ADTV) in recent weeks, gradual and steady rise in participation (retail & institutional), and new launch of index. Considering the global macroeconomic uncertainty, the management stated liner growth of ~10-15% CAGR excluding volatility in the commodity market. We are positive on the stock and have an 'Accumulate' rating with a target price of Rs 1364, giving a potential upside of ~15%.

AUT SECTOR

OCTOBER Sales



Maruti Suzuki

Total Sales: 153,435 units, +5% YoY up
 Domestic Sales: 144,277 units, +4% YoY up
 PV Sales: 106,002 units, +4% YoY up
 Exports: 9,158 units, +6% YoY up



TVS Motor

Total Sales: 323,368 units, -19% YoY down
 2Wheeler Sales: 308,161 units, -20% YoY down
 3Wheelers Sales: 15,207 units, 8% YoY up
 Exports: 69,339 units, 20% YoY up



Mahindra & Mahindra

Total Sales: 51,896 units, -11% YoY down
 Domestic Sales: 49,196 units, -11% YoY down
 PV Sales: 18,460 units, -23% YoY down
 CV Sales: 23,582 units, -3% YoY down
 M&HCV Sales: 402 units, -41% YoY down
 Exports: 2,703 units, -12% YoY down



Atul Auto

Total Sales: 5,171 units, -5.5% YoY down



Tata Motors

Total Sales: 39,152 units, -32% YoY down
 PV Sales: 13,169 units, -28% YoY down
 CV Sales: 28,002 units, -36% YoY down
 M&HCV Sales: 4,893 units, -63% YoY down



Escorts

Total Sales: 13,353 units, 1.6% YoY up
 Domestic Sales: 13,034 units, 1.3% YoY up
 Exports: 319 units, 16.8% YoY up



Bajaj Auto

Total Sales: 463,208 units, -9% YoY down
 Domestic Sales: 278,776 units, -13% YoY down
 CV Sales: 64,295 units, -13% YoY down
 Motorcycle Sales: 398,913 units, -8% YoY down
 Exports: 184,432 units vs 186,757 units YoY



Ashok Leyland

Total Sales: 9,856 units, -35% YoY down
 M&HCV Sales: 5,126 units, -48% YoY down
 LCV Sales: 4,731 units, -12% YoY down



Hero MotoCorp

Total Sales: 599,248 units, -18% YoY down



Volvo-Eicher Commercial Vehicles

Total Sales: 3,755 units, -37.2% YoY down

Eicher Motorcycle

Total Sales: 76,390 units, +8% YoY up
 Domestic Sales: 71,964 units, +2% YoY up
 Exports: 4,426 units, 978% YoY up

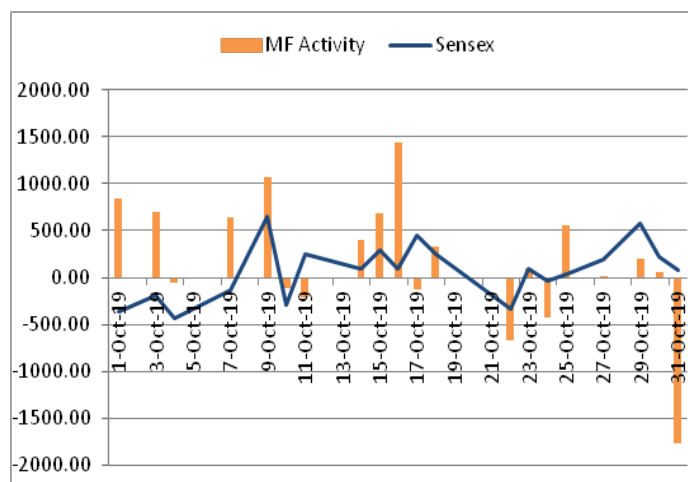


MUTUAL FUND

Indian equity markets ended on positive note in October 2019. The barometer index, S&P BSE Sensex delivered positive returns of 3.78 % to settle at 40129.05 and Nifty50 gained 3.49% ending the month at 11877.45.

MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 3670.92 crore in the month of October 2019. Highest buying was recorded in the third week of the month when the fund houses made total net buy of Rs 2737.97 crore of equities. On the other hand, foreign institutional investors (FIIs) were net buyers to tune Rs 12475.74 crore worth of equities in October 2019.



Mutual Fund Activity In October 2019

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	8436.57	6953.50	1483.07
2 nd Week	12283.68	10896.99	1386.69
3 rd Week	16220.74	13482.77	2737.97
4 th Week	13650.54	14084.34	-433.80
5 th Week	9722.69	11225.70	-1503.01
Total	60314.22	56643.30	3670.92

Note: Mutual Fund activity as on 31st Oct 2019

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 th Sep, 2019 (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)	31.49	8050	05-Jan-10	25.11	15.69	11.07	12.17	1000	5000
ICICI Pru Bluechip Fund (G)	43.42	23,019	23-May-08	10.54	10.36	8.90	13.68	100	100
Mirae Asset Large cap Fund(G)	53.19	14,917	04-Apr-08	15.14	12.41	12.03	15.54	1000	5000
Multi Cap Fund									
Axis Focused 25 Fund(G)	30.46	8,384	29-Jun-12	21.02	14.59	13.76	16.26	1000	5000
Kotak Standard Multicap Fund(G)	36.65	26,991	11-Sept-09	16.03	10.92	11.90	13.46	500	5000
SBI Magnum Multicap Fund (G)	50.70	8,073	29-Sept-05	17.08	9.60	11.95	12.24	500	1000
Mid Cap Fund									
DSP MidCap Fund(G)	56.20	6,348	25-Jun-07	12.51	6.87	12.08	14.23	500	5000
L&T Mid Cap Fund (G)	132.02	5,380	9-Aug-04	3.76	7.05	11.71	18.47	500	5000

Note: Returns as on 31st October, 2019, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 30 th Sep, 2019 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	5.69	2144.2	24,004	0.46	1.46	3.23	7.05	7.86
ICICI Pru Liquid Fund(G)	5.73	285.96	57,907	0.47	1.45	3.23	7.03	7.82
Ultra Short Term Fund								
Kotak Saving Fund(G)	6.77	31.35	10,559	0.69	1.92	4.13	8.52	7.79
L&T Ultra Short term Fund(G)	6.06	31.91	2,462	0.64	1.85	4.04	8.32	7.49

Note: NAV and Returns as on 31st October, 2019, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 30 th Sep, 2019 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	18.54	2,465	28-Dec-15	16.23	14.12	-	17.41
Axis LT Equity Fund(G)	49.28	20,425	29-Dec-09	22.95	13.46	12.71	17.53
Kotak Tax Saver(G)	45.37	947	31-May-96	15.60	8.88	10.29	11.45

Note: NAV and Returns as on 31st October, 2019, Returns <1 yr annualised, >1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS NOVEMBER 2019



NOV 01- 02

- Indian Nikkei Manufacturing PMI
- Indian Automobile Sales Data, by Automakers
- USD Unemployment Rate



NOV 05

- Indian Nikkei services PMI
- GBP Services PMI
- USD ISM Non-Manufacturing PMI



NOV 07

- GBP Monetary Policy Summary
- GBP BOE Gov Carney Speaks



NOV 08

- Indian Automobile Sales Data, by SIAM
- CAD Unemployment Rate



NOV 11

- GBP GDP
- GBP Manufacturing Production
- Indian IIP



NOV 13

- Indian CPI
- GBP CPI
- USD CPI



NOV 14

- Indian WPI
- GBP Retail Sales
- USD Core PPI



NOV 15

- USD Retail Sales



NOV 21

- USD FOMC Meeting Minutes
- EUR ECB Monetary Policy Meeting Accounts



NOV 22

- EUR German Flash Services PMI
- EUR French Flash Services PMI



NOV 24

- EUR CPI Flash Estimate
- CAD GDP





**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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