

Arihant's

# VALUE

Plus

Issue | April 2021

## JUST LIKE THAT AJIT NINAN



Inside  
The Issue

Market  
Outlook  
03-04

Fund  
Stock  
05

Auto  
Sector  
06

Mutual  
Funds  
07-08

Key  
Events  
09

# MOVERS & SHAKERS



## INDIAN INDICES

Indices	Mar-21	Feb-21	Monthly Change (%)
SENSEX	49509.15	49099.99	0.83 ↑
NIFTY 50	14690.70	14529.15	1.11 ↑
NIFTY BANK	33305.80	34803.60	-4.30 ↓
NIFTY MIDCAP 100	23693.15	23268.50	1.82 ↑
NIFTY 500	12313.70	12181.40	1.09 ↑
NIFTY IT	25855.00	24301.45	6.39 ↑
NIFTY REALTY	334.15	349.80	-4.47 ↓
NIFTY INFRA	4087.80	4110.35	-0.55 ↓

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Mar-21	Feb-21	Monthly Change (%)
AUTO	22252.21	22937.66	-2.99 ↓
BANKEX	37547.91	38981.16	-3.68 ↓
CD	32825.92	31758.21	3.36 ↑
CG	21095.75	21518.96	-1.97 ↓
FMCG	12875.40	11966.59	7.59 ↑
HC	21328.21	20855.65	2.27 ↑
IT	26543.24	24423.97	8.68 ↑
METAL	14350.61	13719.16	4.60 ↑
OIL & GAS	14820.46	15543.42	-4.65 ↓
PSU	6703.61	7013.49	-4.42 ↓
REALTY	2670.31	2786.95	-4.19 ↓
TECK	11919.91	11232.82	6.12 ↑

## GLOBAL INDICES

Indices	Mar-21	Feb-21	Monthly Change (%)
DOW JONES	32981.55	30932.37	6.62 ↑
NASDAQ	13246.87	13192.34	0.41 ↑
HANG SENG	28378.35	28980.21	-2.08 ↓
FTSE	6713.63	6483.43	3.55 ↑
NIKKEI	29178.80	28966.01	0.73 ↑

## COMMODITIES

Particulars	Mar-21	Feb-21	Monthly Change (%)
MCX GOLD	44190.00	46384.00	-4.73 ↓
MCX SILVER	62862.00	68621.00	-8.39 ↓
MCX CRUDE OIL	4384.00	4604.00	-4.78 ↓
MCX NATURAL GAS	191.10	205.90	-7.19 ↓

(Source: Falcon software)

## FOREX

Particular	Mar-21	Feb-21	Monthly Change (%)
USD-INR ₹	73.41	74.19	-1.05 ↓
EUR-INR €	86.23	89.81	-3.99 ↓
GBP-INR £	101.08	103.11	-1.97 ↓
JPY-INR ¥	66.43	69.71	-4.71 ↓

(Source: Falcon software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2021	2,10,097.74	2,06,521.14	3,576.60
Total for 2021*	5,65,067.23	5,19,908.71	45,158.52

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2021	76,583.04	74,106.59	2,476.45
Total for 2021*	2,21,941.70	2,48,751.64	-26,809.94

\*Till Mar 2021

(Source: SEBI)

## Monthly Market Roundup

In March 2021, Domestic market was volatile with benchmark Nifty and Sensex Index ending the month with 1.11 % & 0.83% rise respectively as compared to appreciation of 1.7% and 1% respectively in February 2021. We have witnessed sudden spike in Covid-19 cases in India and rising 10-year yields in the United States were the alleged reasons for this bout of volatility. On the other hand, India crossed the 6.11 cr mark in covid-19 vaccinations (as of March 30), for people over 60, as experts warned the second wave of infections was likely linked to a lack of testing and contact tracing. So far, India has fully inoculated 0.65% of population (with both doses) and 3.78% with only first dose.

The broad market has shown negative performance including Nifty Midcap50 down by 2.1% & Nifty Small Cap 250 down by 0.9%. Going forward, global news flows and sector specific development will be key monitorable. Needless to say, the US bond yields will remain in focus as any further uptick may trigger a decline in the equity markets again.

### Modi Govt's Vehicle Scrappage Policy

According to the statistics, there are around 51 lakh light motor vehicles or LMVs (Light Motor Vehicle) older than 20 years in India. Around 34 Lakh vehicles are LMVs older than 15 years, while the number of medium and heavy commercial vehicles less than 15-year-old stands at 17 Lakh. Those opting for the scheme will get scrap value of the old vehicle at the scrappage centre, which is about 4-6 % of the ex-showroom price of new vehicles and will get a road tax rebate of up to 25% on personal vehicles and up to 15% on commercial vehicles. They can also avail of a 5% manufacturer discount against the scrapping certificate and a waiver in the registration fee. There was a crying need to bring in such a scheme on the national level. The scheme aims to cut 25-30 % vehicular air pollution and ensure better fuel efficiency. As the old vehicles will vanish from the road, the service and manufacturing industry will get a boost with an increase in demand for new vehicles.

The government has set some deadlines to ensure the effects of the scheme on the ground could be seen as early as possible. **Rules for fitness centres and scrapping centres will come into effect from October 1.** While scrapping of government vehicles over 15 years can be done by April 1, 2022, heavy CVs and other category vehicles must be mandatorily tested fitness by April 1, 2023, and June 1, 2024, respectively.

### Sectoral Performance

On the sectoral front, Nifty PSU Banks and Nifty Media have underperformed all other major indices with a heavy loss of -9.5% and -8.8% respectively. Some other sectors also have shown negative momentum like Nifty Auto, Nifty NBFCs, Nifty Private Bank, and Nifty Smallcap 100 by -5.3%, -4.0%, -5.5% and -1.3% respectively. Comparatively FMCG, Nifty IT, Nifty Metals and Nifty Pharma have shown a positive movement of 6.5%, 5.3%, 2.1% and 1.5% respectively.

### On The Global Front

Global equities were volatile in March 2021; Dow Jones & NASDAQ Index rose by a 6.62% and 0.41% respectively. In context to that S&P 500 has shown a growth of 4.24%. However, Nikkei showed a flat move of 0.73% and FTSE 100 increased by 3.55%. Global stock markets witnessed extreme volatile movements as concerns about extended economic lockdowns in Europe, potential US tax hikes and escalation of EU-China Tensions weighed on investor sentiment. In commodities, gold was down 0.87% in the month of March, while Brent crude was down-3.92%. USD/INR decreased 1.06% in the month of March.

## Economic Data Wrap Up: March

- India's February Nikkei Services PMI grew by 55.3 as compared to 52.8 in January.
- India's February CPI inflation came in at 5.03% as compared to 4.06% in January.
- India's February IIP decreased 1.6% YoY as compared to 1.6% in February. Previous revised from 1.0%
- India's February WPI inflation grew at 4.17% as compared to 2.03% in January.
- India's February Federal Fiscal Deficit hit by 14,055.47B as compared to 12,340.04B in January.
- India's February Trade Balance (USD) (Q4) decreased by 34.542B as compared to -14.813B and revised by -14.784B in January.

## Nifty Technical Outlook: Apr - 2021

CMP = 14867.35



On the monthly chart, we are observing a Doji candle which suggests indecisiveness prevailing at current level. In coming month if Nifty trades and close above 14894 level then it is likely to test 15202 – 15520 – 15885 levels. However, if Nifty trades and close below 14486 level then it can test 14174 – 13861 – 13497 levels.

At present the monthly trend is up. Hence, near 14174 – 13861 levels is strong support if Nifty holds the mentioned level then it may test 15202 – 15520 – 15885 levels. Hence, one needs to adopt buy on decline strategy as stock specific move is likely to continue.



# Fundamental Stock



Formerly The Catholic Syrian Bank Ltd.

## CSB Bank

BUY

Target Price: Rs. 316

### Value Parameters

BSE Code	542867
NSE Symbol	CSBBANK
CMP (INR)	236
Face Value	INR10
52 Week High/Low	280/99
Market Cap (INRcr)	4,098
BVPS (FY23E)	Rs 174

## Company Overview

CSB Bank is one of the oldest private sector banks in India with a history of over 100 years has headquarter in Thrissur, Kerala where it has 61% of its branches. Also, the bank has good presence in Tamil Nadu, Karnataka and Maharashtra. The bank has faced significant challenges in the past with respect to higher GNPA's, weak operating profit, lower capital position. Over the period of FY17-FY20, the bank has undertaken higher provisioning stance to recognize the higher NPA and hence, the bottom line of the bank was impacted. CSB bank has three principal business areas namely; a) Corporate (30.6% of advances), b) SME (17% of advances) and c) Retail banking (52% of advances). As on December 31, 2020, CSB has a branch network of 454 branches and 319 ATMs.

## Investment Rationale

### Revamping as new age private sector bank:

The bank has a long operating history of over 100 years. Post capital infusion by FIHM, the bank's capital position has improved and bank has made strategic revamp in its business model. The bank started realigning its organizational set-up for efficiently driving the operations and business strategy, wherein branches will be responsible only for deposits, cross-selling, and customer servicing.

### Gold loans are the primary driver of growth, focus remains on SME:

with intent to increase retail loan growth, the bank is focusing on 2W loans and gold loans which are high yielding business. Share of gold loan in the total advances has gone up to 40% in Q3FY21 from 24% in FY19. The gold portfolio has helped the bank to achieve strong

growth in the business. After consolidation in SME business, SME portfolio expected to accelerate towards growth.

### Improving margins due to improving share of high yielding segment:

CSB Bank's NIM increased from 3.6% in FY20 to 5.2% in Q3FY21 due to increased share of retail portfolio primarily gold loan. Despite having lower SA rates at 2.1%, CASA ratio of the bank has improved from 29% in FY20 to 30.4% in Q3FY21, benefitting in margins improvement. We expect NIM to improve further driven by increasing share of retail portfolio and improving CASA ratio of the bank.

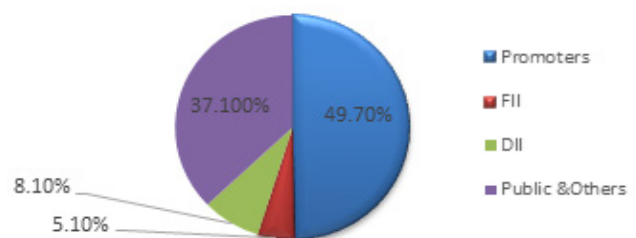
### Asset quality improved from historical peak level:

With strengthening risk management practice, recognition of corporate stress and improving share of SME portfolio with high share of gold loans, GNPA ratio of the bank came down to 3.4% (Proforma) in Q3FY21 from 7.9% in FY19.

### Valuation and View:


We have a buy rating on the stock with with a target price of INR 316/share based on 2.0x FY23E ABV. With improving business execution capabilities, growing advances book after consolidation in SME/Corporate book, decline in NPA from its peak level, improving funding profile and high margin business, we believe the bank is well poised to deliver RoA/RoE of 1.4%/15% by FY23E.

## Shareholding Pattern % (Dec - 20)




# AUT SECTOR

## MARCH SALES



**Maruti Suzuki**  
**Total Sales: 167,014 units, 99.32% YoY up**  
 Domestic Sales: 155,417 units, 96.53% YoY up  
 PV Sales: 146,203 units, 91.77% YoY up  
 Exports: 11,597 units, 146.12% YoY up




**TVS Motor**  
**Total Sales: 322,683 units, 122.94% YoY up**  
 2 Wheeler Sales: 307,437 units, 130% YoY up  
 Exports: 119,422 units, 138% YoY up



**Mahindra & Mahindra**  
**Total Sales: 40,403 units, 504.93 % YoY up**  
 PV Sales: 16,700 units, 394% YoY up  
 M&HCV Sales: 792 units, 810% YoY up  
 Exports: 2126 units, 284% YoY up




**Atul Auto**  
**Total Sales: 1,751 units, 60.49% YoY up**



**Bajaj Auto**  
**Total Sales: 369,448 units, 52 % YoY up**  
 Domestic Sales: 198,551 units, 70% YoY up  
 CV Sales: 39,315 units, 24% YoY up  
 Motorcycle Sales: 330,133 units, 56% YoY up  
 Exports: 170,897 units, 36% YoY up




**Escorts**  
**Total Sales: 12,337 units, 126.60% YoY up**  
 Domestic Sales: 11,730 units, 124.40 % YoY up  
 Exports: 607 units, 181.00 % YoY up



**Hero MotoCorp**  
**Total Sales: 576,957 units, 72 % YoY up**  
 Motorcycle Sales: 524,608 units, 71.48% YoY up  
 Scooters Sales: 52,349 units, 85.80% YoY up  
 Domestic Sales: 544,340 units, 71.89% YoY up  
 Exports: 32,617 units, 81.59% YoY up



**Ashok Leyland**  
**Total Sales: 17,231 units, 710% YoY up**  
 M&HCV Sales: 11,101 units, 524% YoY up  
 LCV Sales: 6,130 units, 1661% YoY up



**Tata Motors**  
**Total Sales: 66,609 units, 505% YoY Up**  
 PV Sales: 29,654 units, 422% YoY Up  
 CV Sales: 40,609 units, 470 %YoY up  
 M&HCV Sales: 11,030 units, 589% YoY up



**Volvo-Eicher Commercial Vehicles**  
**Total Sales: 7,037 units, 369.40 % YoY up**  
**Eicher Motorcycle**  
**Total Sales: 66,058 units, 84% YoY up**  
 Exports: 5,885 units, 85 % YoY up

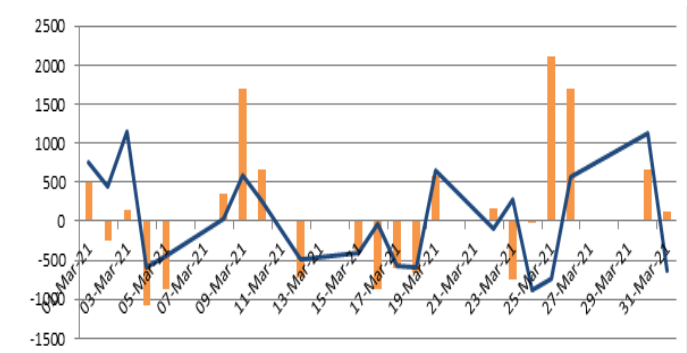


## MUTUAL FUNDS ROUNDUP

Indian equity markets rejoiced and ended on positive note in Mar 2021. The barometer index, S&P BSE Sensex delivered positive returns of 0.83% to settle at 49509.15 and Nifty50 gained 1.11 % ending the month at 14690.70.

### MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 2476.45 crores in the month of March 2021. Highest Buying was recorded in the fourth week of the month when the fund houses made total net buy of Rs 3211.03 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Buyers to the tune of Rs 3,506.60 crores worth of equities in March 2021.



### Mutual Fund Activity In Mar 2021

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	13839.27	15400.36	-1561.09
2nd Week	13766.18	11792.98	1973.20
3rd Week	19469.64	21402.34	-1932.70
4th Week	23003.38	19792.35	3211.03
5th Week	6504.57	5718.56	786.01
<b>Total</b>	<b>76583.04</b>	<b>74106.59</b>	<b>2476.45</b>

Note: Mutual Fund activity as on Mar 2021

## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 <sup>st</sup> Apr, 2021 (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>									
Axis Bluechip Fund(G)	38.71	23496	05-Jan-10	48.88	16.09	16.23	12.60	1000	5000
ICICI Pru Bluechip Fund (G)	53.63	27033	23-May-	68.70	11.53	14.27	13.94	100	100
Mirae Asset Large cap Fund(G)	65.50	23353	04-Apr-08	68.70	13.48	16.07	15.57	1000	5000
<b>Multi Cap Fund</b>									
Axis Focused 25 Fund(G)	37.48	14699	29-Jun-12	60.24	14.17	17.24	16.18	500	5000
Kotak Standard Multicap Fund(G)	44.96	34515	11-Sept-09	66.46	12.21	15.19	13.71	500	5000
SBI Magnum Multicap Fund (G)	62.79	11539	29-Sept-05	69.53	10.92	14.00	12.60	500	1000
<b>Mid Cap Fund</b>									
DSP MidCap Fund(G)	76.28	10558	25-Jun-07	71.56	11.74	16.64	15.17	500	500
L&T Mid Cap Fund (G)	175.26	6287	9-Aug-04	77.89	8.03	16.19	18.78	500	5000

Note: Returns as on 31<sup>st</sup> Mar, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

## Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 1 <sup>st</sup> Apr,2021 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
<b>Liquid Fund</b>								
Axis Liquid(G)	3.29	2272.72	24975	0.27	0.77	1.55	3.57	7.4
ICICI Pru Liquid Fund(G)	3.37	303.04	42470	0.27	0.76	1.54	3.60	7.48
<b>Ultra Short Term Fund</b>								
Kotak Saving Fund(G)	3.78	33.73	11991	0.34	0.75	1.79	5.10	7.58
L&T Ultra Short term Fund(G)	3.61	34.23	2230	0.34	.080	1.72	4.74	7.3

Note: NAV and Returns as on 31<sup>st</sup> Mar, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

## ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 <sup>st</sup> Apr, 2021 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	25.42	6351	28-Dec-15	86.01	17.64	21.19	19.41
Axis LT Equity Fund(G)	60.76	27216	29-Dec-09	57.63	14.59	15.78	17.33
Kotak Tax Saver(G)	59.08	1679	31-May-96	71.36	14.04	15.38	12.26

Note: NAV and Returns as on 31<sup>st</sup> Mar, 2021, Returns <1 yr annualised, >1 yr compounded

# THE MONTH AHEAD KEY FINANCIAL EVENTS APRIL 2021



## Apr 01

- Indian Automobile Sales Data, by Automakers
- OPEC-JMMC Meetings

## Apr 02

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

## Apr 05

- INR Nikkei Markit Manufacturing PMI (Mar)

## Apr 07

- USD FOMC Meeting Minutes
- INR Interest Rate Decision
- INR Nikkei Services PMI (Mar)

## Apr 08

- Indian Automobile Sales Data, by SIAM
- USD Fed Chair Powell Speaks

## Apr 12

- INR Manufacturing Output (MoM) (Feb)
- INR CPI (YoY) (Mar)
- INR Industrial Production (YoY) (Feb)

## Apr 13

- USD CPI m/m
- USD Core CPI m/m

## Apr 14

- INR WPI Manufacturing Inflation (YoY) (Mar)
- INR WPI Inflation (YoY) (Mar)

## Apr 15

- USD Core Retail Sales m/m
- USD Retail Sales m/m
- USD Philly Fed Manufacturing Index
- INR Trade Balance (Mar)

## Apr 22

- EUR French Flash Services PMI
- EUR German Flash Manufacturing PMI
- EUR German Flash Services PMI
- EUR Main Refinancing Rate
- EUR Monetary Policy Statement

## Apr 28

- USD FOMC Statement
- USD Federal Funds Rate

## Apr 29

- USD FOMC Press Conference
- USD Advance GDP q/q



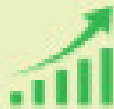
THINK  
**BIG**  
START SMALL

## ARIHANT'S SIP INVESTMENT

### WHY SIP INVESTMENT



**DISCIPLINED INVESTMENT**



**POWER OF COMPOUNDING**



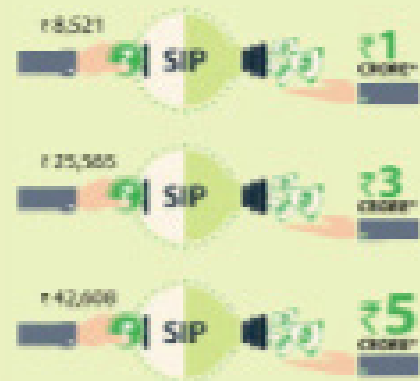
**RUPEE COST AVERAGING**



**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 could vary from the depicted illustration depending on factors such as, crucial risk for construction/real estate or market performance in any sector.

### 20 YEARS PERIOD



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