

# Arihant's VALUE *Plus*

Issue | **May 2021**



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# MOVERS & SHAKERS



## INDIAN INDICES

Indices	Apr-21	Mar-21	Monthly Change (%)
SENSEX	48782.36	49509.15	-1.47 ↓
NIFTY 50	14631.10	14690.70	-0.41 ↓
NIFTY BANK	32781.80	33305.80	-1.57 ↓
NIFTY MIDCAP 100	24195.90	23693.15	2.12 ↑
NIFTY 500	12364.34	12313.70	0.41 ↑
NIFTY IT	25664.45	25855.00	-0.74 ↓
NIFTY REALTY	309.60	334.15	-7.35 ↓
NIFTY INFRA	4053.10	4087.80	-0.85 ↓

(Source: BSE & NSE)

## BSE SECTORAL INDICES

Indices	Apr-21	Mar-21	Monthly Change (%)
AUTO	21667.80	22252.21	-2.63 ↓
BANKEX	37304.97	37547.91	-0.65 ↓
CD	32324.53	32825.92	-1.53 ↓
CG	20252.38	21095.75	-4.00 ↓
FMCG	12508.89	12875.40	-2.85 ↓
HC	23530.70	21328.21	10.33 ↑
IT	26305.95	26543.24	-0.89 ↓
METAL	17821.58	14350.61	24.19 ↑
OIL & GAS	14995.68	14820.46	1.18 ↑
PSU	6731.64	6703.61	0.42 ↑
REALTY	2468.20	2670.31	-7.57 ↓
TECK	11802.88	11919.91	-0.98 ↓

## GLOBAL INDICES

Indices	Apr-21	Mar-21	Monthly Change (%)
DOW JONES	33874.85	32981.55	2.71 ↑
NASDAQ	13962.68	13246.87	5.40 ↑
HANG SENG	28724.88	28378.35	1.22 ↑
FTSE	6969.81	6713.63	3.82 ↑
NIKKEI	28812.63	29178.80	-1.25 ↓

## COMMODITIES

Particulars	Apr-21	Mar-21	Monthly Change (%)
MCX GOLD	47569.00	44190.00	7.65 ↑
MCX SILVER	69875.00	62862.00	11.16 ↑
MCX CRUDE OIL	4713.00	4384.00	7.50 ↑
MCX NATURAL GAS	218.00	191.10	14.08 ↑

(Source: Falcon software)

## FOREX

Particular	Apr-21	Mar-21	Monthly Change (%)
USD-INR ₹	74.35	73.41	1.28 ↑
EUR-INR €	89.90	86.23	4.26 ↑
GBP-INR £	103.48	101.08	2.37 ↑
JPY-INR ¥	68.38	66.43	2.94 ↑

(Source: Falcon software)

## FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Apr 2021	140,257.55	149,963.12	-9,705.57
Total for 2021*	705,324.78	669,871.83	35,452.95

(Source: SEBI)

## MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Apr 2021	65,198.89	57,593.60	7,605.29
Total for 2021*	287,140.59	306,345.24	-19,204.65

\*Till Apr 2021

(Source: SEBI)

## Monthly Market Roundup

In April 2021, Domestic market was continued to be volatile with benchmark Nifty and Sensex Index ending the month with -0.41% & -1.47% loss respectively as compared to -0.5% & -0.7% respectively in March 2021. The benchmark indices managed to recover from its month low due to second wave of COVID cases. The coronavirus situation in India continues to remain grim and cases have surged in several states. The country battles a devastating second wave of coronavirus pandemic that has stretched its healthcare infrastructure to its limit amid surging cases. Given the near-term challenges on rising covid cases which impacts economic recovery, FPI flows to remain subdued in the near term.

The broad market has shown mixed bag of performance including Nifty Midcap 50 down by 0.7% & Nifty SmallCap 250 up by 4.6%. Going forward, global news flows and sector specific development will be key monitorable. Fed continued to maintain interest rates at previous levels and showed confidence in recovery, this indicates that their bond purchase programme will further add liquidity into the system, indirectly giving comfort to equities.

### On Macro Front

On other macro side, March CPI inflation rose to 5.52% as against 5.03% in February. Drawing comfort from inflation which is in RBI's targeted limit, Monetary Policy Committee (MPC) members provided assurance of continuation of accommodative stance to support growth on the back of rising Covid infections. Feb'21 IIP fell by 3.6% on YoY basis due to loss of momentum in industrial production which reinforces that economic recovery remains patchy given the second wave of Covid. On the monsoon front, India Meteorological Department (IMD) forecasts a normal monsoon (96% to 104% of Long Period Average (LPA)). In addition to this, RBI has announced INR 50000 cr liquidity measures to support healthcare facilities.

### Govt caps price of Remdesivir

The Central government has capped the price of Remdesivir. The decision was taken in reference to the ongoing efforts

for enhancement of availability and affordability of Remdesivir injection, used in the treatment of COVID-19. After government intervention, major manufacturers, marketers of Remdesivir injection voluntarily reduced the maximum retail price (MRP). This will make the drug more affordable. Pharmaceutical companies like Cadila Healthcare, Dr Reddy's Laboratories and Cipla have been standing along with Modi government and cut the prices of their respective brands of remdesivir injection (100 mg/vial). Various states and Union Territories in a meeting convened by the Centre to review COVID-19 measures showed their concern for stepping up the supply of the antiviral injection and oxygen. The government is already making every effort to double the production of the drug in the country.

### Sectoral Performance

On the sectoral front, Nifty PSU Banks and Nifty FMCG have underperformed all other major indices with a loss of -4.8% and -3.8% respectively. Some other sectors also have shown negative momentum like Nifty Auto, Nifty Private Bank, Nifty NBFCs, Nifty IT by -2.3%, -1.6%, -0.9% and -0.7% respectively. Comparatively Nifty Metals, Nifty Pharma, Nifty Smallcap 100 and Nifty Media have shown a positive movement of 21.9%, 9.8%, 5.6% and 0.2% respectively.

### On The Global Front

Global equities were on recovery path in April 2021, Dow Jones & Nasdaq Index rose by a 2.72% and 5.40% respectively. In context to that S&P 500 has shown a growth of 5.24%. However, Nikkei showed a down move of 1.25% and FTSE100 increased by 3.82%. Global stock markets witnessed some recovery movements mainly supported by low interest rates continuing to be delivered by central banks, encouraging vaccination program outcomes in the US and Britain. Very few countries in emerging markets have sustained their high GDP growth levels during the month. In commodities, gold was up by 3.20% in the month of April and Brent crude was also up by 4.91%. USD/INR increased 1.26% in the month of April.

## Economic Data Wrap Up: April

- India's March Nikkei Services PMI grew by 54.6 as compared to 55.3 in February.
- India's March CPI inflation came in at 5.52% as compared to 5.03% in February.
- India's February IIP decreased 3.6% YoY as compared to 1.6% in January. Previous revised from -0.9%
- India's March WPI inflation grew at 7.39% as compared to 4.17% in February.
- India's March Federal Fiscal Deficit (USD) hit by 660.0B as compared to -311.0B in February.
- India's March Trade Balance (INR) decreased by 13.93B as compared to -14.11B in February.

## Nifty Technical Outlook: May - 2021

CMP = 14631



On the monthly chart, we are observing two consecutive Doji candle which suggests indecisiveness prevailing at current level. The upward sloping trendline is crucial support if breached on monthly closing basis then we may see a corrected move. In coming month if Nifty trades and close above 14802 levels then it is likely to test 15063 - 15324 - 15628 levels. However, if Nifty trades and close below 14459 levels then it can test 14199 - 13938 - 13635 levels.

At present the monthly trend is up. Hence, near 14199 - 13938 levels is strong support if Nifty holds the mentioned level then it may test 15063 - 15324 - 15628 levels. Hence, one needs to adopt buy on decline strategy as stock specific move is likely to continue.



# Fundamental Stock



## Sun Pharmaceutical Industries Ltd.

BUY Target Price: Rs. 733

### Value Parameters

BSE Code	SUNPHARMA
CMP(As on 05th May, 2021)	INR 683
Face Value	INR 1
52 Week High/Low	688/434
Market Cap (INR Cr)	163,943
EPS (FY23E)	INR 33
P/E (x) (FY23E)	22

### Company Overview

Sun Pharmaceutical Industries Ltd. is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business and a skilled team enable it to deliver high quality products, trusted by customers and patients in over 100 countries across the world, at affordable prices. Its global presence is supported by manufacturing facilities spread across 6 continents and approved by multiple regulatory agencies, coupled with a multi-cultural workforce comprising over 50 nationalities. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities across multiple R&D centers, with investments of approximately 6% of annual revenues in R&D.

### Investment Rationale

Sun Pharma continues to show profitable performance on QoQ basis in 9MFY21. The growth was mainly driven by US and India business improved specialty sales, across all the market and at pre-covid level. Sun Pharma is leader in domestic formulations market with 8.2% market share. The growth in domestic market is mainly driven by chronic portfolio outperformance while acute segment is yet facing challenges due to less patient's footfall.

Company continues to invest in its specialty portfolio and earlier investments will start showing profitable results in coming years. The specialty revenues of the company had increased subsequently over Q2FY21 and growth is driven

by products like Ilumiya, Ceqa and Absorica. The Ilumiya sales have already surpassed the FY20 level in the US market and also the recent launch in Japan, Europe and other markets has well accepted. Company is very optimistic about the product on the back of its importance in Plaque Psoriasis.

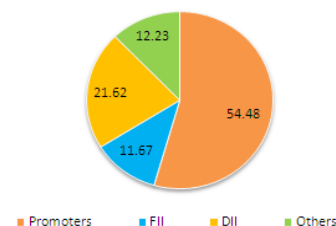
Taro performance for Q3FY21 was flat and growth is mainly impacted by Covid hence we expect it to show muted performance for FY21. The key event for Taro would be utilising its \$1.55bn cash for acquisition of specialty products which will witness overall growth in US revenue.

### Outlook & Valuation:

Company continues to focus on its top line growth, operational efficiencies and business continuity. On account of opening up of economies, strong growth from India and US markets, increased specialty demand and company's operational efficiencies we expect Sun Pharma to close the FY21 on better performance in challenging environment. At CMP we maintain our Buy rating on the stock. The stock is currently trading at 25x/22x its FY22/23 earnings (EPS INR 25.6/FY22E, INR 29.3/FY23E). We assign 25x multiple to FY23 earnings to arrive at TP of INR 733.

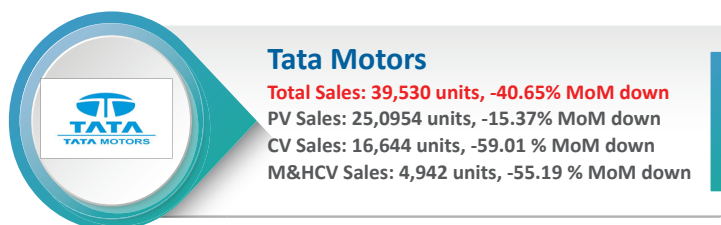
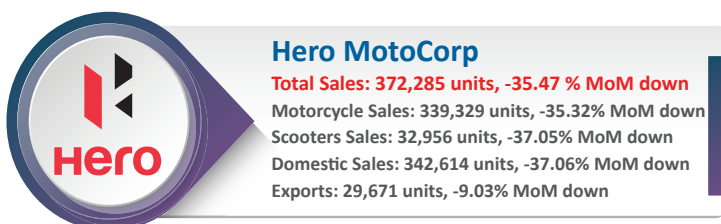
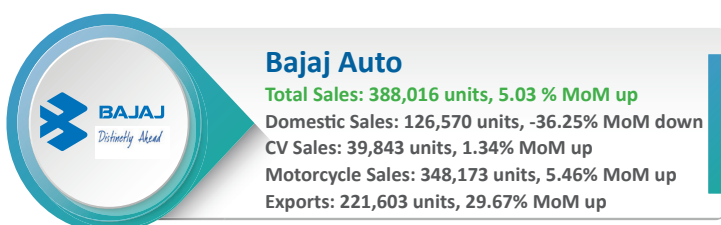
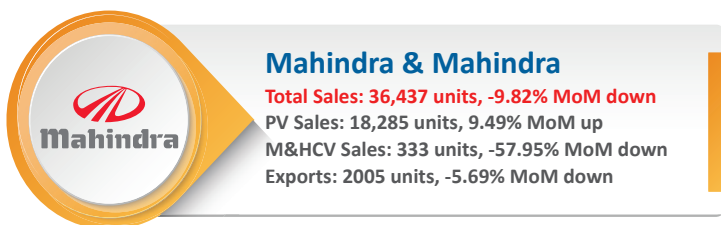
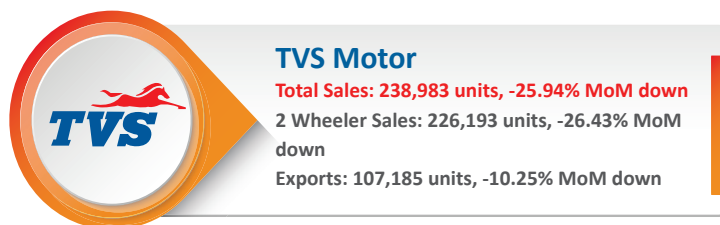
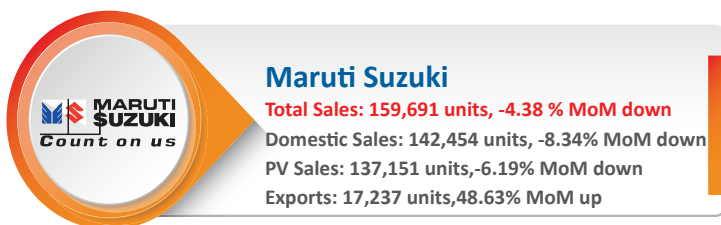
### Shareholding Pattern % (Dec - 20)

Shareholding Pattern % (Dec '20)



# AUT SECTOR

## APRIL SALES



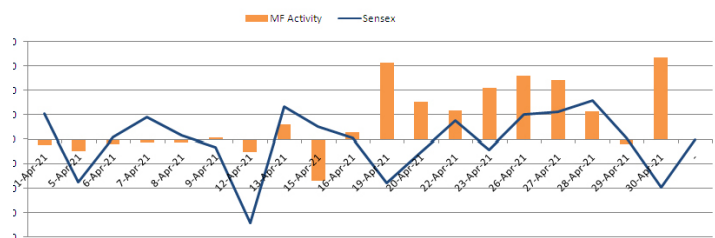


## MUTUAL FUNDS ROUNDUP

Indian equity markets tumbled in the month of April 2021. The barometer index, S&P BSE Sensex delivered plunged 1.47 % to settle at 48782.36 and Nifty50 lost 0.41% ending the month at 14631.10.

### MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 7605.29 crores in the month of April 2021. Highest Buying was recorded in the fifth week of the month when the fund houses made total net buy of Rs 4705.23 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Sellers to the tune of Rs 9705.57 crores worth of equities in April 2021.



### Mutual Fund Activity In Apr 2021

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	2510.43	2621.49	-111.06
2nd Week	16553.70	16935.11	-381.41
3rd Week	14581.47	15221.09	-639.62
4th Week	14913.86	10881.71	4032.15
5th Week	16639.43	11934.20	4705.23
<b>Total</b>	<b>65198.89</b>	<b>57593.60</b>	<b>7605.29</b>

Note: Mutual Fund activity as on Apr 2021

## Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 <sup>st</sup> May, 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)	38.72	24598	5-Jan-10	37.04	13.72	15.63	12.51	1000	5000
ICICI Pru Bluechip Fund (G)	53.77	26468	23-May-08	48.41	10.12	13.71	13.87	100	100
Mirae Asset Large cap Fund(G)	65.17	23762	4-Apr-08	47.12	11.34	15.64	15.42	1000	5000
<b>Multi Cap Fund</b>									
Axis Focused 25 Fund(G)	38.08	15007	29-Jun-12	46.46	11.3	17.09	16.23	500	5000
Kotak Standard Multicap Fund(G)	44.91	34744	11-Sep-09	47.65	10.73	14.74	13.6	500	5000
SBI Magnum Multicap Fund (G)	63.09	11839	29-Sep-05	50.92	9.46	13.65	12.57	500	1000
<b>Mid Cap Fund</b>									
DSP MidCap Fund(G)	77.28	10916	25-Jun-07	52.91	10.02	16.4	15.18	500	500
L&T Mid Cap Fund (G)	176.8	6428	9-Aug-04	58.52	6.25	15.67	18.74	500	5000

Note: Returns as on 30<sup>th</sup> Apr, 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> May, 2021 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
<b>Liquid Fund</b>								
Axis Liquid(G)	3.38	2278.97	21568	0.26	0.79	1.54	3.39	7.34
ICICI Pru Liquid Fund(G)	3.39	303.86	37777	0.25	0.78	1.53	3.42	7.45
<b>Ultra Short Term Fund</b>								
Kotak Saving Fund(G)	3.77	33.83	11180	0.29	0.90	1.62	4.87	7.56
L&T Ultra Short term Fund(G)	3.63	34.33	2208	0.30	0.90	1.64	4.47	7.28

Note: NAV and Returns as on 30<sup>th</sup> Apr, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

## ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 <sup>st</sup> May, 2021 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	25.57	6934	28-Dec-15	61.77	15.55	20.64	19.21
Axis LT Equity Fund(G)	61.25	27870	29-Dec-09	43.51	11.97	15.52	17.27
Kotak Tax Saver(G)	59.37	1837	31-May-96	52.7	12.77	15.17	12.22

Note: NAV and Returns as on 30<sup>th</sup> Apr, 2021, Returns < 1 yr annualised, > 1 yr compounded

# THE MONTH AHEAD KEY FINANCIAL EVENTS MAY 2021



## May 01

- Indian Automobile Sales Data, by Automakers
- INR Exports (USD)
- INR Imports (USD)

## May 03

- USD Fed Chair Powell Speaks
- INR Nikkei Markit Manufacturing PMI (Apr)

## May 06

- GBP Asset Purchase Facility
- GBP BOE Monetary Policy Report
- GBP MPC Asset Purchase Facility Votes
- GBP Monetary Policy Summary

## May 07

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

## May 08

- Indian Automobile Sales Data, by SIAM

## May 12

- USD CPI m/m
- USD Core CPI m/m
- INR CPI (YoY) (Apr)
- INR Manufacturing Output (MoM) (Mar)
- INR Industrial Production (YoY) (Mar)

## May 14

- USD Core Retail Sales m/m
- USD Retail Sales m/m
- INR WPI Inflation (YoY) (Apr)
- INR WPI Manufacturing Inflation (YoY) (Apr)

## May 19

- GBP CPI y/y
- USD FOMC Meeting Minutes

## May 21

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

## May 27

- USD Prelim GDP q/q
- USD Unemployment Claims





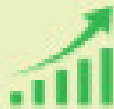
THINK  
**BIG**  
START SMALL

## ARIHANT'S SIP INVESTMENT

### WHY SIP INVESTMENT



**DISCIPLINED INVESTMENT**



**POWER OF COMPOUNDING**



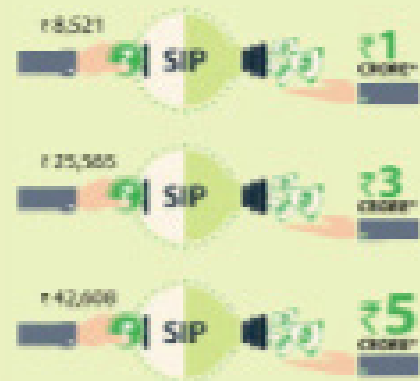
**RUPEE COST AVERAGING**



**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 market conditions. Avoided risk for conditions/consideration of market performance in any market.

### 20 YEARS PERIOD



Equities & Derivatives | Commodities | Currency | Bonds | IPO | Mutual Fund Advisory | POC | Depository | Online Trading | Mobile Trading | Merchant Banking

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