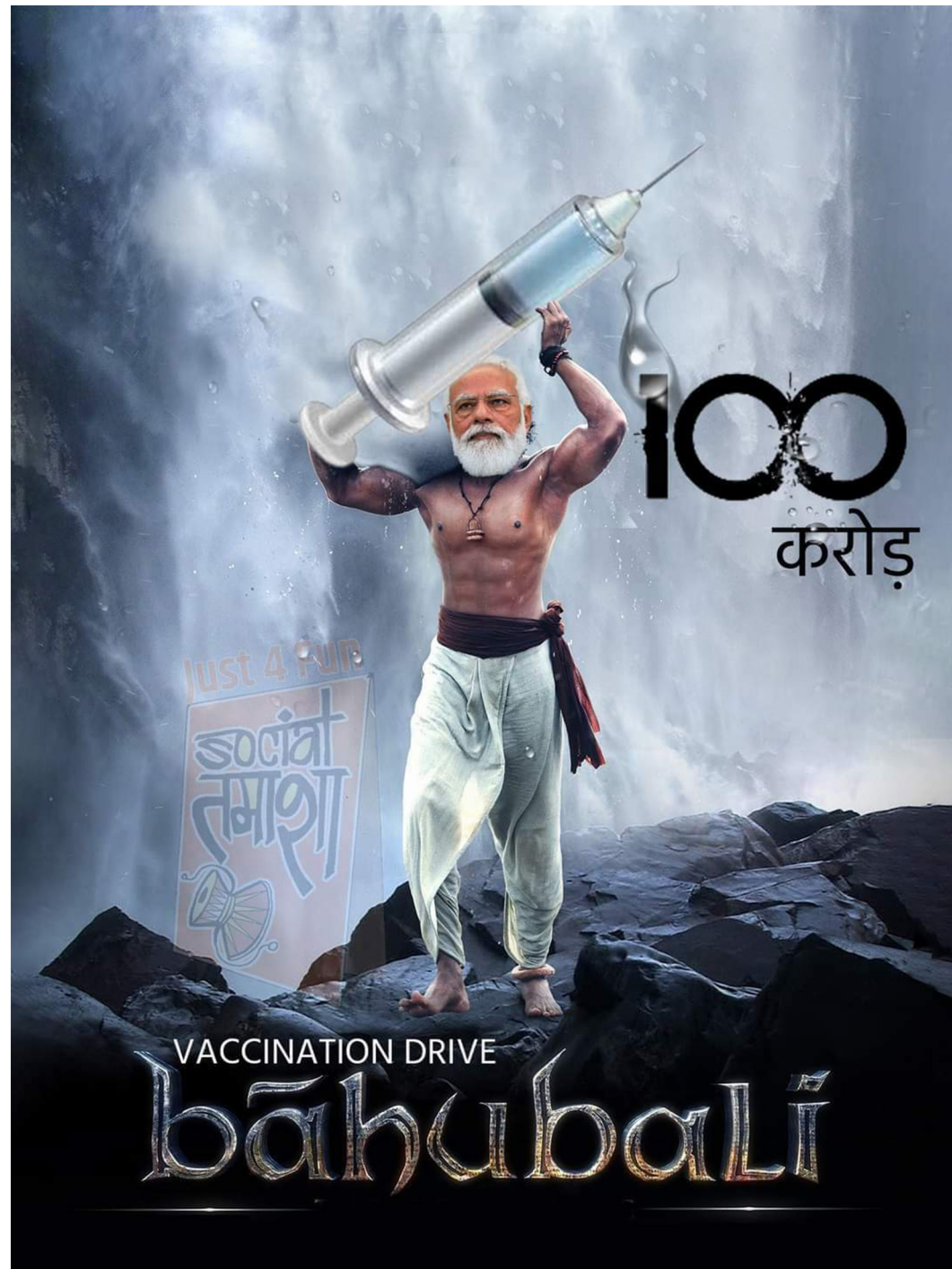


Arihant's **VALUE** Plus

Issue | November 2021



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MOVERS & SHAKERS



INDIAN INDICES

Indices	Oct-21	Sep-21	Change (%)
SENSEX	59306.93	59126.36	0.31
NIFTY 50	17671.65	17618.15	0.30
NIFTY BANK	39115.60	37425.10	4.52
NIFTY MIDCAP 100	30469.55	30384.00	0.28
NIFTY 500	15086.90	15052.65	0.23
NIFTY IT	34408.75	35028.00	-1.77
NIFTY REALTY	498.70	513.80	-2.94
NIFTY INFRA	5045.10	5025.35	0.39

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Oct-21	Sep-21	Change (%)
AUTO 	25338.29	23865.88	6.17
BANKEX 	44650.66	42727.61	4.50
CD 	43218.93	41339.79	4.55
CG 	26673.33	25966.72	2.72
FMCG 	14002.76	14862.21	-5.78
HC 	25033.89	26092.64	-4.06
IT 	33491.39	34418.54	-2.69
METAL 	20017.34	20182.06	-0.82
OIL & GAS 	18142.94	18301.57	-0.87
PSU 	8635.02	8488.42	1.73
REALTY 	3985.28	4103.77	-2.89
TECK 	14961.08	15339.80	-2.47

(Source: BSE)

GLOBAL INDICES

Indices	Oct-21	Sep-21	Change (%)
DOW JONES	35819.56	33843.92	5.84
NASDAQ	15498.39	14448.58	7.27
HANG SENG	25377.24	24575.64	3.26
FTSE	7237.57	7086.42	2.13
NIKKEI	28892.69	29452.66	-1.90





(Source: MoneyControl)

COMMODITIES

Particular	Oct-21	Sep-21	Change (%)
MCX GOLD 	47635.00	46090.00	3.35
MCX SILVER 	64534.00	59996.00	7.56
MCX CRUDE OIL 	6264.00	5571.00	12.44
MCX NATURAL GAS 	409.00	428.80	-4.62

(Source: Falcon software)

FOREX

Particular	Oct-21	Sep-21	Change (%)
USD-INR 	75.13	74.49	0.86
EUR-INR 	87.56	86.27	1.50
GBP-INR 	103.54	100.13	3.41
JPY-INR 	66.07	66.53	-0.69

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Oct 2021	193,954.54	208,430.22	-14,475.68
Total for 2021*	1,761,209.16	1,749,283.75	11,925.41

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Oct 2021	115,492.40	109,626.90	5,865.50
Total for 2021*	836,446.71	805,091.13	31,355.58

*Till October 2021

(Source: SEBI)

Monthly Market Roundup

In October 2021, Domestic markets remained flat with benchmark Nifty and Sensex Index ending the month with 0.30% & 0.31 % profit, respectively. Nifty underperformed as compared to world indices during this period driven by higher commodity prices impacting corporate performance and profitability.

Nifty Midcap 50 was down by 1% & Nifty SmallCap 250 was up by 0.2%. This under performance was mainly due to fall in Pharma and FMCG indices. Going forward, with the ongoing result season, stock specific movement will continue as market will keep an eye on the upcoming results of the companies.

Oil prices edge towards new highs on short supply in October: Oil prices edged towards new multi-year highs, supported by a global supply shortage and strong demand in the United States, the world's biggest consumer. Brent crude was flat at \$86 a barrel by 1309 GMT, US oil was up 20 cents, or 0.7%, to \$83.96. Brent was likely to push above its year-end forecast of \$90 a barrel.

Gasoline and distillate consumption in the United States is back in line with five-year averages after more than a year of depressed demand, and the market will be closely watching U.S. inventory levels. Crude oil stockpiles are forecast to have risen by 1.7 million barrels last week while gasoline and distillate inventories were expected to have fallen.

Clarity is awaited on the outcome of international talks on reviving Iran's 2015 nuclear agreement, after the United States said efforts were at crucial phase that could re-open the way for exports of Iranian crude.

Sectoral Performance: On the sectorial front, Nifty Auto and Nifty PSU Bank have outperformed all other major indices with a higher gain of 6.6% and 13%. Nifty Media and Private Bank also showed a positive momentum.

On the global front: Global equities were on positive momentum in October 2021, Dow Jones rose by 5.84 %

and Nasdaq Index rose by 7.27 % respectively. In context to that, S&P500 rose by 5.5%. However, Nikkei down by 1.90% and FTSE100 rose by 2.13%. Last month, the stock market across the globe posted a positive growth mainly due to strong corporate earnings. Also concerns around Chinese property developer, Ever Grande group abated after the company made an interest payment for off shore bond before the expiry of its grace period.

In commodities, gold rose by 3.35% in the month of October, while Brent crude prices rose by 12.44%. USD/INR rose by 0.86% in the month of October.



Economic Data Wrap Up: Oct - 2021

- India's Sep Federal Fiscal Deficit (USD) hit by 5268.51B as compared to 4680.09B in Aug
- India's Oct Nikkei Services PMI increased to 58.4 as compared to 55.2 in Sep
- India's Oct Nikkei Market Manufacturing PMI increased to 55.9 as compared to 53.7 in Sep
- India's Sep CPI inflation came in at 4.35% as compared to 5.30% in Aug
- India's Aug IIP came in at 11.9 % YoY as compared to 11.5% in July
- India's September WPI inflation came in at 10.66% as compared to 11.39% in August
- India's Oct Trade Balance (USD) increased to -19.90B as compared to -22.94B in Sep

Nifty Technical Outlook: Nov - 2021

CMP = 17,671



On the monthly chart, we are observing that prices have taken resistance at the upper trendline of the channel and formed a Doji candlestick pattern. At present there is no weakness on the chart but profit booking cannot be ruled out. In coming month if Nifty trades and close above 17891 levels then it is likely to test 18228 – 18564 – 18956 levels. However, if Nifty trades and close below 17450 levels then it can test 17114 – 16778 – 16387 levels.

At present the monthly trend is up. Hence, any decline in the range of 17450 – 17114 levels should be used to go long for a target of 18228 – 18564 – 18956 levels. Hence, one needs to adopt buy on decline strategy as stock specific move is likely to continue.



Fundamental Stock

TATA MOTORS DVR

Tata Motors DVR

BUY Target Price: INR. 409

Value Parameters

NSE Code	TATAMTRDVR
CMP(As on 10 th Nov, 2021)	INR 289
Face Value	INR 2
52 Week High/Low	293/57
Market Cap (INRCr)	14675
EPS (FY23E)	INR 32.9
P/E (x) (FY23E)	15.5x

Company Overview: Tata Motors Ltd is India's largest automobile company. The product range of the company includes Passenger Cars: Indica Vista, Indica V2, Indica V2 Turbo, Indica V2 Xeta, Indica V2 Dicor. Indigo XL, Indigo, Indigo Marina Indigo CS. Nano. Fiat Cars. Utility Vehicles: Safari Dicor. Sumo Grande. Sumo. Xenon XT. Trucks: Medium & Heavy Comm. Vehicles, Tata Novus. Intermediate Comm. Vehicles. Light Commercial Vehicles, TL 44, Small Commercial Vehicles. Commercial Passenger Carriers: Buses. Winger. Magic. Defence Vehicles.

Investment Rationale

Investment: The company plans to invest more than INR 16,000 cr over next five years, along with Tata Power, in products, platforms, drive trains, dedicated EV manufacturing, charging infrastructure and advanced technologies.

Tata motors focuses on EV business: Tata Motors Ltd (TML) and TPG Rise Climate have entered into a binding agreement whereby TPG Rise Climate along with its co-investor ADQ, shall invest in a subsidiary of Tata Motors that will be newly incorporated. TPG Rise Climate along with co-investors shall invest 7,500 Cr in compulsory convertible instruments to secure between 11 % to 15 % stake in this company translating to an equity valuation of up to \$9.1 bn.

Market Share & Revenue: TataMotoris a leader passenger EV segment with a 71% market share in FY21 vs 18% market share in FY19. The company selling more than 1,000 units per month in EV sales. The EV business revenue stood at INR 500-600cr in FY21.

The company expects double digit growth in EV industry

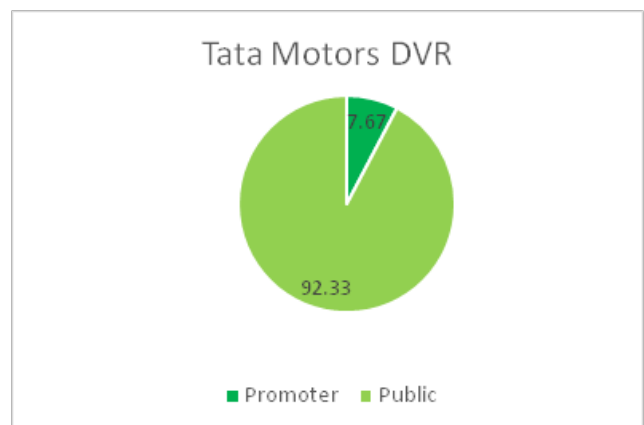
market share over next 5 years. The range of 11%-15% is dependent on FY27 revenue targets and expects EBITDA breakeven in next year and positive cash flows over next 4-5 years.

CV demand is improving but cost increases were sharp which led to margin pressure. In PV segment there was a sharp jump in bookings post launch of Punch, and management expects a further ramp-up in market share.

Strong order Book: JLR will continue to be impacted by chip shortages in H2FY22 However, the company has an order book of 125k, and response to the new Range Rover has also been strong. So, FY23F could see a strong ramp-up. Long-term guidance was maintained.


Valuation & Outlook : CMP of INR 511, Tata motors is trading P/E multiple of 15.5x its FY23E earnings with Est EPS of INR 32.9 for FY23E. Tata Motors DVR trading at INR 289 which is ~44% discount as compared to Tata motors. Because of new EV business, we are expecting the discount will move from ~44% to ~20% with a Tata Motors DVR target price of INR 409. We have Positive outlook on the stock.

Shareholding Pattern % (Sep - 21)




AUTO SECTOR


OCTOBER SALES

Maruti Suzuki
Total Sales: 138,335 units, 24.18% YoY down
 Domestic Sales: 117,013 units, 32.31% YoY down
 PV Sales: 108,991 units, 33.40% YoY down
 Exports: 21,322 units, 122.43% YoY up




TVS Motor
Total Sales: 355,033 units, 10% YoY down
 Domestic Sales: 258,777 units, 14.14% YoY down
 Exports: 95,191 units, 2.89 % YoY up



Mahindra & Mahindra
Total Sales: 41,908 units, 5.53 % YoY down
 PV Sales: 20,130 units, 8% YoY Up
 M&HCV Sales: 724 units, 35% YoY up
 Exports: 3,174 units, 57% YoY up




Atul Auto
Total Sales: 2,141 units, 7.36% YoY down



Bajaj Auto
Total Sales: 439,615 units, 14 % YoY down
 Domestic Sales: 218,565 units, 22% YoY down
 CV Sales: 48,312 units, 16% YoY up
 Motorcycle Sales: 391,303 units, 17% YoY down
 Exports: 221,050 units, 4% YoY down




Escorts
Total Sales: 13,514 units, 1.1 % YoY down
 Domestic Sales: 12,749 units, 3.3 % YoY down
 Exports: 765 units, 58.1 % YoY up




Hero MotoCorp
Total Sales: 547,970 units, 32.09 % YoY down
 Motorcycle Sales: 505,957 units, 30.93% YoY down
 Scooters Sales: 42,013 units, 43.49% YoY down
 Domestic Sales: 527,779 units, 33.29% YoY down
 Exports: 20,191 units, 28.52 % YoY up



Ashok Leyland
Total Sales: 11,079 units, 11% YoY up
 M&HCV Sales: 6,078 units, 32% YoY up
 LCV Sales: 4,789 units, 4% YoY down



Tata Motors
Total Sales: 65,151 units, 31% YoY Up
 Exports: 2,448 units, 18% YoY down
 CV Sales: 33,674 units, 1 %YoY up
 PV Sales: 33,925 units, 44% YoY up



Volvo-Eicher Commercial Vehicles
Total Sales: 5,805 units, 38.20 % YoY up
 Exports: 826 units, 162.20 % YoY up
Eicher Motorcycle
Total Sales: 44,133 units, 34% YoY down
 Exports: 3,522 units, 13 % YoY down

(Source: NSE)

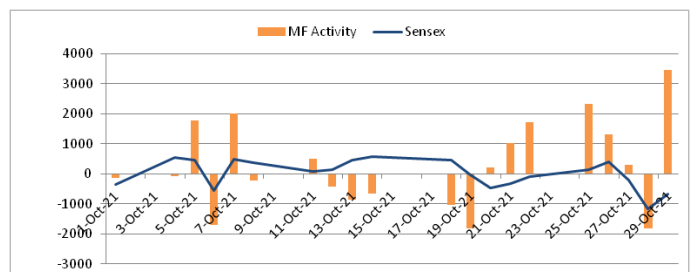


MUTUAL FUNDS ROUNDUP

Indian equity markets rejoiced and ended on positive note in Oct 2021. The barometer index, S&P BSE Sensex delivered positive returns of 0.31% to settle at 59306.93 and Nifty 50 gained 0.30 % ending the month at 17671.65.

MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of INR 5865.50 crores in the month of Oct 2021. Highest buying was recorded in the 5th week of the month when the fund houses made total net buy of INR 5,568.40 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Sellers to the tune of INR 14,475.68 crores worth of equities in Oct 2021.



Mutual Fund Activity In Oct 2021

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st Week	4,593.24	4,718.55	-125.31
2nd Week	25,182.48	23,390.01	1,792.47
3rd Week	21,305.84	22,762.72	-1,456.88
4th Week	28,351.92	28,265.10	86.82
5th Week	36,058.92	30,490.52	5,568.40
Total	115,492.40	109,626.90	5,865.50

Note: Mutual Fund activity as on Oct 2021

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 10 th Nov, 2021 (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)	48.12	33,967	05-Jan-10	40.05	23.19	19.42	16.60	500	5000
ICICI Pru Bluechip Fund (G)	67.73	31,082	23-May-08	48.76	19.29	16.07	15.25	100	100
Mirae Asset Large cap Fund(G)	81.72	30,804	04-Apr-08	44.53	20.22	17.11	16.68	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	48.25	20,404	29-Jun-12	48.14	23.27	20.15	18.28	500	5000
Kotak - Flexi Cap Fund (G)	54.33	38,521	11-Sept-09	42.30	18.88	15.49	14.92	500	5000
SBI - Flexi Cap Fund (G)	78.76	15,462	29-Sept-05	52.29	20.93	15.93	13.65	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	96.07	14,190	25-Jun-07	50.59	23.37	16.46	16.28	500	500

Note: Returns as on 10th November, 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 10 th Nov, 2021 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	2.16	2318.11	22,877	0.28	0.81	1.65	3.21	7.20
ICICI Pru Liquid Fund(G)	2.13	308.98	35,561	0.27	0.80	1.63	3.17	7.31
Ultra Short Term Fund								
Kotak Saving Fund(G)	2.22	34.39	13,153	0.27	0.74	1.62	3.23	7.42
L&T Ultra Short term Fund(G)	2.27	34.92	2,362	0.28	0.79	1.67	3.31	7.16

Note: NAV and Returns as on 10th November 2021, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 10 th Nov, 2021 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	32.50	10,146	28-Dec-15	54.50	25.98	21.38	22.18
Axis LT Equity Fund(G)	77.11	34,235	29-Dec-09	49.07	23.15	18.93	18.77
Kotak Tax Saver(G)	73.88	2,323	23-Nov-05	52.00	22.48	16.36	13.34

Note: NAV and Returns as on 10th November, 2021, Returns < 1 yr annualised, > 1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS NOVEMBER 2021



November 01

- USD ISM Manufacturing PMI
- INR Markit Manufacturing PMI OCT

November 03

- USD ADP Non-Farm Employment Change
- USD ISM Services PMI
- USD Federal Funds Rate
- INR Markit Services PMI OCT
- INR Markit Composite PMI OCT

November 04

- USD FOMC Press Conference
- ALL OPEC-JMMC Meetings

November 05

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

November 08

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

November 10

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

November 12

- INR Industrial Production YoY SEP
- INR Inflation Rate YoY OCT
- INR Manufacturing Production YoY SEP

November 15

- INR WPI Inflation YoY OCT
- INR WPI Manufacturing YoY OCT

November 16

- USD Core Retail Sales m/m
- USD Retail Sales m/m

November 19

- INR Deposit Growth YoY
- INR Bank Loan Growth YoY

November 23

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

November 24

- USD Prelim GDP q/q
- USD Core PCE Price Index m/m

November 30

- INR Infrastructure Output YoY OCT
- INR Government Budget Value OCT

