

Arihant's **VALUE** Plus

Issue | **Oct 2022**



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	Sep-22	Aug-22	Change (%)
SENSEX	57426.92	59537.07	-3.54
NIFTY 50	17094.35	17759.30	-3.74
NIFTY BANK	38631.95	39536.75	-2.29
NIFTY MIDCAP 100	30668.30	31481.70	-2.58
NIFTY 500	14829.35	15325.05	-3.23
NIFTY IT	26981.15	28407.90	-5.02
NIFTY REALTY	424.00	463.20	-8.46
NIFTY INFRA	4957.85	5127.55	-3.31

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Sep-22	Aug-22	Change (%)
AUTO 	28591.17	30334.18	-5.75
BANKEX 	42975.75	45295.67	-5.12
CD 	41522.01	42711.42	-2.78
CG 	30795.23	32224.78	-4.44
FMCG 	16079.20	15954.27	0.78
HC 	23156.72	23013.78	0.62
IT 	27144.49	28914.80	-6.12
METAL 	17609.09	19166.08	-8.12
OIL & GAS 	18476.07	20289.83	-8.94
PSU 	8661.80	9088.27	-4.69
REALTY 	3294.15	3690.82	-10.75
TECK 	12601.55	13257.08	-4.94

(Source: BSE)

GLOBAL INDICES

Indices	Sep-22	Aug-22	Change (%)
DOW JONES	28725.51	31790.87	-9.64
NASDAQ	10575.62	11883.14	-11.00
HANG SENG	17194.00	19954.39	-13.83
FTSE	6893.81	7361.63	-6.35
NIKKEI	25937.21	28091.53	-7.67





(Source: MoneyControl)

COMMODITIES

Particular	Sep-22	Aug-22	Change (%)
MCX GOLD 	50027.00	51188.00	-2.27
MCX SILVER 	56868.00	54350.00	4.63
MCX CRUDE OIL 	6540.00	7077.00	-7.59
MCX NATURAL GAS 	561.80	722.00	-22.19

(Source: Falcon software)

FOREX

Particular	Sep-22	Aug-22	Change (%)
USD-INR 	81.52	79.52	2.51
EUR-INR 	79.89	79.94	-0.06
GBP-INR 	91.07	92.38	-1.42
JPY-INR 	0.56	0.57	-1.40

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Sep 2022	196633.47	204276.48	-7,643.01
Total for 2022*	1,489,884.22	1,674,167.64	-184,283.42

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchase	Gross Sales	Net Pur/Sales
Total for Sep 2022	111,004.41	95,359.53	15,644.88
Total for 2022*	982,483.94	819,492.00	162,991.94

*Till 29th Sep 2022

(Source: SEBI)

Market Outlook

Monthly Market Roundup

As of September 2022, Domestic markets continued to witness a de-growth with the Nifty 50 and Sensex Index ending the month with a loss of 2.6% and 4% respectively. Nifty SmallCap 250, Nifty LargeMidcap250, Nifty smallcap100, Nifty Midcap100 and Nifty Midcap50 continued to feel the pressure and were down 1.2%, 2.4%, 2%, 2.7% and 3.1% respectively.

The top gaining sectors for September were Pharma (+3.3%) and FMCG (+2.1%).

The top losers for September were Realty (-9.4%), Auto (-4.3%), NBFCs (-3.6%), Metals (-4%), and IT (-3.1%).

Other industries remained flat: Banking (-1.7%), Media (-0.4%), Private Banking (-1.3%), and PSU Banking (-1%).

50 bps repo rate hike- market impact: The US federal reserve raised interest rates by 75bps to fight inflation in September 2022. The rate hike brought the central banks' benchmark rates to a new range from 2.25%-2.5% to 3%-3.25% which is at the highest level since 2008. The fed has targeted bringing down inflation from 5.4% to 2%. While RBI hikes the repo rate to 50 bps on 30th Sep 2022 which is a predictable hike and already discounted by markets. The 50 bps hike will result in higher borrowing costs for the new and existing customers of housing and auto loans. The immediate impact will be for borrowers with loans linked to the external benchmark linked lending rate (EBLR). For customers in the marginal cost of funds-based lending rate (MCLR) regime, the resetting of rates will happen with a lag. RBI is expected to maintain retail inflation at 4% (+/- 2%).

About 67% of the decline in reserves during the current financial year is due to valuation changes arising from an appreciating US dollar and higher US bond yields. The country's foreign exchange reserves have fallen by USD 95.2 bn, from January to till date.

On the global front

Global equities also showed a de-growth in September 2022, with Dow Jones falling by 7.7%, and the Nasdaq Index

declining by 10.2% respectively. The S&P 500 declined by 2.2%, the Nikkei 225 fell by 6.2% and the FTSE100 declined by 5.3%.

In commodities, gold declined by 1.9%, while Brent crude prices fell by 8.2%. USD/INR rose by 2.4% in the month of September.



Economic Data Wrap Up: Sep - 2022

- India's August Nikkei Services PMI increased to 57.2 as compared to 55.55 in July.
- India's August CPI inflation came in at 7% as compared to 6.71% in July.
- India's July IIP came in at 2.4% YoY as compared to 12.3% in June.
- India's August WPI inflation came in at 12.41% as compared to 12.3% in July.
- India's August Trade Balance (USD) came at -28.68B as compared to -30B in March.

Nifty Technical Outlook: Sep - 2022

CMP = 17,094.00



On the monthly chart, we are observing a narrow range body formation which suggests indecisiveness prevailing at current level. In coming month if Nifty trades and close above 17349 level then it is likely to test 17743 - 18137 - 18596 levels. However, if Nifty trades and close below 16834 level then it can test 16444 - 16051 - 15593 levels.

Broadly, looking at the current price action it is evident that 16800 remains a make or break level. Hence, as long as nifty holds 16800 on monthly closing basis there is fair chance that nifty may test 17743 - 18137 - 18596 levels. Hence, one needs to adopt cautiously positive approach at current level.



Fundamental Stock

DreamFolks
Your Airport Experience Amplified!

DREAMFOLKS
SERVICES LTD

BUY
Target
₹475

Stock Details:

NSE Code	DREAMFOLKS
CMP(As on 6th October, 2022)	INR 365
Face Value	INR 2
52 Week High/Low	550/365
Market Cap (INRCr)	1,920

Company Overview: Dreamfolks Services Ltd (Dreamfolks) is one of the largest airport service aggregators which includes services like lounge access, food and beverage, spas, airport transfers, transit hotels, etc. The company works with network providers like Visa, Mastercard, RuPay and Diners. They also have a set of corporate clients like Hettich, Vodafone to provide services to their stakeholders which includes employees, network partners and distributors.

Investment Rationale:

Margins and operating leverage: The company's EBITDA margin has contracted 37bps sequentially, and expanded 1567bps YoY. Margin expansion was led by better revenues and the effects of operating leverage.

The gross profit margin of the company is at 15%-16%, the major cost being employee and technology expenses. Dreamfolks has already invested in building up technology, so that going forward operating cost will decrease on an absolute basis, and profitability will increase.

The Company has a very good brand recall in the region due to its execution track record and timely delivery. Due to the number of infrastructure projects in the MMR region, including the Navi Mumbai international airport, the company stands to benefit from increased traction by home buyers.

Demand: Post covid, the travel industry opened up and air travellers have increased manifold which has led to an increase in the number of users for airport lounges and other services. Travelers generally reach airports early due to new timelines for checking requirements. After security checks

travellers like to spend time at lounges. Awareness for lounge services has also increased post covid.

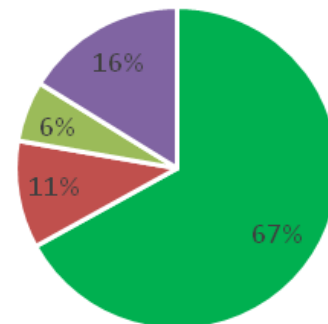
Competitors: On the domestic front the company is enjoying a monopoly status with 95% of market share. In the international market companies like Priority pass and Dragon pass are already established.

International Business: The company has a presence in more than 120 countries with 1400 touch points for existing Indian clients who are utilizing these services. Going forward, the company plans to start services in South East Asia and the Middle East.

Valuation outlook: In addition to being a domestic market leader, the revenues and profitability have increased significantly in Q1FY23 sequentially as well as YoY. Dreamfolks boasts good margins and runs an asset light business that is well poised to grow as the air travel industry begins to open up in a post-covid economy. The company is currently valued at a P/E of 124x to its FY22 EPS of INR 3.11. We have a positive outlook on the stock.

Shareholding Pattern % (Sep)


Shareholding Pattern



■ Promoter ■ FII ■ DII ■ Public and Others

AUTOMOTIVE SECTOR


SEPTEMBER SALES



Maruti Suzuki
Total Sales: 1,76,306 units, 104% YoY up
 Domestic Sales: 1,54,903 units, 125.10% YoY up
 PV Sales: 1,48,380 units, 46.48% YoY up
 Exports: 21,403 units, 21.85% YoY up




TVS Motor
Total Sales: 379,011 units, 9.0% YoY up
 Domestic Sales: 2,44,084 units, 16.0% YoY up
 Exports: 92,975 units, 9.0% YoY down



Mahindra & Mahindra
Total Sales: 64,486 units, 129% YoY up
 PV Sales: 34,508 units, 163% YoY up
 M&HCV Sales: 801 units, 17.0% YoY up
 Exports: 2,538 units, 0.00% YoY Down




Atul Auto
Total Sales: 11,309 units, 78.63% YoY up



Bajaj Auto
Total Sales: 20,84,658 units, 3.0% YoY down
 Domestic Sales: 10,47,211 units, 18.0% YoY up
 CV Sales: 2,18,466 units, 1.0 % YoY down
 Exports: 10,37,447 units, 18.0 % YoY down




Escorts
Total Sales: 12,232 units, 38.70% YoY up
 Domestic Sales: 11,384 units, 42.70% YoY up
 Exports: 848 units, 0.80% YoY up




Hero MotoCorp
Total Sales: 5,19,980 units, 1.95% YoY down
 Motorcycle Sales: 4,80,237 units, 1.87% YoY down
 Scooters Sales: 39,743 units, 2.89% YoY down
 Domestic Sales: 5,07,690,740 units, 0.44% YoY up
 Exports: 12,290 units, 50.61% YoY UP



Ashok Leyland
Total Sales: 16,499 units, 88.0% YoY up
 M&HCV Sales: 10,475 units, 131.0% YoY up
 LCV Sales: 6,024 units, 41.0% YoY up



Tata Motors
Total Sales: 80,633 units, 44.0% YoY Up
 Exports: 1,911 units, -36.0% YoY down
 CV Sales: 34,890 units, 5.0% YoY up
 PV Sales: 47,864 units, 85.0% YoY up



Volvo-Eicher Commercial Vehicles
Total Sales: 6,631 units, 9.20% YoY up
 Exports: 506 units, -35.80% YoY

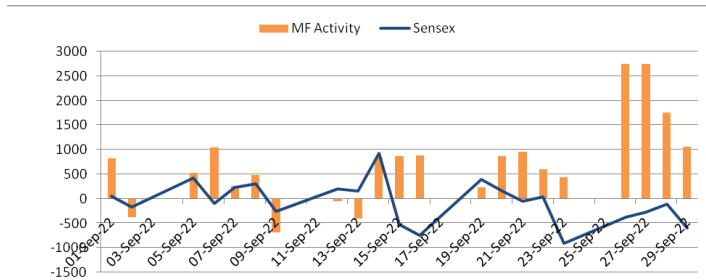
Eicher Motorcycle
Total Sales: 82,097 units, 145.0.0% YoY up
 Exports: 8,451 units, 34% YoY up

(Source: NSE)



MUTUAL FUNDS ROUNDUP

Indian equity markets ended with negative note in September 2022. The barometer index, S&P BSE Sensex and NIFTY 50 both delivered negative returns and settle at 57426.92 (-3.54%) and 17094.35 (-3.74%) respectively in September month.



MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 15,644.88 Crores in the month of September 2022. Highest buying was recorded in the 5th week of the month when the fund houses made total net buy of Rs 8324.12 crores of equities. On the other hand, foreign institutional investors (FIIs) were net Sellers to the tune of Rs 7643.01 crores worth of equities in September 2022.



Mutual Fund Activity in Sep 2022

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1st week	8,920.50	8,462.27	458.23
2nd week	22,665.16	21,034.14	1,631.02
3rd week	28,963.74	26,819.05	2,144.69
4th week	23,101.54	20,014.72	3,086.82
5th week	27,353.47	19,029.35	8,324.12
Total	1,11,004.41	95,359.53	15,644.88

Note: Mutual Fund activity as on 29th Sep 2022

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st Oct, 2022 (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)	43.25	36,980	05-Jan-10	-7.66	11.60	12.75	12.18	500	5000
ICICI Pru Bluechip Fund (G)	65.48	33,739	23-May-08	0.97	15.65	11.79	13.98	100	100
Mirae Asset Large cap Fund(G)	77.05	33,747	04-Apr-08	-2.93	14.79	11.73	15.12	1000	5000
Multi Cap Fund									
Axis Focused 25Fund(G)	40.39	19,124	29-Jun-12	-14.63	11.24	10.58	14.57	500	5000
Kotak - Flexi Cap Fund (G)	52.07	37,435	11-Sept-09	-1.54	13.52	10.68	13.47	500	5000
SBI - Flexi Cap Fund (G)	74.50	16,208	29-Sept-05	-1.84	14.35	10.81	12.53	500	1000
Mid Cap Fund									
DSP Mid Cap Fund(G)	87.77	14,378	25-Jun-07	-5.20	17.48	10.88	14.65	500	500
L&T MidCap Fund (G)	206.72	6,674	9-Aug-04	-1.69	17.52	8.85	18.16	500	5000

Note: Returns as on 1st Oct, 2022, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 1 st Oct, 2022 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	2.16	2404.84	29,263	0.43	1.29	2.30	4.09	6.99
ICICI Pru Liquid Fund(G)	2.13	320.25	45,874	0.41	1.26	2.24	3.99	7.14
Ultra Short Term Fund								
Kotak Saving Fund(G)	2.22	35.55	13,862	0.32	1.18	1.92	3.71	7.24
L&T Ultra Short term Fund(G)	2.27	36.11	1,668	0.34	1.20	1.92	3.78	7.01

Note: NAV and Returns as on 1st Oct, 2022, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 1 st Oct, 2022 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	30.09	13,148	28-Dec-15	-3.27	19.33	14.54	17.70
Axis LT Equity Fund(G)	66.17	32,654	29-Dec-09	-12.42	12.16	11.31	15.96
Kotak Tax Saver(G)	72.80	2,936	23-Nov-05	3.31	18.19	12.91	12.49

Note: NAV and Returns as on 1st Oct, 2022, Returns < 1 yr annualised, > 1 yr compounded annualised.

THE MONTH AHEAD KEY FINANCIAL EVENTS October 2022



Oct 05

- CNY Bank Holiday
- USD OPEC Meeting
- USD ADP Non-Farm Employment Change
- USD ISM Services PMI

Oct 06

- CNY Bank Holiday
- EUR Retail Sales (YoY)(Aug)
- EUR ECB Monetary Policy Meeting Accounts
- USD Initial Jobless Claims

Oct 07

- CNY Bank Holiday
- USD Average Hourly Earnings
- USD Nonfarm Payrolls
- USD Unemployment Rate
- USD Fed's Williams speech

Oct 11

- USD IMF Meeting (Day 2)
- GBP Unemployment Rate (3M)(Aug)

Oct 12

- USD IMF Meeting (Day 3)
- GBP GDP (MoM)(Aug)
- INR CPI (YoY)(Sep)
- USD PPI (MoM)(Sep)
- USD FOMC Meeting Minutes

Oct 13

- USD IMF Meeting (Day 4)
- USD CPI m/m
- USD Core CPI m/m

Oct 14

- USD IMF Meetings (Day 5)
- USD Core Retail Sales m/m
- USD Retail Sales m/m
- USD Prelim UoM Consumer Sentiment

Oct 18

- CNY Gross Domestic Product
- CNY Industrial Production (YoY)(Sep)
- CNY Retail Sales (YoY)(Sep)

Oct 20

- CNY PBoC Interest Rate Decision
- EUR French Flash Services PMI
- EUR German Flash Manufacturing PMI
- GBP Flash Manufacturing PMI

Oct 24

- USD Flash Services PMI
- USD Flash Manufacturing PMI

Oct 27

- EUR Main Refinancing Rate
- EUR Monetary Policy Statement
- USD Advance GDP q/q
- EUR ECB Press Conference

Arihant Capital
Generating Wealth



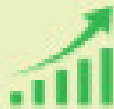
THINK
BIG
START **SMALL**

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



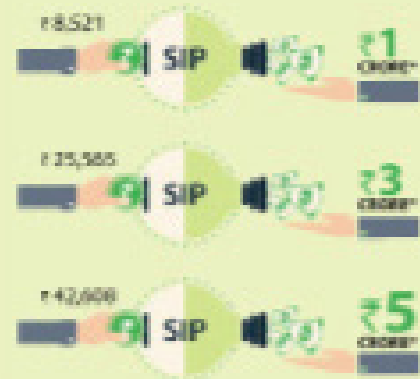
RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*Note: The above figures are calculated for the use of ₹1000 for illustration purposes only. Actual fund investments are subject to market risks. Returns could vary significantly depending on the market conditions. Please refer to the prospectus for detailed information on investment performance in any market.

20 YEARS PERIOD



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

Registered Office: E-3 Parkers Road, Indore - 492002 (M.P.) BSE - IMBANI | BSE/NSD | 19-01-0151-13-2002; AMFI - AMFI 15114; SEBI - RA/INH00003764

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd (hereinafter referred to as Arihant). This document does not constitute an offer or invitation for the purchase or sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data sources and research for the purpose of providing information to investors. Arihant Capital Markets Ltd has not been able to ensure that the facts stated are accurate and complete given its due care obligations, neither the analyst nor any employee of our company bears any responsibility for its contents. This document is prepared for information only and is not intended to be an investment decision. The user assumes the entire risk of any use made of this information. Arihant and/or its affiliates and/or employees may have investments, hold or otherwise in securities/instruments, which are the subject of this document or related investments and may have acted upon or used the information contained in the document or its contents in the analysis or which it is based, before finalisation. This is just a suggestion and Arihant will not be responsible for any profit or loss realized on the decision taken by the reader of this document. Arihant and its affiliates have received other reports that are inconsistent with and such other information from the information presented in this report. Any decision to purchase or sell as a result of the opinions expressed in this report will be the sole responsibility of the person utilizing such information. The probabilities/risks discussed in this report may vary or be suitable for all investors. Any person utilizing or investing in any financial instrument should do so on the basis of and after verifying the terms attached to such product instrument. Financial instruments are subject to market risks and returns may fluctuate depending on market factors. Past performance of the product/instrument does not indicate the future prospects or performance thereof. Such past performance may not be sustained in future. The investor shall obtain, read and understand the risk disclosure documents, offer documents and/or any other relevant documents before making any decision to invest. This information is subject to change without any prior notice. The reader is advised to read the document and to understand the risks involved in the investment. This information is subject to change without any prior notice.