

Arihant's

VALUE

Plus

ISSUE | FEBRUARY 2020

For more cartoons visit www.cartoonistsatish.com

SATISH
ACHARYA



Inside The Issue

Decoding
New Tax
Regime

2-3

Sector
Impact &
Stocks

5-6

Market
Outlook

7

Fundamental
Stock

8

Auto
Sector

9

Mutual
Funds

10-11

Key
Events

12

MOVERS & SHAKERS



INDIAN INDICES

Indices	Jan-20	Dec-19	Monthly Change (%)
SENSEX	40723.49	41253.74	-1.29↓
NIFTY 50	11962.10	12168.45	-1.70↓
NIFTY BANK	30833.60	32161.65	-4.13↓
NIFTY MIDCAP 100	18010.20	17102.50	5.31↑
NIFTY 500	9861.45	9872.55	-0.11↓
NIFTY IT	16144.15	15652.40	3.14↑
NIFTY REALTY	331.05	298.55	10.89↑
NIFTY INFRA	3252.00	3255.30	-0.10↓

(Source: BSE & NSE)

BSE SECTORAL INDICES

Indices	Jan-20	Dec-19	Monthly Change (%)
AUTO	18161.18	18485.00	-1.75↓
BANKEX	35289.35	36671.50	-3.77↓
CD	26147.11	25011.55	4.54↑
CG	17462.11	16943.93	3.06↑
FMCG	11641.54	11405.88	2.07↑
HC	13957.01	13429.11	3.93↑
IT	15871.46	15475.81	2.56↑
METAL	9494.10	10428.20	-8.96↓
OIL & GAS	13923.67	14744.76	-5.57↓
PSU	6567.11	6955.57	-5.58↓
REALTY	2526.17	2280.54	10.77↑
TECK	7911.77	7717.63	2.52↑

GLOBAL INDICES

Indices	Jan-20	Dec-19	Monthly Change (%)
DOW JONES	28256.03	28538.44	-0.99↓
NASDAQ	9150.94	8972.60	1.99↑
HANG SENG	26312.63	28189.75	-6.66↓
FTSE	7286.01	7542.44	-3.40↓
NIKKEI	23205.18	23656.62	-1.91↓

COMMODITIES

Particulars	Jan-20	Dec-19	Monthly Change (%)
MCX GOLD	41000.00	39108.00	4.84↑
MCX SILVER	46990.00	46711.00	0.60↑
MCX CRUDE OIL	3683.00	4386.00	-16.03↓
MCX NATURAL GAS	132.40	155.50	-14.86↓

(Source: Falcon software)

FOREX

Particular	Jan-20	Dec-19	Monthly Change (%)
USD-INR ₹	71.56	71.38	0.25↑
EUR-INR €	79.07	80.10	-1.29↓
GBP-INR £	93.87	94.18	-0.33↓
JPY-INR ¥	65.74	65.78	-0.06↓

(Source: Falcon software)

FII Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jan 2020	21,349.14	33,717.04	-12,367.90
Total for 2020*	23,349.14	33,717.04	-12,367.90

(Source: SEBI)

MF Activity (Rs. Cr.)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Jan 2020	74,065.47	73,306.48	758.99
Total for 2020*	74,065.47	73,306.48	758.99

*Till Jan 2020

(Source: SEBI)

Decoding New Tax Regime



Union budget has offered choice to individual of paying the tax under new regime of tax with lower tax rates by forgoing exemptions and deduction or continue to pay tax in the existing tax rates by claiming the applicable exemption and deduction. It is evident that, the more exemption claims an individual poses the less likely he/she will be benefited by the new tax regime. Calculation suggest that an individual with more exemptions such as 80C, 80D, interest on housing loan, HRA and LTA etc, he/she is likely to be benefited from the existing income tax regime. Below are the three cases to give a better understanding

Case I – Salaried individual not claiming any exemptions or deductions

Gross Salary Income Level	Tax Payable in Existing Regime	Tax Payable in New Regime	Additional Tax Saving/ (payable)
At 7.5 Lakh	54,600	39,000	15,600
At 10 Lakh	1,06,600	78,000	28,600
At 12.5 Lakh	1,79,400	1,30,000	49,400
At 15 Lakh	2,57,400	1,95,000	62,400
At 20 Lakh	4,13,400	3,51,000	62,400

Thus in Case - I, If individual is not claiming any exemption or deduction the he is benefited in new tax regime.

Case II – Salaried individual claiming most common deduction/exemptions, i.e. under sections 80C, 80D and standard deduction

Gross Salary Income Level	Tax Payable in Existing Regime	Tax Payable in New Regime	Additional Tax Saving/ (Payable)
At 7.5 Lakh	18,200	39,000	(20,800)
At 10 Lakh	70,200	78,000	(7,800)
At 12.5 Lakh	1,24,800	1,30,000	(5,200)
At 15 Lakh	2,02,800	1,95,000	7,800
At 20 Lakh	3,58,800	3,51,000	7,800

Thus in Case - II, If individual is claiming most common deduction/exemptions, i.e. under sections 80C, 80D and standard deduction the he is likely to be benefited by existing tax regime only if the gross salary is below 12.5 lakh and above it he/she will be benefited in new tax regime.

Decoding New Tax Regime

BUDGET 2020 INCOME TAX BENEFITS

Case III – Salaried individual claiming more exemptions/deduction, i.e. under sections 80C, 80D, standard deduction and HRA exemption

Gross salary income level	Tax payable in Existing Regime	Tax payable in New Regime	Additional tax saving/ (payable)
At 7.5 Lakh	-	39,000	(39,000)
At 10 Lakh	28,600	78,000	(49,400)
At 12.5 Lakh	70,200	1,30,000	(59,800)
At 15 Lakh	1,11,800	1,95,000	(83,200)
At 20 Lakh	2,34,000	3,51,000	(1,17,000)

Thus in Case - III, If individual is claiming more exemptions/ deduction, i.e. under sections 80C, 80D, standard deduction and HRA exemption the he will be benefited by existing tax regime.

Conclusion: To see if the new regime is beneficial, each individual will have to make their own calculations. It will depend the level of deductions and exemptions you are claiming at the moment.

#TaxBachaoAmdaniBadhao

Tax Saving Jodi No.1
ELSS+NPS

SAVE
UP TO
₹2 Lacs

Under Section 80C & 80CCD

Sector Impact & Stocks

SECTOR	BUDGET PROPOSAL	NATURE OF IMPACT	COMMENTS	STOCKS IN FOCUS
Agriculture	"Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)" - To provide an assured income support to the small and marginal farmers. Under this programme, vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of INR 6,000 per year. FY21BE at INR 750bn is 38% higher than FY20RE	Positive	Can help improve demand for agricultural inputs	
	Fertilizer subsidy - Total fertilizer subsidy allocated is INR 713bn (INR 478bn for urea + INR 235bn for complex fertilizers) vs INR 800bn in FY20 RE (INR 536bn for urea + INR 264bn for complex fertilizers). This amount will not be sufficient to take care of the back log pending if raw material prices remain at current levels.	Negative	Subsidy to Fertilizer companies will be pending at the end of the year FY21	
	National Rural Drinking Water Mission - Has been increased by 15% in FY21BE vs FY20RE to INR 100bn .	Positive	Can help improve demand for agricultural inputs	WABAG, THERMAX, SIEMENS, IONEXCHANG
	Crop Insurance - Pradhan Mantri Fasal Bima Yojna (PMFBY) budget provision of INR 157bn in FY21 vs revised estimate of INR 136bn in FY20.	Positive	Can help improve demand for agricultural inputs	
	Pradhan Mantri Kisan Urja Suraksha evem Utthan Mahabhiyan (PM KUSUM) Scheme to be expanded to provide 20 lakh farmers for setting up stand-alone solar pumps. In addition, the government shall help another 15 lakh farmers solarise their grid-connected pump sets. In addition, a scheme to enable farmers to set up solar power generation capacity on their fallow/barren lands and to sell it to the grid would be operationalized	Positive	Can help improve demand for agricultural inputs	SHAKTIPUMP, KSBPUMP, APOLLO PIPES, FINOLEX PIPES
	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) allocation has been reduced by 13% to INR 615bn in FY21BE from INR 710bn in FY20RE	Negative	Will decrease rural income opportunities	
Capital Goods	Defence capital acquisition outlay of INR 1137bn against INR 1104bn for FY20 BE	Neutral	Growth of about 4% is along the trend for past few years	
	Railway capex increased by 3% to INR 1.61tn from INR 1.56 tn in FY20RE	Neutral	Growth in the outlay is slightly soft compared to last few years	IRCTC, RITES, TITAGAH
	Outlay for roads, Metro and rural roads increased from INR 801bn in FY20RE to INR 952bn	Positive	Increase of 18.8% over last year provides scope for EPC and equipment companies to grow	L&T, IRBINFRA
	Increase in customs duty on compressors for AC for 10% to 12.5%; On fans from 7.5% to 20%; on PCB for mobile phones to 10% from 0%	Positive	This would encourage manufacturing of these components in India. Not likely to impact players dependent on imports as source can be shifted quickly.	VOLTAS, BLUE STAR, WHIRLPOOL
Telecom	Communications receipt has been estimated at INR 1,330 bn for FY21	Negative	Government has given moratorium of two years on EMI, so technically, nil revenue from deferred spectrum liability. The difference of INR 1,129 bn is unexplained. This could include	BHARTIARTL, VODAIDEA
Media	Basic Customs Duty on Newsprint down from 10% to 5% for importers that are registered with the Register of Newspapers	Positive	Lower Raw Material cost for Print sector	DAINIK BHASKAR, JAGRAN, JK PAPER, STARPAPER, WEST COAST PAPER
	Basic Customs Duty on Light-weighted coating paper imported for printing of magazines reduced from 10% to 5%	Positive	Lower Raw Material cost for Print sector	
Cement and building material	Time line for additional deduction under income tax of up to INR 0.15 mn for interest paid on loan taken for purchase of an affordable house and tax holiday period for developers of affordable housing project is extended by one more year i.e. up to 31st March 2021.	Positive	Housing and real estate sector accounts for ~65% of overall cement consumption in India and this will increase the overall cement demand. Housing demand will have spillover effect on	HDFC, DLF,SOBHA
	Overall PMAY allocation increased 8.6% to INR 275 bn in FY21 BE. Allocation to PMAY (Urban) in FY21 BE increased by 16.7% to INR 80 bn vs INR 68 bn in FY20 RE. PMAY (rural) allocation has been increased by 5.5% to INR 195 bn in FY21 BE vs INR 185 bn in FY20 RE			SHANKARA, ULTRATECH, AMBUJA, CERA, KAJARIA
	Pradhan Mantri Gram Sadak Yojna allocation increased 38.6% to INR 195 bn in FY21 BE from INR 140 bn in FY20 RE			L&T, IRBINFRA
	Allocation to NHAI increased by 11% to INR 913 bn in FY21 BE			SADBHAV
	Increased customs duty on furniture from 20% to 25% that should help MDF manufacturer			CENTURYPLY,
	Penalty on fake invoices under GST to curb rampant practice of fraudulent ITC claim.			
	Allocation to Swachh Bharat Mission budget increased by 28% to INR 122 bn in FY21 BE			

SECTOR	BUDGET PROPOSAL	NATURE OF IMPACT	COMMENTS	STOCKS IN FOCUS
Real Estate	Benefits under section 80-IBA extended till March 2021 (no tax for developer working on affordable housing)	Positive	Developers looking to launch more affordable housing projects get an extension.	SOBHA
	Additional deduction of INR 0.15mn on affordable housing loan extended for March 2021	Positive	Offtake for affordable housing units will continue to see strong demand, positive for developers like Brigade/Markets like Bangalore	SOBHA
Consumer	Various initiative to increase rural income	Positive	Increases rural consumption benefiting companies having higher rural salience	HUL, DABUR, ITC, MARICO
	Reduction in tax rate upto INR 1.5mn	Positive	Higher disposable income especially with millennials to boost consumption. QSR's , apparels, multiplexes etc to benefit	VMART, TRENT, PVR, INOX
	Hike in NCCD tax rate on cigarettes	Negative	Impede the profitability of the cigarette companies	ITC, GODFREY
	Hike in custom duty on palm oil	Negative	Increases cost for food companies and soap manufacturers	
	Custom duty increased on footwear from 25% to 35% and on parts of footwear from 15% to 20%	Negative	Cost for shoes especially sports shoes should increase as majority are imported. This will be negative for organised players as unorganised share in footwear is very high	BATAINDIA, LIBERTY
Auto	Various initiative to increase rural income	Positive	Positive for farm equipment, two wheelers, utility Vehicle manufacturers	ESCORTS, M&M
	Increase in duties for CBUs of CVs	Positive	Positive for commercial vehicle players	MARUTI, BAJAJ-AUTO, M&M
	Reduction in tax rate upto INR 1.5 mn	Positive	Positive for two wheelers and passenger car manufacturers	MARUTI, HEROMOTOCO, BAJAJ-AUTO, TVSMOTOR
	Basic Customs Duty on catalytic converters increased from 10% to 15% and on noble metal solutions and compounds used in catalytic converters from 5% to 10% and parts and other specified inputs for manufacture of catalytic converters from 5% to 7.5%	Negative	Increased cost for Auto OEM's	MOTHERSON SUMI, GNAAXLES
Infrastructure	Roads sector outlay though flat at INR 1.6 tn is positive as Government support is up while borrowing are down	Positive	Positive for both developer and construction companies.	construction companies
	Railways Capex up 6% to INR 1.6 tn	Positive	Positive for contractors like L&T, KEC and Kalpataru	L&T, KEC and Kalpataru
	100% Tax exemption to foreign Sovereign Wealth Funds (SWFs) on interest/ dividend or Capital Gains, on investments made in priority sectors by March 2024 (min lock-in of 3 years).	Positive	Positive for both developer and construction companies.	construction companies
	Continued focus on Affordable housing with tax exemption to developers, buyer	Positive	RE sector focus contractors like JMC Project, NCC, Simplex,etc could be beneficiary.	JMC Project, NCC, Simplex
Oil & Gas	Petroleum subsidy allocation of INR 388bn	Neutral	At US\$ 65/bbl, we est. gross under-recovery at INR 315bn for FY21E. Allocation of INR 388bn to be utilized for carry forward from FY20 and FY21 gross under-recovery with carry forward of Q4 subsidy into next	BPCL, HINDPETRO
	Removal of anti-dumping duty on PTA	Neutral	Negative impact of ~1% on EPS for RIL, IOC	RIL, IOC
	Customs duty on very low sulphur fuel oil (VLSFO) cut from 10% to nil	Neutral	Negligible negative impact on GRM for refineries	RIL
Metals & Mining	Customs duty on calcined petroleum coke reduced from	Positive	Marginal positive for aluminium producers like Hindalco, NALCO, Vedanta	Hindalco, NALCO, Vedanta
	10% to 7.5%			

Monthly Market Roundup

Market remained volatile during the January 2020 and turned bearish in second half of the month. The Indian benchmark indices closed negative with S&P BSE Sensex down by 1.29% and the Nifty 50 was down by 1.70%. India's performance rank slipped among key EM trackers shows. India ranked fifth among the ten markets considered by the tracker in December, behind China, Brazil, Indonesia, and the Philippines. It was at the third position in November 2019, behind the Philippines and China. RBI's MPC will conclude its sixth Bi-monthly Monetary Policy meeting on 6th February 2020.

On the sectoral front

IT and Realty were the best performing sectors, while Metals and Banks were the worst. Nifty IT was the top gainer at 2.79%, followed by Nifty Realty with 10.55% gain for the month. Other major sectoral indices saw some distress in January, after witnessing selling pressure in previous months. Nifty Auto index decline by 2.13%, followed by Nifty Financial services (-1.87%). Nifty Media & Nifty Pharma slightly gain by 1.42% and 0.97% respectively. Nifty 100 Midcap and Nifty 100 Smallcap ended the month with a gain of 5.06% and 6.37% respectively. Eight core industries index grew in Dec'19 by 1.29% YoY, vs. the contraction by 0.62% in Nov'19 due to improved performance by coal, steel, cement and electricity.

On The Economic Front

India Manufacturing PMI was up from 52.7 in December to 55.3, in January the highest in nearly eight years. While the pace of improvement is a surprise, companies attribute the rise to the underlying pent-up demand. The consumer goods sub-sector again shines bright, while intermediate goods maintained its growth pace. Capital goods are back in an expansion mode, suggesting a potential renewal in investments in the economy.

The **Union Budget** was presented on 1st Feb'20 amidst a very challenging economic environment. The Finance minister restricted deficits to 3.8/3.5% for FY20/21 in her announcement on Saturday, yet the NIFTY fell close to 2.5% for the day as equity market expectations of a significant growth push. The government did provide some tax relief to individuals with incomes below Rs1.5mn, but that is limited in size and comes at a cost (the sacrifice of existing tax exemptions). Dividend distribution taxes have been moved from the company to the recipient (Dividend taxes will consequently increase for individuals with income more than Rs1mn). Most unexpectedly, the government has reduced the devolution rate of taxes to states at 30.5% in FY20RE (RE = Budget receipts), as against 35-36% in previous years (and 33% in FY20BE) (BE = Budget estimate). Government has proposed to remove the dividend distribution tax (DDT), which will lead to estimated annual revenue loss of INR250b. There were hopes of a significant relief for real estate and major income tax cuts. Market participants were possibly also projecting their desire on

the government by expecting relief from long term capital gains tax and Dividend Distribution Tax.

On the global front

Global markets looked worried with concerns about a widening coronavirus outbreak in China, the second fatality outside mainland China with the total death toll now 427. Authorities have been providing a lot of support for the financial markets. There's a level of assurance that the rout would not be allowed to go on much further than necessary. Oil price fell more than 15% during the January month. The INR gained of 0.34% in the month of January.

The Fed

The US Fed left a key interest rate unchanged in its recent meeting and signaled that policy is appropriate to support sustained expansion of economic activity. US' Nasdaq composite, UK's FTSE and US' Dow Jones closed in mixed with +1.22%, -3.40% and -1.01% respectively. Whereas, Hong Kong's Hang Seng, Germany's DAX, and Japan's Nikkei ended the month with negative of -6.66%, -1.33% and -1.91% respectively.

Nifty Technical Outlook: Feb - 2020



On the monthly chart, we are observing a spinning top candlestick pattern which suggests that the prior uptrend is losing breath. At present, the monthly trend is up and 11717 remains crucial support if breached then only monthly trend will turn down.

In coming month if Nifty trades and close above 12061 level then it is likely to test 12207 - 12353 - 12524 levels. However, if Nifty trades and close below 11863 level then it can 11717 - 11570 - 11400 levels.

Broadly we are of the opinion that the monthly trend is up. However, 11958 and 11717 remains crucial zone. Any decisive break on either side would dictate the direction of the trend. Hence one needs to adopt cautiously positive approach at current level as stock specific activity is likely to continue.

Economic Data Wrap Up : January

- India's January manufacturing PMI rose to 55.3 as compared to 52.7 in December.
- India's January Nikkei services PMI rose to 53.3 from 52.7 in December.
- India's January IIP growth rose to 1.8% compared to -0.4%, which was revised from -3.8% in December.
- India's January CPI inflation reached 7.35% compared with 5.54% in December.
- India's January WPI inflation rose at 2.59% YoY compared with 0.58% in December

Fundamental Stock



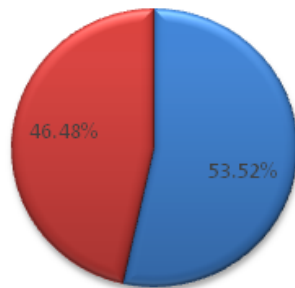
Bajaj Auto Ltd

Accumulate Target Price: Rs. Rs 3580

Value Parameters

BSE Code	532977
NSE Symbol	BAJAJ-AUTO
CMP(As on 1 st Feb, 2020)	Rs. 3145
Face Value	Rs. 10
52 Week High/Low	3290/2400
Market Cap (Rs bn)	919
EPS (FY21E)	Rs. 187
PE ratio (x) (FY21E)	18.0

Shareholding Pattern % (Dec '19)



■ Promoters ■ Public & Others

Company Overview

Bajaj Auto Ltd (BAL) is one of the leading two & three wheeler manufacturers in India. The company is well known for its R&D, product development, process engineering and low-cost manufacturing skills. The company is the largest exporter of two and three-wheelers in the country. The company has two subsidiaries, namely Bajaj Auto International Holdings BV and PT Bajaj Indonesia. In 1959, Bajaj Auto obtained licence from the Government of India to manufacture two- and three-wheelers.

Investment Rationale

Early sign of pre-buying; export outlook remains stable: Management highlighted that domestic Two wheeler demand has picked up from the latter part of January, which it sees as a sign of pre-buying and believes this to accelerate further ahead of the BS-VI transition. Two wheeler export outlook remains stable with momentum likely to continue for the medium term. Management expects continued momentum in domestic 3-Wheeler market on the back of government schemes.

New launches: Bajaj-Auto has a robust product pipeline for the next 18 months with a bunch of models from Dominar, KTM, Husqvarna portfolio expected to be launched. But these launches will be only post the transition to BS-VI.

Electric vehicles: Strategic objective to launch Chetak electric was to enter early into e-scooter category to learn, commence relationship with vendors, set-up manufacturing facility etc. Bajaj Auto plans to expand electric Chetak portfolio over a period of time and prototypes are already ready. Bajaj Auto also plans to enter Lithium-ion battery powered electric 3-wheeler category to get learnings and capability.

Valuations:

At CMP of Rs 3145, Bajaj Auto is trading at a PE of 18x FY21E estimates. We believe, it will outperform the industry growth on the back of smart pricing and robust pipeline of products as response to e-Chetak scooter was overwhelming. It is launched in just two cities and has received 2,000 bookings. Expect a gradual launch and increase in the sales in coming quarters. We value Bajaj Auto at a PE multiple of 18.5x +129 for KTM stock valuation to arrive at a target price of Rs 3,580 with a potential upside of 13.8% using SOTP method for Bajaj's stake in KTM. We have an 'ACCUMULATE' rating on the stock.

AUTO SECTOR

JANUARY Sales



Maruti Suzuki

Total Sales: 154,123 units, 2% YoY up
 Domestic Sales: 142,250 units, 0.1% YoY up
 PV Sales: 111,060 units, 9.0% YoY up
 Exports: 9,624 units, 0.6% YoY up



TVS Motor

Total Sales: 234,920 units, -17% YoY down
 2Wheeler Sales: 220,439 units, -18% YoY down
 3Wheelers Sales: 14,481 units, +8% YoY up
 Exports: 70,784 units, +34% YoY up



Mahindra & Mahindra

Total Sales: 52,546 units, -6% YoY down
 Domestic Sales: 50,785 units, -3% YoY down
 PV Sales: 19,797 units, -17% YoY down
 CV Sales: 22,851 units, 1% YoY up
 M&HCV Sales: 471 units, -45% YoY down
 Exports: 1,761 units, -45% YoY down



Atul Auto

Total Sales: 3,700 units, 4% YoY up



Tata Motors

Total Sales: 45,242 units, -18% YoY down
 PV Sales: 13,894 units, -22% YoY down
 CV Sales: 31,348 units, -15% YoY down
 M&HCV Sales: 6,914 units, -41% YoY down



Escorts

Total Sales: 6,063 units, 1% YoY up
 Domestic Sales: 5,845 units, 1.4% YoY up
 Exports: 218 units, -5% YoY down



Bajaj Auto

Total Sales: 394,473 units, -3% YoY down
 Domestic Sales: 192,872 units, -17% YoY down
 CV Sales: 62,131 units, 10% YoY up
 Motorcycle Sales: 332,342 units, -5% YoY down
 Exports: 174,546 units, 19% up



Ashok Leyland

Total Sales: 11,850 units, -40% YoY down
 M&HCV Sales: 7,754 units, -47% YoY down
 LCV Sales: 4,096 units, -19% YoY down



Hero MotoCorp

Total Sales: 501,622 units, -13.9% YoY down



Volvo-Eicher Commercial Vehicles

Total Sales: 5,544 units, -6% YoY down

Eicher Motorcycle

Total Sales: 63,520 units, -13% YoY down
 Exports: 2,228 units, 22% YoY up

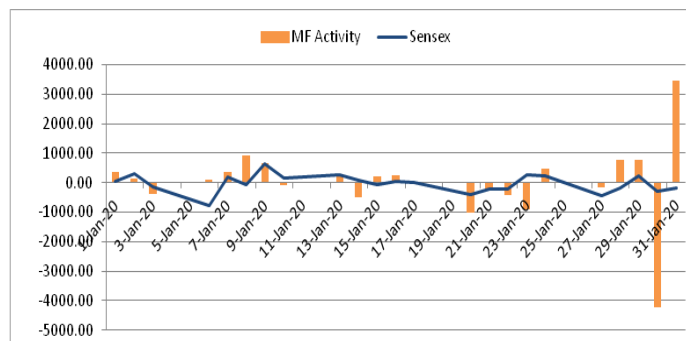


MUTUAL FUND

Indian equity markets ended on negative note in January 2020. The barometer index, S&P BSE Sensex delivered negative returns of 1.29% to settle at 40723.49 and Nifty50 lost 1.70% ending the month at 11962.10.

MF ACTIVITY

Indian mutual funds were net buyers of equities to the tune of Rs 758.99 crores in the month of January 2020. Highest Buying was recorded in the second week of the month when the fund houses made total net buy of Rs 1974.75 crores of equities. On the other hand, foreign institutional investors (FIIs) were net sellers to tune Rs 12367.90 crores worth of equities in January 2020.



Mutual Fund Activity In January 2020

Rs in Crores	Gross Purchases	Gross Sales	Net Investment
1 st Week	5787.72	5691.93	95.79
2 nd Week	17515.69	15540.94	1974.75
3 rd Week	15188.09	14958.06	230.03
4 th Week	16599.32	18729.11	-2129.79
5 th Week	18974.65	18386.44	588.21
Total	74065.47	73306.48	758.99

Note: Mutual Fund activity as on Jan 2020

Equity Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 st Dec, 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)	32.07	10,211	05-Jan-10	20.43	18.65	9.95	12.33	1000	5000
ICICI Pru Bluechip Fund (G)	42.97	25,024	23-May-08	10.64	11.00	7.67	13.75	100	100
Mirae Asset Large cap Fund(G)	52.34	16,873	04-Apr-08	11.87	13.34	10.22	15.26	1000	5000
Multi Cap Fund									
Axis Focused 25 Fund(G)	31.10	9,109	29-Jun-12	24.69	17.59	11.85	16.287	1000	5000
Kotak Standard Multicap Fund(G)	37.17	29,597	11-Sept-09	15.09	12.48	9.81	13.66	500	5000
SBI Magnum Multicap Fund (G)	50.72	8,479	29-Sept-05	14.27	11.54	10.00	11.98	500	1000
Mid Cap Fund									
DSP MidCap Fund(G)	62.18	6,956	25-Jun-07	21.09	10.70	11.01	14.66	500	5000
L&T Mid Cap Fund (G)	137.62	5,992	9-Aug-04	9.44	9.53	10.31	18.56	500	5000

Note: Returns as on 31st January, 2020, Returns < 1 yr annualized, Returns > 1 yr compounded annualized.

Debt Scheme- Liquid Funds Recommendation

Scheme Name	YTM	Latest NAV*	AUM as on 31 st Dec, 2019 (Rs in Cr)	Returns (%)				
				One Month	Three Months	Six Months	One Year	Since Inception
Liquid Fund								
Axis Liquid(G)	5.29	2173.12	29118	0.42	1.31	2.78	6.45	7.81
ICICI Pru Liquid Fund(G)	5.32	289.75	55664	0.41	1.28	2.76	6.39	7.77
Ultra Short Term Fund								
Kotak Saving Fund(G)	6.24	31.81	11,278	0.48	1.46	3.35	7.60	7.77
L&T Ultra Short term Fund(G)	5.80	32.34	2,453	0.44	1.34	3.14	7.35	7.46

Note: NAV and Returns as on 31st January, 2020, Returns < 1 yr annualized, Returns > 1 yr compounded annualised.

ELSS Scheme Recommendation

Scheme Name	Latest NAV*	AUM as on 31 st Dec, 2019 (Rs in Cr)	Launch Date	Returns (%)			
				One Year	Three Years	Five Years	Since Inception
Mirae Asset Tax Saver(G)	18.57	3,066	28-Dec-15	15.46	15.93	-	17.09
Axis LT Equity Fund(G)	49.93	21,472	29-Dec-09	23.80	16.44	10.55	17.35
Kotak Tax Saver(G)	47.71	1,067	31-May-96	17.98	12.08	8.68	11.75

Note: NAV and Returns as on 31st January, 2020, Returns < 1 yr annualised, > 1 yr compounded

THE MONTH AHEAD KEY FINANCIAL EVENTS FEBRUARY 2020



FEB 01-02

- Indian Union Budget
- Indian Automobile Sales Data, by Automakers

FEB 03

- USD ISM Manufacturing PMI
- GBP Final Manufacturing PMI
- Indian Manufacturir

FEB 05

- Indian Nikkei Service PMI
- USD ISM Non-Manufacturing PMI
- USD Final Services PMI
- EUR ECB President Lagarde Speaks

FEB 06

- Indian RBI MPC meeting Outcome
- USD FOMC Member Brainard Speaks

FEB 07-08

- Indian Automobile Sales Data, by SIAM
- USD Unemployment Rate
- USD Non-Farm Employment Change

FEB 10

- CNY CPI
- CNY PPI
- EUR Italian Industrial Production

FEB 11

- GBP Prelim GDP
- GBP Manufacturing Production
- GBP Industrial Production

FEB 12

- EUR Industrial Production
- GBP Autumn Forecast Statement
- Indian CPI
- Indian IIP

FEB 13

- USD CPI
- USD Core CPI
- EUR German Final CPI

FEB 14

- EUR German Prelim GDP
- USD Core Retail Sales
- USD Retail Sales
- Indian WPI

FEB 19

- GBP CPI
- GBP Core CPI
- USD Core PPI
- USD PPI

FEB 20

- USD FOMC Meeting Minutes
- GBP Retail Sales
- EUR ECB Monetary Policy Meeting Accounts

FEB 21

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

FEB 27

- USD Core Durable Goods Orders
- USD Prelim GDP

FEB 28

- EUR German Prelim CPI
- EUR CPI Flash Estimate
- JPY Unemployment Rate



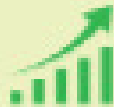
THINK
BIG
START SMALL

ARIHANT'S SIP INVESTMENT

WHY SIP INVESTMENT



DISCIPLINED INVESTMENT



POWER OF COMPOUNDING



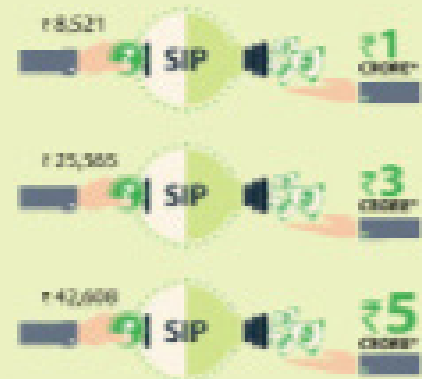
RUPEE COST AVERAGING



SMALL POCKET INVESTMENT

*These illustrative figures are calculated on the basis of ₹10,000 for illustration purposes only. Actual fund investments are subject to market risks. Returns may vary from expected results depending on market conditions. Please refer to the disclaimer for complete information on risk factors.

20 YEARS PERIOD



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

Registered Office: E-5 Parkers Road, Indore - 462002 (M.P.) IN | ARIHANT | 0227055000 | MOB - 9497047200 | FAX - 9497050000
 REGD. - INDP-RISE-355-2008-COBL-19-DP-CDSL-317-2015-AMFI - AMN 15114 - SEBI - RA-INDR000003754

Disclaimer: This document has been prepared by Arihant Capital (India) Ltd (hereinafter referred to as Arihant). This document does not constitute an offer or solicitation for the purchase or sale of any financial instrument by Arihant. This document has been prepared with reference to the best of publicly available information, internally developed data sources known to the issuer. Actual returns may vary from those shown. The issuer does not warrant, either directly or indirectly, any accuracy or completeness of the information contained herein. The issuer does not intend to be and should not be held liable for any 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 the document or in related investments and may have sold, own or used the information contained in the document or its contents or be involved in its sale, before its availability. This is just a suggestion and Arihant will not be responsible for any profit or loss resulting from the decision taken by the reader of the document. Arihant has not received other reports that are inconsistent with and each other's customer from the information presented in the report. Any decision to purchase or sell is a result of the opinion expressed in the report and the user assumes the full responsibility of the purchase/selling of such investments. The probabilities/risks discussed in the report may not be suitable for all investors. Any person subscribing to or investing in any product/instrument should do so on the basis of and after verifying the terms attached to such product/instrument. Product/instruments are subject to market risks and returns may fluctuate depending on various factors. Past performance of the product/instruments does not indicate future prospects or performance thereof. Such past performance may not be sustained in future. The investors shall always read and understand the risk disclosure documents, offer documents and/or any other relevant documents before making any decision for investment. This information is subject to change without any prior notice. The reader contained in this document may be reproduced or copied without the consent of the firm.