



Market Cues

Indian markets are likely to open flat tracking global indices and SGX Nifty.

The US stocks showed a strong move back to the upside during trading on Tuesday. The major averages fluctuated after an early upward move but maintained a positive bias throughout the session. The Dow jumped 1.2 percent to 26,029 and the Nasdaq soared 1.4 percent to 7,833.

U.K. stocks were deep in the red on Monday, joining a global selloff as simmering trade tensions between the U.S. and China spurred fears that a deepening trade war will depress demand. The FTSE 100 was down by 2.1% to 7,258.

On domestic front, Indian shares ended Tuesday's session higher as the Chinese yuan stabilized to hold above 7 per dollar and investors braced for a 25 bps repo cut from the Reserve Bank of India. The benchmark BSE Sensex was up by 0.8% to 36,977.

News Analysis

- Govt asks NCLT to freeze assets of IL&FS arm's audit partners Deloitte, BSR

Detailed analysis on Pg2

Investor's Ready Reckoner

Key Domestic & Global Indicators

Stock Watch: Latest investment recommendations on 150+ stocks

Refer Pg5 onwards

Top Picks

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)
Blue Star	Capital Goods	Buy	699	867	24.0
ICICI Bank	Financials	Buy	410	490	19.4
Parag Milk Foods	Others	Buy	201	330	63.9
Bata India	Others	Buy	1,405	1,643	17.0
KEI Industries	Capital Goods	Buy	445	612	37.5

More Top Picks on Pg4

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	0.8	277	36,977
Nifty	0.8	86	10,948
Mid Cap	1.4	193	13,569
Small Cap	1.7	211	12,495
Bankex	1.4	449	31,695

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	1.2	311	26,029
Nasdaq	1.4	107	7,833
FTSE	(2.1)	(148)	7,258
Nikkei	(0.7)	(135)	20,585
Hang Seng	(0.7)	(175)	25,976
Shanghai Com	(1.6)	(44)	2,777

Advances / Declines	BSE	NSE
Advances	1,633	1,329
Declines	813	496
Unchanged	119	97

Volumes (₹ Cr)	
BSE	2,163
NSE	35,225

Net Inflows (₹ Cr)	Net	Mtd	Ytd
FII	(1,167)	(1,167)	67,079
*MFs	2,898	11,665	19,760

Top Gainers	Price (₹)	Chg (%)
DHFL	55	32.1
SRF	2988	15.9
JAMNAAUTO	41	13.3
HSCL	74	12.5
SHARDACROP	296	10.7

Top Losers	Price (₹)	Chg (%)
DEA	6	-6.0
ZEEL	313	-5.6
COX&KINGS	9	-5.0
COFFEEDAY	86	-5.0
MANPASAND	23	-4.8

As on Aug 06, 2019



News Analysis

Govt asks NCLT to freeze assets of IL&FS arm's audit partners Deloitte, BSR

The Ministry of Corporate Affairs (MCA) on Tuesday sought the National Company Law Tribunal's (NCLT's) approval to freeze assets, including bank lockers, of Deloitte Haskins & Sells and KPMG-network auditor BSR & Associates, both former auditors of IL&FS Financial Services (IFIN) which have been named in the Serious Fraud Investigation Office (SFIO) complaint. The tribunal, after hearing the MCA's argument, adjourned the matter till August 28 as its order permitting the prosecution of the auditors was stayed by the National Company Law Appellate Tribunal (NCLAT). The NCLAT will hear the matter on August 19. The Mumbai Bench of the NCLT on Tuesday categorically stated that it won't pass any order in the case until the NCLAT decides on whether permission should be granted to the MCA to prosecute the auditors.

The counsel for the auditors objected to the MCA's application, saying they were no longer party to the case as the NCLAT had stayed the NCLT order giving permission to the ministry to prosecute them. However, the tribunal observed that the NCLAT while staying the interim order had said it won't come in the way of the NCLT and the Union of India to proceed with the case in accordance with the law. The NCLT, Mumbai, in its December 3 order, had barred former IL&FS directors from "creating third-party rights, mortgaging or alienating movable and immovable assets fully or partly owned". The MCA has prayed to the NCLT to extend the same order to audit firms and their partners named in the SFIO complaint and other individuals.

Economic and Political News

- Railways, CIL in talks over 538-km eastern freight corridor stretch
- Revenue department to brief PMO on Rs 1.67-trillion tax shortfall
- Steel ministry mulls options for duty free export of higher grade iron ore
- Pallonji, ReNew Power to invest Rs 750 cr in UP solar power project
- Govt scraps Article 370, proposes to split J&K into two Union Territories

Corporate News

- Govt asks NCLT to freeze assets of IL&FS arm's audit partners Deloitte, BSR
- GIC to invest Rs 4,400 crore in road platform of IRB Infrastructure
- Suzlon Energy's bondholders plan to take legal action over default
- Tata Steel's South-East Asia business equity stake sale plan details
- PNB Housing Finance raises Rs 522 cr via ECB from Sumitomo Mitsui Banking



Top Picks

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Blue Star	6,736	699	867	24.0	Favorable outlook for the AC industry to augur well for Cooling products business which is out pacing the market growth. EMPPAC division's profitability to improve once operating environment turns around.
ICICI Bank	2,64,902	410	490	19.4	Well capitalized with CAR of 18.1% which gives sufficient room to grow asset base. Faster resolution of NPA would reduce provision cost, which would help to report better ROE.
KEI Industries	3,514	445	612	37.5	High order book execution in EPC segment, rising B2C sales and higher exports to boost the revenues and profitability
Maruti Suzuki	1,76,166	5,832	8,552	46.6	GST regime and the Gujarat plant are expected to improve the company's sales volume and margins, respectively.
Safari Industries	1,218	546	1,000	83.3	Third largest brand play in luggage segment Increased product offerings and improving distribution network is leading to strong growth in business. Likely to post robust growth for next 3-4 years
Aditya Birla Capital	19,163	87	130	49.3	We expect financialisation of savings and increasing penetration in Insurance & Mutual fund would ensure steady growth.
Parag Milk Foods	1,694	201	330	63.9	One of the leading Indian dairy products companies in India created strong brands in dairy products. Rising revenue share of high-margin Value Added Products and reduction in interest cost is likely to boost margins and earnings in next few years.
HDFC Bank	5,98,450	2,189	2,660	21.5	HDFC Bank maintained its steady growth in the 4QFY18. The bank's net profit grew by 20.3%. Steady growth in interest income and other income aided PAT growth. The Strong liability franchise and healthy capitalisation provides strong earning visibility. At the current market price, the bank is trading at 3.2x FY20E ABV.
M&M	68,289	549	1,050	91.2	We expect strong PAT growth on back of healthy growth in automobile segment (on back of new launches and facelifts in some of the model) and strong growth in Tractors segment coupled by its strong brand recall and improvement in rural sentiment
Amber Enterprises	2,512	799	910	13.9	Market leader in the room air conditioner (RAC) outsourced manufacturing space in India with a market share of 55.4%. It is a one-stop solutions provider for the major brands in the RAC industry and currently serves eight out of the 10 top RAC brands in India
Bata India	18,056	1,405	1,643	17.0	BIL is the largest footwear retailer in India, offering footwear, accessories and bags across brands. We expect BIL to report net PAT CAGR of ~16% to ~`3115cr over FY2018-20E mainly due to new product launches, higher number of stores addition and focus on women's high growth segment and margin improvement



Continued...

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Shriram Transport Finance	22,286	982	1,470	49.6	SHTF is in the sweet spot with benefits from stronger CV volumes, NIMs unaffected by rising bond yields on the back of stronger pricing power and an enhancing ROE by 750bps over FY18-20E, supported by decline in credit cost.
Jindal Steel & Power Limited	11,679	115	250	118.3	We expect JSPL's top line to grow at 27% CAGR over FY19-FY20 on the back of strong steel demand and capacity addition. On the bottom line front, we expect JSPL to turn in to profit by FY19 on back of strong operating margin improvement.
GMM Pfaudler Ltd	1,757	1,202	1,570	30.6	GMM Pfaudler Limited (GMM) is the Indian market leader in glass-lined (GL) steel equipment. GMM is expected to cross CAGR 15%+ in revenue over the next few years mainly led by uptick in demand from user industries and it is also expecting to increase its share of non-GL business to 50% by 2020.
Aurobindo Pharmaceuticals	32,926	562	890	58.4	Aurobindo Pharmaceuticals, amongst the Indian Pharmaceutical companies, is well placed to face the challenging generic markets, given its focus on achieving growth through productivity. Aurobindo will report net revenue & net profit CAGR of ~13% & ~8% resp. during FY2018-20E. Valuations are cheap V/s its peers and own fair multiples of 17-18x.
RBL Bank	16,973	395	650	64.4	We believe advance to grow at a healthy CAGR of 35% over FY18-20E. Below peers level ROA (1.2% FY18) to expand led by margin expansion and lower credit cost.
TTK Prestige	7,498	5,410	7,708	42.5	TTK Prestige has emerged as one of the leading brands in kitchen appliances in India after its successful transformation from a single product company to offering an entire gamut of home and kitchen appliances. We are expecting a CAGR of 18% in revenue and 25% in PAT over FY2018-20. Maintain Hold.

Source: Company, Angel Research



Fundamental Call

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
CCL Products	3,193	240	360	50.0	CCL is likely to maintain the strong growth trajectory over FY18-20 backed by capacity expansion and new geographical foray
Nilkamal	1,394	934	2,178	133.1	We forecast Nilkamal to report top-line CAGR of ~9% to ₹2,635cr over FY17-20E on the back of healthy demand growth in plastic division. On the bottom-line front, we estimate ~10% CAGR to ₹162cr owing to improvement in volumes.
Elantas Beck India Ltd	1,523	1,921	2,500	30.2	Elantas Beck India is the Indian market leader in liquid insulation segment used in electrical equipments like motors, transformers etc. It derives demand from several industries which are expected to register 10%+ CAGR in demand in the coming years. We can book out from the stock with 16% profit at Rs. 2500 TP.
Greenply Industries	1,451	118	256	116.4	Greenply Industries Ltd (GIL) manufactures plywood & allied products and medium density fibreboards (MDF). GIL to report net revenue CAGR of ~14% to ~`2,478cr over FY2017-20E mainly due to healthy growth in plywood & lamination business on the back of strong brand and distribution network
L&T Finance Holding	19,745	99	210	112.8	L&T Fin's new management is on track to achieve ROE of 18% by 2020 and recent capital infusion of `3000cr would support advance growth.
GIC Housing	1,295	241	424	76.3	We expect loan book to grow at 24.3% over next two year; change in borrowing mix will help in NIM improvement
Siyaram Silk Mills	1,137	243	549	126.4	Strong brands and distribution network would boost growth going ahead. Stock currently trades at an inexpensive valuation.
Music Broadcast Limited	1,246	45	95	110.9	Expected to benefit from the lower capex requirement and 15 year long radio broadcast licensing.
Inox Winds	1,096	49	120	142.9	We expect Inox Wind to report exponential growth in top-line and bottom-line over FY19-20E. The growth would be led by changing renewable energy industry dynamics in favor of wind energy segment viz. changes in auction regime from Feed-In-Tariff (FIT) to reverse auction regime and Government's guidance for 10GW auction in FY19 and FY20 each.
Ashok Leyland	18,641	64	156	145.7	Considering the strong CV demand due to change in BS-VI emission norms (will trigger pre-buying activities), pick up in construction activities and no significant impact on industry due to recent axle load norms, we recommend BUY on Ashok Leyland at current valuations.
Yes Bank	19,805	85	NA	NA	Well planned strategy to grow small business loans and cross-selling would propel fees income. We expect YES to grow its advance much higher than industry and improvement in asset quality to support profitability.



Global economic events release calendar

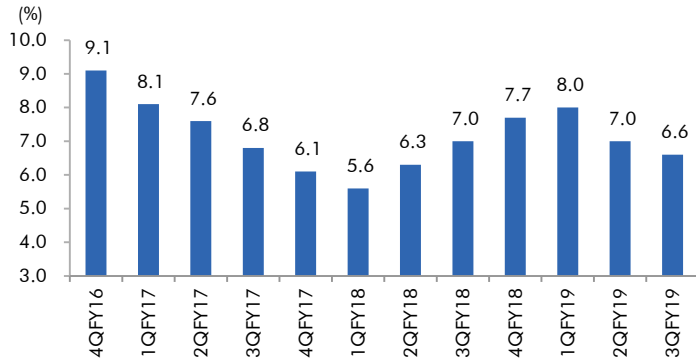
Date	Time	Country	Event Description	Unit	Period	Bloomberg Data	
						Last Reported	Estimated
May 16, 2019		JN	Housing Starts YoY	% Change	Sep	0.02	(0.01)
May 17, 2019		JN	Annualized Housing Starts	% Change	Sep	0.957m	0.950m
May 17, 2019		JN	Construction Orders YoY	% Change	Sep	0.01	--
May 20, 2019	12:00 AM	ES	Industrial Production YoY	% Change	Sep	0.06	--
May 21, 2019	12:00 AM	RO	ILO Unemployment Rate	% Change	Sep	0.04	--
May 24, 2019	3:15 AM	DE	Unemployment Rate SA	% Change	Sep	0.03	--
May 25, 2019	4:30 AM	DE	Unemployment Rate Gross Rate	% Change	Sep	0.04	0.04
May 26, 2019	4:30 AM	FI	Trade Balance	% Change	Aug F	-400m	--
May 28, 2019	4:30 AM	TU	Economic Confidence	% Change	Oct	71.00	--
May 30, 2019	5:20 AM	TU	Trade Balance	% Ratio	Sep	-2.42b	-1.90b
May 30, 2019	5:20 AM	TU	Central Bank Inflation Report	%			
June 02, 2019	5:30 AM	TH	Exports YoY	% Change	Sep	0.06	--
June 03, 2019	5:30 AM	TH	Exports	% Change	Sep	\$22380m	--
June 04, 2019	5:31 AM	TH	Imports YoY	%	Sep	0.24	--
June 08, 2019	5:31 AM	TH	Imports	%	Sep	\$21776m	--
June 09, 2019	5:31 AM	TH	Trade Balance	Thousands	Sep	\$604m	--
June 10, 2019	6:00 AM	TH	BoP Current Account Balance	% Change	Sep	\$753m	\$1200m
June 11, 2019	0-Jan-00	AU	CPI YoY	% Change	3Q	0.02	0.02

Source: Company, Angel Research



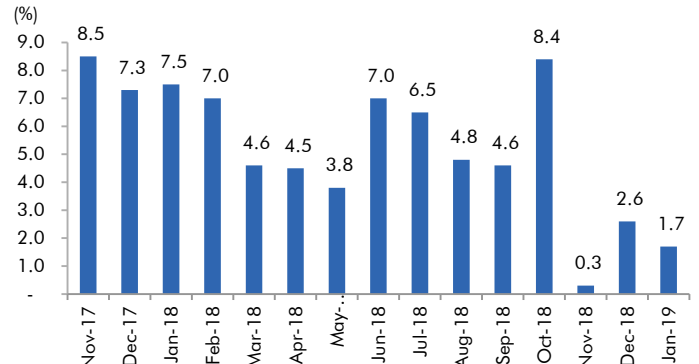
Macro watch

Exhibit 1: Quarterly GDP trends



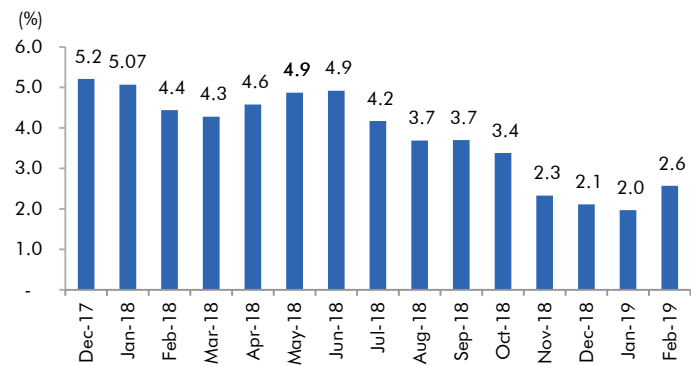
Source: CSO, Angel Research

Exhibit 2: IIP trends



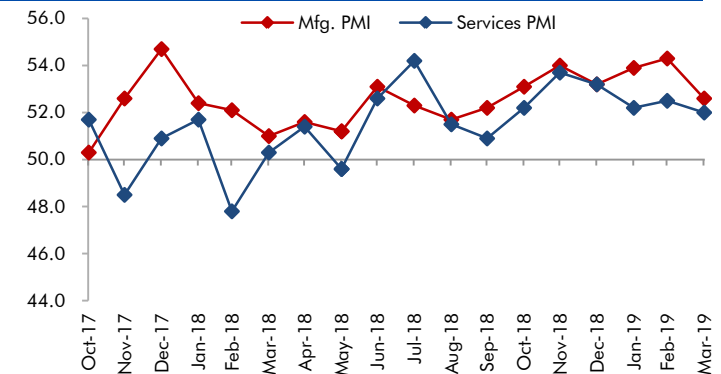
Source: MOSPI, Angel Research

Exhibit 3: Monthly CPI inflation trends



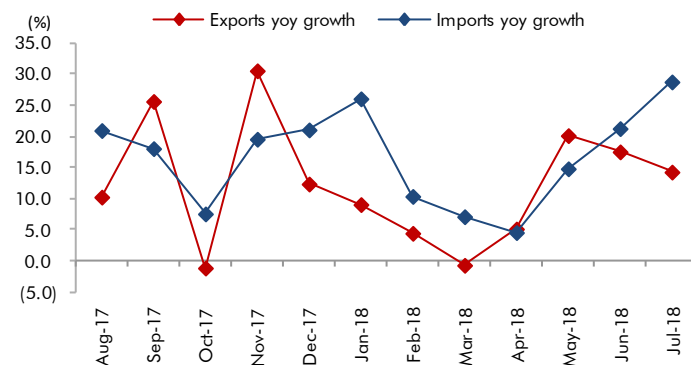
Source: MOSPI, Angel Research

Exhibit 4: Manufacturing and services PMI



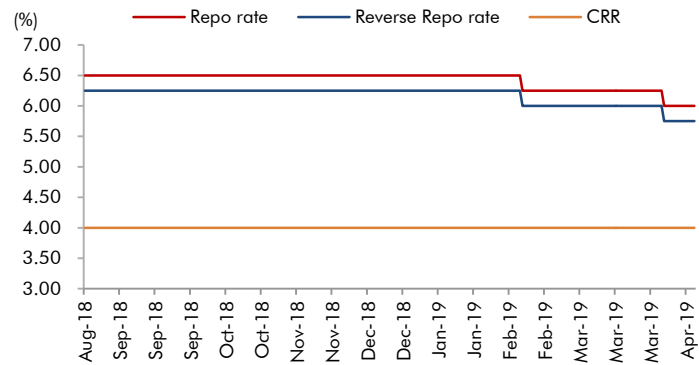
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 5: Exports and imports growth trends



Source: Bloomberg, Angel Research As of 15 April, 2019

Exhibit 6: Key policy rates

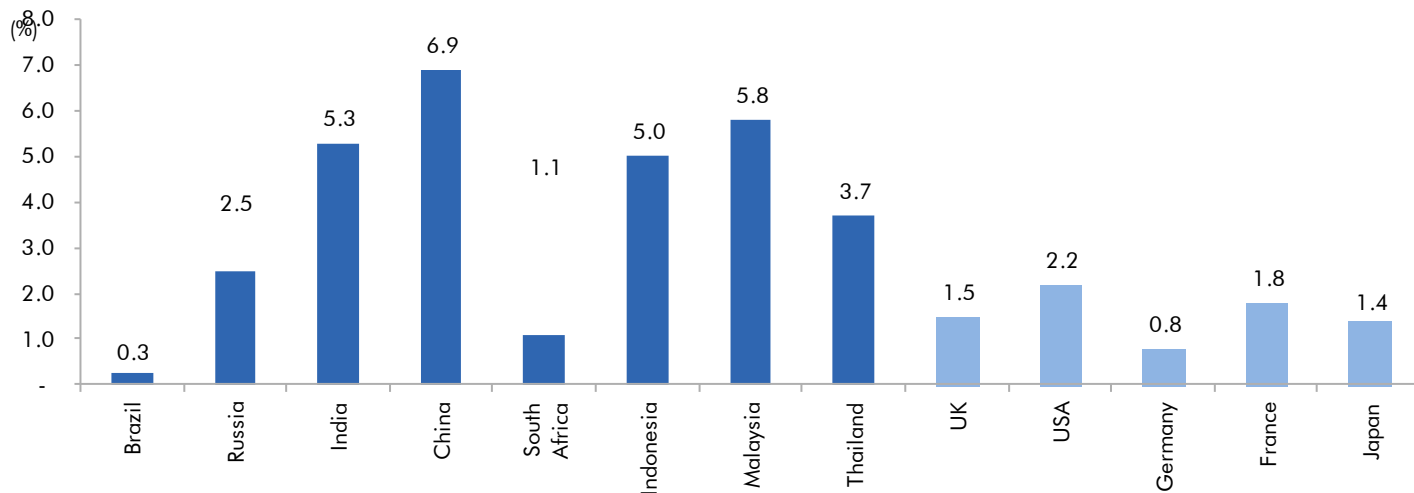


Source: RBI, Angel Research



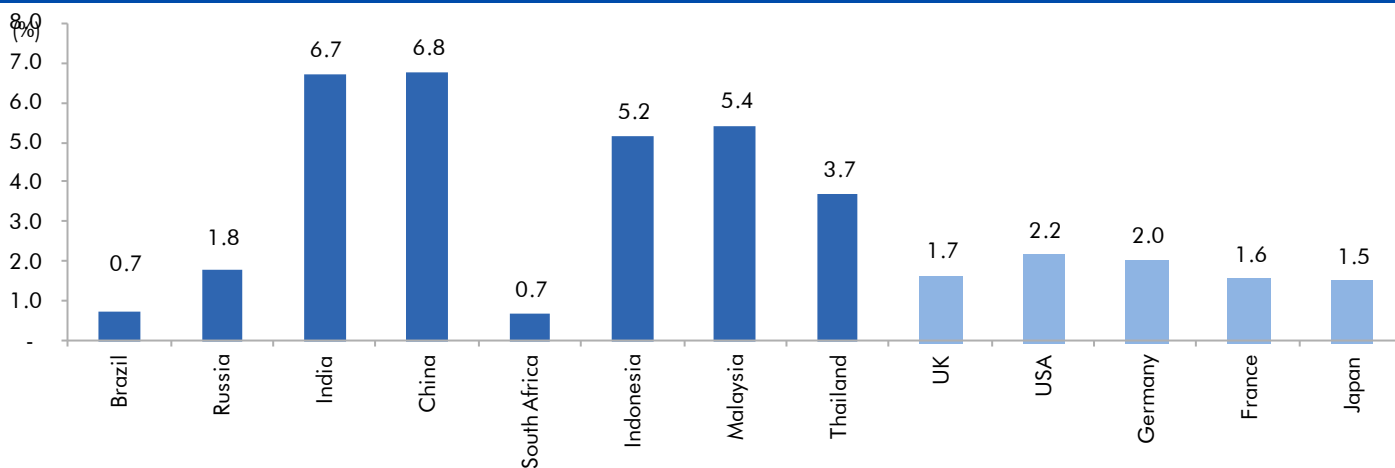
Global watch

Exhibit 1: Latest quarterly GDP Growth (% , yoy) across select developing and developed countries



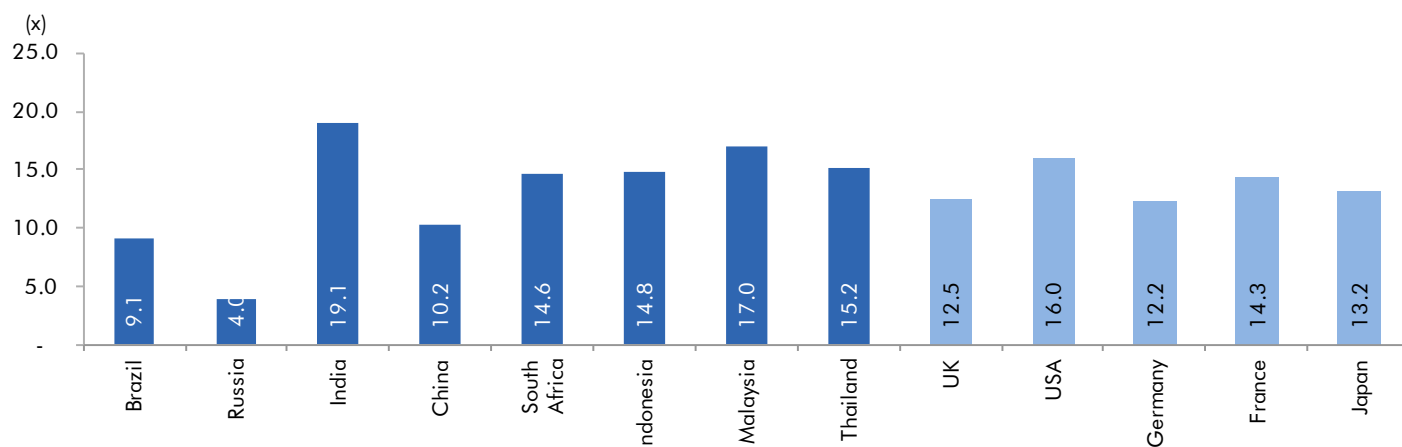
Source: Bloomberg, Angel Research

Exhibit 2: 2017 GDP Growth projection by IMF (% , yoy) across select developing and developed countries



Source: IMF, Angel Research

Exhibit 3: One year forward P-E ratio across select developing and developed countries



Source: IMF, Angel Research As of 25 Sep, 2018



Exhibit 4: Relative performance of indices across globe

Country	Name of index	Closing price	1M	Returns (%)	
				3M	1YR
Brazil	Bovespa	1,00,995	4.1	5.8	38.8
Russia	Micex	2,559	0.0	1.5	10.9
India	Nifty	11,789	-1.1	1.4	10.0
China	Shanghai Composite	2,979	2.8	-3.6	4.6
South Africa	Top 40	51,925	3.8	9.7	3.7
Mexico	Mexbol	44,686	-11.2	-15.1	-11.3
Indonesia	LQ45	1,006	-3.2	4.1	-8.5
Malaysia	KLCI	1,708	1.4	1.7	-8.0
Thailand	SET 50	1,099	0.2	0.6	-8.9
USA	Dow Jones	26,600	7.2	2.6	9.6
UK	FTSE	7,426	3.7	2.0	-2.8
Japan	Nikkei	21,276	3.3	0.3	-4.6
Germany	DAX	12,399	5.7	7.6	0.8
France	CAC	5,539	6.4	3.5	4.0

Source: Bloomberg, Angel Research As of 06 July, 2019



Exhibit 7: Historical Angel Top Picks/Fundamental Calls

Date Added	Top Picks/Fundamental	Stocks	Reco Price	Target/Revised Price	Current Status
17-08-2018	Top Picks	Ashok Leyland	128	156	Open
10-08-2018	Top Picks	Inox Wind	107	127	Open
30-11-2018	Top Picks	TTK Prstige	7,206	8,200	Open
09-08-2018	Top Picks	TTK Prstige	6,206	7,500	
06-07-2018	Top Picks	Aurobindo Pharma	603	780	Open
30-08-2018	Top Picks	RBL Bank	626	690	Open
06-07-2018	Top Picks	RBL Bank	565	670	
06-07-2018	Top Picks	Yes Bank	348	418	Open
30-06-2018	Top Picks	Jindal Steel & Power	222	350	Open
20-06-2018	Top Picks	Shriram Transport Finance Com	1,466	1,764	Open
30-07-2018	Top Picks	Bata India	918	1,007	Open
23-07-2018	Top Picks	Bata India	842	955	
01-07-2018	Top Picks	Bata India	862	948	
18-06-2018	Top Picks	Bata India	779	896	
14-06-2018	Top Picks	Amber Enterprises	1,026	1,230	Open
07-06-2018	Top Picks	M&M	918	1050	Open
04-05-2018	Top Picks	M&M	860	990	
03-05-2018	Fundamental	L&T Finance Holding	171	210	Open
02-05-2018	Top Picks	HDFC Bank	1944	2315	Open
04-05-2018	Top Picks	Matrimony.com Ltd	573	1016	Closed(17/08/2018)
20-04-2018	Top Picks	Matrimony.com Ltd	781	984	
15-05-2018	Top Picks	Parag Milk Foods Limited	310	410	Open
16-04-2018	Top Picks	Parag Milk Foods Limited	249	333	
27-08-2018	Top Picks	GMM Pfaudler Limited	1,170	1,287	Open
18-08-2018	Top Picks	GMM Pfaudler Limited	1,024	1,200	
07-08-2018	Top Picks	GMM Pfaudler Limited	984	1,100	
29-06-2018	Fundamental	GMM Pfaudler Limited	932	1,020	
14-05-2018	Fundamental	GMM Pfaudler Limited	818	900	
06-04-2018	Fundamental	GMM Pfaudler Limited	712	861	
07-03-2018	Fundamental	Ashok Leyland Ltd	139	163	Closed (26/04/2018)
03-03-2018	Fundamental	Greenply Industries	340	395	Open
27-08-2018	Top Picks	Safari Industries	974	1,071	Open
14-08-2018	Top Picks	Safari Industries	868	1,000	
07-08-2018	Top Picks	Safari Industries	788	870	
16-07-2018	Top Picks	Safari Industries	693	800	
16-04-2018	Top Picks	Safari Industries	651	750	
21-02-2018	Top Picks	Safari Industries	532	650	
31-05-2018	Top Picks	HSIL Ltd	348		Closed (31/05/2018)
16-02-2018	Top Picks	HSIL Ltd	433	510	
07-02-2018	Fundamental	Elantas Beck India Ltd.	2155	2500	Open
01-02-2018	Top Picks	ICICI Bank	352	416	Open
01-02-2018	Top Picks	Aditya Birla Capital	167	218	Open
04-01-2018	Fundamental	CCL Products	278	360	Open
03-01-2018	Fundamental	Nilkamal Ltd	1880	2178	Open
01-01-2018	Fundamental	Capital First Ltd	693	850	Closed (15/01/2018)
30-12-2017	Fundamental	Shreyans Industries Ltd	205	247	Closed

Source: Company, Angel Research



Exhibit 8: Historical Angel Top Picks/Fundamental Calls

Date Added	Top Picks/Fundamental	Stocks	Reco Price	Target/Revised Price	Current Status
	Fundamental	Prism Cement Ltd		160	Closed (09/05/2018)
21-12-2017	Fundamental	Prism Cement Ltd	118	131	
18-12-2017	Fundamental	Menon Bearings Limited	92	114	Closed (17/01/2018)
14-12-2017	Top Picks	Ruchira Papers Ltd.	188	244	Closed (09/02/2018)
17-05-2018	Top Picks	Century Plyboards India	280		Closed(17/05/2018)
28-11-2017	Top Picks	Century Plyboards India	317	400	
19-12-2017	Top Picks	LT Foods	85		Closed(18/06/2018)
06-11-2017	Top Picks	LT Foods	74	96	
16-10-2017	Fundamental	Endurance Technologies Ltd	1111	1277	Closed (01/12/2017)
11-09-2017	Top Picks	GIC Housing	533	655	Open
10-10-2017	Top Picks	Music Broadcast Limited	404	475	Open
20-07-2017	Top Picks	Music Broadcast Limited	368	434	
07-07-2017	Fundamental	L&T Finance Holdings Ltd	149	179	Closed (28/8/2017)
06-07-2017	Fundamental	Syngene International	478	564	Closed (1/3/2018)
05-07-2017	Top Picks	Maruti	7371	10619	Open
05-06-2017	Top Picks	Karur Vysya Bank	127	100	Closed (12/03/2018)
23-05-2018	Top Picks	KEI Industries	481	589	Open
04-01-2017	Top Picks	KEI Industries	125	485	
31-05-2018	Top Picks	Alkem Lab	1978		Closed (31/05/2018)
01-12-2016	Top Picks	Alkem Lab	1700	2441	
17-10-2016	Top Picks	Asian Granito	267	534	Closed (18/02/2018)
17-05-2018	Top Picks	TV Today Network	460		Closed (17/05/2018)
04-08-2016	Top Picks	TV Today Network	297	603	
05-04-2016	Top Picks	DHFL	189	720	Open
25-06-2018	Top Picks	Navkar Corporation	207		Closed(25/06/2018)
05-01-2016	Top Picks	Navkar Corporation	207	265	Open
08-12-2015	Top Picks	Blue Star	357	867	Open
30-10-2015	Top Picks	Siyaram Silk Mills	186	851	Open

Source: Company



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