



## Market Cues

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

The US stocks fluctuated over the course of morning trading on Tuesday before coming under pressure in the afternoon. The major averages slid more firmly into negative territory, partly offsetting the strong upward move seen over the two previous sessions. Both the Dow and the Nasdaq fell by 0.7 percent to 25,962 and 7,948, respectively.

The UK stocks inched higher on Tuesday as the pound weakened and drugmaker AstraZeneca announced positive results from the landmark Phase III DAPA-HF trial. The FTSE 100 was up by 0.3 percent to 7,210.

On domestic front, Indian shares ended modestly lower on Tuesday to snap a three-day winning streak, with banks coming under selling pressure on news of financial irregularities in CG Power and Industrial Solutions. The benchmark BSE Sensex fell by 0.2 percent to 37,328.

## News Analysis

- Erratic monsoon rains hit kharif sowing, pulls down area coverage by 12%

*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	711	867	21.9
ICICI Bank	Financials	Buy	423	490	15.7
Parag Milk Foods	Others	Buy	169	330	94.9
Bata India	Others	Accumulate	1,474	1,643	11.5
KEI Industries	Capital Goods	Buy	464	612	31.9

*More Top Picks on Pg4*

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	-0.2	-74	37,328
Nifty	-0.3	-37	11,017
Mid Cap	-0.6	-81	13,436
Small Cap	-0.6	-79	12,570
Bankex	-0.8	-238	31,654

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	-0.7	-173	25,962
Nasdaq	-0.7	-54	7,948
FTSE	0.3	21	7,210
Nikkei	0.7	144	20,563
Hang Seng	2.2	558	26,292
Shanghai Com	2.1	59	2,883

Advances / Declines	BSE	NSE
Advances	1,268	963
Declines	1,212	835
Unchanged	164	328

Volumes (₹ Cr)	BSE	NSE
BSE	1,824	
NSE		25,422

Net Inflows (₹ Cr)	Net	Mtd	Ytd
FII	-1,339	-10,290	-2,39,463
*MFs	601	7,616	27,377

Top Gainers	Price (₹)	Chg (%)
HFCL	20	5.3
MFSL	440	5.1
CENTRUM	28	4.3
VENKYS	1486	9.9
RAJESHEXPO	728	4.4

Top Losers	Price (₹)	Chg (%)
CGPOWER	15	-19.8
RELCAPITAL	43	-7.1
DHFL	47	-5.2
SUNCLAYLTD	1788	-9.5
NMDC	90	-11.5

*As on Aug 20, 2019*



## News Analysis

### Erratic monsoon rains hit kharif sowing, pulls down area coverage by 12%

Erratic monsoon rains have slowed kharif sowing of food grains, pulling down crop area coverage by 12 per cent (as on August 10, 2019) compared to same period of the previous year.

The total food grains sown area as on August 10 stood at 3.17 million hectares as compared to 3.63 million hectares at this time last year. Odisha received deficient rainfall in June, normal rains in July and excess rainfall in August.

Cereals have been sown on 2.8 million hectares against 3.2 million hectares sown last year. Pulses are sown over 0.377 million hectares as on August 10 while it was 0.443 million hectares during the same period of last year. The sowing of all crops has slowed down 4.01 million hectares against 4.53 million hectares covered last year.

On the whole there is a shortfall of about 0.5 million hectares in crop coverage. The Odisha government has set a target to produce 10 million tonnes of food grains in the kharif season of 2019. As per the plan, the kharif production target will be covering 5.08 million hectares of land with a yield rate of 1977 kilogram per hectare. The food production includes 9.479 million tonnes of cereals and 0.56 million tonnes of pulses.

## Economic and Political News

- Closer look at CAG audit of GST reveals systemic flaws, not just glitches
- Govt consults select stakeholders for views on data protection bill
- India introduces flexible e-tourist visa with lower fee for lean season

## Corporate News

- Debt recovery tribunal sells 3.3 mn shares of United Spirits for Rs 196 cr
- MCA orders probe against CG Power, inspection report to be ready soon
- Crisis-hit Jaiprakash Associates to appeal against CCI penalty order
- Tatas to infuse more funds into financial services firms TCFSL and TMFL
- IL&FS board seeks NCLT nod to sell wind assets to Orix Corp for Rs 4,800 cr



## Top Picks

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Blue Star	6,849	711	867	21.9	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	273,313	423	490	15.7	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	3,663	464	612	31.9	High order book execution in EPC segment, rising B2C sales and higher exports to boost the revenues and profitability
Maruti Suzuki	180,491	5,975	8,552	43.1	GST regime and the Gujarat plant are expected to improve the company's sales volume and margins, respectively.
Safari Industries	1,255	562	1,000	77.9	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	19,956	91	130	43.4	We expect financialisation of savings and increasing penetration in Insurance & Mutual fund would ensure steady growth.
Parag Milk Foods	1,424	169	330	94.9	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	603,371	2,207	2,660	20.5	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	64,696	520	1,050	101.8	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	2,606	829	910	9.8	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	18,939	1,474	1,643	11.5	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	23,593	1,040	1,470	41.4	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	10,695	105	250	138.4	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 Pfudler Ltd	1,997	1,366	1,570	14.9	GMM Pfudler 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	35,341	603	890	47.6	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	17,139	399	650	63.1	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	8,111	5,852	7,708	31.7	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



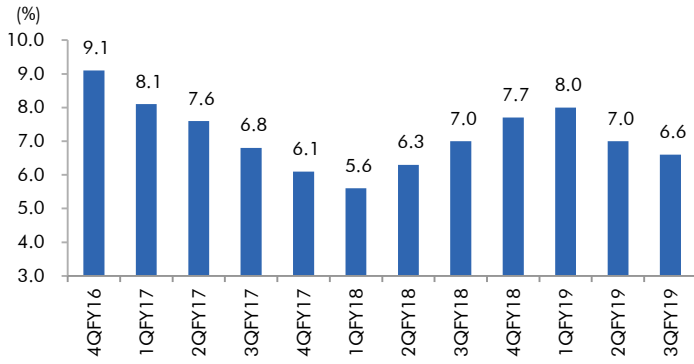
## Fundamental Call

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
CCL Products	3,295	248	360	45.3	CCL is likely to maintain the strong growth trajectory over FY18-20 backed by capacity expansion and new geographical foray
Nilkamal	1,529	1,025	2,178	112.6	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	1,585	1,999	2,500	25.1	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	1,722	140	256	82.3	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	20,965	105	210	100.4	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	1,011	188	424	125.8	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	1,101	235	549	133.6	Strong brands and distribution network would boost growth going ahead. Stock currently trades at an inexpensive valuation.
Music Broadcast Limited	1,106	40	95	137.5	Expected to benefit from the lower capex requirement and 15 year long radio broadcast licensing.
Inox Winds	869	39	120	206.5	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	18,949	65	156	141.7	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	17,789	77	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.



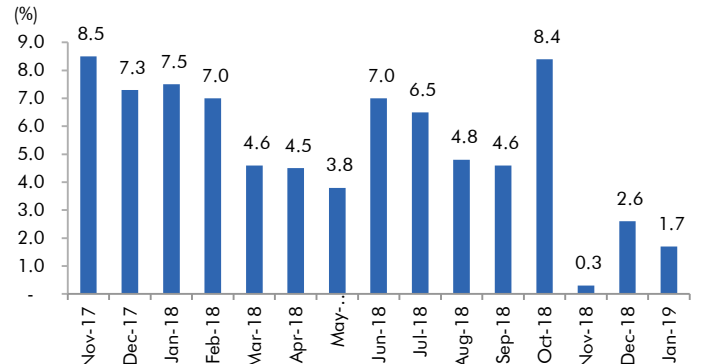
## Macro watch

**Exhibit 1: Quarterly GDP trends**



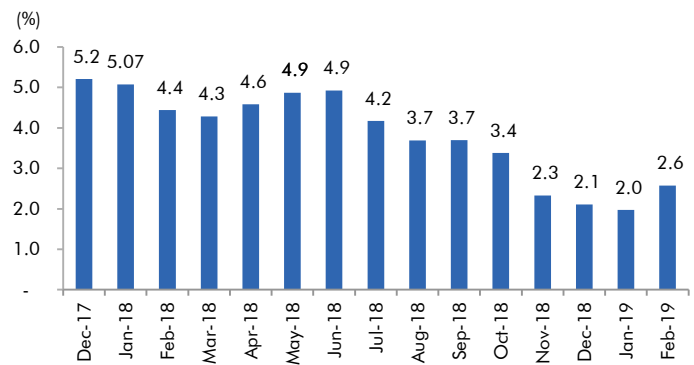
Source: CSO, Angel Research

**Exhibit 2: IIP trends**



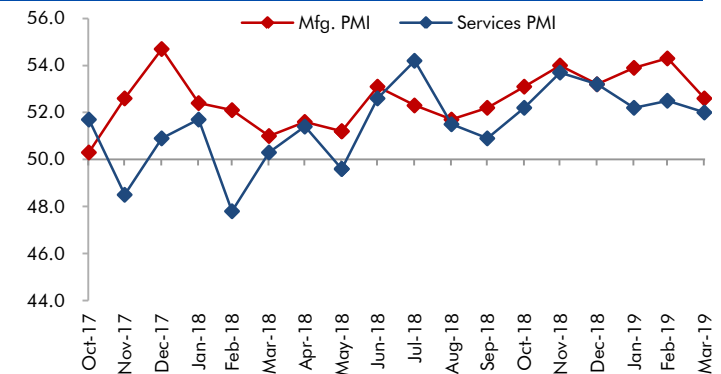
Source: MOSPI, Angel Research

**Exhibit 3: Monthly CPI inflation trends**



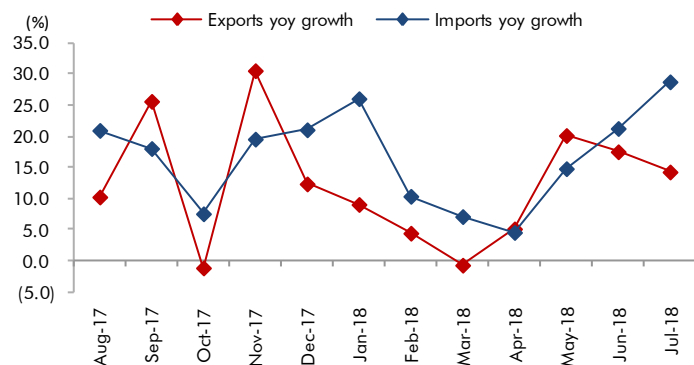
Source: MOSPI, Angel Research

**Exhibit 4: Manufacturing and services PMI**



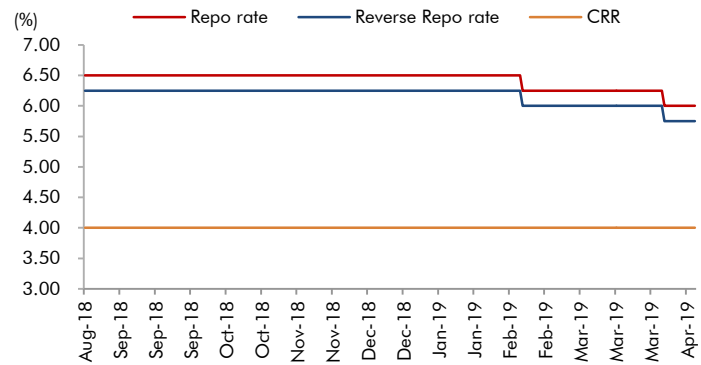
Source: Market, Angel Research; Note: Level above 50 indicates expansion

**Exhibit 5: Exports and imports growth trends**



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

**Exhibit 6: Key policy rates**

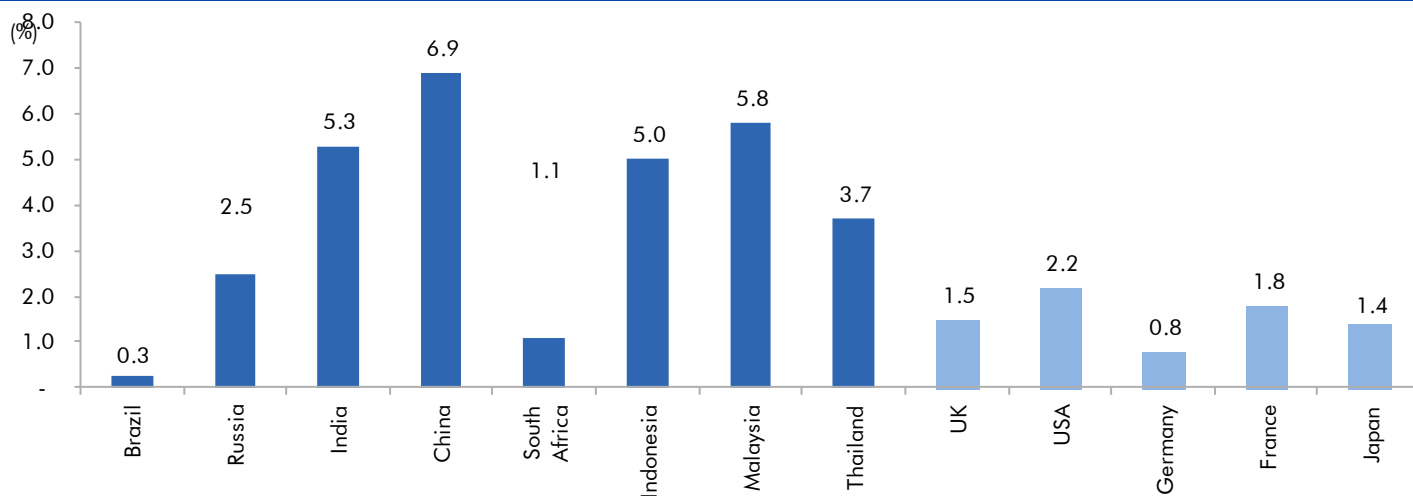


Source: RBI, Angel Research



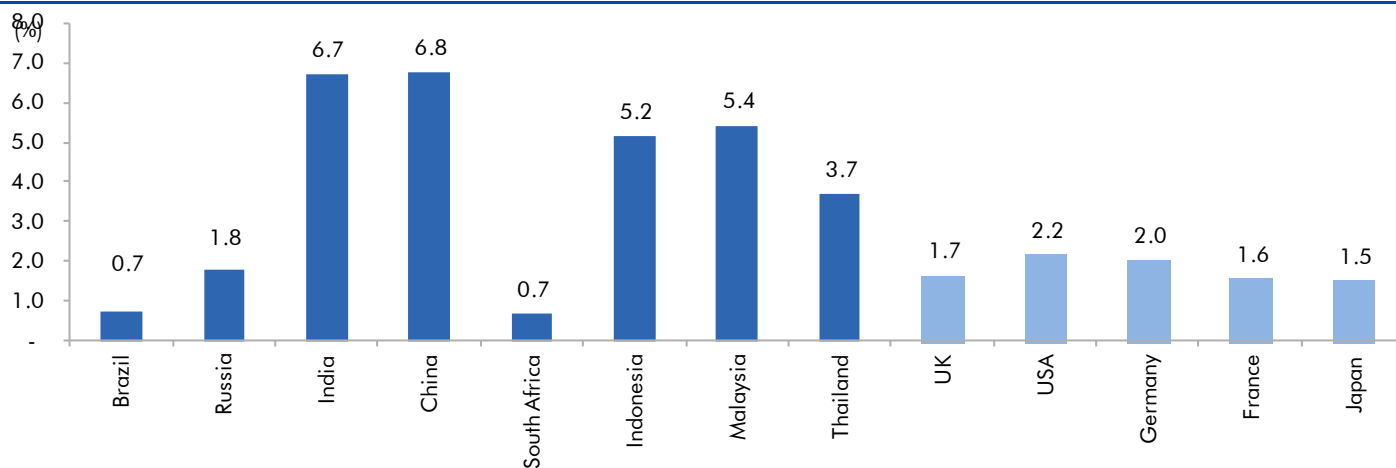
## Global watch

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



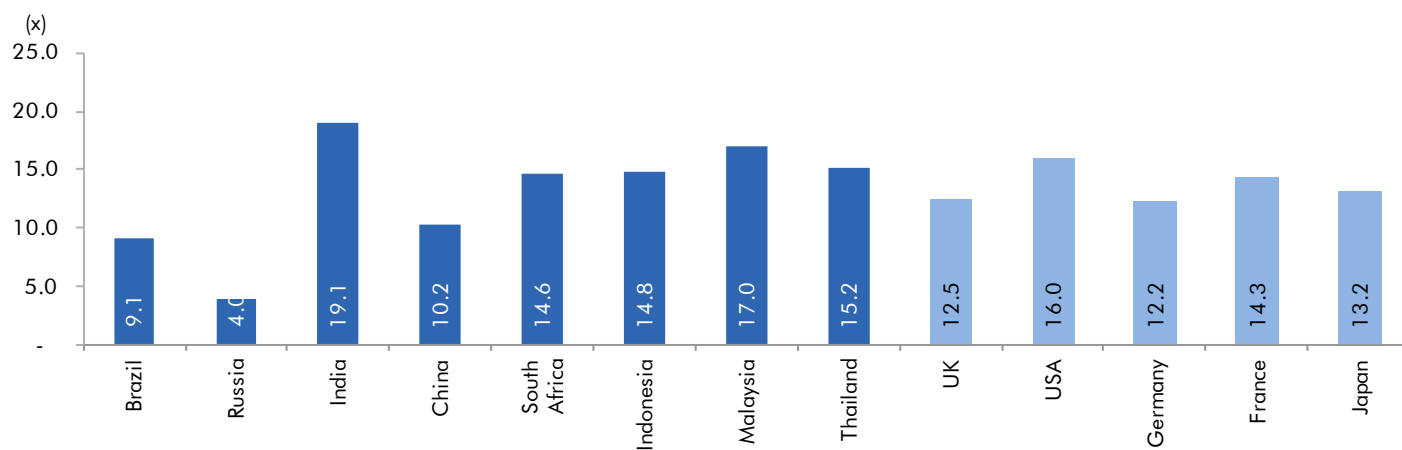
Source: Bloomberg, Angel Research

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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