



Current Market Scenario

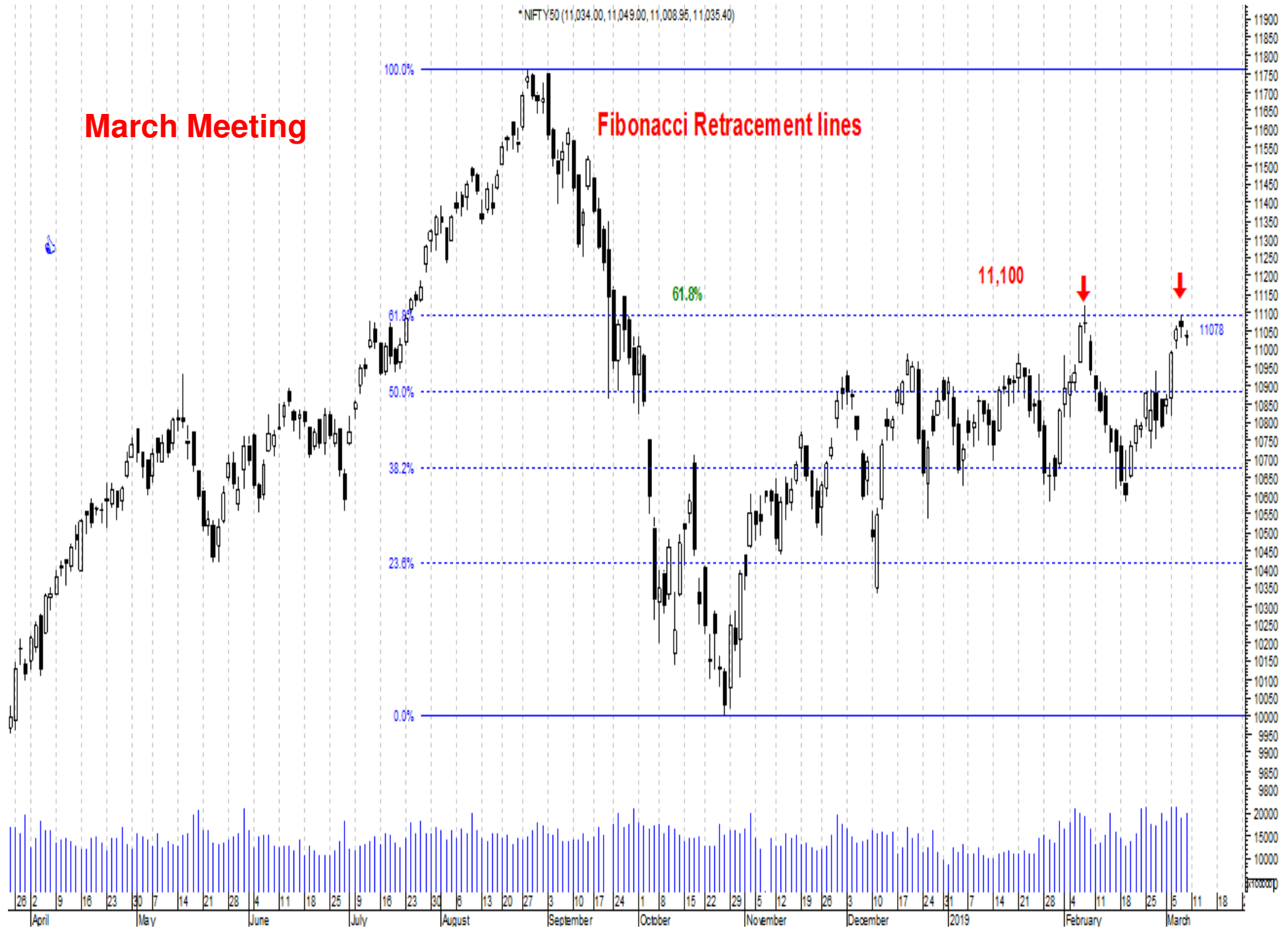
*NIFTY50 (11,612.85, 11,657.35, 11,578.80, 11,643.45)



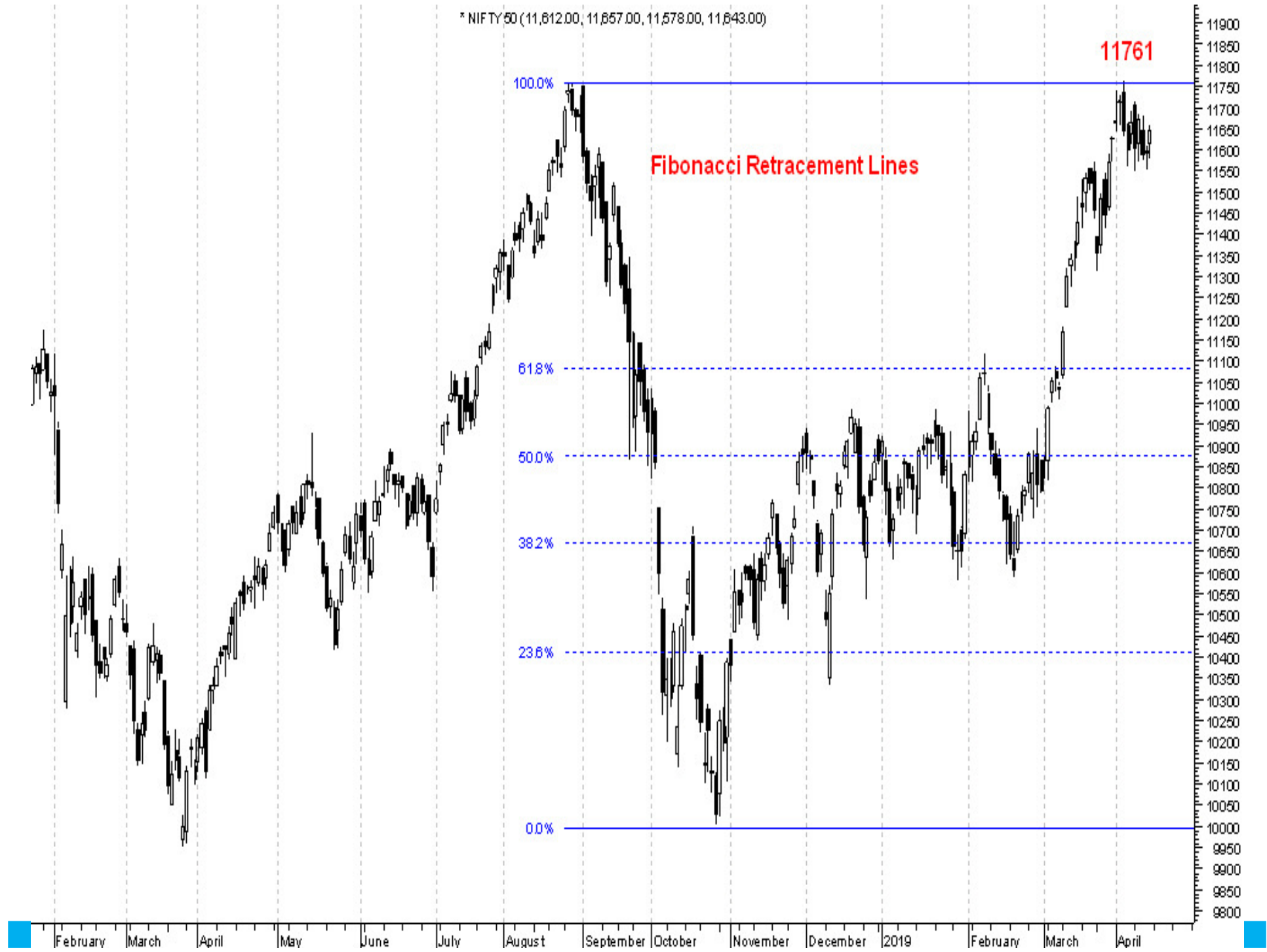
Fall in Indices & rises from recent lows



| Index | Current Index | 2018 high | % fall from peak | Present fall from peak |
|-----------------|---------------|-----------|------------------|------------------------|
| Nifty | 11643 | 11760 | 15% | 1% |
| Nifty Midcap | 18167 | 21841 | 28% | 17% |
| Nifty small cap | 6740 | 9656 | 41% | 30% |



* NIFTY 50 (11,812.00, 11,857.00, 11,578.00, 11,843.00)



*NIFTY50 (11,034.00, 11,049.00, 11,008.95, 11,035.40)

March Meeting

Side Ways Channel



* NIFTY 50 (11,612.00, 11,657.00, 11,578.00, 11,643.00)

Side Ways Channels



* NIFTY 50 (11,812.00, 11,857.00, 11,578.00, 11,843.00)

0.0%

Fibonacci support lines

23.6%

11350

38.2%

11100

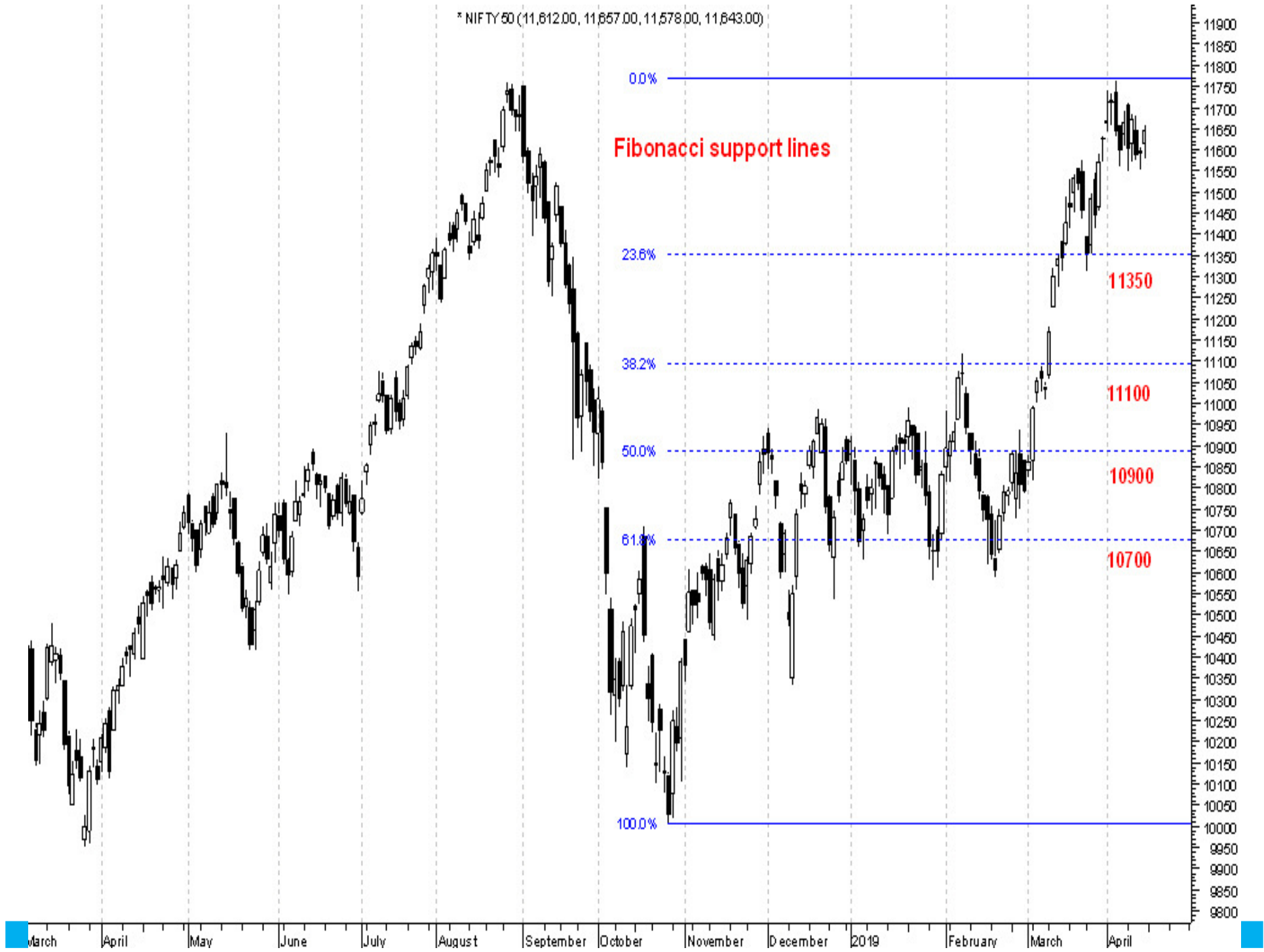
50.0%

10900

61.8%

10700

100.0%



Sensex At All Time High

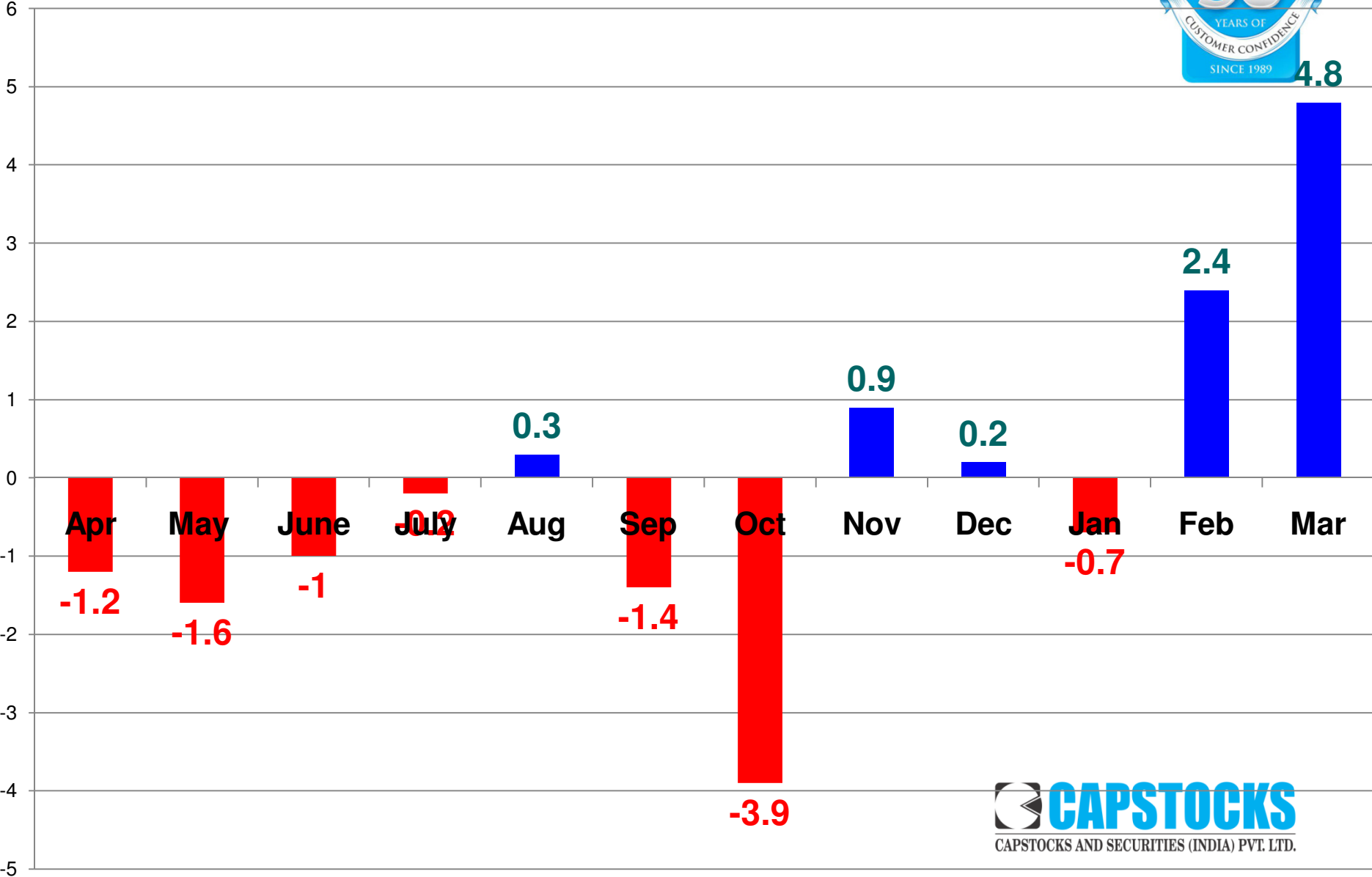


- Heavy FII flows push up stock prices
- Mid and Small Cap still away from peak
- Missing Euphoria amid new highs
- Election and Earnings will be in focus

INDEX WATCH

| INDEX | 12, Apr | 9, Mar | % Change |
|---------------|----------------|---------------|-----------------|
| Nifty | 11,643 | 11,035 | + 5.5 |
| Sensex | 38,767 | 36,671 | + 5.7 |
| Nifty Midcap | 18,167 | 17,379 | + 4.5 |
| BSE Small Cap | 15,022 | 14,551 | + 3.2 |

FPI Flows in US \$ Bn



Why FPI are Buying ?



- US Fed indicated no more rate hike in 2019
- Falling bond yield in US
- Hot money flowing before election

10 Yr US Bond Yield



SOURCE: TRADINGECONOMICS.COM | U.S. DEPARTMENT OF THE TREASURY

Rupee Recovers

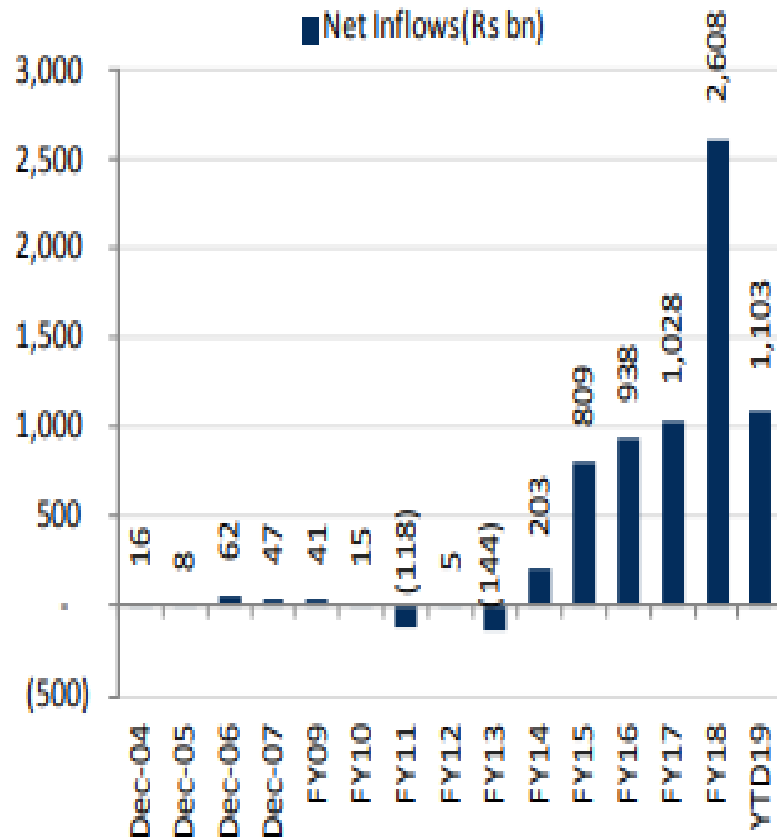


SOURCE: TRADINGECONOMICS.COM | OTC INTERBANK

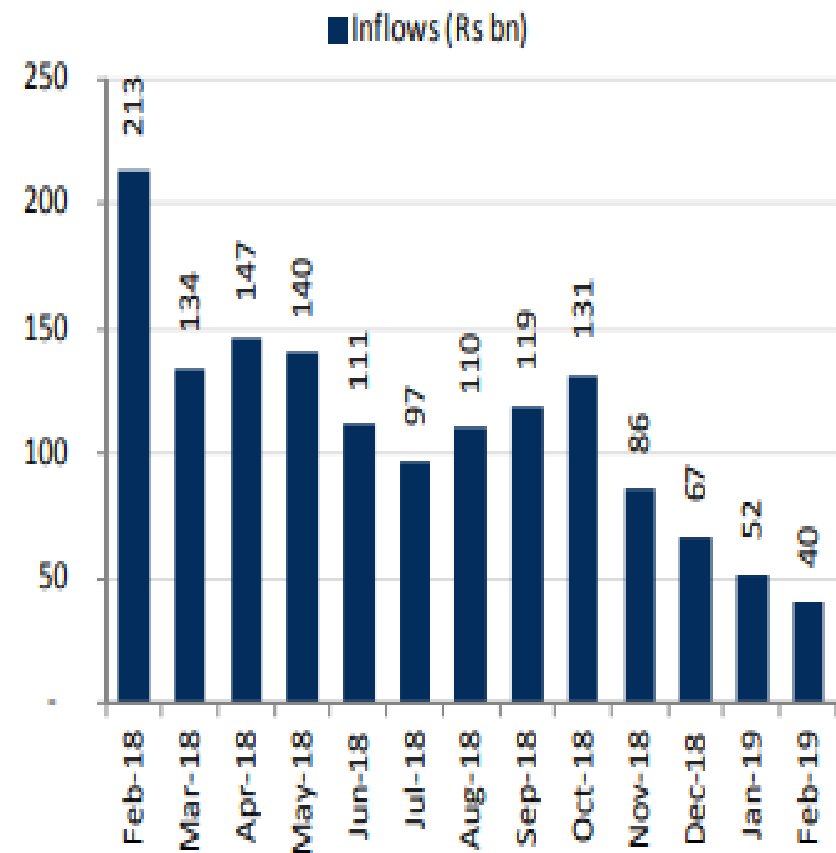
Mutual Fund Flows



Equity inflows



Monthly equity inflow trajectory



Slowdown in our Economy



- Auto sales , consumer durables , real estate sales all point to slowdown in economy
- Muted IIP Data
- Liquidity tightness is the reason told for slowdown
- Expected to recover post elections

Auto Sales Skids



| Segment | Mar '18 | Mar '19 | % Change |
|--------------------|-----------|-----------|----------|
| Two Wheelers | 17,42,307 | 14,40,663 | - 17.3 |
| Three Wheelers | 72,465 | 66,280 | - 8.5 |
| Passenger Vehicle | 3,00,722 | 2,91,806 | - 2.9 |
| Commercial Vehicle | 1,08,730 | 1,09,030 | - 0.2 |

FY 19 Auto Sales



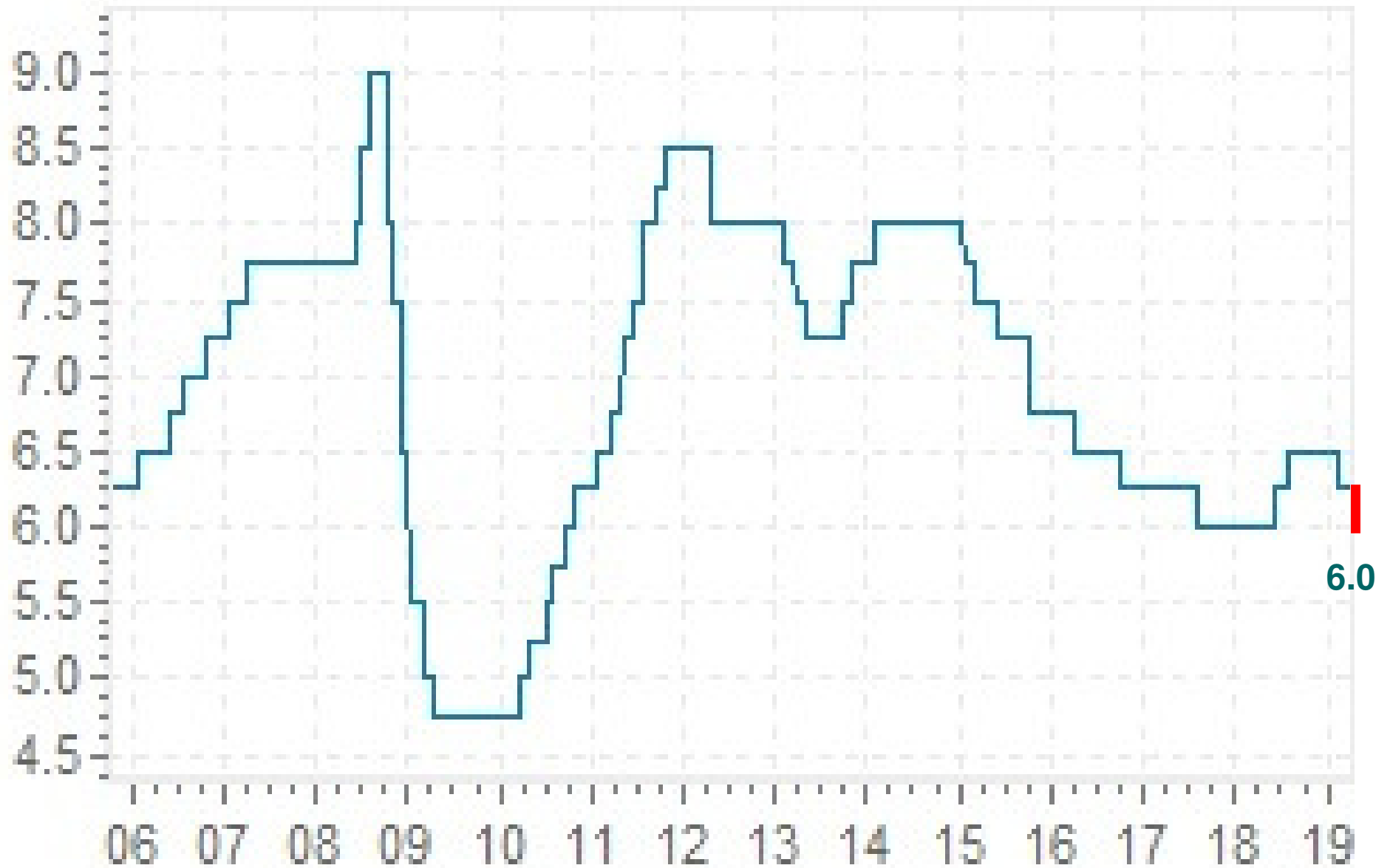
Flat year

(in units)

| Category | FY19 | FY18 | % change |
|----------------------------|--------------------|--------------------|-----------------|
| Passenger vehicles | 33,77,436 | 32,88,581 | 2.7 |
| Commercial vehicles | 10,07,319 | 8,56,916 | 17.5 |
| Three-wheelers | 7,01,011 | 6,35,698 | 10.3 |
| Two-wheelers | 2,11,81,390 | 2,02,00,117 | 4.9 |
| Total | 2,62,67,783 | 2,49,81,312 | 5.2 |

Source: SIAM

RBI Cuts Repo Rate



RBI Repo Rate Cut will lead to lower interest rates ?



- Banks fix interest rate based on their cost of funds ,repo rate , spread, Cash reserve ratio, operating cost, return on net worth
- Reduction in repo rate will have small impact on overall cost
- Recent repo rate cut unlikely to get transmitted fully in near term

Crude Oil Prices



SKYMET Forecast Below Normal Monsoon



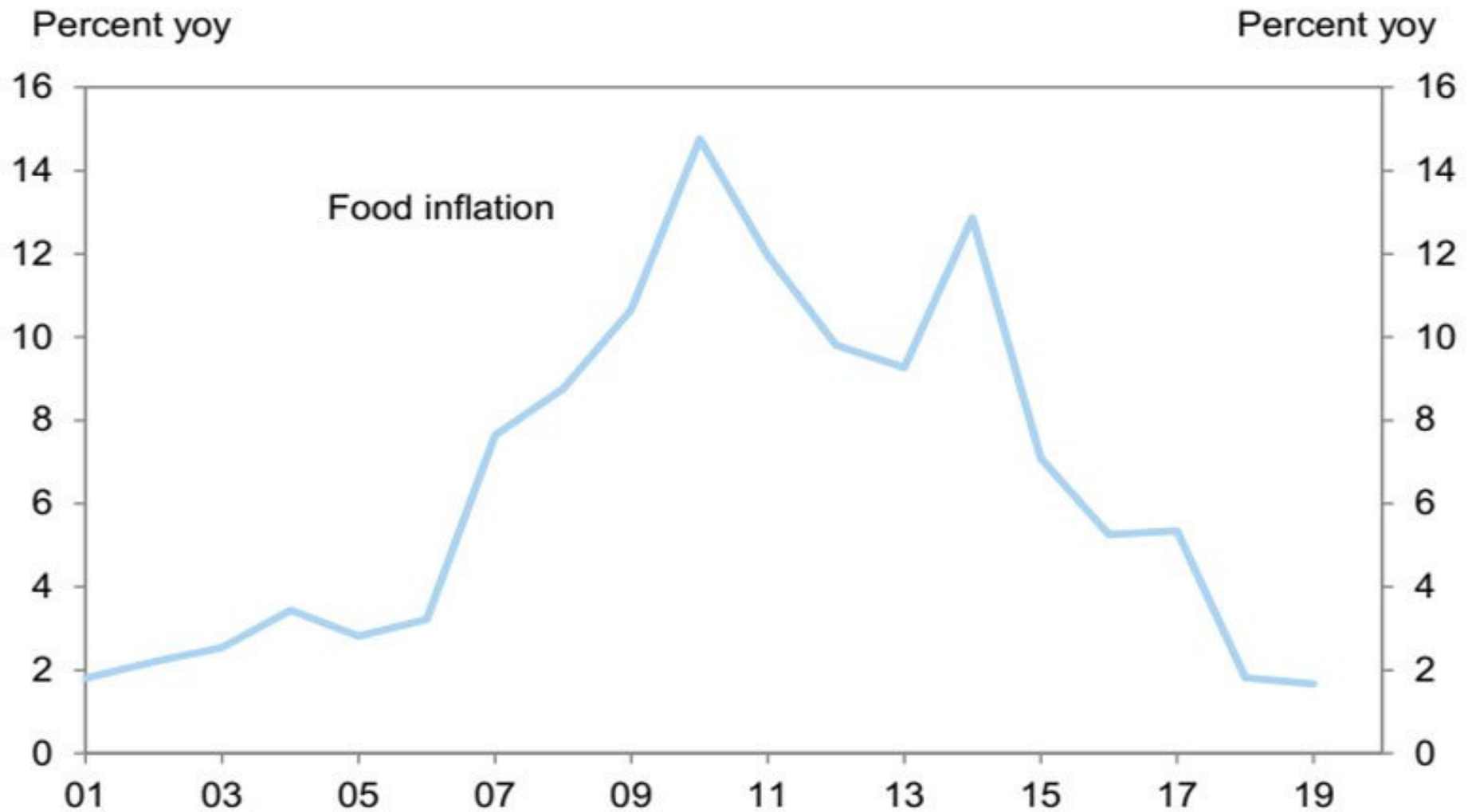
- Monsoon likely to be below normal at 93% of the Long Term Period Average
- Developing “El Nino” in pacific ocean is the reason for below normal monsoon
- Persistent below normal monsoon will create water scarcity

Previous Forecasts



| Year | IMD | Skymet | Actual rainfall |
|---------|------|--------|-----------------|
| 2018-19 | 97% | 100% | 91% |
| 2017-18 | 98% | 95% | 95% |
| 2016-17 | 106% | 105% | 97% |
| 2015-16 | 93% | 102% | 86% |
| 2014-15 | 96% | 94% | 88% |

Exhibit 3: Food inflation has declined consistently since 2013



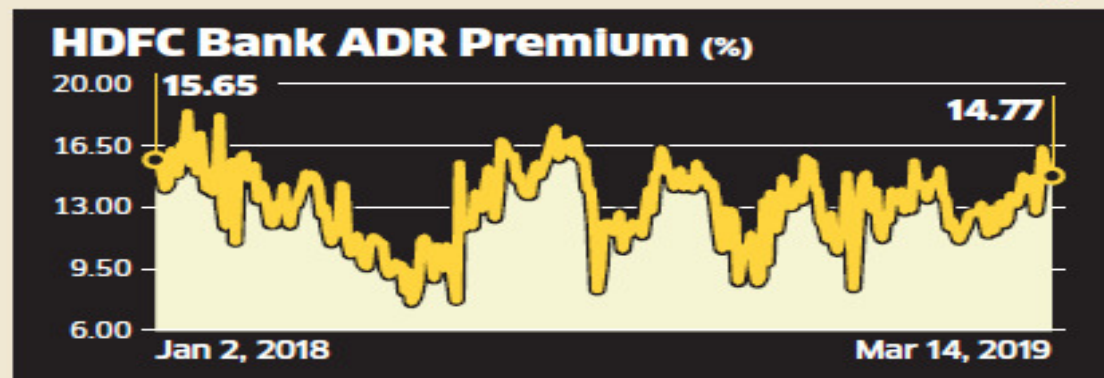
Source: Goldman Sachs Global Investment Research

HDFC Bank - \$100 Bn Market Cap



| Bank | Mcap (\$ Billion) | Price to Book (X) | 1 Year Return (%) |
|----------------------------|-------------------|-------------------|-------------------|
| JP Morgan Chase & Co | 344.91 | 1.50 | -6.23 |
| Ind & Comm Bank of China | 290.08 | 0.91 | -9.74 |
| Bank of America Corp | 283.96 | 1.17 | -6.39 |
| Wells Fargo & Co | 228.69 | 1.33 | -8.51 |
| China Construction Bank | 224.44 | 0.81 | -13.45 |
| Agricultural Bank Of China | 191.01 | 0.84 | -5.76 |
| HSBC Holdings Plc | 164.77 | 1.00 | -5.85 |
| Bank Of China | 158.18 | 0.63 | -11.84 |
| Citigroup Inc | 150.05 | 0.85 | -10.40 |
| China Merchants Bank | 118.54 | 1.62 | 7.12 |
| Royal Bank Of Canada | 110.21 | 1.99 | 4.45 |
| Toronto-Dominion Bank | 102.86 | 1.80 | 2.25 |
| HDFC Bank (ADR) | 100.21 | 5.33 | 11.21 |

Source: Bloomberg



MNC Companies – Gold Mines



| Company Name | IPO Year | Premium (Rs) |
|---------------------------------------|----------|--------------|
| ITC | 1974 | 0 |
| Nestle India Ltd. | 1978 | 2.5 |
| Colgate-Palmolive (India) Ltd. | 1978 | 15 |
| Whirlpool Of India Ltd. | 1980 | 2.5 |
| Merck Ltd. | 1981 | 0 |
| Thomas Cook (India) Ltd. | 1982 | 0 |
| Pfizer Ltd. | 1982 | 8 |
| Astrazeneca Pharma India Ltd. | 1982 | 0 |
| Castrol India Ltd. | 1983 | 9 |
| Sanofi India Ltd. (Face Value Rs 100) | 1984 | 100 |

Contra Buy



- Contra Buy is a strategy of buying stocks which are out of favour
- Shrewd contra buys can give multibagger returns
- Risk Reward should be heavily tilted towards Reward
- SAIL and Bank of Baroda are our contra buys

SAIL



- A PSU steel giant with captive iron mines and 21.5 Mn tonnes of capacity post massive expansion and modernisation
- High employee cost and volatility in steel cycle are reasons for past poor performance
- No. of employees came down from 1.5 Lakh in 2003 to 78,000 in 2018, whereas capacity almost doubled
- 2019 will be turnaround year

Bank of Baroda



- Second largest PSU bank and third largest bank in India post merger of Vijaya bank and Dena Bank
- To see cost reduction by closure of branches in common pincode
- Provisions to come down due to normalisation of NPA will improve future profitability

CONSOLIDATION: 3-IN-1

Balance sheet as of Sept 30, 2018 (in ₹ lakh crore)

● Merged Entity

| | Advances | Deposits | Current & Savings Deposits |
|----------------|------------|------------|----------------------------|
| Bank of Baroda | 4.7 | 6 | 2.1 |
| Vijaya Bank | 1.3 | 1.7 | 0.4 |
| Dena Bank | 0.7 | 1 | 0.4 |
| | 6.6 | 8.8 | 2.9 |

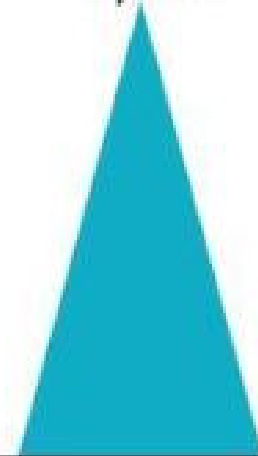


Total Risk Weighted Assets < **58.6**

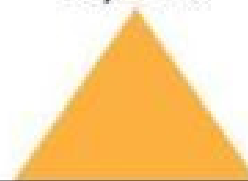


5,534

Total Branches (Domestic) < **9,511**



2,119

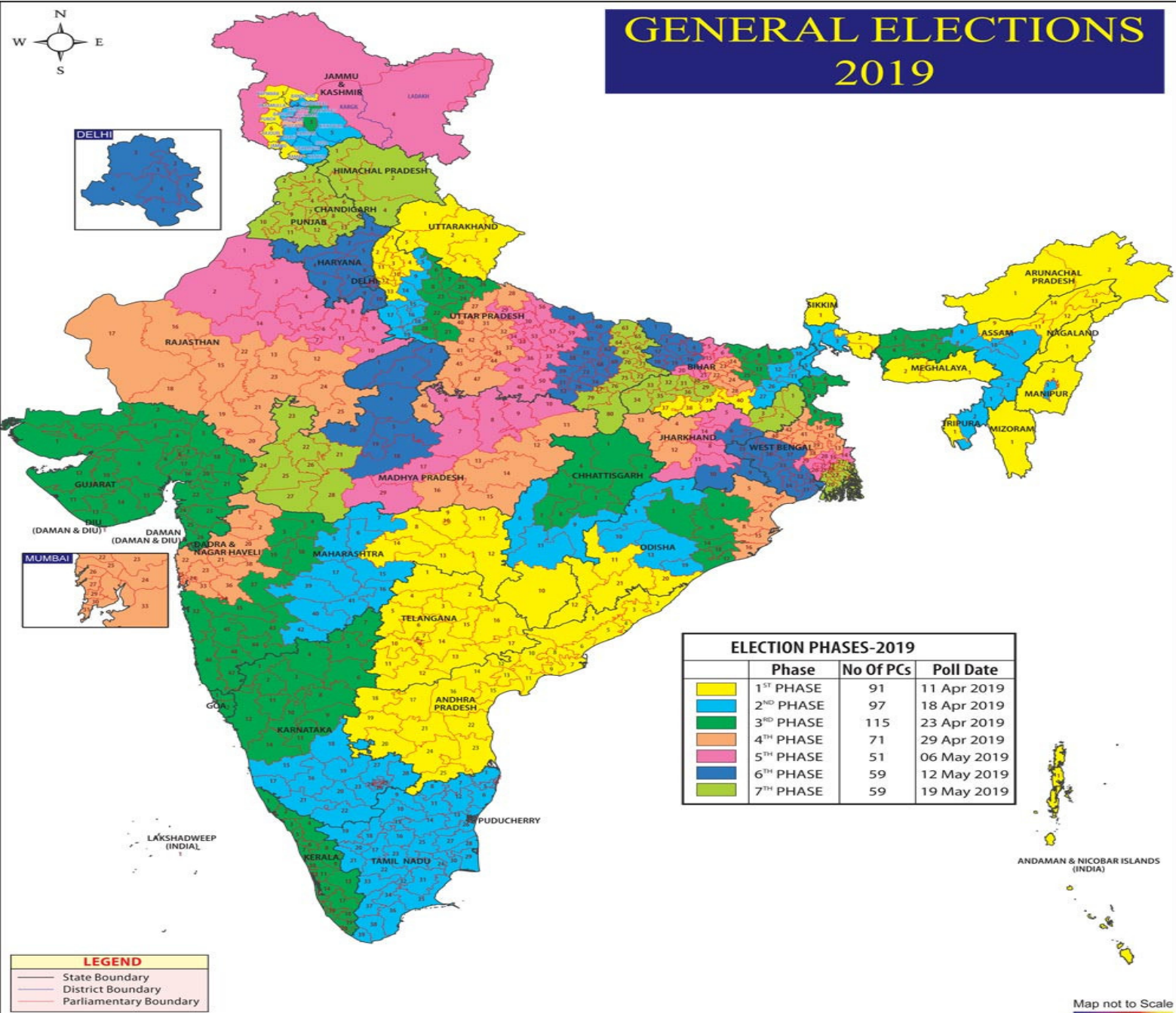


1,858



GENERAL ELECTIONS 2019

DOCKS
OF
CONFIDENCE
1989



KS
VT. LTD.

Events to Watch



- Election Trend
- FII and DII action



Thank You