

## Week Gone by

- ⇒ Finance Minister Nirmala Sitharaman on Saturday, 14 September 2019 announced a fresh set of relief measures to boost exports and housing sector.
- ⇒ The FM on Friday announced that the new corporate tax rate will be 22% without exemptions. The effective corporate tax rate after surcharge will stand at 25.17%
- ⇒ The U.S. industrial production rose 0.6% in August, the Fed said Tuesday. Capacity utilization increased by 0.4 percentage point to 77.9%.
- ⇒ The Fed announced it would cut the benchmark federal funds rate a quarter percentage point to a range of 1.75% to 2% on Wednesday.

## Week ahead

- ⇒ The United States' Markit Manufacturing PMI Flash for September 2019 will be declared on Monday, 23 September 2019
- ⇒ The U.S. GDP Growth Rate QoQ Final Q2 will be announced on Thursday, 26 September 2019.
- ⇒ Overseas, the Bank of Japan's monetary policy meeting minutes will be unveiled on Wednesday, 25 September 2019.

## Technical Overview

Index closed with a gain of 1.79% at 11274. Index opened this week with gap up and witnessed high volatility throughout the week. Index witnessed a historical move in last session of the week and closed the day with gain of 5.32% and helped index to close on a positive note and gave breakout from long sideways range with continued for couple of weeks. Going ahead index to continue its up move will have to sustain above 11150-11100 area, and if does so will open the gate for 11350-11420-11500 and failing to hold above the support area mentioned will call for selling pressure and dragging index lower to 11000-10900.

1-Nifty 50 - 20/09/19



Source: Falcon, BP Equities Research

# Weekly Wealth

## DOMESTIC INDICES

Index	20-Sep-19	13-Sep-19	Weekly % Chg
Nifty	11,274	11,076	1.8
Nifty Next 50	27,407	26,460	3.6
Nifty 100	11,432	11,205	2.0
Nifty 500	9,231	9,051	2.0
Nifty Midcap 100	16,333	15,967	2.3
Sensex	38,015	37,385	1.7
BSE 100 Index	11,433	11,203	2.1
BSE 200 Index	4,736	4,637	2.1
BSE 500 Index	14,643	14,351	2.0
BSE Mid-Cap	14,120	13,666	3.3
BSE Small Cap	13,204	13,013	1.5

## WORLD INDICES

Index	20-Sep-19	13-Sep-19	Weekly % Chg
Nikkei Index	22,079	21,200	4.1
Hang Sang Index	26,436	26,691	-1.0
Kospi Index	2,092	2,009	4.1
Shanghai SE Composite	3,006	3,000	0.2
Strait Times Index	3,160	3,144	0.5
Dow Jones	26,935	26,797	0.5
NASDAQ	8,118	8,103	0.2
FTSE	7,345	7,282	0.9

## FOREX

Currency	20-Sep-19	13-Sep-19	Weekly % Chg
US\$ (Rs.)	71.2	71.0	0.2
GBP (Rs.)	88.8	88.4	0.4
Euro (Rs.)	78.3	78.7	-0.5
Yen (Rs.) 100 Units	66.2	65.7	0.7

## NIFTY TOP GAINERS (WEEKLY)

Scrip	20-Sep-19	13-Sep-19	Weekly % Chg
Titan Company	1,263.6	1,123.4	12.5
Hindustan Unilever L	1,969.8	1,805.6	9.1
Bajaj Finance L	3,702.2	3,427.4	8.0
Asian Paints Ltd.	1,671.0	1,548.2	7.9
Britannia Ind.	2,867.0	2,674.6	7.2

## FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
20-Sep-19	17,032.3	16,996.5	35.8
19-Sep-19	2,510.7	3,403.2	-892.5
18-Sep-19	2,814.1	3,773.2	-959.1
17-Sep-19	4,271.4	5,079.7	-808.3
16-Sep-19	4,067.6	4,818.9	-751.3
MTD	98,666	110,196.2	-11,530.1

## NIFTY TOP LOSERS (WEEKLY)

Scrip	20-Sep-19	13-Sep-19	Weekly % Chg
HDFC Bank	1,199.6	2,257.5	-46.9
YES Bank Ltd.	55.5	68.6	-6.0
Zee Entertainment En	301.4	350.5	-5.9
Tata Consultancy	2,065.5	2,142.0	-5.8
NTPC	119.9	124.1	-5.1

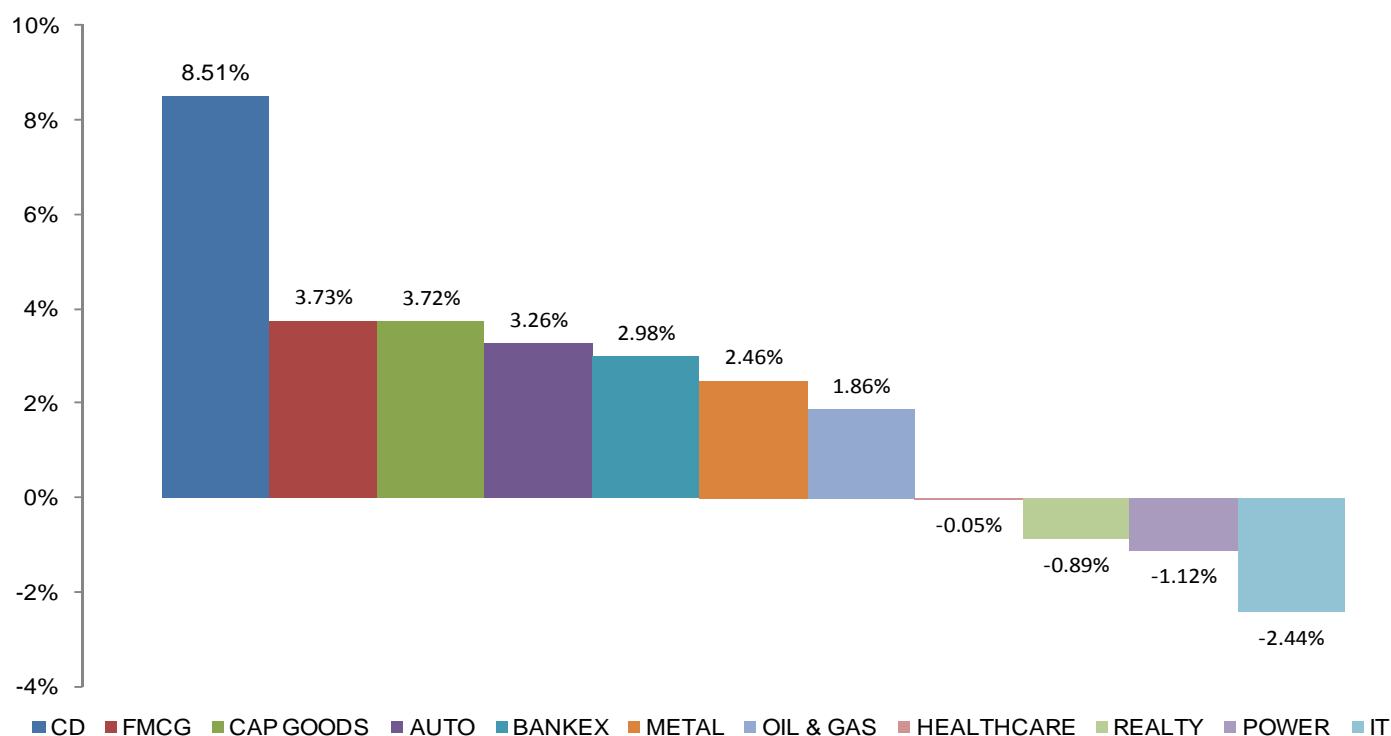
## DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
20-Sep-19	11,174.9	8,173.6	3,001.3
19-Sep-19	3,092.9	2,447.2	645.7
18-Sep-19	2,879.2	2,098.7	780.5
17-Sep-19	3,141.1	3,055.4	85.8
16-Sep-19	2,502.0	2,193.4	308.6
MTD	78,152.6	60,461.9	17,690.7

# Weekly Wealth

## BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

## TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	20-Sep-19	13-Sep-19	Weekly Change (%)	20-Sep-19	13-Sep-19	Weekly Change (%)
	Share Price (Rs.)	Share Price (Rs.)		Open Interest	Open Interest	
PAGEIND	22,329.5	18,666.4	19.6	289,95,500	155,72,250	86.2
TITAN	1,266.25	1,127.25	12.3	11,32,800	7,79,200	45.4
JUBLFOOD	1380.1	1,229.8	12.2	210,02,400	1,65,29,400	27.1
COLPAL	1,402.6	1,257.25	11.6	137,04,000	120,84,000	13.4
KAJARIACER	573.45	516.15	11.1	35,29,254	31,43,193	12.3

## TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	20-Sep-19	13-Sep-19	Weekly Change (%)	20-Sep-19	13-Sep-19	Weekly Change (%)
	Share Price (Rs.)	Share Price (Rs.)		Open Interest	Open Interest	
HDFCBANK	1,199.55	2,262.7	-47.0	91,200	1,50,600	-39.4
YESBANK	55.7	68.75	-19.0	10,99,000	17,08,000	-35.7
EQUITAS	99.45	117.3	-15.2	549,900	8,28,100	-33.6
DHFL	43.5	50.9	-14.5	355,26,500	508,23,000	-30.1
RELCAPITAL	31.3	36.6	-14.5	11,76,000	16,12,800	-27.1

## BULK DEALS

Date	Scrip Name	Client Name	Exchange	Deal Type	Qty	Trade Price
13.09.2019	IEX	AMANSA HOLDINGS PRIVATE LIMITED	BSE	Buy	109,41,482	115.1
17.09.2019	HEG	RSWM LIMITED	NSE	Sell	3,15,000	1,353.6
18.09.2019	Plastiblends	KOLSITE CORPORATION LLP	NSE	Sell	8,50,000	178.5
19.09.2019	IWML	SMALLCAP WORLD FUND INC	BSE	Buy	13,82,889	1,267.7

(Source: NSE,BSE, BP Equities Research)

**Allahabad Bank launches external benchmark linked loans for retail borrowers**

Public-sector lender, Allahabad Bank, announced Wednesday that it has launched external benchmark linked loans for retail borrowers and micro and small enterprises. According to a press release issued by the bank, the retail products on offer will be housing, car, education, personal, consumer loans etc., and micro and small enterprise loans will be trading, manufacturing, MUDRA, commercial vehicle, rent discounting, property loans and so on. It added, "Presently, the bank has identified RBI's Repo Rate and 3 Month MIBOR as the Benchmark Rates." "With the introduction of these products, bank is passing on the benefit of lower interest rate to the customers in the range of 5 bps to 150 bps from the existing rate of interest under MCLR, stated the press release.

It is not just loan products, but the bank said that to manage the interest rate risk, some "Liability products viz., Savings Accounts (Rs.40 lacs & above), Long tenure Fixed Deposit, Bulk Deposits and Flexi Fix deposits have also been linked with External Benchmark Rate, i.e., RBI's REPO Rate." "The products will be available from October 1, 2019. These products will be available for new customers, and existing borrowers will be offered an option to switch over to the new products. Allahabad Bank will extend a concession of 5-10 bps to women borrowers. An additional concession of 5 bps per annum with a maximum cap of 25 bps during the life cycle of the loan will be extended to the borrowers who are regular in their repayment, year on year.

(Source: Economic times)

## Mining &amp; Minerals

## Company Overview

MOIL, originally incorporated in the year 1962 was held by the Government under the administrative control of the Ministry of Steel until it got listed in the year 2010. It produces and sells different grades of manganese ore which includes High Grade Ores for production of Ferro manganese, Medium grade ore for production of Silico manganese, Blast furnace grade ore required for production of hot metal and Dioxide for dry battery cells and chemical industries. Headquartered in Delhi, MOIL operates 10 mines, six located in the Nagpur and Bhandara districts of Maharashtra and four in the Balaghat district of Madhya Pradesh of which 3 of them are worked through open source method and the rest of the mines are worked through underground method.

## Investment Rationale

## Leadership position in domestic manganese industry

MOIL is the largest producer of manganese ore in India by contributing 1.3 million tonnes of manganese for 2018-19 from the total production of the country for 2018-19 at around 2.9 million tonnes, MOIL continues to be the market leader in the manganese industry. MOIL has a total lease area of 1743.77 hectares spread across various states mainly at Madhya Pradesh and Maharashtra and also abundant with its manganese reserves of about 81.5 million tonnes as on 2016-17. The Government has also reserved a total area of 988.181 hectares under various categories prospecting for manganese ore. Company has planned to enhance its production from present level of around 1.3 million MT to 1.5 million MT in FY2020, 2.5 million MT by 2025 and 3 million MT by 2030. This will further benefit the company to strengthen and capture the market share of the domestic manganese industry.

## Increasing production to cater strong demand

MOIL is in process of increasing its volume to 2.1MTPA by FY21 and to 3 MTPA by FY30 through expansion in existing mines and exploration at new sites. MOIL has a record of continuous capex every year and currently, investment proposals of around 879 crores have been allotted as part of the strategic management plan for the growth of the company. Out of 879 crores of capex outlay 460 crores will be utilized to set up and commission 75000 metric tonnes of Ferro Alloys manufacturing units by the end of 2021 of which the plant at Balaghat Mine will give an output of 50,000 MTPA and the plant at Gumgaon Mine will give an output of 25,000 MTPA. These projects are expected to double production of these mines from about 3.7 lakh tonnes to 7.4 lakh tonnes and will help in sustaining as well as increasing production to a level of 2.0 million tonnes by FY2020. MOIL will utilize the cash reserves and future accruals to provide for the investments.

## Valuation and Outlook

With improvement in production levels and higher sales volumes in coming years MOIL is expected to report strong profitability of Rs 513 crores in FY2021. Given its strong business model backed by low cost operations, robust balance sheet and improvement in demand owing to rising domestic steel production, We estimate Revenue/EBITDA/PAT to clock 4%/7%/3% CAGR during FY2019 - FY2021. Further it is a debt free company and a healthy liquidity position can be leveraged for future expansion. We recommend 'BUY' rating by assigning EV/EBITDA 2.1x with a target price of Rs. 144 (potential upside of 18% from CMP) for an investment horizon of 15 - 18 months.

## Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

## Sector Outlook

Positive

## Stock

CMP (INR)	121
Target Price (INR)	144
BSE code	533286
NSE Symbol	MOIL
Bloomberg	MOIL IN
Reuters	MOIL.BO

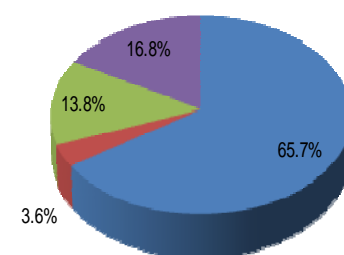
## Key Data

Nifty	11,274
52WeekH/L(INR)	192/118
O/s Shares (Mn)	257.6
Market Cap (INR bn)	31
Face Value (INR)	10

## Average volume

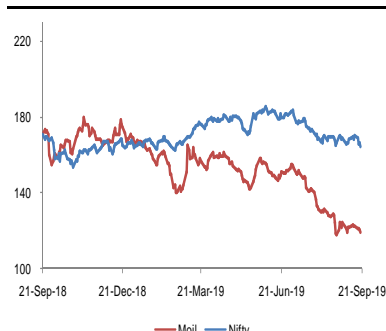
3 months	117,390
6 months	143,490
1 year	185,890

## Share Holding Pattern (%)



■ Promoters ■ FII ■ DII ■ Others

## Relative Price Chart





## Weekly Wealth

Key Financials					
YE March (Rs. millions)	FY17	FY18	FY19	FY20E	FY21E
<b>Revenue</b>	<b>9,819</b>	<b>13,189</b>	<b>14,407</b>	<b>15,257</b>	<b>15,562</b>
<i>Revenue Growth (Y-o-Y)</i>	56.2%	34.3%	9.2%	5.9%	2.0%
<b>EBIDTA</b>	<b>2,935</b>	<b>5,327</b>	<b>6,011</b>	<b>6,637</b>	<b>6,847</b>
<i>EBIDTA Growth (Y-o-Y)</i>	316.4%	81.5%	12.9%	10.4%	3.2%
<b>Net Profit</b>	<b>3,008</b>	<b>4,174</b>	<b>4,785</b>	<b>5,187</b>	<b>5,058</b>
<i>Net Profit Growth (Y-o-Y)</i>	74.1%	38.7%	14.6%	8.4%	(2.5%)
<b>Diluted EPS</b>	<b>11.7</b>	<b>16.2</b>	<b>18.6</b>	<b>20.1</b>	<b>19.6</b>
<i>Diluted EPS Growth (Y-o-Y)</i>	74.1%	38.7%	14.6%	8.4%	(2.5%)
Key Ratios					
<b>EBIDTA (%)</b>	<b>29.9%</b>	<b>40.4%</b>	<b>41.7%</b>	<b>43.5%</b>	<b>44.0%</b>
NPM (%)	30.6%	31.6%	33.2%	34.0%	32.5%
<b>RoE (%)</b>	<b>10.7%</b>	<b>14.9%</b>	<b>15.5%</b>	<b>15.0%</b>	<b>13.3%</b>
RoCE (%)	10.5%	19.1%	19.5%	19.3%	18.0%
Valuation Ratios					
<b>P/E (x)</b>	<b>10.4x</b>	<b>7.5x</b>	<b>6.5x</b>	<b>6.0x</b>	<b>6.2x</b>
EV/EBITDA	3.5x	1.8x	1.4x	3.0x	2.9x
<b>P/BV (x)</b>	<b>1.6x</b>	<b>1.4x</b>	<b>1.5x</b>	<b>1.5x</b>	<b>1.5x</b>
Market Cap. / Sales (x)	3.2x	2.4x	2.2x	2.0x	2.0x

Source: Company, BP Equities Research



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