

Week Gone by

- ⇒ In the week ended on Friday, 15 November 2019, the Sensex rose 33.08 points or 0.08% to settle at 40,356.69.
- ⇒ NTPC lost 0.13%. The company reported 36.37% rise in net profit to Rs 3,400.84 crore on 5.66% rise in total income to Rs 26,266.05 crore.
- ⇒ On the equity front, Hindalco Industries tanked 7.97%. The company's consolidated net profit slumped 32.73% to Rs 974 crore on 8.76% fall in net sales.

Week ahead

- ⇒ The United States Markit Manufacturing PMI for November 2019 will be announced on 22 November 2019.
- ⇒ Japan's Balance of Trade data for October will be declared on 20 November 2019.
- ⇒ In US, Federal Open Market Committee (FOMC) minutes of the Fed's October policy meeting will be announced on 21 November 2019.
- ⇒ In the Euro area, the Consumer Confidence flash for November 2019 will be unveiled on 21 November 2019.

Technical Overview

Index closed with a loss of 0.11% at 11895. Index opened this week on a flat note and remained volatile throughout the week closing the week with minor loss. Index had earlier given breakout from descending parallel channel which is bullish signal for medium term trend. Going ahead index has resistance in range of 12000-12050, sustenance above the range index move higher towards 12150 while on lower side the support is placed at 11830-11780-11730.

1-Nifty 50 - 15/11/19



Source: Falcon, BP Equities Research



Weekly Wealth

DOMESTIC INDICES

Index	15-Nov-19	08-Nov-19	Weekly % Chg
Nifty	11,895	11,908	-0.1
Nifty Next 50	28,196	28,387	-0.7
Nifty 100	12,023	12,045	-0.2
Nifty 500	9,667	9,683	-0.2
Nifty Midcap 100	16,804	16,713	0.5
Sensex	40,357	40,324	0.1
BSE 100 Index	11,975	12,003	-0.2
BSE 200 Index	4,974	4,982	-0.2
BSE 500 Index	15,337	15,372	-0.2
BSE Mid-Cap	14,773	14,731	0.3
BSE Small Cap	13,326	13,475	-1.1

WORLD INDICES

Index	15-Nov-19	08-Nov-19	Weekly % Chg
Nikkei Index	23,303	23,392	-0.4
Hang Sang Index	26,327	27,651	-4.8
Kospi Index	2,162	2,137	1.2
Shanghai SE Composite	2,891	2,964	-2.5
Strait Times Index	3,239	3,264	-0.8
Dow Jones	27,782	27,675	0.4
NASDAQ	8,479	8,435	0.5
FTSE	7,249	7,390	-1.9

FOREX

Currency	15-Nov-19	08-Nov-19	Weekly % Chg
US\$ (Rs.)	71.8	71.3	0.7
GBP (Rs.)	92.4	91.3	1.3
Euro (Rs.)	79.2	78.6	0.7
Yen (Rs.) 100 Units	66.1	65.2	1.4

NIFTY TOP GAINERS (WEEKLY)

Scrip	15-Nov-19	08-Nov-19	Weekly % Chg
Bharti Airtel	393.1	369.2	6.5
Bharti Infratel Ltd.	227.2	218.3	4.1
Bajaj Finserv Ltd.	9,057.9	8,818.9	2.7
ICICI Bank	499.9	489.5	2.1
TCS	2,174.5	2,130.0	2.1

FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
15-Nov-19	5,113.2	6,121.6	-1,008.4
14-Nov-19	5,100.9	5,662.9	-562.1
13-Nov-19	7,160.2	6,575.3	584.9
11-Nov-19	4,072.2	3,408.0	664.2
08-Nov-19	6,432.4	5,500.2	932.2
MTD	102,415.3	89,773.3	12,642.0

NIFTY TOP LOSERS (WEEKLY)

Scrip	15-Nov-19	08-Nov-19	Weekly % Chg
Vedanta	142.1	155.5	-8.6
Hindalco Indus.	187.8	203.9	-7.9
Adani Ports & Speci	366.3	386.2	-5.1
UPL	530.3	555.9	-4.6
IndusInd Bank	1,359.0	1,422.8	-4.5

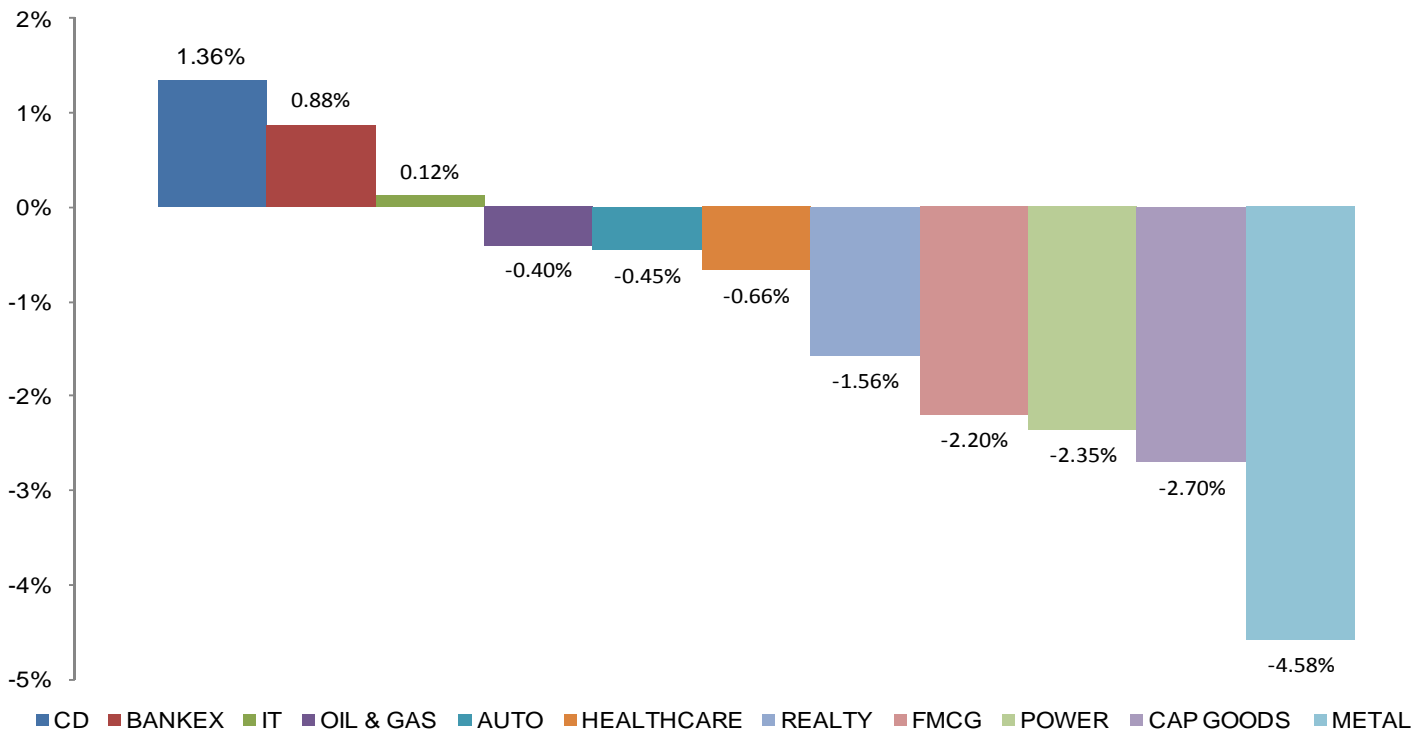
DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
15-Nov-19	4,339.31	3,801.57	537.74
14-Nov-19	3,863.52	3,780.78	82.74
13-Nov-19	3,368.95	4,258.98	-890.03
11-Nov-19	2,890.91	3,135.97	-245.06
08-Nov-19	3,840.39	4,424.87	-584.48
MTD	62,356.5	68,512.3	-6,155.8

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	15-Nov-19 Share Price (Rs.)	08-Nov-19 Share Price (Rs.)	Weekly Change (%)	15-Nov-19 Open Interest	08-Nov-19 Open Interest	Weekly Change (%)
AMARAJABAT	742.3	654.6	13.4	3,042,600	2,025,000	50.3
CHOLAFIN	326.3	297.4	9.7	15,794,000	11,556,000	36.7
CENTURYTEX	417.0	392.2	6.3	2,408,400	1,855,800	29.8
BHARTIARTL	393.5	370.3	6.3	38,926,530	31,041,270	25.4
BANKINDIA	69.6	66.1	5.3	1,928,300	1,561,450	23.5

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	15-Nov-19 Share Price (Rs.)	08-Nov-19 Share Price (Rs.)	Weekly Change (%)	15-Nov-19 Open Interest	08-Nov-19 Open Interest	Weekly Change (%)
IBULHSGFIN	201.4	234.4	-14.1	1,750,000	2,165,800	-19.2
ADANIPOWER	60.9	68.9	-11.6	19,350,000	23,436,000	-17.4
EQUITAS	86.0	97.3	-11.6	1,395,000	1,665,000	-16.2
NATIONALUM	41.5	46.1	-9.9	2,150,100	2,490,300	-13.7
JUSTDIAL	505.2	555.9	-9.1	1,698,900	1,966,300	-13.6

BULK DEALS

Date	Scrip Name	Client Name	Exchange	Deal Type	Qty	Trade Price
13.11.2019	Yes Bank	Tobam Emerging Markets Fund	NSE	SELL	159,711,393	72.00
13.11.2019	VST Industries	Radhakishan Damani	BSE	BUY	270,000	4259.99
14.11.2019	Narayana Hrudayalaya	Ashoka Investment Holdings Limited	BSE	SELL	50,92,185	285

(Source: NSE, BSE, BP Equities Research)

Helpline fraud: Why an online search may be the best way to lose money

Helpline frauds are increasingly the scourge of digital payments. Dozens of unsuspecting callers have been swindled after calling up fake helpline numbers placed online. It happens when consumers seeking a solution to a problem do a Google search and call up any helpline number that it throws up; most do not bother to look up the organisation's website or the papers they may hold to locate the official phone numbers. Mumbai resident Ruchira Damia lost Rs 40,000 when she tried to contact an HP Gas agency. "I called HP Gas after getting its number on Google search. The customer care executive asked me to fill a link that they sent me. The moment I clicked it four transactions were carried out from my account and I lost Rs 40,000," said Damia. She has filed a complaint with the police. Methods used by confidence tricksters range from payment requests made on the Unified Payments Interface (UPI) to sharing of QR codes on WhatsApp. And going by reporting of incidents with Mumbai's cybercrime cell, scores of people are losing money because they called up numbers obtained through Google or Justdial.

An unregulated field

Two developments have created an enabling environment for fraud—the explosion of smartphones with internet, and multiple modes of payment through apps. Cyber expert Ritesh Bhatia said there are two ways fraudsters add a number under listings on a Google search page. They either create or claim a Google My Business account using their number, or 'suggest' their own number using the 'suggest an edit' feature. In either case, they are able to pass themselves off as, say, a liquor shop or a bank or a service centre. Google does a verification by post for Business accounts, but no physical verifications. To make it easier for fraudsters, new forms of payments like UPI offer scope for confusion. Many are unaware that they do not need to share information in order to receive payments and that a UPI handle (xyz@abcbank) is enough to receive money.

Weeding out links

According to Dilip Asbe of the National Payments Corporation of India (NPCI), the corporation is now working with online providers to weed out fake helpline links. NPCI and banks are also pooling funds to spread awareness. Sameer Nigam, founder of PhonePe, which contributes nearly a third of total UPI transactions in India, said, "A lot of platforms which are designed to be based on crowdsourced information or user-generated content are being taken advantage of by fraudsters. The companies are cooperative whenever we reach out with specific cases. However, what we want to see is more of a proactive approach from platforms like Google, Twitter, Facebook, etc in the detection of fraud." PhonePe has urged them to enable businesses to automatically take down false details and react in real-time in cases where fake information is being displayed, he said.

(Source: Economic Times)

Lubricants

Company Overview

Castrol India Ltd is one of the renowned automotive and industrial lubricant oil manufacturing company engaged in providing coke and petroleum products. The company's with its brands namely Castrol Edge, Castrol MAGNATEC and Castrol GTX for passenger cars; Castrol Power1 and Castrol Active for motorcycles and Castrol CRB, Castrol RX and Castrol VECTON caters 350 distributors through its distribution network who service over one-lakh customers and sub-distributors with their outreach in retail outlets of rural market. Currently, company has 3 manufacturing units located at Patalganga, Paharpur and Silvassa.

Investment Rationale

Maintaining market share on the back of strong brand recall

Castrol India has spent 1.3bn on advertising in CY18. Companies have been increasing their margins on cost upfront as customers are willing to pay for premium brands which makes them confident about their products led by brands recall and demand visibility. Going ahead, company aims to invest approx INR 140 cr in their silvassa plant over next two years in order to scale up its installed capacity. This would ramp up more production of units combined with new offerings. Therefo, this would enable to increase its market share with an edge over its competitors.

New launches and product mix to drive volume growth

Company is adding new products in their current portfolio, led by revival in commercial space and the agricultural market with improved formulations and performance across categories. They are ready with BSVI range of products across categories which were launched in the market in June-July. These products are mainly synthetic products which are into premium category such as newly launched Castrol VECTON, such new launches and product mix in personal mobility segment will drive volume growth in coming quarters.

Valuation and Outlook

Castrol India is a well established player in lubricant oil segment by virtue of its recognized brand and diversified categories across automotive vehicles. Company's strong focus on expansion of distribution chain coupled with ability to increase touch points provides significant opportunity to grow sales and expand margins. Owing to ample opportunities and its consumer outreach helps in gaining visibility and higher thrust for future growth. On valuation front, we have valued the company based on 20x PE of CY20E and assign a Buy rating on the stock with target price of INR 171.

Stock Rating

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

Sector Outlook

Positive

Stock

CMP (INR)	145
Target Price (INR)	171
BSE code	500870
NSE Symbol	CASTROLIND
Bloomberg	CSTR IN
Reuters	CAST.BO

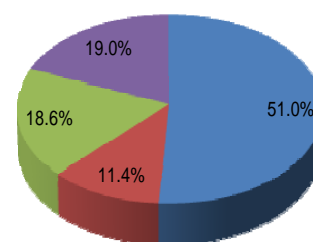
Key Data

Nifty	11,895
52WeekH/L(INR)	172/112
O/s Shares (Mn)	989.1
Market Cap (INR bn)	143
Face Value (INR)	5

Average volume

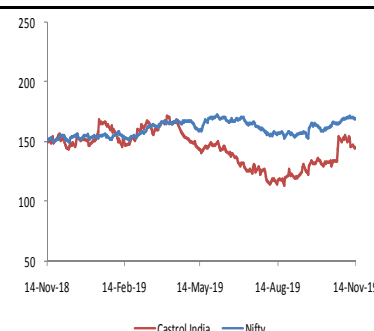
3 months	18,57,490
6 months	15,33,560
1 year	15,47,010

Share Holding Pattern (%)



■ Promoters ■ FII ■ DII ■ Others

Relative Price Chart





Weekly Wealth

Key Financials					
YE March (Rs. mn)	CY16	CY17	CY18	CY19E	CY20E
Revenue	33,703	35,843	39,046	39,514	42,359
<i>Revenue Growth (Y-o-Y)</i>	2.2%	6.3%	8.9%	1.2%	7.2%
EBIDTA	9,994	10,331	10,708	11,103	12,157
<i>EBIDTA Growth (Y-o-Y)</i>	11.7%	3.4%	3.6%	3.7%	9.5%
Net Profit	6,704	6,918	7,084	7,547	8,345
<i>Net Profit Growth (Y-o-Y)</i>	9.0%	3.2%	2.4%	6.5%	10.6%
Diluted EPS	6.8	7.0	7.2	7.6	8.4
<i>Diluted EPS Growth (Y-o-Y)</i>	9.0%	3.2%	2.4%	6.5%	10.6%
Key Ratios					
EBIDTA (%)	29.7%	28.8%	27.4%	28.1%	28.7%
NPM (%)	19.9%	19.3%	18.1%	19.1%	19.7%
RoE (%)	68.3%	67.8%	60.8%	56.9%	53.2%
RoCE (%)	101.8%	101.3%	91.9%	83.7%	77.5%
Valuation Ratios					
P/E (x)	21.4x	20.7x	20.2x	19.0x	17.2x
EV/EBITDA	13.5x	13.1x	12.7x	12.2x	11.2x
P/BV (x)	14.6x	14.1x	12.3x	10.8x	9.1x
Market Cap. / Sales (x)	4.3x	4.0x	3.7x	3.6x	3.4x

Source: Company, BP Equities Research



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