

Week Gone

- ⇒ HDFC AMC's promoter, Standard Life Investments, concluded its offer for sale (OFS) last week. It sold 3.10% stake via OFS. The floor price for the sale was set at Rs 3,170 per equity share.
- ⇒ India's retail price inflation rate climbed to 4.62% year-on-year in October 2019, the highest in over a year, from the previous month's 3.99%.
- ⇒ In US, stocks closed slightly higher on Wednesday as investors digested a cautious message from the Federal Reserve, while continuing to monitor progress on China-US trade talks.

Week ahead

- ⇒ The Reserve Bank of India (RBI) will on Thursday, 19 December 2019 announce the minutes of its monetary policy review meeting held on 5 December 2019.
- ⇒ On the macro front, the WPI Inflation (YoY) for November 2019 will be unveiled on Monday, 16 December 2019.
- ⇒ Overseas, the Bank of Japan (BoJ) will announce its interest rate decision on Thursday, 19 December 2019.

Technical Overview

Nifty spot closed 0.52% higher at 11972. Nifty opened gap up and remained strong throughout the day closing the session with decent gains. Index has reversed taking support at its previous swing low which is placed near 11850-11800 zone. Going ahead index has support intermediate support at 11930-11880 while on higher side immediate resistance is placed at 12020-12070.



Source: Falcon, BP Equities Research

Weekly Wealth

DOMESTIC INDICES

| Index | 13-Dec-19 | 06-Dec-19 | Weekly % Chg |
|------------------|-----------|-----------|--------------|
| Nifty | 12,087 | 11,922 | 1.4 |
| Nifty Next 50 | 28,077 | 27,854 | 0.8 |
| Nifty 100 | 12,183 | 12,025 | 1.3 |
| Nifty 500 | 9,784 | 9,669 | 1.2 |
| Nifty Midcap 100 | 16,932 | 16,732 | 1.2 |
| Sensex | 41,010 | 40,445 | 1.4 |
| BSE 100 Index | 12,142 | 11,974 | 1.4 |
| BSE 200 Index | 5,039 | 4,974 | 1.3 |
| BSE 500 Index | 15,522 | 15,339 | 1.2 |
| BSE Mid-Cap | 14,830 | 14,667 | 1.1 |
| BSE Small Cap | 13,333 | 13,339 | -0.1 |

WORLD INDICES

| Index | 13-Dec-19 | 06-Dec-19 | Weekly % Chg |
|-----------------------|-----------|-----------|--------------|
| Nikkei Index | 24,023 | 23,294 | 3.1 |
| Hang Sang Index | 27,688 | 26,346 | 5.1 |
| Kospi Index | 2,170 | 2,088 | 3.9 |
| Shanghai SE Composite | 2,968 | 2,872 | 3.3 |
| Strait Times Index | 3,214 | 3,194 | 0.6 |
| Dow Jones | 28,132 | 28,051 | 0.3 |
| NASDAQ | 8,717 | 8,665 | 0.6 |
| FTSE | 7,405 | 7,347 | 0.8 |

FOREX

| Currency | 13-Dec-19 | 06-Dec-19 | Weekly % Chg |
|---------------------|-----------|-----------|--------------|
| US\$ (Rs.) | 70.7 | 71.3 | -0.8 |
| GBP (Rs.) | 94.7 | 93.7 | 1.1 |
| Euro (Rs.) | 79.1 | 78.8 | 0.3 |
| Yen (Rs.) 100 Units | 64.5 | 65.7 | -1.8 |

NIFTY TOP GAINERS (WEEKLY)

| Scrip | 13-Dec-19 | 06-Dec-19 | Weekly % Chg |
|---------------|-----------|-----------|--------------|
| Tata Motors | 176.7 | 161.5 | 9.4 |
| Tata Steel | 428.4 | 403.3 | 3.4 |
| Eicher Motors | 22,034.8 | 20,920.0 | 2.7 |
| Vedanta | 149.4 | 142.0 | 2.4 |
| Hindalco | 208.3 | 198.0 | 1.4 |

FII - ACTIVITY

(Rs. Cr.)

| Date | Purchases | Sales | Net |
|------------|------------|------------|----------|
| 12-Dec-19 | 4,480.31 | 5,164.14 | -683.83 |
| 11-Dec-19 | 5,022.53 | 4,417.12 | 605.41 |
| 10-Dec-19 | 4,072.56 | 4,439.35 | -366.79 |
| 09-Dec-19 | 4,185.86 | 3,726.64 | 459.22 |
| <u>MTD</u> | 123,040.77 | 117,319.18 | 5,721.59 |

NIFTY TOP LOSERS (WEEKLY)

| Scrip | 13-Dec-19 | 06-Dec-19 | Weekly % Chg |
|----------------------|-----------|-----------|--------------|
| YES Bank | 46.7 | 56.0 | -16.7 |
| Bharti Airtel | 427.8 | 444.9 | -3.8 |
| HCL Technologies | 543.2 | 560.3 | -3.1 |
| Bharti Infratel Ltd. | 252.4 | 259.7 | -2.8 |
| Zee Entertainment En | 279.7 | 287.7 | -2.8 |

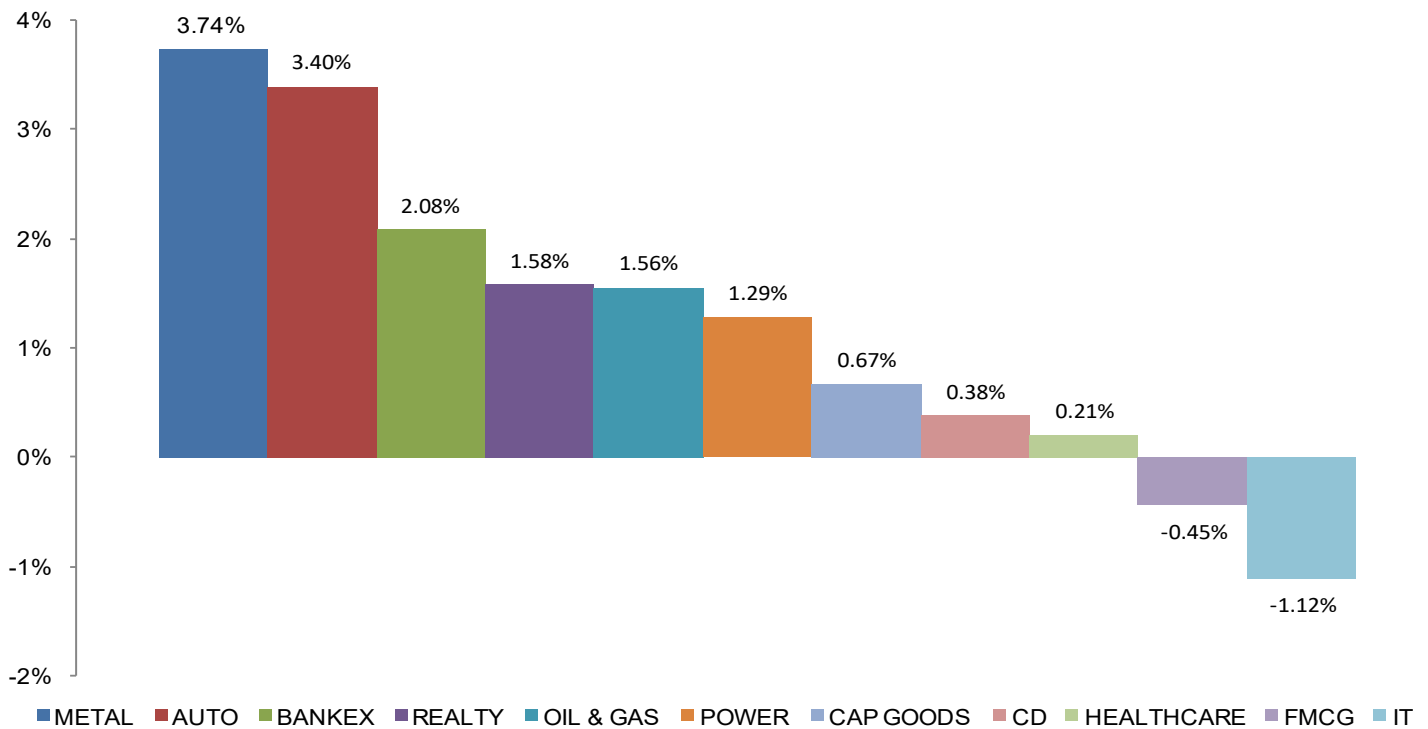
DII - ACTIVITY

(Rs. Cr.)

| Date | Purchases | Sales | Net |
|------------|-----------|-----------|--------|
| 12-Dec-19 | 3,474.22 | 2,663.99 | 810.23 |
| 11-Dec-19 | 3,421.44 | 3,181.57 | 239.87 |
| 10-Dec-19 | 2,696.96 | 2,358.56 | 338.40 |
| 09-Dec-19 | 2,296.07 | 2,221.14 | 74.93 |
| <u>MTD</u> | 61,322.37 | 60,997.00 | 325.37 |

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

| SCRIP NAME | 6-Dec-19 | 13-Dec-19 | Weekly Change (%) | 06-Dec-19 | 13-Dec-19 | Weekly Change (%) |
|------------|-------------------|-----------|----------------------|---------------|-----------|----------------------|
| | Share Price (Rs.) | | | Open Interest | | |
| APOLLOHOSP | 1469 | 1361.75 | -7.3 | 1309000 | 2255500 | 72.3 |
| UJJIVAN | 353.75 | 328.65 | -7.1 | 7396800 | 9355200 | 26.5 |
| POWERGRID | 186.8 | 186.2 | -0.3 | 26796000 | 33188000 | 23.9 |
| NMDC | 110.55 | 114.8 | 3.8 | 16632000 | 20106000 | 20.9 |
| EXIDEIND | 182.7 | 186.7 | 2.2 | 8330400 | 9372000 | 12.5 |

TOP OPEN INTEREST LOSERS (WEEKLY)

| SCRIP NAME | 13-Dec-19 | 06-Dec-19 | Weekly Change (%) | 13-Dec-19 | 06-Dec-19 | Weekly Change (%) |
|------------|-------------------|-----------|----------------------|---------------|-----------|----------------------|
| | Share Price (Rs.) | | | Open Interest | | |
| HDFC | 2275.3 | 2361.65 | 3.8 | 32238500 | 25921000 | -19.6 |
| EQUITAS | 112.9 | 101.9 | -9.7 | 23156000 | 18704000 | -19.2 |
| CONCOR | 565.45 | 578.85 | 2.4 | 7613373 | 6372351 | -16.3 |
| RELIANCE | 1561.45 | 1589 | 1.8 | 49140500 | 42004000 | -14.5 |
| HEXAWARE | 335.15 | 340.55 | 1.6 | 1347000 | 1158000 | -14.0 |

BULK DEALS

| Date | Scrip Name | Client Name | Exchange | Deal Type | Qty | Trade Price |
|------------|----------------------------|----------------------------------|----------|-----------|-----------|-------------|
| 10.11.2019 | V-Guard Industries | Chittilappily Thomas Kochuouseph | NSE | SELL | 51,20,288 | 215.1 |
| 10.12.2019 | Safari Industries | Malabar India Fund Limited | BSE | BUY | 151,105 | 560 |
| 11.12.2019 | Ujjivan Financial Services | Government of Singapore | NSE | SELL | 6,20,807 | 342.3 |

(Source: NSE,BSE, BP Equities Research)

Missed ITR deadline? File it before December 31 to avoid paying higher penalty

August 31 was the last date to file your income tax return (ITR). Have you not filed your return yet? Well, you have until December 31 to file your belated income tax return to avoid paying a hefty penalty. It may be recalled that Budget 2017 introduced the law of levying late filing fees under section 234F and it became effective from financial year 2017-18 or assessment year 2018-19 onward. So, if you file your belated ITR on or before December 31, you will have to pay a late filing fee of Rs 5,000. However, you will have to pay Rs 10,000 if you file it after December 31, 2019 but before the end of the relevant assessment year, i.e., before March 31 (in this case between January 1, 2020 and March 31, 2020).

Assessment year is the year immediately following the financial year for which the ITR is filed. The assessment year for the financial year 2018-19 is 2019-20. If your income is below the taxable limit, you do not have to pay a late filing fee. And if you are a small taxpayer whose gross total income does not exceed Rs 5 lakh, then the maximum fees you are liable to pay is Rs 1,000.

According to chartered accountants, if a person's gross total income does not exceed the basic exemption limit and files a belated return, then he/she will not be liable to pay penalty. Currently, the basic exemption limit for resident individuals below the age of 60 years is Rs 2.5 lakh. For senior citizens (age above 60 years but below 80 years), income up to Rs 3 lakh is exempted from tax. For super senior citizens (age 80 years and above), the basic exemption limit is up to Rs 5 lakh. However, if you are an ordinarily resident individual with income from foreign assets and your taxable income is below the threshold, then you will have to pay the penalty if you don't file ITR before the deadline.

(Source: Economic Times)

Rating services

Company Overview

Crisil (Credit Rating Information Services of India Ltd), incorporated in 1987 is a global analytical company providing ratings, research, and risk and policy advisory services. The company is India's leading ratings agency and also the foremost provider of high-end research to the world's largest banks and leading corporations. It operates its business through two segments namely ratings and research.

Rating services include credit ratings for corporates, banks, small and medium enterprises (SME), training in the credit rating field, credit analysis services, grading services and global analytical services while research segment provides equity research, industry reports, customized research assignments, subscription to data services and initial public offer grading. Currently, it has seven research centers worldwide through which it operates its business.

Investment Rationale

Strengthening its leadership position in rating business, going ahead

Over the decades, company has maintained a strong growth momentum by focusing on new client acquisition and maintaining traction in securitization market led by strong operating leverage benefits. The business saw a growth in corporate bond ratings with year-to-date issuances higher vs the corresponding period last year which lead to an increase in market share. Going ahead, company is expected to strengthen its leadership position by expanding geographically in new markets which will enable them to untap new opportunities.

Leveraging the research vertical has enable to offset global research headwinds

In Q2FY20, research vertical saw a drop in EBIT margin by 8.1% on yearly basis. However, good growth has seen in Indian markets across data and credit analytics and global benchmarking analytics for Corporate and Investment Banking industry. On the other hand, overall growth was impacted as risk & analytics continued to see a decline for US regulatory assignments such as CCAR and DFAST. Therefore, to offset such headwinds company continued to leverage its presence with buy side clients, offering data analytics and automation-based solutions.

Valuation and Outlook

CRISIL is the India's largest credit rating agency with a strong global parentage (S&P owns 68% of the entity) and a diversified business model. Further, its premium brand value, revival in research vertical, increasing traction in advisory segment and improvement in the number of issuance for bank loan ratings would enable to drive growth. On valuation front, we believe its revenue and pat has a potential to grow by 4% and 9% CAGR respectively for FY19-21E. Owing to the above factors, we assign a **Buy** Rating on the stock with a Target price of INR 2,023 implying a P/E multiple of 38x on FY21E.

Stock Rating

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

Sector Outlook

Positive

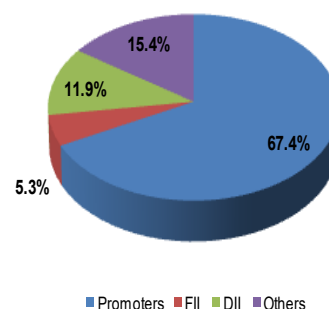
Stock

| | |
|--------------------|-----------|
| CMP (INR) | 1,717 |
| Target Price (INR) | 2,023 |
| NSE Symbol | CRISIL |
| Bloomberg | CRISIL IN |
| Reuters | CRSL.BO |

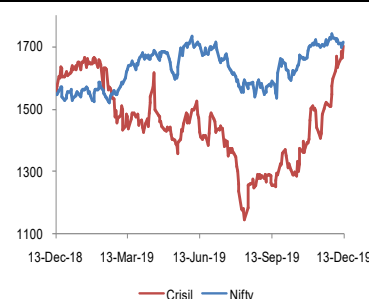
Key Data

| | |
|-----------------------|-----------|
| Nifty | 12,086 |
| 52WeekH/L(INR) | 1727/1135 |
| O/s Shares (Mn) | 72.3 |
| Market Cap (INR bn) | 123 |
| Face Value (INR) | 1 |
| Average volume | |
| 3 months | 35,380 |
| 6 months | 28,330 |
| 1 year | 22,490 |

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

| Key Financials | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| YE March (Rs. mn) | CY16 | CY17 | CY18 | CY19E | CY20E |
| Total Income | 15,475 | 16,585 | 17,485 | 18,540 | 20,494 |
| <i>Revenue Growth (Y-o-Y)</i> | 12.1% | 7.2% | 5.4% | 6.0% | 10.5% |
| Profit Before Tax | 4,930 | 4,807 | 5,446 | 5,924 | 6,012 |
| <i>Growth (Y-o-Y)</i> | 11.3% | (2.5%) | 13.3% | 8.8% | 1.5% |
| Net Profit | 2,943 | 3,044 | 3,631 | 3,942 | 3,852 |
| <i>Net Profit Growth (Y-o-Y)</i> | 3.2% | 3.4% | 19.3% | 8.6% | (2.3%) |
| EPS | 41.3 | 42.5 | 50.4 | 51.1 | 53.3 |
| <i>Diluted EPS Growth (Y-o-Y)</i> | 3.1% | 2.9% | 18.6% | 1.5% | 4.3% |
| Key Ratios | | | | | |
| EBIDTA (%) | 31.9% | 29.0% | 31.1% | 32.0% | 29.3% |
| NPM (%) | 19.0% | 18.4% | 20.8% | 21.3% | 18.8% |
| RoE (%) | 29.9% | 29.0% | 32.0% | 33.2% | 31.0% |
| RoCE (%) | 50.0% | 45.8% | 47.9% | 49.9% | 48.4% |
| Valuation Ratios | | | | | |
| P/E (x) | 41.5x | 40.4x | 34.0x | 33.6x | 32.2x |
| EV/EBITDA | 24.8x | 25.6x | 22.5x | 20.6x | 20.3x |
| P/BV (x) | 12.6x | 11.8x | 10.9x | 10.4x | 10.0x |
| Market Cap. / Sales (x) | 8.0x | 7.5x | 7.1x | 6.7x | 6.0x |

Source: Company, BP Equities Research



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