

## Week Gone

- ⇒ The Reserve Bank of India approved the appointment of Sashidhar Jagdishan as managing director (MD) & CEO of the bank for three years for HDFC Bank.
- ⇒ With a view to mitigating the impact of COVID-19 on households the RBI decided to increase the permissible loan to value ratio (LTV) for loans against pledge of gold ornaments and jewellery for to 90% from 75% earlier and has this relaxation available till 2021.
- ⇒ The air carrier said its board will meet on 10 August 2020 to consider raising funds through equity, debt and/or any other permitted means.

## Week ahead

- ⇒ Among results, BPCL and Ramco Cement to reveal its Q1FY21 result on 13th and 14th August respectively.
- ⇒ India Industrial and Manufacturing output data for June to revealed on Tuesday, 11th August 2020
- ⇒ US core CPI data to be declared on wednesday i.e 12th August 2020 .

## Technical Overview

Index closed with a gain of 1.27% at 11214. Index had a weak start but later index shown sign of strength and recovered from the low closing the week near highs. Going ahead index has strong resistance around 11280-11350, sustenance above the mentioned zone will open the way for 11450-11530. On the flip side support is placed at 11130-11050-10950.



Source: Falcon, BP Equities Research



## Weekly Wealth

## DOMESTIC INDICES

Index	07-Aug-20	31-Jul-20	Weekly % Chg
Nifty	11,214	11,074	1.3
Nifty Next 50	27,130	26,842	1.1
Nifty 100	11,361	11,223	1.2
Nifty 500	9,199	9,036	1.8
Nifty Midcap 100	16,103	15,471	4.1
Sensex	38,041	37,607	1.2
BSE 100 Index	11,318	11,159	1.4
BSE 200 Index	4,726	4,654	1.5
BSE 500 Index	14,608	14,347	1.8
BSE Mid-Cap	14,219	13,759	3.3
BSE Small Cap	13,669	13,028	4.9

## WORLD INDICES

Index	07-Aug-20	31-Jul-20	Weekly % Chg
Nikkei Index	22,330	21,710	2.9
Hang Sang Index	24,532	24,595	-0.3
Kospi Index	2,352	2,249	4.5
Shanghai SE Composite	3,354	3,310	1.3
Strait Times Index	2,751	2,751	0.0
Dow Jones	27,329	26,196	4.3
NASDAQ	11,105	10,629	4.5
FTSE	6,036	5,940	1.6

## FOREX

Currency	07-Aug-20	31-Jul-20	Weekly % Chg
US\$ (Rs.)	75.0	74.8	0.3
GBP (Rs.)	97.7	98.5	-0.8
Euro (Rs.)	88.3	88.6	-0.3
Yen (Rs.) 100 Units	70.8	70.9	-0.1

## NIFTY TOP GAINERS (WEEKLY)

Scrip	07-Aug-20	31-Jul-20	Weekly % Chg
Tata Motors	119.1	104.7	13.8
Tata Steel	404.1	366.3	10.3
JSW Steel	240.2	220.3	9.1
Hindalco	177.6	163.1	8.9
Zee Entertainment	150.1	138.8	8.2

## FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
07-Aug-20	6,034.7	5,637.4	397.3
06-Aug-20	5,578.7	4,941.3	637.4
05-Aug-20	5,976.6	7,138.3	366.2
04-Aug-20	5,426.4	7,034.7	-1,200.3
03-Aug-20	13,299.9	2,248.7	-1,199.5
<u>MTD</u>	1,03,769.4	88,186.1	15,583.3

## NIFTY TOP LOSERS (WEEKLY)

Scrip	07-Aug-20	31-Jul-20	Weekly % Chg
Indusind Bank	509.0	523.8	-2.8
Tech Mahindra	662.5	681.7	-2.8
Ultratech Cement	4,004.3	4,117.3	-2.7
Indian Oil Corp.	86.4	88.5	-2.3
HCL Tech.	690.3	705.2	-2.1

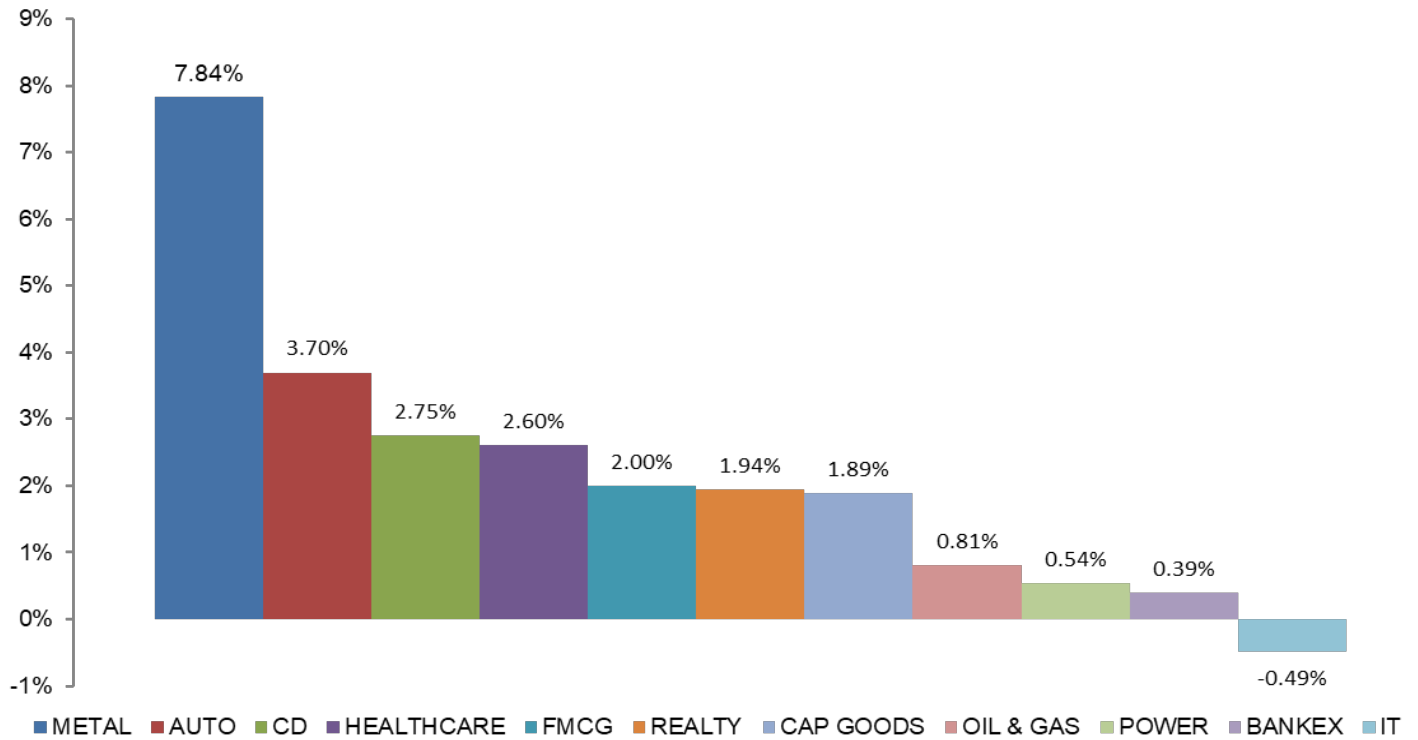
## DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
07-Aug-20	3,443.0	3,881.6	-438.6
06-Aug-20	3,042.8	3,510.8	-468.0
05-Aug-20	3,055.4	3,481.3	-426.0
04-Aug-20	3,650.1	4,315.8	-665.7
03-Aug-20	4,719.8	4,855.4	-135.6
<u>MTD</u>	67,758.4	76,210.3	(8,451.9)

# Weekly Wealth

## BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

## TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	07-Aug-20 Share Price (Rs.)	31-Jul-20 Share Price (Rs.)	Weekly % Chg	07-Aug-20 Open Interest	31-Jul-20 Open Interest	Weekly % Chg
BANDHANBNK	309.05	345.8	-10.6	26290800	9957600	164.0
IDEA	8.9	8.5	4.7	402500000	208600000	93.0
TORNTPOWER	339	326.2	3.9	2799000	1464000	91.2
RBLBANK	192	169.2	13.5	25472200	14560000	74.9
FEDERALBNK	54.9	54.15	1.4	82093000	47719000	72.0

## TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	07-Aug-20 Share Price (Rs.)	31-Jul-20 Share Price (Rs.)	Weekly % Chg	07-Aug-20 Open Interest	31-Jul-20 Open Interest	Weekly % Chg
CHOLAFIN	208.9	199.7	4.6	5527500	7475000	-26.1
TORNTPHARM	2952.05	2678.3	10.2	1639500	2002500	-18.1
UPL	475.25	478.65	-0.7	13562900	15519400	-12.6
BAJFINANCE	3478.3	3248.05	7.1	4920750	5599500	-12.1
BPCL	421.5	415.65	1.4	18768600	21313800	-11.9

## Consumer Durables

### Company Background

Incorporated in the year 1974, IFB (Indian Fine Blanks) Industries Limited is engaged in engineering and manufacturing of diverse parts and accessories for motor vehicles. The Company is also engaged in the business of manufacturing and trading of home appliances, and manufacturing of fine blanking components. Its segments include Engineering and Home Appliances. The Home Appliances Division includes washing machines, clothes dryers, dishwashers, microwave ovens, air conditioners etc. Its manufacturing facilities for fine blanking division are located in Kolkata and Bengaluru and for consumer appliances in Goa and Bengaluru respectively. The Company has a service network of approximately 650 franchises.

### Investment Rationale

#### Established presence fine blanking and consumer household appliances industry

IFB is one of the leading players in manufacturing of fine blanking components and manufacturing and marketing of consumer hold appliances. Company offers a wide range of products under its brand, IFB. Over the years, the company has built a market share of about 45% in fine blanking components and around 27% market share in automatic washing machines in India. It has a dominant position in front load washing machines with market share of about 45% and 15% share in top load washing machines. Company derives strength from strong focus on R&D resulting from consistent investment in people and infrastructure, continuous increase in distribution network and strong product development capabilities.

#### Diversified Revenue stream to unfold new opportunities

Company has a diversified revenue stream with a robust presence in fine blanking division and household appliances with a contribution of around 18% and 82%, respectively. Over the last three years, revenue has been rising at a CAGR of 13.6%, led by increasing growth trajectory in fine blanking division and consumer household divisions. has healthy consumer and segment diversity in the fine blanking division. The company has adequate product diversity with a segmental contribution of around 52% from front load washing machine, 18% from top load washing machines, 13% from microwave ovens, 11% for ACs and remaining 6% from other product categories. Going ahead, management is planning to increase its dealership penetration across the nation, this will enable it to tap new opportunities in near term.

### Valuation and Outlook

IFB Industries robust product portfolio and timely new launches in their respective segments provides ample amount of headroom to quantify its business. Further, the company will be commissioning its new AC manufacturing plant in Goa next month with an aim to reduce its dependency on China imports and facilitate localization. Therefore, Company' integral management and adequate customer diversity in the fine blanking division, diversified product profile of household appliances division will enable it to increase its scalability for a long term. However, the uncertain environment led by the recent outbreak of Covid-19 has affected their supply chain which is expected to take a few weeks more to arrive at pre-covid levels. On valuation front, we valued the company based SOTP method with a Target price of INR 458 (22% upside from CMP) with a 12 months investment horizon.

### Stock Rating

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

### Sector Outlook

Positive

### Stock

CMP (INR)	375
Target Price (INR)	458
NSE Symbol	IFBIND
Bloomberg	IFBI IN
Reuters	IFBI.BO

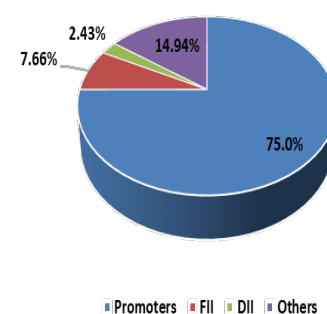
### Key Data

Nifty	11,214
52WeekH/L(INR)	798/232
O/s Shares (Mn)	40.5
Market Cap (INR bn)	15
Face Value (INR)	10

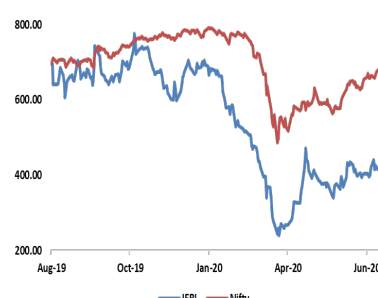
### Average volume

3 months	82,000
6 months	67,000
1 year	49,000

### Share Holding Pattern (%)



### Relative Price Chart



## Weekly Wealth

### Key Financials

YE March (INR Mn)	FY18	FY19	FY20	FY21E	FY22E
<b>Revenue</b>	<b>21,517</b>	<b>25,399</b>	<b>25,514</b>	<b>24,443</b>	<b>29,453</b>
<i>Revenue Growth (Y-o-Y)</i>	<i>23.6%</i>	<i>18.0%</i>	<i>0.5%</i>	<i>(4.2%)</i>	<i>20.5%</i>
<b>EBIDTA</b>	<b>1,603</b>	<b>1,235</b>	<b>1,189</b>	<b>1,540</b>	<b>2,032</b>
<i>EBIDTA Growth (Y-o-Y)</i>	<i>56.0%</i>	<i>(22.9%)</i>	<i>(3.7%)</i>	<i>29.5%</i>	<i>32.0%</i>
<b>Net Profit</b>	<b>833</b>	<b>740</b>	<b>280</b>	<b>122</b>	<b>383</b>
<i>Net Profit Growth (Y-o-Y)</i>	<i>51.0%</i>	<i>(11.2%)</i>	<i>(62.2%)</i>	<i>(56.3%)</i>	<i>213.3%</i>
<b>Diluted EPS</b>	<b>20.5</b>	<b>18.3</b>	<b>6.9</b>	<b>3.0</b>	<b>9.4</b>
<i>Diluted EPS Growth (Y-o-Y)</i>	<i>51.0%</i>	<i>(11.2%)</i>	<i>(62.2%)</i>	<i>(56.3%)</i>	<i>213.3%</i>

### Key Ratios

<b>EBIDTA margin (%)</b>	<b>7.5%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>6.3%</b>	<b>6.9%</b>
<b>NPM (%)</b>	<b>3.9%</b>	<b>2.9%</b>	<b>1.1%</b>	<b>0.5%</b>	<b>1.3%</b>
<b>RoE (%)</b>	<b>15.1%</b>	<b>11.9%</b>	<b>4.3%</b>	<b>1.8%</b>	<b>5.5%</b>
<b>RoCE (%)</b>	<b>28.0%</b>	<b>19.5%</b>	<b>13.2%</b>	<b>16.9%</b>	<b>21.4%</b>

### Valuation Ratios

<b>P/E (x)</b>	<b>18.3x</b>	<b>20.5x</b>	<b>54.3x</b>	<b>124.3x</b>	<b>39.7x</b>
<b>EV/EBITDA(x)</b>	<b>9.2x</b>	<b>11.6x</b>	<b>13.9x</b>	<b>10.8x</b>	<b>8.3x</b>
<b>P/BV (x)</b>	<b>2.8x</b>	<b>2.4x</b>	<b>2.3x</b>	<b>2.3x</b>	<b>2.2x</b>
<b>Market Cap. / Sales (x)</b>	<b>0.7x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.5x</b>



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