

Week Gone

- ⇒ In the week ended on Thursday, 9 September 2021, the Sensex rose 175.12 points or 0.30% to settle at 58,305.07. The Nifty 50 index gained 45.65 points or 0.26% to settle at 17,369.25.
- ⇒ The BSE Mid-Cap index added 323.10 or 1.33% to settle at 24,705.29. The BSE Small-Cap index advanced 339.79 points or 1.24% to settle at 27,645.10.
- ⇒ The domestic equity barometers ended higher on Thursday, 9 September 2021. The barometer index, the S&P BSE Sensex, advanced 54.81 points or 0.09% to 58,305.07.

Week Ahead

- ⇒ Global and domestic macroeconomic data, Trend in global stock markets, progress of monsoon, the movement of rupees against the dollar and crude oil prices will dictate trend on the bourses in the near term.
- ⇒ Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be watched.
- ⇒ On the macro front, infrastructure output data for July will be released on 31 August 2021.

Technical Overview

Index closed with a gain of 0.26% at 17369. Index opened the week with minor gap up and remained volatile throughout the week closing session near the opening price with minor gains. Index has formed indecisive candlestick pattern at the peak which indicates cautioned at higher levels. Aswell RSI indicator has formed negative Divergence against price which is bearish signal. Index to continue it's upmove need to surpass and sustain above 17500, sustenance above the same will open the gate for 17700-17850. While on the downside support is present at 17200-17050-16800.



Source: Falcon, BP Equities Research



Weekly Wealth

DOMESTIC INDICES

Index	09-Sep-21	03-Sep-21	Weekly % Chg
Nifty 50	17,323.6	16,705.2	0.3
Nifty Next 50	42,559.1	40,403.9	0.5
Nifty 100	17,597.4	16,930.8	0.3
Nifty 500	14,759.3	14,192.5	0.5
NIFTY MIDCAP 100	29,060.0	27,705.5	1.0
S&P BSE SENSEX	58,129.9	56,124.7	0.3
S&P BSE 100	17,595.2	16,934.9	0.3
S&P BSE 200	7,486.6	7,197.8	0.4
S&P BSE 500	23,494.5	22,594.7	0.5
S&P BSE MidCap	24,382.1	23,255.3	1.3
S&P BSE SmallCap	27,305.3	26,284.1	1.2

WORLD INDICES

Index	09-Sep-21	03-Sep-21	Weekly % Chg
Nikkei Index	30,008.1	29,128.1	3.0
Hang Seng Index	25,716.0	25,901.9	-0.7
Kospi Index	3,114.7	3,201.0	-2.7
Shanghai SE Composite	3,693.1	3,581.7	3.1
Strait Times Index	3,071.7	3,083.9	-0.4
Dow Jones	35,031.0	35,386.5	-1.0
NASDAQ	15,286.6	15,330.8	-0.3
FTSE	7,018.0	7,137.2	-1.7

FOREX

Currency	09-Sep-21	03-Sep-21	Weekly % Chg
US\$ (Rs.)	73.8	73.0	1.1
GBP (Rs.)	101.5	100.9	0.6
Euro (Rs.)	87.2	86.5	0.8
Yen (Rs.) 100 Units	66.9	66.3	0.9

NIFTY TOP GAINERS (WEEKLY)

Scrip	09-Sep-21	03-Sep-21	Weekly % Chg
Grasim Inds.	1,597.0	1,499.2	6.5
Reliance Inds.	2,425.6	2,294.4	5.7
Coal India	148.6	141.6	4.9
Titan Company	2,034.3	1,967.1	3.4
Eicher Motors	2,818.2	2,733.2	3.1

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
09-Sep-21	10,253.0	9,829.5	423.4
08-Sep-21	8,772.3	9,574.8	-802.5
07-Sep-21	6,640.4	6,785.9	-145.4
06-Sep-21	5,389.5	5,978.9	-589.3
03-Sep-21	7,492.4	6,723.9	768.5
<u>MTD</u>	38,547.9	38,893.2	-345.3

NIFTY TOP LOSERS (WEEKLY)

Scrip	09-Sep-21	03-Sep-21	Weekly % Chg
SBI Life Insurance	1,173.2	1,243.4	-5.6
HDFC Life Insurance	737.3	759	-2.8
Divi's Lab	5,054.9	5,165.5	-2.1
Sun Pharma.	776.3	789.9	-1.7
NTPC	114.5	116.5	-1.6

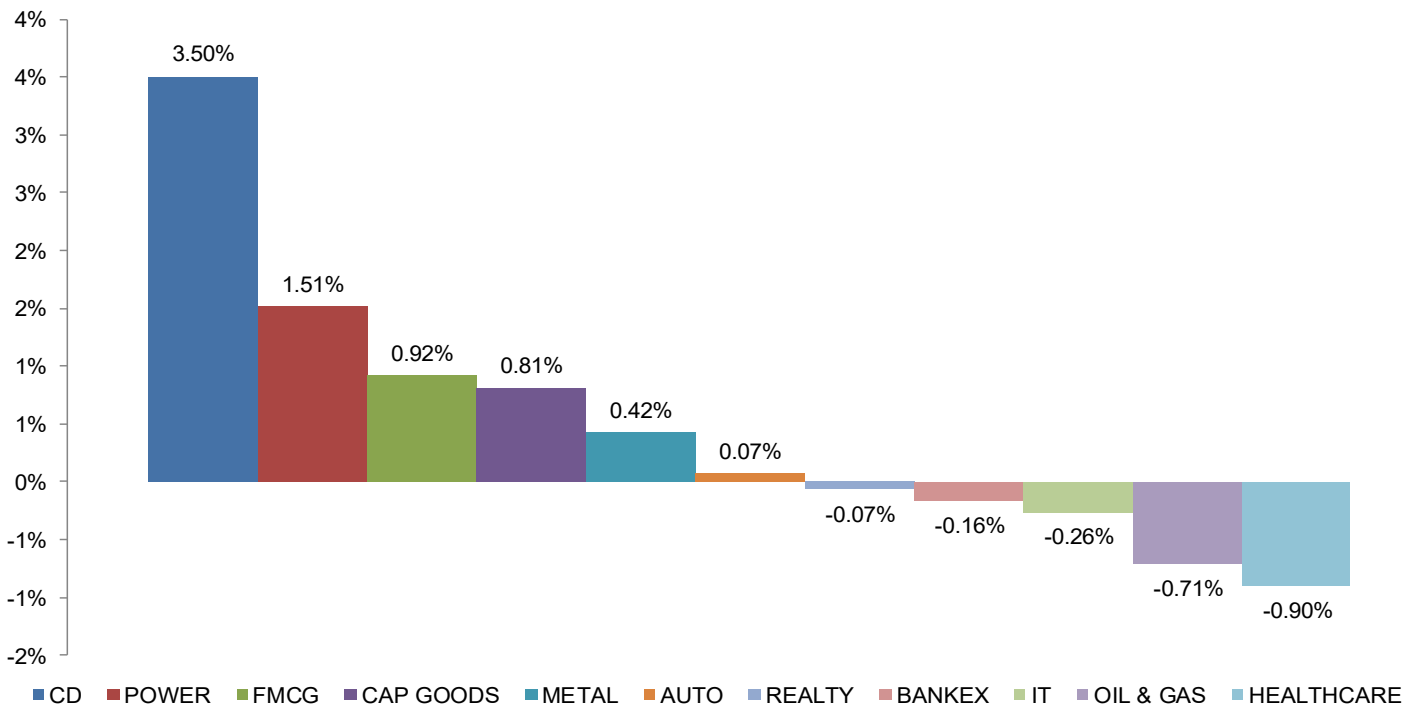
DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
09-Sep-21	5,229.6	4,525.3	704.2
08-Sep-21	5,390.9	5,390.3	0.6
07-Sep-21	5,160.4	5,297.0	-136.5
06-Sep-21	5,825.0	5,277.7	547.3
03-Sep-21	6,397.7	5,729.1	668.6
<u>MTD</u>	28,003.8	26,219.6	1,784.2

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	3-September-21		Weekly % Chg	9-September-21		Weekly % Chg
	Share Price (Rs.)	Open Interest		Share Price (Rs.)	Open Interest	
CANFINHOME	588.3	626.9	6.6	1682850	3674775	118.4
INDIAMART	8155.5	8911.5	9.3	147075	267150	81.6
OFSS	4767.4	4791.4	0.5	262875	455500	73.3
SBILIFE	1244.2	1172.2	-5.8	6819000	10692750	56.8
TRENT	1000	1026.3	2.6	1375325	2070600	50.6

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	3-September-21		Weekly % Chg	9-September-21		Weekly % Chg
	Share Price (Rs.)	Open Interest		Share Price (Rs.)	Open Interest	
UBL	1575.5	1604.8	1.9	1670900	1375500	-17.7
SUNPHARMA	790.2	776.6	-1.7	35218400	30329600	-13.9
DRREDDY	4902.2	4912	0.2	3046750	2695125	-11.5
VOLTAS	1091.4	1215.7	11.4	3210000	2857500	-11.0
GODREJPROP	1586.2	1582	-0.3	1828450	1664000	-9.0

Hospitality

Company Background

Incorporated in 1902, by Jamshed N. Tata, The Indian Hotels Company Limited (IHCL/the company) is one of India's leading hotel companies. Tata Sons holds 38.09% stake in IHCL. The company, at a consolidated level, operates 167 operating hotels consisting of 19,568 rooms across four continents, 12 countries and 100+ cities. IHCL occupies a leading position in the Indian Hospitality industry through its diversified hotel inventory under 'Taj Hotels, Resorts and Palaces', Vivanta by Taj, SeleQtions and Ginger brands. IHCL has over period of time strengthened its presence and operations across India and select overseas destinations. The company is also amongst the largest hospitality companies in Asia and has been recognised as 'World's Strongest Hotel Brand' by Brand Finance Hotels 50 Report 2021. The company has a portfolio of economy, upscale, select hotels and luxury segments.

Investment Rationale

Widespread portfolio across segments with geographically diversified presence

As of March 31, 2021, IHCL has vast room inventory of 19,425 rooms spread across 88 locations in India and is present in geographies such as India, Asia, USA, Middle East, Africa and UK. IHCL's operations are spread across four continents and over 100 cities. Owing to its geographical diversification, the company's operations do not get impacted to a larger extent due to any unforeseen circumstances or region specific risks. Further, the company is present across various segments through its different brands Taj (luxury), Vivanta (upscale) and Ginger (economy). In addition to the revenue generated as room income, revenue is earned from other avenues such as Food & Beverages (F&B), management fees, membership fees, etc. Due to its diverse portfolio, the company is better positioned to sustain through any economic slump as well as any adverse geographic effects.

Strong parentage with Tata Sons Private Limited, established brand with strong presence in Indian hospitality Sector.

The company enjoys strong support from its key promoter Tata Sons Private Limited (TSPL) (38.09% stake) and is also an important strategic business for Tata Group. Further, Tata is well known for its values and has strong brand equity. In addition to the above, TATA has continuously extended its support to IHCL in the form of investments and equity raising activities. In addition to the above, IHCL is one of the most important corporations in the TATA group in terms of market capitalization which is INR. 17,006 crore as of June 28, 2021. Apart from the above, the company also enjoys considerable financial flexibility and significant lender/investor comfort by virtue of the Tata Group lineage.

Valuation and Outlook

IHCL is one of the largest hotel chains in India. IHCL's strategies such as limited capex, cost optimization and asset light model will provide for further growth. In addition to the above, the company's strategic importance in Tata Group, strong position in Indian hospitality sector, presence across various segments and geographical locations, strong values and proven track record of management keeps us positive on the future outlook of the company. On valuation front, we valued the company based on 21x of its FY23e earnings and arrive at a target price of INR 189(25% 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)	151
Target Price (INR)	189
NSE Symbol	INDHOTEL
BSE Code	500850
Bloomberg	IH IN
Reuters	IHTL.BO

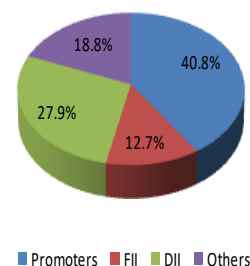
Key Data

Nifty	17369.2
52WeekH/L(INR)	157/88
O/s Shares (Mn)	1189
Market Cap (INR bn)	175
Face Value (INR)	1

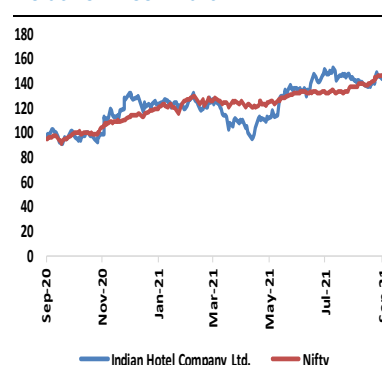
Average volume

3 months	42,04,160
6 months	39,39,140
1 year	35,51,910

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials					
YE March (INR Mn)	FY19	FY20	FY21	FY22E	FY23E
Revenue	45,120	44,631	15,752	24,068	42,312
<i>Revenue Growth (Y-o-Y)</i>	10.0%	(1.1%)	(64.7%)	52.8%	75.8%
EBIDTA	8,297	9,675	-3,618	2,359	10,663
<i>EBIDTA Growth (Y-o-Y)</i>	23.8%	16.6%	(137.4%)	165.2%	352.1%
Net Profit	2,868	3,544	-7,201	-3,153	3,343
<i>Net Profit Growth (Y-o-Y)</i>	184.3%	23.6%	(303.2%)	56.2%	206.0%
Diluted EPS	2.4	3.0	(6.1)	(2.7)	2.8
<i>Diluted EPS Growth (Y-o-Y)</i>	184.3%	23.6%	(303.2%)	56.2%	206.0%
Key Ratios					
EBIDTA margin (%)	18.4%	21.7%	-23.0%	9.8%	25.2%
NPM (%)	6.4%	7.9%	-45.7%	-13.1%	7.9%
RoE (%)	6.6%	8.1%	-19.7%	-9.6%	9.4%
RoCE (%)	12.4%	13.9%	-5.0%	3.4%	14.9%
Valuation Ratios					
P/E (x)	62.5x	50.6x	-24.9x	-56.9x	53.7x
EV/EBITDA	24.1x	20.9x	-59.2x	91.2x	20.0x
P/BV (x)	4.1x	4.1x	4.9x	5.5x	5.0x
Market Cap. / Sales (x)	4.0x	4.0x	11.4x	7.5x	4.2x

Source: Company, BP Equities Research



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Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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