



## Market Cues

Indian markets are likely to open in red tracking global indices and SGX Nifty.

The US stock markets climbed on Monday, with the S&P 500 index and the Dow industrials closing at all-time highs for a second straight session, ahead of the start of a key gathering of the Federal Reserve. However, technology stocks lagged behind, limiting gains for the Nasdaq Composite Index. The Dow Jones Industrial Average rose 0.28% to 22,331, while S&P 500 index advanced 0.2%, to 2,503 meanwhile the Nasdaq Composite, finished up 0.1%, at 6,454.

Amid decelerating momentum of pound on the currency markets, FTSE 100 the blue-chip index rebounded from its four-month low to rise 37.8 points to 7,253. The index was given a late boost by Bank of England Governor Mark Carney, who in his speech at the IMF in Washington warned of a limited and gradual pace to interest rates rises.

India's Nifty index closed at a lifetime high on Monday, riding a wave of liquidity that lifted global markets, ahead of a key meeting of Federal Reserve officials. Expectations that the Fed will leave rates unchanged and an unwinding of tensions over North Korea's provocative missile tests helped investor sentiment. The Nifty closed at a record 10,153, up 0.7% while the Sensex ended 0.5% high to 32,424.

## News Analysis

- Dixon technologies: Book profit

Detailed analysis is on Pg2

## Investor's Ready Reckoner



Key Domestic & Global Indicators



Stock Watch: Latest investment recommendations on 150+ stocks

Refer Pg7 onwards

## Top Picks

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)
Blue Star	Capital Goods	Accumulate	786	807	2.6
Dewan Housing Finance	Financials	Accumulate	602	610	1.3
Asian Granito	Others	Accumulate	470	495	5.4
Navkar Corporation	Others	Buy	194	265	36.5
KEI Industries	Capital Goods	Accumulate	336	371	10.3

More Top Picks on Pg5

## Key Upcoming Events

Date	Region	Event Description	Previous Reading	Consensus Expectations
Sep 19, 2017	US	Housing Starts	1,155.00	1,174.00
Sep 19, 2017	US	Existing home sales	5.44	5.46
Sep 20, 2017	US	Building permits	1,230.00	1,220.00
Sep 20, 2017	US	FOMC rate decision	1.25	1.25
Sep 21, 2017	Germany	PMI Services	53.50	53.70

More Events on Pg7

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	0.5	151	32,424
Nifty	0.7	68	10,153
Mid Cap	0.7	117	16,090
Small Cap	0.9	146	16,834
Bankex	0.7	198	28,176

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	0.3	63	22,331
Nasdaq	0.1	6	6,455
FTSE	0.5	38	7,253
Nikkei	1.4	288	20,198
Hang Seng	(0.1)	(32)	28,127
Shanghai Com	(0.1)	(2)	3,361

Advances / Declines	BSE	NSE
Advances	1,554	1,042
Declines	1,116	666
Unchanged	152	76

Volumes (Cr)	
BSE	4,285
NSE	28,774

#Net Inflows (Cr)	Net	Mtd	Ytd
FII	(931)	(3,529)	43,75
MFs	845	5,119	74,00

Top Gainers	Price (₹)	Chg (%)
Rtnpower	6.57	9.32
Bfutilitie	425.95	8.95
Infibeam	158.90	8.32
HCL-Infosys	52.40	8.15
JustDial	41.40	6.65

Top Losers	Price (₹)	Chg (%)
Jpassociat	18.60	(8.60)
Religare	47.25	(4.74)
Geship	398.85	(4.38)
Divislab	833.75	(4.03)
Fconsumer	62.50	(3.47)

#as on 18<sup>th</sup> Sep, 2017



## News Analysis

### Dixon technologies: Book profit

We had recommended subscribing the shares of Dixon technologies IPO, despite its higher valuation (at higher band, 38.0x of pre-issue FY17 EPS). Following positives gave us comfort in the issue and its valuation: a) Dixon has been able to capture new product OEM contracts from its existing clients b) Traction in the original development and Reverse logistic which is helping in improving the blended margin c) Expansion in new product ranges like CCTVs & DVRs. Finally, despite its thin margins, Dixon reported a strong return on capital of 33.3% in FY2017.

Upon its listing, shares of Dixon appreciated by 63.6% to the IPO price and closed on the price of ₹2,890. At this, Dixon is trading at P/E multiple of 65.50x of FY17 earnings. Presently, branded consumer durable companies are valued at this valuation multiple and Dixon is an electronic manufacturing contractor. We believe that such high valuation captures all the positives in the stock hence, we recommend to book profit on Dixon technologies.

## Economic and Political News

- FDI likely to rise further after GST: Moody's
- Hasmukh Adhia-led panel to meet tomorrow on exporters' issues post GST
- Finance ministry cuts plan spend to bare minimum
- Govt. must have clarity on what it wants from auto industry: Vinod Dasari

## Corporate News

- Mahanadi Coalfields may face Rs 20,000 crore penalty
- Two wheelers to lead electric vehicle market in India
- Mahindra & Mahindra, Ford team up for technologies, distribution
- IFC to invest Rs 320 cr in Mahindra Lifespace industrial parks
- Sebi allows Reits, InvITs to issue debt securities



## Top Picks

Company	Market Cap (` Cr)	CMP (`)	Target (`)	Upside (%)	Rationale
Alkem Laboratories	21,618	1,808	2,161	19.5	Strong growth in domestic business due to its leadership in acute therapeutic segment. Alkem expects to launch more products in USA, which bodes for its international business.
Asian Granito	1,413	470	495	5.4	We expect the company would report strong profitability owing to better product mix, higher B2C sales and amalgamation synergy.
Blue Star	7,530	786	807	2.6	Favorable outlook for the AC industry to augur well for Cooling products business which is out pacing the market growth. EMPPAC division's profitability to improve once operating environment turns around.
Dewan Housing Finance	18,877	602	610	1.3	With a focus on the low and medium income (LMI) consumer segment, the company has increased its presence in tier-II & III cities where the growth opportunity is immense.
Karur Vysya Bank	9,606	159	180	13.2	Loan growth is likely to pick up after a sluggish FY17. Lower credit cost will help in strong bottom-line growth. Increasing share of CASA will help in NIM improvement.
KEI Industries	2,617	336	371	10.3	High order book execution in EPC segment, rising B2C sales and higher exports to boost the revenues and profitability
Music Broadcast	2,241	393	434	10.5	Expected to benefit from the lower capex requirement and 15 year long radio broadcast licensing.
Navkar Corporation	2,769	194	265	36.5	Massive capacity expansion along with rail advantage at ICD as well CFS augurs well for the company
Siyaram Silk Mills	2,152	2,295	2,500	8.9	Strong brands and distribution network would boost growth going ahead. Stock currently trades at an inexpensive valuation.
TV Today Network	1,935	324	344	6.0	Market leadership in Hindi news genre and no. 2 viewership ranking in English news genre, exit from the radio business, and anticipated growth in ad spends by corporates to benefit the stock.
Maruti Suzuki	2,46,330	8,154	8,658	6.2	After GST, the company is expected to see higher volumes along with improving product mix. The Gujarat plant will also enable higher operating leverage which will be margin accretive.
GIC Housing	2,965	551	655	19.0	We expect loan book to grow at 24.3% over next two year; change in borrowing mix will help in NIM improvement..

Source: Company, Angel Research



## Key Upcoming Events

### Global economic events release calendar

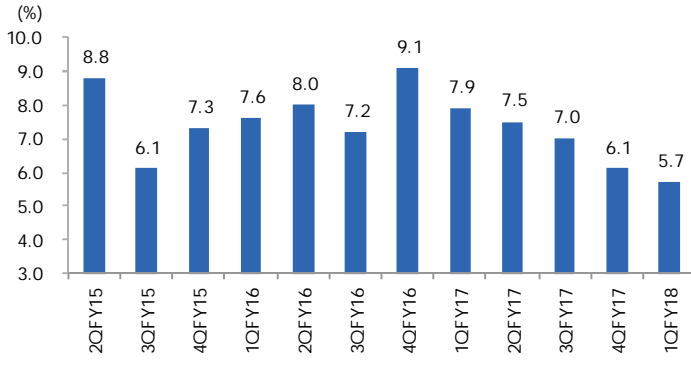
Date	Time	Country	Event Description	Unit	Period	Bloomberg Data	
						Last Reported	Estimated
Sep 19, 2017	6:00 PM	US	Housing Starts	Thousands	Aug	1,155.00	1,174.00
	7:30 PM	US	Existing home sales	Million	Aug	5.44	5.46
Sep 20, 2017	6:00 PM	US	Building permits	Thousands	Aug	1,230.00	1,220.00
	11:30 PM	US	FOMC rate decision	%	Sep 20	1.25	1.25
Sep 21, 2017	1:00 PM	Germany	PMI Services	Value	Sep P	53.50	53.70
	6:00 PM	US	Initial Jobless claims	Thousands	Sep 16	284.00	300.00
Sep 22, 2017	7:30 PM	Euro Zone	Euro-Zone Consumer Confidence	Value	Sep A	(1.50)	(1.50)
	1:00 PM	Germany	PMI Manufacturing	Value	Sep P	59.30	59.00
Sep 26, 2017	7:30 PM	US	Consumer Confidence	S.A./ 1985=100	Sep	122.90	119.00
	7:30 PM	US	New home sales	Thousands	Aug	571.00	600.00
Sep 28, 2017	6:00 PM	US	GDP Qoq (Annualised)	% Change	2Q T	3.00	3.20
Sep 29, 2017	1:25 PM	Germany	Unemployment change (000's)	Thousands	Sep	(5.00)	
	2:00 PM	UK	GDP (YoY)	% Change	2Q F	1.70	
Sep 30, 2017	6:30 AM	China	PMI Manufacturing	Value	Sep	51.70	
Oct 02, 2017	2:00 PM	UK	PMI Manufacturing	Value	Sep	56.90	
Oct 04, 2017	2:30 PM	India	RBI Reverse Repo rate	%	Oct 4	5.75	
	2:30 PM	India	RBI Cash Reserve ratio	%	Oct 4	4.00	
	2:30 PM	India	RBI Repo rate	%	Oct 4	6.00	
Oct 06, 2017	6:00 PM	US	Change in Nonfarm payrolls	Thousands	Sep	156.00	
	6:00 PM	US	Unemployment rate	%	Sep	4.40	
Oct 10, 2017		India	Imports YoY%	% Change	Sep	21.00	
		India	Exports YoY%	% Change	Sep	10.30	
	2:00 PM	UK	Industrial Production (YoY)	% Change	Aug	0.40	
Oct 12, 2017		US	Producer Price Index (mom)	% Change	Sep	0.50	

Source: Bloomberg, Angel Research



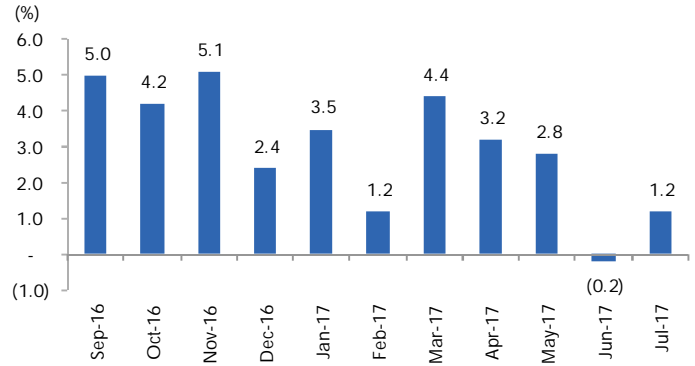
## Macro watch

Exhibit 1: Quarterly GDP trends



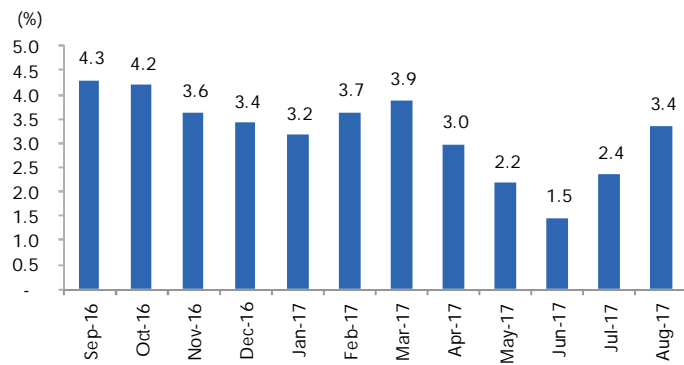
Source: CSO, Angel Research

Exhibit 2: IIP trends



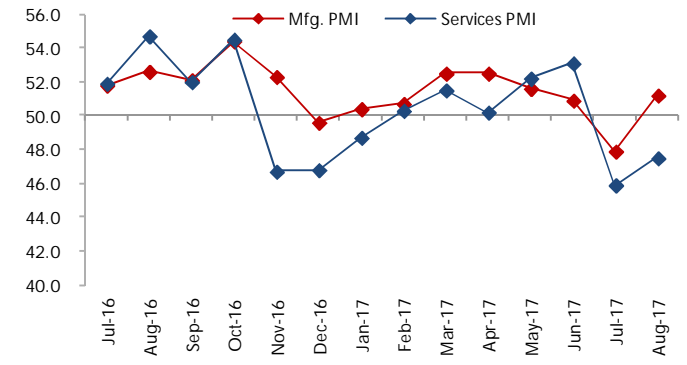
Source: MOSPI, Angel Research

Exhibit 3: Monthly CPI inflation trends



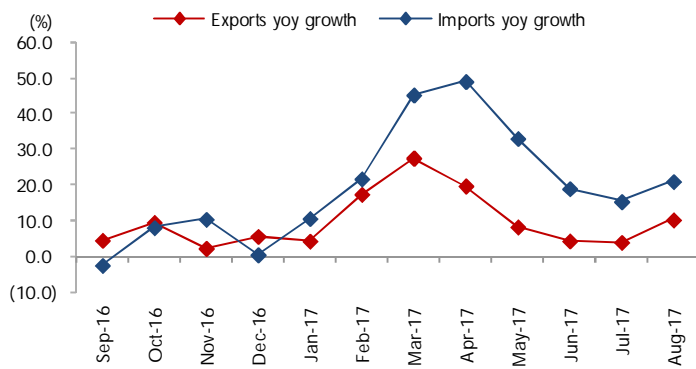
Source: MOSPI, Angel Research

Exhibit 4: Manufacturing and services PMI



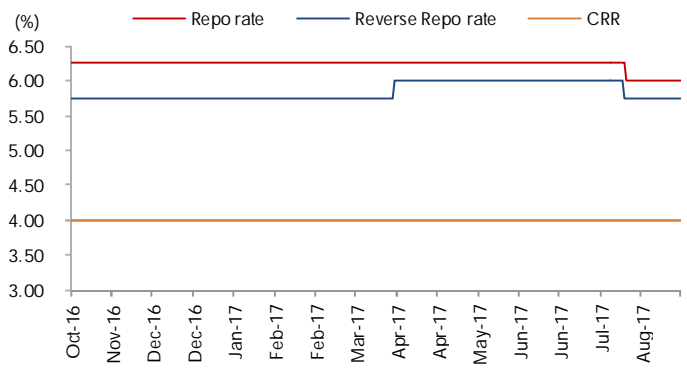
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 5: Exports and imports growth trends



Source: Bloomberg, Angel Research

Exhibit 6: Key policy rates

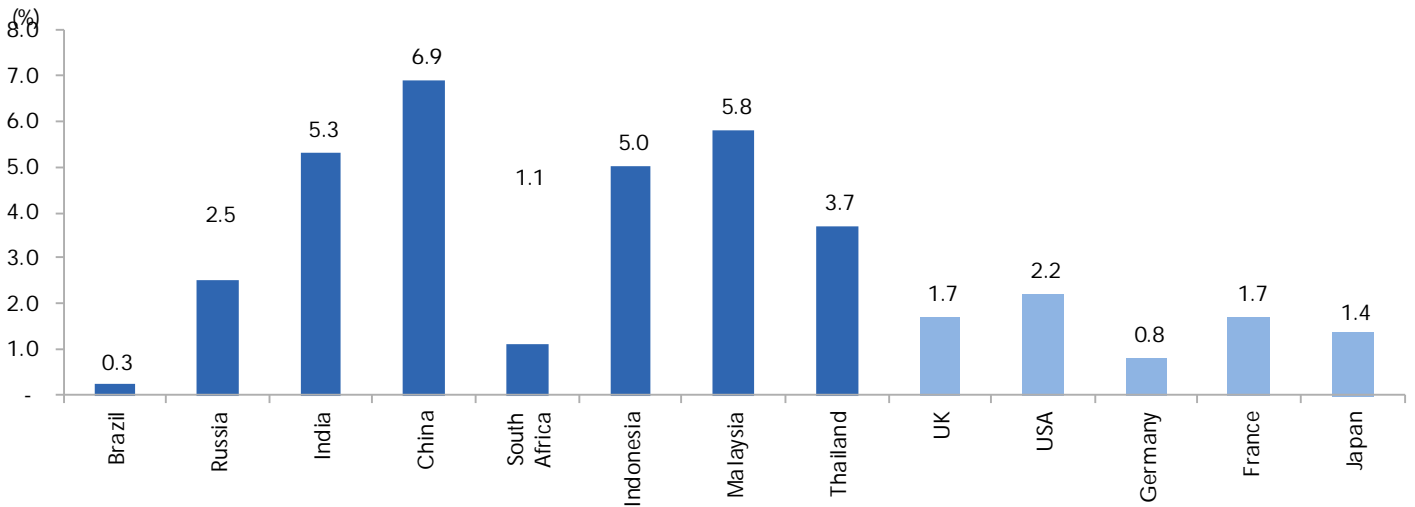


Source: RBI, Angel Research



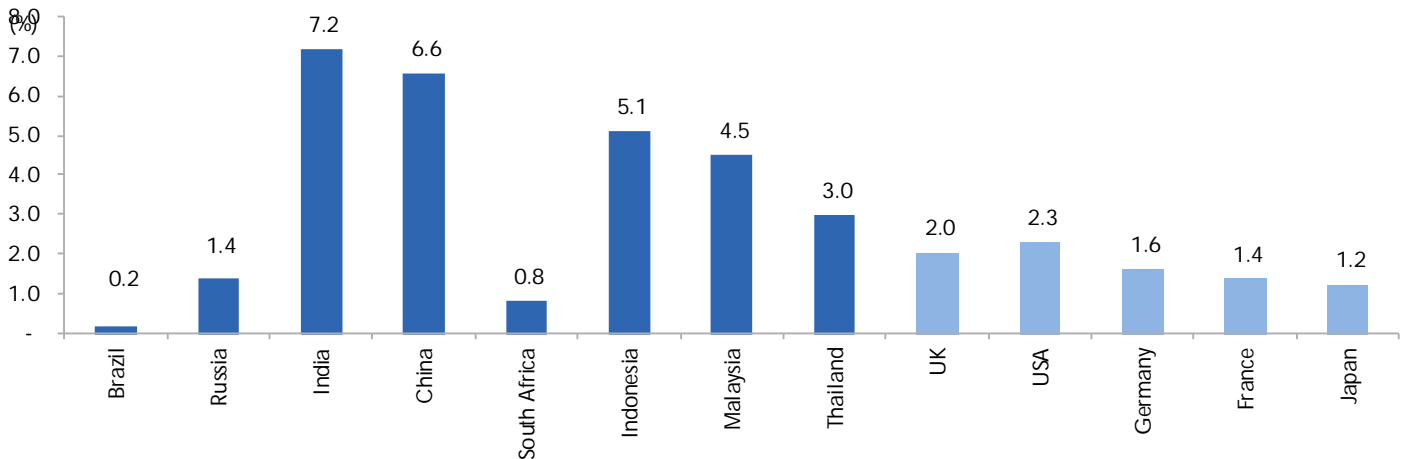
## Global watch

Exhibit 1: Latest quarterly GDP Growth (% , yoy) across select developing and developed countries



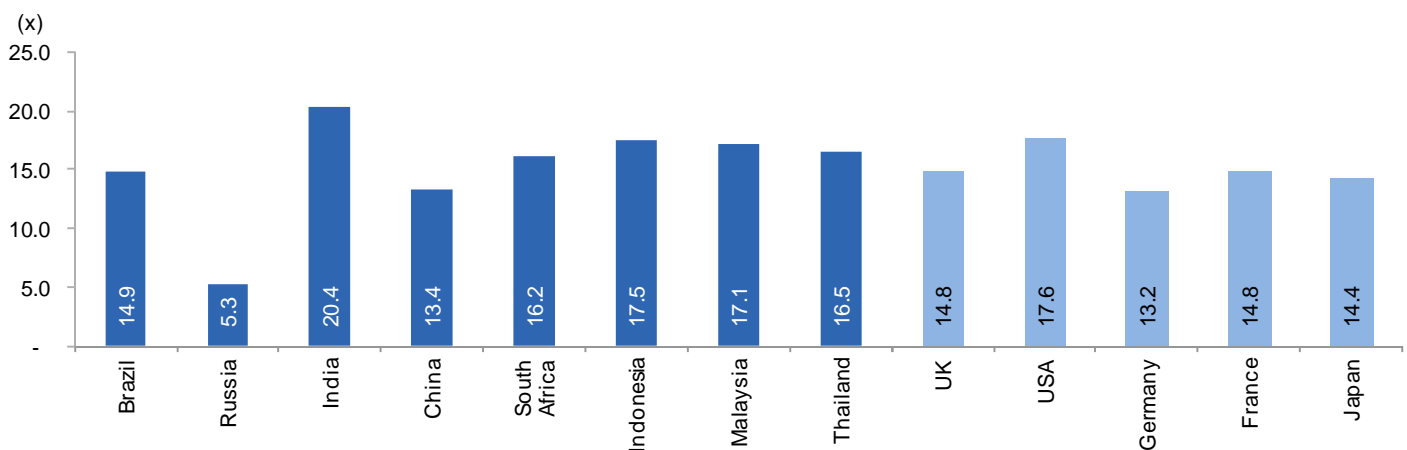
Source: Bloomberg, Angel Research

Exhibit 2: 2017 GDP Growth projection by IMF (% , yoy) across select developing and developed countries



Source: IMF, Angel Research

Exhibit 3: One year forward P-E ratio across select developing and developed countries



Source: IMF, Angel Research



## Exhibit 4: Relative performance of indices across globe

Country	Name of index	Closing price	Returns (%)		
			1M	3M	1YR
Brazil	Bovespa	75,990	10.8	22.9	33.3
Russia	Micex	2,059	6.0	10.7	3.3
India	Nifty	10,153	2.6	6.0	16.3
China	Shanghai Composite	3,363	2.9	7.1	8.8
South Africa	Top 40	49,737	1.4	9.7	8.9
Mexico	Mexbol	50,258	(2.4)	1.5	8.8
Indonesia	LQ45	980	1.3	2.5	7.0
Malaysia	KLCI	1,784	0.7	(0.0)	5.6
Thailand	SET 50	1,074	7.7	8.5	19.4
USA	Dow Jones	22,331	1.2	4.3	22.9
UK	FTSE	7,253	(2.4)	(3.6)	6.2
Japan	Nikkei	19,910	0.9	0.4	17.4
Germany	DAX	12,559	2.8	(2.1)	17.5
France	CAC	5,229	1.5	(1.3)	18.6

Source: Bloomberg, Angel Research

# Stock Watch

September 19, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
<b>Agri / Agri Chemical</b>																			
Rallis	Reduce	222	209	4,310	1,873	2,099	15.0	15.0	9.5	10.5	23.3	21.1	3.5	3.2	15.8	16.0	2.2	2.0	
United Phosphorus	Neutral	834	-	42,383	18,922	21,949	18.0	18.5	36.2	45.6	23.1	18.3	4.8	4.0	22.7	23.8	2.4	2.0	
<b>Auto &amp; Auto Ancillary</b>																			
Ashok Leyland	Accumulate	119	127	34,679	23,339	27,240	10.1	10.8	4.7	6.2	25.5	19.1	5.1	4.5	20.0	23.6	1.4	1.2	
Bajaj Auto	Neutral	3,130	-	90,566	23,936	27,955	19.5	20.1	142.7	167.3	21.9	18.7	4.8	4.3	21.8	22.8	3.4	2.8	
Bharat Forge	Neutral	1,248	-	29,061	7,637	8,755	21.7	23.2	36.1	47.3	34.6	26.4	6.2	5.3	18.5	20.8	3.7	3.1	
Eicher Motors	Neutral	32,766	-	89,198	19,043	22,837	19.5	19.9	835.4	1,019.0	39.2	32.2	14.7	11.3	40.9	37.8	4.6	3.7	
Gabriel India	Neutral	212	-	3,045	1,782	2,033	9.7	10.2	7.1	8.9	29.9	24.0	6.0	5.1	21.0	22.2	1.7	1.4	
Hero Motocorp	Neutral	3,951	-	78,901	32,239	36,878	16.0	15.6	184.4	206.5	21.4	19.1	6.7	5.9	31.3	30.7	2.2	1.9	
Jamna Auto Industries	Neutral	257	-	2,048	1,441	1,662	14.4	14.8	13.9	17.6	18.5	14.6	5.0	4.1	30.0	31.0	1.4	1.2	
Mahindra and Mahindra	Neutral	1,295	-	80,422	46,971	53,816	13.6	14.0	67.7	79.8	19.1	16.2	2.7	2.4	15.0	15.9	1.6	1.3	
Maruti	Accumulate	8,154	8,658	246,330	81,825	101,245	15.0	15.0	283.5	356.0	28.8	22.9	6.3	5.1	21.9	22.4	2.7	2.1	
Minda Industries	Neutral	857	-	7,405	4,328	5,084	11.0	11.9	27.3	36.4	31.5	23.5	6.7	5.2	23.1	25.6	1.8	1.5	
Motherson Sumi	Neutral	333	-	70,113	55,937	64,445	10.8	11.4	16.9	21.1	19.7	15.8	4.4	4.5	25.2	25.4	1.3	1.1	
Tata Motors	Neutral	405	-	117,039	303,167	343,649	11.8	13.8	33.1	54.7	12.3	7.4	2.0	1.6	16.9	23.0	0.4	0.4	
TVS Motor	Neutral	664	-	31,529	13,992	16,216	9.0	9.4	17.1	20.3	38.9	32.7	10.3	8.0	29.7	27.7	2.2	1.8	
Amara Raja Batteries	Accumulate	775	858	13,240	6,140	7,122	14.3	15.6	29.3	39.0	26.5	19.9	4.5	3.8	17.1	19.0	2.2	1.8	
Exide Industries	Neutral	224	-	19,061	8,689	9,854	15.1	15.2	9.7	11.0	23.2	20.4	4.1	3.6	15.7	16.1	1.9	1.7	
Apollo Tyres	Neutral	262	-	13,319	15,739	17,326	13.3	14.6	20.4	26.7	12.8	9.8	1.6	1.4	20.4	26.7	1.1	1.0	
Ceat	Neutral	1,792	-	7,247	6,661	7,717	11.1	14.2	116.2	178.2	15.4	10.1	2.7	2.2	15.2	21.3	1.2	1.0	
JK Tyres	Neutral	150	-	3,395	8,318	9,239	16.2	16.4	21.0	27.5	7.2	5.4	1.4	1.1	19.1	20.4	0.9	0.7	
Swaraj Engines	Neutral	2,048	-	2,544	788	889	16.4	16.5	71.6	81.0	28.6	25.3	8.3	7.7	29.6	31.0	2.9	2.5	
Subros	Neutral	246	-	1,476	1,855	2,135	11.6	11.8	10.3	14.7	24.0	16.8	3.7	3.1	15.8	19.1	1.0	0.9	
<b>Capital Goods</b>																			
BEML	Neutral	1,852	-	7,714	4,286	5,194	7.1	8.2	42.9	58.1	43.2	31.9	3.5	3.2	7.6	8.7	1.9	1.5	
Bharat Electronics	Neutral	193	-	43,076	10,258	12,470	19.6	19.5	7.3	8.6	26.4	22.4	0.5	0.5	20.4	21.9	3.7	3.0	
Voltas	Neutral	551	-	18,245	6,778	8,004	9.6	11.0	17.1	22.4	32.3	24.6	7.7	6.7	17.7	19.8	2.4	2.0	
BHEL	Neutral	133	-	32,590	33,200	39,167	6.8	9.5	6.2	11.2	21.5	11.9	1.0	0.9	4.6	8.0	0.6	0.4	
Blue Star	Accumulate	786	850	7,530	5,101	5,997	6.0	7.0	17.9	26.6	43.9	29.6	9.4	8.6	21.9	29.0	1.5	1.3	
CG Power and Industrial Solutions	Neutral	82	-	5,155	6,555	7,292	7.5	7.5	-	0.8	8,225.0	102.8	1.3	1.3	0.1	1.2	0.9	0.8	
Greaves Cotton	Neutral	141	-	3,441	1,778	1,993	14.7	15.1	8.1	9.1	17.4	15.5	3.9	3.7	21.8	23.6	1.7	1.5	



# Stock Watch

September 19, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
<b>Capital Goods</b>																			
KEC International	Accumulate	314	350	8,064	9,779	11,113	9.4	9.8	14.2	18.2	22.1	17.2	4.2	3.5	21.1	22.1	1.1	1.0	
KEI Industries	Accumulate	336	371	2,617	3,001	3,391	10.0	10.0	13.0	16.1	25.9	20.9	4.7	3.9	18.2	18.7	1.0	0.9	
Thermax	Neutral	944	-	11,245	4,125	4,747	10.3	10.8	26.7	31.5	35.4	30.0	4.0	3.6	11.2	12.0	2.5	2.1	
VATech Wabag	Accumulate	640	681	3,496	3,867	4,126	9.6	10.0	34.9	39.8	18.4	16.1	3.0	2.6	17.7	17.5	0.9	0.8	
<b>Cement</b>																			
ACC	Neutral	1,824	-	34,254	12,255	13,350	13.5	14.3	58.0	66.2	31.5	27.6	3.7	3.5	11.5	12.2	2.8	2.5	
Ambuja Cements	Neutral	282	-	56,015	10,250	11,450	17.5	19.0	7.2	8.3	39.2	34.0	2.8	2.7	7.0	7.8	5.2	4.6	
India Cements	Neutral	190	-	5,849	6,135	6,750	14.8	15.2	8.5	11.5	22.3	16.5	1.1	1.1	4.8	6.2	1.3	1.1	
JK Cement	Neutral	1,020	-	7,128	4,150	4,775	19.2	20.0	49.0	63.5	20.8	16.1	3.3	2.8	17.0	18.5	2.2	1.8	
J K Lakshmi Cement	Neutral	427	-	5,024	3,422	3,757	15.5	17.0	13.5	23.2	31.6	18.4	3.3	2.8	10.8	15.5	1.9	1.6	
Orient Cement	Neutral	160	-	3,281	2,215	3,233	16.8	17.0	5.9	6.9	27.1	23.2	2.1	1.9	10.8	10.1	2.5	1.6	
UltraTech Cement	Neutral	4,201	-	115,326	28,250	35,150	20.2	23.5	77.5	122.2	54.2	34.4	4.6	4.1	9.6	14.8	4.6	3.6	
<b>Construction</b>																			
KNR Constructions	Neutral	205	-	2,889	1,846	2,203	14.5	14.5	12.1	13.7	17.0	15.1	0.9	0.8	17.5	16.7	1.6	1.3	
Larsen & Toubro	Neutral	1,238	-	173,360	95,787	109,476	10.2	11.6	44.5	50.8	27.9	24.4	3.5	3.2	12.9	13.1	2.4	2.1	
Gujarat Pipavav Port	Neutral	146	-	7,051	739	842	61.6	62.7	5.1	6.2	28.6	23.7	3.6	3.5	12.7	14.9	9.0	7.8	
PNC Infratech	Accumulate	133	143	3,409	2,040	2,935	13.0	13.0	6.4	9.0	20.8	14.8	0.5	0.5	9.7	12.2	1.7	1.2	
Simplex Infra	Neutral	482	-	2,385	6,012	6,619	11.6	11.7	21.1	31.0	22.9	15.6	1.6	1.5	6.5	8.6	0.9	0.8	
Sadbhav Engineering	Neutral	291	-	4,994	3,823	4,426	10.7	10.8	10.3	11.8	28.3	24.7	3.4	3.0	10.1	10.5	1.6	1.4	
NBCC	Neutral	214	-	19,220	9,099	12,706	6.4	6.4	7.3	9.6	29.3	22.3	1.3	1.0	27.5	30.5	2.0	1.4	
MEP Infra	Neutral	117	-	1,903	2,403	2,910	18.3	16.8	2.4	6.1	49.8	19.3	18.9	12.7	35.2	55.8	2.0	1.6	
SIPL	Neutral	98	-	3,462	2,060	2,390	46.8	47.7	(5.8)	(3.1)			3.7	4.2	(14.2)	(2.3)	6.4	6.0	
Engineers India	Neutral	159	-	10,688	1,795	2,611	21.1	22.4	5.9	8.1	26.9	19.6	1.9	1.9	12.9	16.1	4.3	2.8	
<b>Financials</b>																			
Axis Bank	Accumulate	524	580	125,526	32,558	35,843	3.5	3.2	27.8	41.0	18.8	12.8	2.0	1.8	11.4	14.9	-	-	
Bank of Baroda	Neutral	145	-	33,502	22,533	26,079	2.4	2.4	12.0	20.9	12.1	7.0	0.8	0.7	6.6	11.0	-	-	
Canara Bank	Neutral	347	-	20,717	17,925	20,235	2.0	2.1	18.5	36.5	18.8	9.5	0.7	0.7	3.4	6.2	-	-	
Can Fin Homes	Neutral	2,820	-	7,506	586	741	3.5	3.5	107.8	141.0	26.2	20.0	5.7	4.6	24.1	25.6	-	-	
Cholamandalam Inv. & Fin. Co.	Accumulate	1,169	1,230	18,276	2,826	3,307	6.3	6.3	53.7	64.6	21.8	18.1	3.7	3.2	18.3	18.9	-	-	
Dewan Housing Finance	Neutral	602	-	18,877	2,676	3,383	2.4	2.7	37.4	49.7	16.1	12.1	2.1	1.9	13.8	16.2	-	-	
Equitas Holdings	Buy	161	235	5,468	1,125	1,380	9.6	9.8	1.5	6.0	107.6	26.9	2.5	2.3	2.4	8.2	-	-	
Federal Bank	Accumulate	117	125	22,772	4,896	5,930	2.8	3.1	5.4	7.6	21.8	15.4	1.9	1.7	8.5	11.0	-	-	

# Stock Watch

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Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
<b>Financials</b>																			
GIC Housing	Buy	551	655	2,965	376	477	3.6	3.7	33.0	40.0	16.7	13.8	3.0	2.5	20.0	23.0	-	-	
HDFC Bank	Neutral	1,860	-	480,139	55,236	63,253	4.5	4.4	68.9	82.4	27.0	22.6	4.7	3.9	18.7	18.5	-	-	
ICICI Bank	Accumulate	293	315	187,736	42,361	51,378	3.6	3.9	18.4	25.7	15.9	11.4	1.7	1.7	11.3	15.0	-	-	
Karur Vysya Bank	Accumulate	159	180	9,606	3,289	3,630	3.7	3.9	10.8	14.1	14.7	11.3	1.8	1.6	12.5	14.7	-	-	
LIC Housing Finance	Neutral	657	-	33,179	4,895	6,332	3.4	3.7	50.7	66.8	13.0	9.9	2.6	2.1	21.7	23.8	-	-	
Punjab Natl.Bank	Neutral	145	-	30,781	23,708	25,758	2.1	2.1	5.9	16.4	24.6	8.8	0.7	0.7	3.0	8.3	-	-	
RBL Bank	Neutral	537	-	22,204	2,309	2,888	2.6	2.5	16.4	19.1	32.9	28.2	4.1	3.7	13.3	13.8	-	-	
Repro Home Finance	Buy	648	825	4,056	496	597	4.4	4.2	38.5	48.7	16.9	13.3	3.0	2.5	19.6	20.6	-	-	
South Ind.Bank	Neutral	29	-	5,260	3,195	3,567	3.0	3.1	3.0	3.8	9.7	7.6	1.0	0.9	10.5	11.9	-	-	
St Bk of India	Neutral	270	-	233,195	105,827	121,056	2.4	2.5	16.1	25.6	16.8	10.6	1.3	1.2	6.6	9.9	-	-	
Union Bank	Neutral	137	-	9,974	14,650	16,225	2.3	2.3	23.1	32.5	5.9	4.2	0.5	0.4	7.1	9.2	-	-	
Yes Bank	Neutral	1,859	-	85,127	11,088	13,138	3.0	2.9	84.0	99.3	22.1	18.7	3.4	3.0	16.3	16.8	-	-	
<b>FMCG</b>																			
Akzo Nobel India	Neutral	1,819	-	8,723	3,164	3,607	13.8	13.7	58.6	67.9	31.0	26.8	7.6	6.7	24.5	25.1	2.6	2.3	
Asian Paints	Neutral	1,256	-	120,461	17,603	20,615	18.6	18.6	2,128.9	2,543.3	0.6	0.5	12.4	10.5	28.0	28.9	6.6	5.6	
Britannia	Neutral	4,390	-	52,711	9,690	11,278	14.8	15.4	84.0	101.0	52.3	43.5	19.0	15.1	40.6	39.0	5.4	4.6	
Colgate	Neutral	1,140	-	30,998	4,420	5,074	24.9	25.3	28.6	32.8	39.9	34.8	15.7	12.7	43.8	40.5	6.8	5.9	
Dabur India	Neutral	309	-	54,352	8,346	9,344	19.6	19.9	7.8	9.0	39.6	34.3	8.0	7.2	25.2	24.8	6.1	5.4	
GlaxoSmith Con*	Neutral	5,065	-	21,303	5,072	5,760	18.2	18.4	176.3	199.2	28.7	25.4	6.1	5.5	21.2	21.7	3.5	3.0	
Godrej Consumer	Neutral	944	-	64,314	10,171	11,682	20.8	21.5	21.7	27.1	43.5	34.8	9.8	8.4	22.3	23.4	6.4	5.6	
HUL	Neutral	1,280	-	276,945	37,077	41,508	20.3	21.8	5,189.9	6,318.5	0.3	0.2	39.0	33.3	74.8	82.0	7.3	6.5	
ITC	Neutral	267	-	324,971	44,588	49,853	37.0	37.3	9.6	11.0	27.8	24.3	6.8	6.5	25.1	27.3	6.8	6.0	
Marico	Neutral	331	-	42,708	6,788	7,766	18.5	19.2	7.1	8.5	46.6	38.9	16.3	14.0	36.9	38.0	6.1	5.3	
Nestle*	Neutral	7,291	-	70,294	10,083	11,182	20.0	20.9	119.7	141.3	60.9	51.6	214.7	196.2	36.7	39.8	6.7	5.9	
Tata Global	Neutral	213	-	13,462	7,121	7,641	11.9	12.3	6.9	8.0	30.9	26.7	2.1	2.0	6.8	7.2	1.7	1.6	
Procter & Gamble Hygiene	Neutral	8,394	-	27,247	3,034	3,579	27.1	27.7	167.7	198.8	50.1	42.2	13.4	11.6	28.8	29.5	8.4	7.0	
<b>IT</b>																			
HCL Tech ^	Accumulate	898	1,014	128,136	52,342	57,053	20.9	20.9	62.8	67.6	14.3	13.3	3.2	2.7	22.4	20.6	2.1	1.8	
Infosys	Buy	908	1,179	208,668	73,963	80,619	26.0	26.0	64.4	69.3	14.1	13.1	2.8	2.6	19.7	19.6	2.3	2.0	
TCS	Accumulate	2,499	2,651	492,420	127,403	138,870	27.6	27.6	144.5	156.0	17.3	16.0	5.1	4.8	29.7	29.8	3.5	3.2	
Tech Mahindra	Buy	445	533	43,398	31,015	33,496	15.0	15.0	35.6	38.1	12.5	11.7	2.1	2.0	17.0	16.3	1.2	1.0	

# Stock Watch

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Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
<b>IT</b>																			
Wipro	Neutral	289	-	140,453	58,536	61,858	20.3	20.3	18.2	19.1	15.9	15.1	2.5	2.1	14.6	13.4	2.3	2.2	
<b>Media</b>																			
D B Corp	Neutral	365	-	6,722	2,404	2,625	30.5	31.5	23.7	26.9	15.4	13.6	3.6	3.1	23.5	22.8	2.6	2.4	
HT Media	Neutral	103	-	2,408	2,589	2,830	15.1	15.4	8.3	10.9	12.5	9.5	1.0	0.9	8.4	10.4	0.5	0.3	
Jagran Prakashan	Buy	185	225	6,048	2,541	2,835	28.5	28.7	12.7	14.1	14.6	13.1	3.0	2.6	21.3	21.4	2.2	1.9	
Sun TV Network	Neutral	850	-	33,479	3,238	3,789	51.9	55.1	30.9	38.0	27.5	22.4	7.8	6.9	30.0	31.0	9.9	8.3	
Hindustan Media Ventures	Neutral	269	-	1,975	1,002	1,074	23.3	23.5	29.2	33.8	9.2	8.0	1.4	1.2	15.6	15.4	1.0	0.7	
TV Today Network	Accumulate	324	344	1,935	667	727	27.7	27.7	18.6	20.1	17.5	16.2	2.7	2.8	15.6	17.3	2.4	2.3	
Music Broadcast Limited	Accumulate	393	434	2,241	271	317	91.0	109.0	6.0	10.0	65.5	39.3	4.1	3.7	6.5	9.3	7.9	6.5	
<b>Metals &amp; Mining</b>																			
Coal India	Neutral	265	-	164,372	82,301	91,235	17.0	18.0	17.1	20.5	15.5	12.9	2.9	2.7	45.0	55.0	1.7	1.5	
Hind. Zinc	Neutral	310	-	130,879	22,108	24,555	57.0	58.0	22.1	26.3	14.0	11.8	4.5	3.7	32.0	35.0	4.9	4.1	
Hindalco	Neutral	249	-	55,821	102,350	105,355	13.5	14.5	21.5	24.5	11.6	10.2	1.6	1.3	15.0	15.2	1.1	1.1	
JSW Steel	Neutral	263	-	63,464	64,500	68,245	21.1	21.5	20.1	21.2	13.1	12.4	2.4	2.1	-	-	1.7	1.6	
NMDC	Neutral	133	-	42,143	10,209	11,450	47.0	48.0	11.1	12.1	12.0	11.0	1.7	1.6	-	-	3.6	3.3	
SAIL	Neutral	62	-	25,462	54,100	63,555	3.0	10.0	(10.0)	1.5		41.1	0.8	0.8	-	-	1.5	1.3	
Vedanta	Neutral	326	-	121,125	81,206	87,345	28.0	29.0	26.5	33.5	12.3	9.7	2.8	2.4	-	-	2.2	1.9	
Tata Steel	Neutral	673	-	65,368	121,445	126,500	16.2	17.2	65.4	81.3	10.3	8.3	1.6	1.4	-	-	1.1	0.9	
<b>Oil &amp; Gas</b>																			
GAIL	Neutral	401	-	67,762	53,115	52,344	14.2	15.3	30.0	31.1	13.4	12.9	1.7	1.5	-	-	1.0	1.0	
ONGC	Neutral	165	-	212,262	83,111	84,934	44.2	44.9	16.4	16.9	10.1	9.8	1.2	1.1	-	-	2.4	2.4	
Indian Oil Corp	Neutral	416	-	201,836	396,116	432,560	8.5	8.8	40.1	42.2	10.4	9.9	1.8	1.6	-	-	0.7	0.6	
Reliance Industries	Neutral	845	-	549,831	257,711	267,438	17.0	18.2	89.1	89.5	9.5	9.5	0.9	0.8	-	-	1.8	1.7	
<b>Pharmaceuticals</b>																			
Alembic Pharma	Buy	491	600	9,251	3,903	4,584	18.2	19.2	21.8	27.2	22.5	18.0	4.1	3.4	19.8	20.6	2.4	2.0	
Alkem Laboratories Ltd	Buy	1,808	2,161	21,618	6,901	7,850	18.4	19.1	85.0	100.5	21.3	18.0	4.3	3.6	20.2	20.1	3.1	2.7	
Aurobindo Pharma	Accumulate	763	823	44,682	17,086	19,478	22.1	22.0	44.7	51.4	17.1	14.8	3.8	3.1	24.7	22.7	2.7	2.4	
Aventis*	Neutral	4,051	-	9,331	2,508	2,862	16.8	16.8	139.9	153.8	29.0	26.3	4.2	3.4	23.5	25.8	3.3	2.7	
Cadila Healthcare	Reduce	487	426	49,810	11,584	13,228	20.3	20.4	18.7	21.3	26.0	22.8	5.8	4.8	24.6	22.9	4.1	3.6	
Cipla	Sell	570	458	45,871	16,619	19,437	15.4	16.2	19.7	24.3	28.9	23.5	3.3	2.9	12.0	13.2	2.9	2.5	
Dr Reddy's	Neutral	2,245	-	37,215	15,844	17,973	17.6	18.2	91.7	111.0	24.5	20.2	2.8	2.5	11.9	13.0	2.6	2.3	
GSK Pharma*	Neutral	2,410	-	20,410	3,260	3,651	15.0	18.0	46.1	58.6	52.3	41.1	10.7	11.1	20.0	26.5	6.2	5.6	
Indoco Remedies	Sell	198	153	1,826	1,154	1,310	14.9	14.9	11.3	12.7	17.5	15.6	2.5	2.2	15.0	15.0	1.7	1.4	

# Stock Watch

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Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
<b>Pharmaceuticals</b>																			
Ipsa labs	Accumulate	505	540	6,373	3,593	4,022	14.5	15.5	19.4	25.2	26.0	20.0	2.4	2.1	9.5	11.2	1.8	1.6	
Lupin	Buy	1,010	1,467	45,611	18,657	21,289	21.3	23.3	52.8	66.7	19.1	15.1	2.9	2.5	16.3	17.5	2.5	2.0	
Natco Pharma	Neutral	806	-	14,047	1,836	1,946	31.8	28.9	22.1	20.6	36.5	39.1	7.3	6.5	20.1	16.7	7.5	7.1	
Sun Pharma	Accumulate	521	558	125,001	32,899	36,451	26.9	25.4	31.6	32.3	16.5	16.1	2.9	2.5	18.7	18.8	3.4	2.9	
Syngene International	Accumulate	495	557	9,891	1,402	1,823	32.8	36.0	15.9	20.7	31.2	23.9	5.8	4.8	18.7	20.0	7.0	5.4	
<b>Power</b>																			
Tata Power	Neutral	84	-	22,639	32,547	33,806	20.5	20.5	4.7	5.4	17.8	15.6	1.7	1.5	10.5	10.5	1.7	1.6	
NTPC	Neutral	168	-	138,524	86,070	101,246	28.3	30.7	12.9	16.2	13.0	10.4	1.3	1.2	10.6	12.4	3.0	2.7	
Power Grid	Neutral	215	-	112,427	29,183	32,946	89.7	90.0	18.0	20.8	12.0	10.3	2.0	1.8	17.7	18.2	7.8	7.2	
<b>Real Estate</b>																			
Prestige Estate	Neutral	266	-	9,988	4,607	5,146	21.0	22.2	7.9	9.8	33.7	27.2	2.1	1.9	10.3	12.0	3.3	3.0	
MLIFE	Neutral	507	-	2,601	487	590	12.3	17.8	21.0	31.2	24.1	16.3	1.3	1.2	5.2	7.4	4.1	3.3	
<b>Telecom</b>																			
Bharti Airtel	Neutral	397	-	158,617	97,903	105,233	36.0	36.3	9.3	11.1	42.7	35.9	2.1	2.0	5.0	5.6	2.6	2.3	
Idea Cellular	Neutral	83	-	29,775	35,012	37,689	27.1	27.7	(4.4)	(2.7)			1.3	1.3	(6.8)	(4.6)	2.2	1.9	
<b>zOthers</b>																			
Abbott India	Neutral	4,071	-	8,650	3,244	3,723	14.9	16.1	167.5	209.4	24.3	19.4	5.4	4.5	23.7	24.8	2.3	1.9	
Asian Granito	Neutral	470	-	1,413	1,169	1,286	12.5	12.5	16.0	19.7	29.4	23.8	3.1	2.8	10.7	11.6	1.4	1.3	
Bajaj Electricals	Neutral	401	-	4,073	4,646	5,301	6.7	7.6	16.1	22.3	24.9	18.0	4.1	3.5	16.4	19.2	0.9	0.8	
Banco Products (India)	Neutral	218	-	1,560	1,530	1,695	13.2	12.7	19.0	20.0	11.5	10.9	1.8	1.6	0.2	0.2	0.9	103.3	
Coffee Day Enterprises Ltd	Neutral	245	-	5,040	3,494	3,913	17.4	18.0	4.8	5.7	-	42.9	2.2	2.1	-	0.1	1.9	1.7	
Elecon Engineering	Neutral	53	-	590	171	201	15.0	16.2	36.0	43.0	1.5	1.2	0.1	0.1	0.1	0.1	2.8	2.4	
Garware Wall Ropes	Neutral	875	-	1,914	928	1,003	15.2	15.2	39.4	43.2	22.2	20.3	3.7	3.1	16.5	15.4	1.9	1.7	
Goodyear India*	Neutral	837	-	1,930	1,717	1,866	11.8	12.3	47.9	49.8	17.5	16.8	2.7	2.3	15.6	15.7	0.8	117.3	
Hitachi	Neutral	1,963	-	5,337	2,355	2,715	10.3	10.8	49.0	60.9	40.1	32.2	9.4	7.4	0.2	0.2	2.3	2.0	
HSIL	Neutral	391	-	2,828	2,240	2,670	14.6	15.0	17.0	22.0	23.0	17.8	1.9	1.8	0.1	0.1	1.5	1.2	
Interglobe Aviation	Neutral	1,166	-	42,169	22,570	27,955	14.2	15.0	63.6	81.8	18.4	14.3	9.7	8.2	0.5	0.6	1.5	1.2	
Jyothy Laboratories	Neutral	424	-	7,700	1,781	2,044	14.1	15.0	9.4	10.5	45.3	40.4	9.6	9.1	0.2	0.2	4.5	3.9	
Linc Pen & Plastics	Neutral	233	-	344	420	462	9.3	9.3	15.3	17.1	15.2	13.6	2.6	2.7	16.9	19.5	0.9	0.8	
M M Forgings	Neutral	638	-	770	542	642	20.1	21.0	41.6	56.8	15.3	11.2	2.1	1.8	0.1	0.2	1.8	1.6	
Mirza International	Neutral	171	-	2,058	1,148	1,285	18.0	18.0	8.0	9.4	21.3	18.3	3.5	3.0	16.3	16.1	2.0	1.7	
Navkar Corporation	Buy	194	265	2,769	561	617	41.5	41.5	11.5	12.7	16.9	15.3	1.8	1.6	10.5	10.4	5.6	4.9	
Nilkamal	Neutral	1,588	-	2,370	2,317	2,525	11.4	11.1	96.0	105.0	16.5	15.1	2.8	2.5	0.2	0.2	1.0	0.9	

# Stock Watch

September 19, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
<b>zOthers</b>																			
Parag Milk Foods	Neutral	248	-	2,089	1,987	2,379	7.6	9.0	12.4	18.3	20.0	13.6	2.8	2.5	8.2	13.2	1.2	1.0	
Radico Khaitan	Neutral	169	-	2,255	1,811	1,992	13.2	13.2	8.1	8.8	20.9	19.2	2.1	2.3	10.1	12.0	1.6	1.4	
Relaxo Footwears	Neutral	534	-	6,418	1,981	2,310	13.7	14.5	12.0	15.5	44.5	34.5	8.7	7.0	0.2	0.2	3.3	2.8	
Siyaram Silk Mills	Accumulate	2,295	2,500	2,152	1,769	1,981	12.7	12.7	113.1	131.1	20.3	17.5	3.1	2.7	15.5	15.5	1.4	1.2	
Styrolution ABS India*	Neutral	953	-	1,675	1,800	1,980	8.0	8.1	42.0	46.2	22.7	20.6	2.5	2.3	0.1	0.1	1.0	1.0	
Surya Roshni	Neutral	309	-	1,355	4,870	5,320	7.7	7.8	22.8	28.1	13.6	11.0	1.8	1.6	0.1	0.1	0.5	0.4	
TVS Srichakra	Neutral	3,094	-	2,369	2,729	2,893	12.7	12.5	248.5	265.0	12.5	11.7	3.5	2.9	0.3	0.3	0.9	0.8	
Visaka Industries	Neutral	650	-	1,032	1,104	1,214	12.1	12.6	31.0	37.9	21.0	17.2	2.6	2.3	0.1	0.1	1.2	1.0	
VIP Industries	Neutral	260	-	3,680	1,450	1,693	10.4	10.5	6.5	7.8	39.8	33.3	8.4	7.4	21.1	22.1	2.5	2.2	
Navin Fluorine	Accumulate	656	730	3,233	945	1,154	22.4	22.6	28.7	34.8	22.9	18.9	3.8	3.2	-	-	2.9	2.3	

Source: Company, Angel Research; Note: \*December year end; #September year end; &October year end; Price as on September 18, 2017



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