

# Daily Dossier

15th November 2018

## Outlook



The Nifty ended 0.38% up at 10,616.70. It opened flat and remained range bound throughout the session. Recovery from day's low towards the high of 10,646 despite overnight negative global cues is encouraging for the bulls. However, the Benchmark Index continues taking support around 10,650 levels. Chart pattern suggests, the benchmark index may continue oscillating in the price band of 10,520-10,650. Breaking out 10,650 may unfold a quick rise towards 200 EMA on daily chart placed around 10,700.

On the Nifty hourly chart; uptrend in RSI is still intact. Hence, the benchmark index may again see buying on dips around 10,520 and 10,470 levels.

Nifty patterns on multiple time frames show; it failed to breakout the resistance placed around 10,650 levels for the second consecutive session. However, we still recommend buy on dips as long as critical support of 10,520 is intact.

**Nifty Crucial Supports & Resistances for the day-**  
**Supports- 10520, 10470 Resistances- 10650, 10700**

### Open positional calls-

**Positional T+2 Sell-**  
 Future Segment- DCB Fut on rise @ 159, TGT- 151, SL- above 163

**Positional T+3 Buy-**  
 Future Segment- AMBUJA Fut on dips around @ 212, TGT- 220, SL- below 208

**Positional T+3 Buy-**  
 Future Segment- ARVIND Fut @ 315, TGT- 325, SL- Below 310

**Positional T+1 Buy-**  
 Future Segment- INDUSIND BANK Fut @ 1525, TGT- 1551, SL- Below 1512

**Positional BTST Buy-**  
 Future Segment- SBIN Fut @ 286, TGT- 292, SL- Below 283

**Positional BTST Buy-**  
 Future Segment- INDIAN BANK Fut @ 226, TGT- 232, SL- Below 223

**Positional T+3 Buy-**  
 Option Segment: BANK NIFTY 22 Nov 26'400-CE (cmp-105) on dips @ 100-95, TGT- 180, SL- 60

## Top Stock Drivers For The Day

Name	CMP	News/Views	Impact
DCW Ltd	21.70	Following news came after market hours and are likely to react tomorrow:  The revenue for the quarter came in at INR343.39 Crore, up 25.54% YoY. Sequentially, it was up 4.29%. EBITDA of the company stood at INR42.94 Crore as against INR30.22 Crore in the same quarter last year. Net Loss for the quarter narrowed down to INR1.17 Crore as against INR8.92 Crore of loss in the same quarter last year.	Positive

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### Market Turnover (Rs. Crore) 15-11-2018

Name	Last	Previous
NSE Cash	31607.69	35973.53
NSE F&O	1560701.67	1000274.55
BSE Cash	2,955.19	3,415.09
BSE F&O	*NA	0.13

### NIFTY Top Gainers

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Adani Ports	4.28	6.13	5,293,256	2,423,602
Titan	3.21	8.31	4,711,756	4,976,623
Eicher Motors	3.03	5.72	112,308	119,932
Kotak Bank	2.86	2.46	3,049,191	1,782,454
Hero Motocorp	2.62	1.16	341,266	225,447

### NIFTY Top Losers

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Bharti Infratel	1.79	3.68	1,206,044	1,833,229
NTPC	2.26	0.68	3,782,472	3,997,402
Indiabulls Finance	4.10	3.25	6,237,078	3,283,461
Yes Bank	7.44	4.68	60,944,632	22,516,180
Grasim Industries	7.72	5.77	4,467,572	858,035

### Bulk and Block Deals

<https://www.nseindia.com/products/content/equities/equities/bulk.htm>

<http://www.bseindia.com/markets/equity/EQReports/BulknBlockDeals.aspx>

\*Data not updated till 6:15pm

### FII Derivatives Flow (In Crore) 14-11-2018\*

Instrument	Purchase	Sale	Net
Index Future	4364.32	4272.53	91.79
Index Option	128135.38	127533.33	602.05
Stock Future	15212.25	16427.35	-1215.10
Stock Option	10099.96	10033.10	66.86

### Institutional Flow (In Crore) 15-11-2018

Institution	Purchase	Sale	Net
FII	6077.91	4034.85	2043.06
DII	3284.61	3449.92	-165.31

### Market in Retrospect

Indian equity benchmarks rose to their highest levels in over a month led by gains in private sector lenders. Sensex rose 0.34% or 119 points to 35,261 and the Nifty climbed 0.4% or 40 points to 10,617.

Nifty realty was the top gainer, gaining by 1.47%, followed by Nifty Finance & Nifty bank, which were up by 0.96% & 0.75% respectively. Nifty Energy was the top loser, losing by 0.39%.

Adani Ports was the top gainer, gaining by 4.28%, followed by Titan & Eicher Motors, which were up by 3.21% & 3.03% respectively. Grasim was the top loser, losing by 7.72%, followed by Yes Bank & Indiabulls Housing Finance, which were down by 7.44% & 4.10% respectively.

The Advance Decline ratio stood at 743 : 980.



### Indian Indices

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Sensex	35260.54	<b>118.55</b>	0.34	0.06	1.13	6.85	7.63
Nifty	10616.70	<b>40.40</b>	0.38	0.17	0.99	7.16	4.93
BSE M Cap	14992.48	<b>110.53</b>	0.74	0.98	4.30	7.69	8.18
BSE S Cap	14548.04	<b>0.30</b>	0.00	0.27	1.36	13.11	15.78
Nifty MC 100	17568.65	<b>84.75</b>	0.48	0.97	3.94	8.68	8.64
BSE Auto	20526.73	<b>110.38</b>	0.54	0.98	0.99	15.18	17.00
BSE Capgoods	18429.42	<b>120.13</b>	0.66	2.04	9.63	2.74	1.99
BSE FMCG	11286.39	<b>23.77</b>	0.21	0.64	2.22	8.06	11.75
BSE Metal	12769.63	<b>84.02</b>	0.66	1.72	2.08	1.36	7.73
BSE Oil&Gas	13697.27	<b>21.77</b>	0.16	1.31	2.75	7.82	12.05
BSE Healthcare	14276.62	<b>45.52</b>	0.32	1.78	3.37	2.79	5.38
BSE Power	1959.53	<b>3.38</b>	0.17	0.48	0.14	0.33	11.96
BSE Realty	1724.78	<b>26.75</b>	1.58	2.46	6.37	18.95	23.33
BSE ConsDur	20076.66	<b>316.46</b>	1.60	4.30	8.48	9.01	0.32
BSE Bank	29530.82	<b>232.12</b>	0.79	1.69	4.20	6.76	3.17
BSE IT	13976.42	<b>9.79</b>	0.07	2.65	4.34	6.38	31.21

### LME

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Gold(\$/Ounce)	1210.67	<b>0.19</b>	0.02	1.09	1.35	3.05	5.28
Silver(\$/Ounce)	14.14	<b>0.01</b>	0.07	2.04	3.72	2.04	16.78
Aluminium	1925.75	<b>4.25</b>	0.22	2.31	5.31	5.85	6.56
Copper	6107.50	<b>19.00</b>	0.31	1.03	3.35	1.64	9.11
Zinc	2566.75	<b>21.25</b>	0.83	2.57	4.07	5.28	19.39
Lead	1931.75	<b>3.25</b>	0.17	1.42	6.61	5.79	21.38

### Currency

Name	Rate	Net Chng	%1D	%5D	%1M	%3M	%1Y
INR	72.01	<b>0.30</b>	0.42	1.37	2.52	2.94	9.44
USD Index	97.35	<b>0.55</b>	0.56	0.65	2.41	0.67	3.77
YUAN	6.94	<b>0.01</b>	0.13	0.10	0.36	0.10	4.58
GBP	1.28	<b>0.02</b>	1.23	2.28	2.78	0.72	2.92
EUR	1.13	<b>0.00</b>	0.02	0.89	2.52	0.46	4.29
YEN	113.41	<b>0.22</b>	0.19	0.49	1.42	2.36	0.30

### Agro Commodities

Name	Price	Net Chng	%1D	%5D	%1M	%3M	%1Y
Coffee	115.85	<b>0.35</b>	0.30	3.62	5.77	6.04	19.35
Cotton	78.46	<b>0.11</b>	0.14	2.58	1.73	3.18	13.17
Sugar	12.70	<b>0.05</b>	0.40	1.09	5.44	14.11	19.11
Wheat	516.25	<b>4.25</b>	0.83	0.67	5.06	10.10	1.32
Soybean	896.50	<b>13.00</b>	1.47	1.99	1.02	1.76	9.79

### Global Indices (Updated at 4:30 pm)

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Dow Jones	25080.50	<b>205.99</b>	0.81	4.20	0.67	0.33	7.77
Nasdaq	7136.39	<b>64.48</b>	0.90	5.74	3.96	8.20	6.41
S&P 500	2701.58	<b>20.60</b>	0.76	3.99	1.79	4.14	5.34
FTSE100	7040.32	<b>8.65</b>	0.12	1.38	0.19	6.07	4.48
CAC40	5048.21	<b>18.31</b>	0.36	1.58	0.87	4.80	4.73
DAX	11398.41	<b>9.77</b>	0.09	1.08	1.82	6.25	12.13
Mexico IPC	42343.96	<b>77.37</b>	0.18	9.75	11.30	12.79	11.21
Brazil Bovespa	85973.06	<b>1058.95</b>	1.25	1.99	3.13	11.54	21.39
Russian RTS	1125.35	<b>7.99</b>	0.72	2.60	1.87	6.63	0.78
Japan Nikkei	21803.62	<b>42.86</b>	0.20	3.04	2.10	1.80	1.02
Hang Seng	26103.34	<b>448.91</b>	1.75	0.47	2.59	4.47	9.53
Taiwan Index	9826.46	<b>34.58</b>	0.35	1.20	0.75	8.31	7.56
Shanghai Comp	2668.17	<b>35.93</b>	1.36	1.23	3.90	2.02	21.58
KOSPI	2088.06	<b>20.01</b>	0.97	0.22	2.66	7.56	17.08
Malaysia KLCI	1694.21	<b>5.80</b>	0.34	1.58	2.00	5.14	1.67
Jakarta Comp	5955.74	<b>97.44</b>	1.66	0.35	3.99	2.39	0.28
Philippine SE	6952.59	<b>29.51</b>	0.43	1.18	0.38	7.80	15.96
Thai Exch	1638.83	<b>13.47</b>	0.82	2.55	3.38	2.23	3.04

### Freight

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
Baltic Dry	1009.00	<b>55.00</b>	5.17	22.62	36.30	41.57	26.56
Baltic Dirty	1091.00	<b>9.00</b>	0.83	0.55	18.33	49.25	38.63

### Energy Markets

Name	Index	Net Chng	%1D	%5D	%1M	%3M	%1Y
NYMEX Crude	55.89	<b>0.31</b>	0.55	7.80	22.07	13.95	1.10
BRENT Crude	66.13	<b>0.07</b>	0.11	6.31	17.70	7.21	11.21
Natural Gas	4.60	<b>0.21</b>	4.40	30.51	39.70	50.23	45.59

### Bond Markets

Name	Yield	Net Chng	%1D	%5D	%1M	%3M	%1Y
US	3.10	<b>0.03</b>	0.82	4.26	1.78	8.28	33.47
UK	1.40	<b>0.11</b>	7.30	10.80	13.29	13.96	8.55
Brazil	5.50	<b>0.03</b>	0.49	1.16	0.06	3.17	14.28
Japan	0.11	<b>0.00</b>	1.80	10.66	24.31	7.92	136.96
Australia	2.72	<b>0.02</b>	0.56	1.52	0.85	5.27	4.87
India	7.75	<b>0.02</b>	0.26	0.13	2.15	0.83	10.49
Switzerland	0.02	<b>0.02</b>	2200	172.41	128.77	82.35	77.42
Germany	0.36	<b>0.04</b>	9.05	20.79	28.03	19.08	3.72

# News Impact

## Quarterly Results

### VIP Industries Ltd

- Revenue grew by 30% YoY & down by 22.4% QoQ to INR401.8 Cr.
- Gross profit grew by 29.4% YoY to INR189.6 Cr. Gross profit margin contracted by 20 bps to 47.2%.
- EBITDA grew by 34% YoY to INR46.9 Cr. EBITDA margin expanded by 40 bps to 11.7%.
- PAT grew by 28% YoY to INR31 Cr. PAT margin contracted by 12 bps to 7.7%

### Sreeleathers Ltd.

- Revenue grew by 12.3% YoY & 26% QoQ to INR48.6 Cr.
- Gross profit grew by 8.9% YoY to INR13.8 Cr. Gross profit margin contracted by 90 bps to 28.5%.
- EBITDA grew by 18.7% YoY to INR11.6 Cr. EBITDA margin expanded by 130 bps to 24%.
- PAT grew by 113% YoY to INR13.67 Cr. PAT margin stood at 28.1%. Profitability grew due to lower other expenses as compare to last year same quarter and exceptional items of INR7.45 Cr.

### Reliance Infrastructure Q2 profit slips 49% to INR277 crore

- Reliance Infrastructure (Rinfra) has posted a 49% decline in its consolidated net profit to INR277.19 crore for the quarter ended September 2018.
- The company had posted a consolidated net profit of INR543.8 crore in the year-ago period.
- However, the company's consolidated income increased to INR7,207.3 crore in the July-September quarter, over INR5,898.7 crore in the year-ago period.
- RInfra is a leading infrastructure company, developing projects through various special purpose vehicles (SPVs) in several high growth sectors such as power, roads and metro rail in the infrastructure space and the defence sector.
- RInfra through its SPVs has executed a portfolio of infrastructure projects such as a metro rail project in Mumbai on build, own, operate and transfer (BOOT) basis; eleven road projects with total length of about 1,000 kms on the build-operate-transfer (BOT) basis.

# News Impact

## Concall Highlights

### Mahindra & Mahindra

- Co. took price hike to negate the rising raw material prices. Co. passed on 50% of the raw material inflation to the customers and the rest have been absorbed. Co. tried to reduce the impact of the absorbed portion by improving operational efficiency.
- Other expenses went up significantly due to Marazzo launch expense and it is likely to remain escalated as Co. will have few launches in coming two quarters. Co. will launch Alturus, H201, Jawa Motorcycles, Electric KUV and others in coming few quarters.
- Higher inventory maintained to cater to the higher demand of the festive season. Co. had a subdued festive season but overall it managed to grow its volume compared to that of the last year. In the PV space, dealers are holding 4-5 days of extra inventory due to poor offtake during the festive season.
- For the Tractor segment, Management has lowered the guidance of volume growth from 14% to 12% due to not so encouraging festive season. According to the Management, despite NBFC crisis financing of vehicles is not an issue and in case of any issue its captive financing company Mahindra Finance has the sufficient capacity to finance its vehicles.
- Co. will have petrol variant for most of its upcoming models. H201 will be launched in petrol as well as diesel variants. Marazzo will have petrol variant which is expected to be launched around April 2020 when BS VI norms set in. All of the existing models is in line with the new stringent crash safety norms.

### Satin Creditcare Network

- The lending maturity is mainly for a period of 10 – 11 months. The company has undrawn sanctions worth INR600 Cr & still INR500 Cr is in the pipeline. There is no such liquidity pressure due to diversified lending base.
- 50 – 75 bps increase is expected in borrowing cost, which will be absorbed by rise in lending rates so the margins will be maintained.
- Cost to Income sustainable would be around 50 – 55% as it would ensure efficient operations. But efforts would be to bring it down further. AUM growth guidance is expected to be in line, it might get a bit muted but won't have substantial impact. 40% guidance was initially and there could be 5 – 7% drop. Guidance for PAT numbers remain intact.
- Gross Loan portfolio is around INR6000 Cr. ROA for this quarter stood at 2.7% & ROE around 18%. Cost to income has fallen from 70% in H1 FY2018 to 54% in H1 2019. Demonetisation worries are over with improved collection efficiencies.

# News Impact

## Coffee Day Enterprise Ltd

- Consolidated revenue in the quarter grew 11.6% YoY to INR979.7cr, gross margin expanded significantly by 715bps YoY. Higher logistics and employee cost led to lower EBITDA growth of 8.3% YoY to INR147.3 cr. EBITDA margin contracted marginally by 46bps to 15%. Higher depreciation and interest outgo, share of profit from equity-accounted associates and INR53.2 cr worth exceptional item in the base quarter on account of equity stake sale in Global Edge Software Ltd resulted in lowering PAT by 59.8% YoY.
- Revenue growth was led by growth in logistics and financial services, which grew 45.5% and 9.3% YoY, respectively. Coffee and related business segments reported a decline of 4.3% YoY to INR429.5cr.
- EBIT margin contracted 512bps and 23bps YoY for logistics and financial segments, respectively, whereas 307bps expansion in the EBIT margin was witnessed in Coffee and related business segments.
- The subsidiary Coffee Day Global (CDGL) reported flat revenue on a YoY basis with a 107bps expansion in EBITDA margin to 17.6%. PAT declined 9.2% YoY to Rs8.2cr.
- SSSG for the quarter stood at 11.1% YoY against 6.8% in Q2FY18 and 10.4% in Q1FY19. Average sales per day (ASPD) grew 12% YoY (ex-GST impact) to INR15277 during the quarter. Targeting INR20000 ASPD by next year.
- CDGL continues to lead in the vending machine segment with a total of 51594 machines, having added a gross of 2,608 machines during Q2FY19. Intends to add 7000-8000 vending machines every year.
- With Uber Eats, the Company does delivery in top 10 cities with 371 stores and provide current CCD menu. They witness much larger opportunity and will be developing specific food for delivery. For this, INR20-25 lakh of investment is required in each store. With Swiggy, they are present in 1750 stores in 250 cities. Delivery contributes 12% of the revenue to retail business and 4% to consolidated revenue.
- Net debt stood at INR3600 Cr vs INR3270 Cr as on March 31, 2018. Out of that, CDGL (Coffee Biz.) has INR105 Cr, Sical has INR1400 Cr, Tanglin and its subsidiaries has ~INR1200 Cr and other Holding Cos has INR900 Cr. Outstanding ForEx debt is USD130 Mn and EUR17 Mn.
- CapEx: For Tanglin, every 1 Mn sq ft will cost INR300 Crs+. At present, Occupancy is 3.46 Mn sq ft. By FY19 & FY20, it is expected to be 4 Mn and 4.7 Mn sq ft. In coffee business, regular business is INR225 Cr, and with acquisition CapEx of INR150 Cr it may be INR375 Cr.
- The Company received all approvals in the Kamarajar Port and are in the process of converting that into cold terminal. Once the operation stabilizes, it has a potential to generate INR300-350 Cr of revenue. They have acquired land for two rail terminals in Bangalore & Chennai and are working on regulatory approvals. Each terminal has a potential to generate INR75 Cr of revenue.
- The company has announced the potential restructuring of its business to segregate the coffee business of the company and its subsidiaries from their non-coffee business. The board has approved the appointment of financial (Kotak Investment Banking), tax (Dhruva Advisors LLP) and legal advisors (Cyril Amarchand Mangaldas) for the same. There is no decision on the same yet and the company would make a disclosure if there is any development.

# News Impact

## Suprajit Engineering Limited

- Provisions relating to foreign currency borrowings & ESAR, increase in minimum wages, INR depreciation, higher input prices and US tariffs on Chinese had impacted the margin at the group level. Management is confident about having a better H2FY19 compared to H1FY19 as 55-60% of the business comes in last two quarters.
- Phoenix Lamps division had an excellent year in the domestic aftermarket space where its exports business continues face headwinds. But with the improvement in quality Co. has managed to get back some of its lost customers. LED is likely to erode the overall market size of the Halogen lamps and Co. is focusing on new markets like USA and Russia to improve the performance of this vertical.
- SENA division's overall performance is not up to the expectation level of the Management. Margins at WESCON dipped on the back of input inflation, Trade war and expenditure on new business development for SENA automotive. Management has guided for a robust growth in SENA division over the medium term.
- Co.'s cable business reported a major jump in revenue owing to strong growth from the automotive exports business which was around INR140 crore by the end of FY18. The exports revenue is expected to double by the end of 2021.
- Co. is setting up greenfield plants of at Doddaballapur (Karnataka) to cater to the cable exports market and at Narsapura (Karnataka) and it is also making infrastructural additions to the existing facilities to increase its annual capacity from 250 million to 300 million cables with a CapEx of INR100 crore.

## Ahluwalia Contracts

- The net order book of a company as on 30th September 2019 stood at INR4284.44 crore and as on date it stood at INR5300 crore to be executed next 24 to 30 months. The total order inflow for the first 6 months for FY19 stood at INR2000 crore and as on date it is INR3100 crore. Company is expecting order inflow of around INR4000 crore in FY19.
- The revenue growth for FY19 is expected to be 15%-20% with EBITDA margins of around 13%. Company is also expecting slowdown in execution of projects due to upcoming elections.
- The order bidding pipe line is close to INR3000 crore which are mostly in Commercial buildings, Institutional buildings, Hospitals, Educational, redevelopment of stations and some amount of residential buildings.
- Capex in FY19 would be around INR25 crore and for FY20 it would be around INR30-35 crore. Around INR14 crore already been done in first half of FY19.

# News Impact

## Kamdhenu Limited

- Kamdhenu Ltd reported Q2 FY19 sales of INR332 Cr (up 22% YoY), EBITDA of INR12.5 Cr (up 29% YoY) and PAT of INR5.2 Cr (up 66% YoY). On a sequential basis, the EBITDA decreased by 8% due to a decrease in TMT prices by 6% QoQ while the subdued sales were expected on account of the monsoon season.
- The Company has decided to hive-off the Paint division through a de-merger into a separate company in order to have better management and growth of both entities. The demerger is expected to be completed by the next 6-7 months, i.e. the end of Q1 FY20.
- The royalty from franchises increased to INR19 Cr for Q2 (up by 25% YoY) and INR38 Cr during H1 FY19 (from INR27 Cr YoY). With total production from Franchises amounting to 5.1 lakh tonne (up by 24% YoY from 4.1 lakh tonne), the royalty per tonne stood at around healthy INR370 per tonne.
- Also, the Management is focused to decrease their steel trading volume gradually to maintain the high uniform quality of products and look to rope in more franchises with a minimum capacity of 1 lakh tonne.
- The own manufacturing stood at 20,000 tonne for Q2 (up from 15,000 tonnes last year) on the back of ongoing ramp-up. The Company is spending INR15 Cr in 2 phases to expand their capacity to 1.2 lakh tonne by FY19 end and 1.56 lakh tonne by end of FY20 through debottlenecking and automation.
- The Company has spent INR55 Cr during H1 FY19 towards marketing and due to the competition is ready to spend up to INR100 Cr in FY19.
- In the Paints business, the revenue for Q2 FY19 stood at INR55.3 Cr up from last year's INR45.6 Cr. The Company expects to complete all expansion plans by March 2019 and expects to attain a revenue of INR450+ Cr by next fiscal. For this, they have started manufacturing pigments themselves in place of importing and are adding various product lines & 30+ designer galleries in the Paints business.
- For the franchise business model, the Company is expecting to achieve 25 lakh tonnes of production by FY20 and increase up to 50 lakh tonnes of production in the subsequent 5 years.

## VIP Industries Ltd

- Co has reported a 30% topline growth backed by robust growth in their e-commerce segment and institutional business. They witnessed volume growth in their economy and backpack segment.
- This quarter, other expenses jumped due to forex loss, however the Co. has taken a price hike categorically in the recent past in their premium brand to maintain the price competitiveness with the peers. Mgmt might go for a further price hike of 5-7% in near future.
- The Co. is planning for a capex due to a gradual shift from soft to hard luggage and they have realized a significant growth in their brand 'CAPRESE' in this quarter through distribution and e-commerce platform.
- The mgmt. has guided for 32% CAGR topline growth for the next 5 years however due to less number of marriage dates in Q3 and recent crude price jump may impact their top-line and bottom-line.



# News Impact

## Lemon Tree Hotels Ltd

- Lemon Tree will hike room rates by around 6%-7% in Q3FY19 and another hike in the beginning of Q4FY19. The management has said that price hike depends on the different segments as in big corporates have a rate hike annually in January while MSME's have it during September – October while for the retail clients the process is very dynamic and happens on a daily basis as per demand and supply.
- The management will eventually reduce its exposure to corporate business from 63% to less than 50% while maintaining the MSME business and increasing the share of retail business where the ability to re-price is high.
- Blended ADR's to improve over the next few years with highest demand-supply mismatch seen in mid-scale segment and with operationalization of additional room inventory in premium markets like Mumbai, Udaipur, etc. The management expects ARR to rise by a CAGR of around 14% for the next 3 years.
- Debt will reach its peak in the next 12 months to around INR1300 crores. The company plans to operate 84 hotels with 8,598 rooms across 56 cities byFY21.
- Total expenses increased by 11% in Q2FY19 as compared to expenses in Q2FY18. Around 2.3% increase was on account of new inventory and around 3.5% increase is due to change in business mix (more OTA bookings). The company has added 565 during the period between Q2FY18 and Q2FY19.

## Hathway Cable & Datacom

- Broadband subscriber number stable at 770K. Churn remains high due to loss of low usage customers to mobility. Apart from the regular 2% monthly churn, another 30k customers in Q2-FY19 lost to low value plans of mobility.
- INR18 drop in ARPU to INR672, with no MRP changes. Drop in ARPU is due to realignment of product portfolio where low price plans have higher GBs. EBITDA margins remain at healthy 41% through focus on opex optimization.
- 25K Home Passes added during the quarter, Home passes stable at 5.5 Mn. No further home pass expansion for the balance of year and focus on monetization of existing home passes.
- In CATV business, collections have grown by 18% YoY demonstrating strong improvement in efficiency. Effective monetization have resulted in significant ARPU increase: 5% increase in Phase I ARPU, 7% increase in Phase II ARPU, 38% increase in Phase III ARPU and 51% increase in Phase IV ARPU (YoY basis Q2FY18).
- Hathway Ultra Smart Hub, a first hybrid TV to be launched for consumers in December this year. The management said that it will a disruptive product which will help gain market share and increase monetization.

# News Impact

## Cox & Kings Ltd

- The company has announced the sale of the education business last month, the proceeds (INR2300 – 2400 crores) of which will be utilized to reduce debt. Gross debt as of now is around INR4000 crores.
- The company will post the India results henceforth without the forex division as the business has been de-merged into Cox & Kings Financial Service Ltd.
- The company is expecting good business during the Kumbh Mela both from international and domestic.
- The management is seeing good traction in Dubai, as it is used as a hub to book world-wide contracts as in clients coming out from China, Australia, Taiwan, Korea etc. This strategy is paying off really well for the company.
- Collections in the India business are sluggish. Efforts are being made to improve the same. There was a slight improvement during the month of June.
- Meininger business has went up by 15.3% y-o-y. The quarter ended with 12000 beds and it is expected that by May FY19 there will be an inventory of 14000 beds. The occupancy rate was at 79.3%, The ARR was at Euro32.7 which will decline now onwards as we have entered the off season.
- For the Meininger business there was a delay from properties in Berlin and one in Italy. The delay was from the developer or regulatory issues. Thus the management expects to receive some penalty (a certain rate charged on per day basis) to be charged and the same should get credited by the end of FY19.
- The company provides a guidance that India Leisure business grow by 10%
- The management mentioned that the margins for International Leisure business is high at around 40%. They expect the same to continue and guides a margin expansion of around 150 basis points. For India business, the company expects a decline in margins to the tune of 100 bps as there will be investments for the next two quarters. For the Meininger business, due to delay in few of the properties, the company expects a decline in margins to the tune of 50-100 bps.

# News Impact

## Domestic news

### India's Palm Oil Imports Shrink in October as New Crops Arrive

India's palm oil imports slumped in October as the arrival of newly-harvested soybeans and peanuts in the world's top buyer damped the country's appetite for the tropical oil. Imports shrank 18 percent from September to 753,590 metric tons, the Solvent Extractors' Association of India said in an emailed statement on Thursday. That's higher than a median estimate of 745,000 tons in a Bloomberg survey. Purchases totaled 747,658 tons in October last year. Weaker demand from the world's second-most populous nation may boost stockpiles in top growers Indonesia and Malaysia, further lowering prices. Futures in Malaysia climbed 0.3 percent to 1,979 ringgit (USD472) a metric ton on Thursday after falling for seven straight days. The tropical oil sliced through the psychological support level of 2,000 ringgit for the first time in more than three years, following a plunge in petroleum prices.

#### Poor Appetite

Palm purchases dropped 6.4 percent from a year earlier to 8.7 million tons in the year ended Oct. 31. Total vegetable oil imports in 2017-18 declined to 15.02 million tons from 15.44 million tons. The arrival of fresh monsoon-sown crops in the local markets reduced demand for imports. Soybean oil purchases, mainly from the U.S., Brazil and Argentina, fell 23 percent from a month earlier to 264,089 tons in October, the association said. Sunflower oil imports climbed 4.6 percent to 156,767 tons, it said. Total vegetable oil imports ropped 16 percent from September to 1.26 million tons.

### Air India eyes INR800 crore from sale of over 70 properties

Loss-making national carrier Air India plans to mop up INR700-800 crore by selling over 70 residential and commercial properties spread across the country. This fresh bid is a part of the airline's real estate assets monetisation plan approved by the then UPA government in 2012. As per the plan, Air India had to garner funds to the tune of INR5,000 crore between April 2014 and March 2021, with an annual target of INR500 crore from FY13 onwards. The properties, which are spread over 16 cities pan India, will be e-auctioned through the state-run auctioneer MSTC.

### Mahindra Electric opens INR1 billion manufacturing hub in Bengaluru

Mahindra Electric Mobility opened its electric technology manufacturing hub set up with an investment of INR1 billion in Bengaluru. The company said, with the new facility, its manufacturing capacity will increase to 25,000 units per annum. Branded under the umbrella of +ME technologies, the facility will manufacture battery packs, power electronics and motor assembly which are integral part of an electric power train, the company said in a statement.

# Events

## CORPORATE ACTION BONUS / RIGHTS / STOCK SPLIT / DIVIDEND / FCCB / M&A / WARRANTS ETC.

Company	Record Date	Ex-Date	Details
Hinduja Global Solutions Ltd			Cash dividend of INR2.50 effective 16/11/2018
Precision Wires India Ltd			Cash dividend of INR2 effective 16/11/2018
Atul Auto Ltd			Cash dividend of INR2.75 effective 16/11/2018

### Domestic Events

- **Upcoming Results:** Tourism Finance Corporation Of India Ltd., Supreme Infrastructure India Ltd., Srei Infrastructure Finance Ltd
- India's Foreign Exchange Reserve for the week ended November 09, 2018.

### Global Events

- The U.S. FOMC Interest Rate Decision.
- The U.S. Industrial Production for October 2018.
- Euro Area Inflation for October 2018.

Source of News : The content may have been taken from The Economic Times, Business Standard, Business Line, Mint and other leading financial newspapers and financial portals BSE,NSE, Bloomberg, Moneycontrol & others.

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Stock Recommendation	Expected absolute returns (%) over 12 months
Strong Buy	>20%
Buy	between 12% and 20%
Accumulate	between 6% and 12%
Hold	between 0% and 6%
Sell	0 to <-10%
Neutral	No Rating
Stock Recommendation	Expected absolute returns (%) over 12 months

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