

# Gudhi Padwa Festival Special Shagun Issue 2021 (v1)

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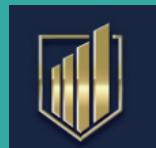
APRIL 13

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For,

## Investment Mantra

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# FOR ALL YOUR INVESTMENT NEEDS



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# EDITORIAL

## FROM THE DESK OF EDITOR

Dear Reader,

Previous year 2020 was unusual and surprising for the whole world especially financial markets after Covid-19. After one year, economies are trying to come on track and again lockdown started knocking on doors.

This 'Gudhi Padwa' is special since '**Investment Mantra**' has received all the approvals and documents to start operations. It's been more than three months now; we are active in market under the name of '**Investment Mantra**' and indeed it's been a remarkable journey so far.

We started with the Intension to spread and enhance market knowledge to all and assist everyone to make passive income through stock market. We heard back that this small passive income helped many in a great manner after pandemic crisis. In last 2-3 months, we tried our best to share knowledge and help you earn small returns from share market and striving continuously to improve & make things easier for you in all best manner. In return, you all have shown endless support and love.

In this special issue, we are publishing long term stock with detailed analysis you may buy and forget to review again on next 'Gudhi Padwa' in 2022. We are considering all aspects and conditions of market keeping special eye on Covid-19 impact.

Stay Safe and Stay Healthy.

Happy Investing!!

# World Economic Outlook

India stands to become one of the largest growth engines in the world

(real GDP, annual percent change)	PROJECTIONS		
	2020	2021	2022
<b>World Output</b>	<b>-3.3</b>	<b>6.0</b>	<b>4.4</b>
<b>Advanced Economies</b>	<b>-4.7</b>	<b>5.1</b>	<b>3.6</b>
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Germany	-4.9	3.6	3.4
France	-8.2	5.8	4.2
Italy	-8.9	4.2	3.6
Spain	-11.0	6.4	4.7
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Canada	-5.4	5.0	4.7
Other Advanced Economies	-2.1	4.4	3.4
<b>Emerging Market and Developing Economies</b>	<b>-2.2</b>	<b>6.7</b>	<b>5.0</b>
Emerging and Developing Asia	-1.0	8.6	6.0
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
ASEAN-5	-3.4	4.9	6.1
Emerging and Developing Europe	-2.0	4.4	3.9
Russia	-3.1	3.8	3.8
Latin America and the Caribbean	-7.0	4.6	3.1
Brazil	-4.1	3.7	2.6
Mexico	-8.2	5.0	3.0
Middle East and Central Asia	-2.9	3.7	3.8
Saudi Arabia	-4.1	2.9	4.0
Sub-Saharan Africa	-1.9	3.4	4.0
Nigeria	-1.8	2.5	2.3
South Africa	-7.0	3.1	2.0
<b>Memorandum</b>			
Emerging Market and Middle-Income Economies	-2.4	6.9	5.0
Low-Income Developing Countries	0.0	4.3	5.2

*Source: IMF, World Economic Outlook, April 2021*

*Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2021/21. India's growth projections are -7.1% in 2020 and 11.3% in 2021.*

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# Equity

## INTERNATIONAL NEWS

- The International Monetary Fund (IMF) expecting the global growth forecasts amid high uncertainty and warned of divergent impacts from the Covid-19 pandemic such as sharply rising income inequality. The world economy is set to grow 6.0 percent this year and 4.4 percent next year.
- US trade deficit widened to \$71.1 bn. in Feb from a revised \$67.8 bn. in Jan this year compared to expected deficit from \$68.2 bn. To \$70.5 bn.
- US initial jobless claims rose to 719,000, an increase of 61,000 from the previous week's revised level of 658,000 compared to expected jobless claims to edge down to 680,000 from the 684,000 originally reported for the previous week.

## DOMESTIC NEWS

- The Reserve Bank of India (RBI) has decided to keep key lending rates unchanged for the fifth consecutive time in its April policy review meeting. While, it retained the gross domestic product (GDP) growth at 10.5 per cent. The RBI stuck to its accommodative monetary policy stance amid concerns that rising infections could derail the country's nascent economic recovery.
- The coming week is important to watch out for in terms of macroeconomic data point of view, as industrial production for February and CPI inflation for March will be released on Monday
- Rising coronavirus cases continued to dent the morale of Dalal Street investors as they dumped stocks from across sectors dragging benchmark indices lower
- India see record day high of 152,879 new COVID-19 infections. The number of new fatalities stood at 839, the most deaths in more than five months, taking the toll to 169,275. This is the first time the country has ever breached the 11 lakh mark in terms of active cases
- Maharashtra lockdown to shave off 0.3% growth; opportunity for long-term investors to buy – Expert says

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# Week Ahead

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- The March quarter earnings season will begin in the coming week. Tata Consultancy Services, Infosys, Wipro, Mindtree, HDFC Bank, HDIL, Tata Metaliks, ICICI Lombard General Insurance Company, Cupid Trades & Finance, Lloyds Metals and Energy, Reliance Industrial Infrastructure, Hathway Bhawani Cabletel, and Tinsplate Company among 21 companies that will announce quarterly earnings next week.
- Banking hit hard among sectors as the BSE Bankex corrected nearly 4 percent amid fear of asset quality concerns due to lockdown restrictions in key states. If the cases continue to rise and restrictions continue then there could be a further dip in banking stocks which can ultimately weigh on the market performance, experts feel.
- Industrial production in January had contracted 1.6 percent, hit by capital goods, manufacturing, and mining sectors, while CPI inflation in February jumped to 5.03 percent on the back of higher food prices, against 4.06 percent in January.
- The Indian rupee weakened by 161 paise during the week to close at 74.73 against the US dollar, the weakest level since November 4, 2019, reports PTI. The rising COVID-19 cases, increase in spending on vaccines, RBI's bond-buying plan, and higher US dollar hit sentiment at the rupee desk.
- The maximum Call open interest was seen at 15,000 and 15,500 strikes, while maximum Put open interest was seen at 14,000, 14,500 and 14,800 strikes. Call writing was seen at 15,200 and 14,900 strikes with Call unwinding at 15,000, 14,700, and 14,500 strikes, while Put writing was seen at 14,800, 14,300, and 14,900 strikes with Put unwinding at 14,700 strike.
- India VIX fell from 19.98 to 19.78 levels on a week-on-week basis and coming week it is expected to be between 20-22 as we are on the verge of lockdown.

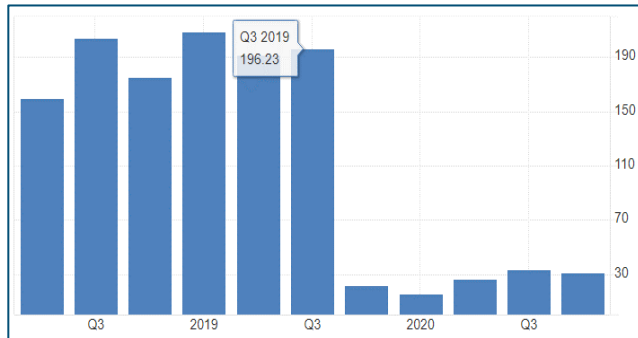
# Reliance Industries Ltd.

<b>CMP: 1911.15</b>	<b>Target1: 2065 (~10-15%)</b>	<b>Target2: 2325-2370(15-20%%)</b>
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Overview			
Face Value	10	BV	736.42
Mkt Cap (Rs. Cr.)	1,277,450	VWAP	1,989.08
PE	30.24	Sector PE	40.64
EPS	65.55	Dividend Yield	0.33
P/B	2.69	P/C	19.82

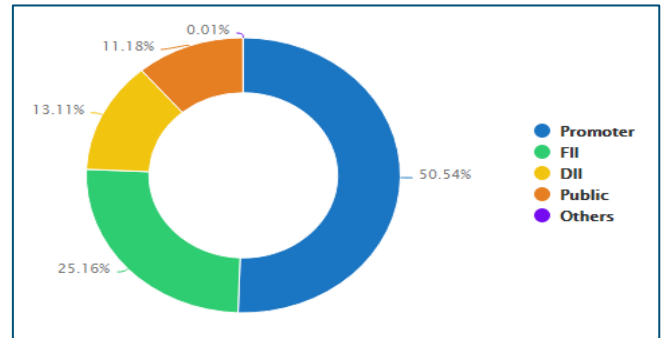
## PE Price to Earnings

RIL reported 31.2 in PE Price to Earnings for Q IV-2020



## Shareholding Pattern

Promoters holding consistently above 50%



Note: Entry % suggests portion of your budgeted investment to invest on various levels whereas Target % reflects expected returns in rupee and percentage

## Recent news

SEBI slaps Rs 25 crore fine on Ambani's in 2000 case over alleged violation of the takeover code regulations.

The case pertains to an increase in the promoter stake of Reliance Industries Ltd (RIL) in January 2000, after conversion of some warrants issued as early as 1994.

## Analysis and Conclusion

Opportunities (Investment Rationale)	Threats (Risk)
<b>Oil to Chemical (O2C)</b> Segment Revenues for Q3 FY21 increased by 10% along with EBITDA for Q3 FY21 improved by 10.3%	Trajectory of crude prices in global markets
<b>Jio Platforms</b> reported net profit increased by 15.5% and EBITDA margin increased to 43.6% in Q3 FY21. Total customer base is 410.8 million (as of 31st December 2020), net addition of 5.2 million. Average revenue per user increased by 4%. All both compared to previous quarter.	Competition in all the segments is Intense
<b>Reliance Retail</b> expended and EBITDA for Q3 FY21 increased by 54% with underlying operating margin at 7%	
Conclusion	
Companies' operational and financial performance has improved compared to previous quarter in almost all segments including petrochemicals, retail and Digital Services business. Also, demand is improving in O2C business and is presently near pre-Covid levels. Large capital has been raised in last six months across Jio and Retail business. During same time new huge investment came in. The company should continue to pursue growth initiatives in each of businesses with a focus on the India opportunity. Looking at overhaul growth outlook of India, we expect the stock to see a price target of Rs 2400-2500 by 'Gudhi Padwa 2022' on an expected P/E of 25x and FY22 (E) earnings of above Rs.93.62.	

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