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From Managing Director's Desk To Readers

Acute Coal Shortage Trigger Blackouts In Many States

Amidst soaring temperatures and rising power demand, India is likely to face another power crisis as several thermal plants are reeling with extreme shortage of coal stocks.

The Daily Coal Stock report, released by the Central Electricity Authority (CEA) on 11 April 2022, paints a grim picture of the coal stock with thermal power plants (TPPs) in the country. A total of 96 out of 173 TPPs have critical levels of coal stock — 76 of these plants are based on domestic coal, 11 plants are designed on imported coal whereas nine plants are currently not in operation.

As of now, a total of 50 out of 73 plants identified as critical have less than 10 per cent of stock, which can be used for power generation for less than 10 days.

The Report

CEA monitors daily coal stock position of all coal based TPPs (presently 173) in the country having fuel supply agreement (FSA) with Coal India Limited (CIL)/Singareni Collieries Company Limited (SCCL).

The coal report is published based on the online data submitted by the power plants on National Power Portal (NPP) on a daily basis. The daily coal report shows stock position of coal available at a plant and number of days of

The report highlights the plants having critical/super-critical stock of coal based on certain criteria. The report identifies the coal stock as critical if the coal stock available with the plant is less than 25 per cent of normative coal stock.

Coal Stocking Norms

The earlier coal stocking norms were advisory in nature; at times power plants did not maintain coal stock as per the norms, which was not desirable for a sustained plant operation.

Meanwhile, in October 2021, a number of thermal plants faced a severe coal shortage, whereby coal stocks fell to an average of four days' worth of stock with about 11 GW of thermal power capacity facing outages due to low coal stocks. The low coal stock situation had forced a number of states to purchase power on the energy exchange, bidding up the average market clearing price of power to Rs 16.4 per unit in October, prompting the government to revise coal stocking norms.

The CEA issued revised coal stocking norms on 6 December 2021 which prescribes the coal stocks to be mandatorily maintained by the power plants with provisions for penalty for non-maintenance of prescribed coal stock.

This has been done to ensure more fuel security to the power plants, reflect true picture of the stocks being maintained at each power stations and ensure sufficient coal stock even during the period of less supply by CIL and SCCL during the months of July to September.

The revised coal stocking norms based on 85 per cent plant load factor (PLF) mandates the coal stock of 12 to 17 days at pit head stations and 20 to 26 days at non-pit head stations, to be maintained by power plants through February to June every year. Month-wise variation based on the coal dispatch/coal consumption pattern during the year has been allowed.

PLF is the ratio of average power generated by the plant to the maximum power that could have been generated in a given time. More PLF results in more revenues, and lesser will be cost of per unit (kWh) energy generated.

The power plants are graded as red, yellow and green for not maintaining the coal stocks; and would be penalised for not maintaining their normative availability due to reduced coal stocks and their fixed charges shall be reduced in a graded manner.

Stock Position

The data from the CEA report shows that the total stock available with 155 non-pit head plants (non-pit head plants are power plants where the coal mine is more than 1,500 km away) is a mere 28 per cent of the normative stock.

For 18 pit-head plants with a cumulative installed power generation capacity of 39,222 MW, the situation is far better with total stock being 82 per cent of the normative stock.

Around 23,524.5 thousand tonnes of coal stock was available with the 173 TPPs, the CEA report said. This is about 35 per cent of the normative coal stock of 66,720.4 thousand tonnes required to be maintained by the TPPs and enough only to meet the near-term demand.

The coal crisis has been lingering for the last few years. However, in contrast to widespread blackouts experienced in October last year, the current problem is the result of strong demand as well as supply problems.

Supply Side Challenge

The very low level of coal stocks at power plants at the start of the maximum annual demand period can be attributed to the shortage of railway rakes. Rakes are used to transport coal to thermal power plants.

In a recent meeting chaired by cabinet secretary Rajiv Gauba, Indian Railways admitted that it has exhausted its rake availability capacity and has no more spare capacity. According to a railway official, Indian railways have improved its wagon turn round (WTR) time by 16 per cent between September 2021 and February, and is putting efforts to improve it further.

WTR represents the average period of time in which a particular wagon completes its average loaded trip and after which it again becomes available for loading. Lower WTR would mean more wagons being available in a shorter period.

In an effort to increase the rake availability, an inter-ministerial sub-group led by Ministry of Coal advised the railways to provide additional 20-25 rakes per day to the power sector. Following this, the supply of rakes to power sector has been improved from 373 to 405 rakes a day.

While rake availability is being increased, the coal companies also need to focus on reducing the loading time at colliery sidings which is very high at some sidings. Reducing the detention of all rakes at coal sidings to three hours or less can provide three to four additional empty rakes per day which can be gainfully utilised for more loading of coal.

An inter-ministerial sub-group led by Ministry of Coal has been monitoring the coal stock situation twice a week. In order to manage the coal stock and ensure equitable distribution of coal, Ministry of Power constituted a core management team (CMT) in August 2021 comprising of representatives from Ministry of Power (MOP), CEA, the railways and CIL to ensure daily monitoring. The CMT is closely monitoring and managing the coal stocks on a daily basis and ensuring follow up actions with CIL, the railways to improve the coal supply to power plants.

Amidst the lingering coal shortage, the shortfall is being met through imports. Central power generation utilities like NTPC and Damodar Valley Corp have begun to import coal as also states like Gujarat, Maharashtra, Rajasthan and Tamil Nadu.

Demand Management

Exceptionally high loads have arrived far earlier this year, well before the most intense period of summer heat. Temperatures in northern India have been unusually high for the time of year since mid-March, resulting in a rapid rise in electricity demand, fuelled by the rapid growth in load from commercial and residential air-conditioners.

The grid reported a record load of 200,570 MW on 7 July 2021, at the height of last summer, according to the National Load Dispatch Centre of the Power System Operation Corporation (POSOCO). But since the middle of March this year, the grid has routinely reported maximum loads above 195,000 MW, including a peak of 199,584 MW on 8 April — less than 0.5 per cent below the record demand witnessed in summer of 2021.

With temperatures likely to continue rising to a peak at the end of June or beginning of July, electricity demand would further accelerate over the next two to four months. Given the plummeting coal stocks, the grid is unlikely to be able to serve higher loads between May and August, making load-shedding and other power cuts more or less inevitable during any period of unusually hot weather. (Credits - Swarajyamag)

Salil Shah

Managing Director
Lakshmishree Investments & Securities Pvt Ltd

Look What Our Research Analyst Has To Say…

Nifty posted yet another lower top in the month of April but the 200 day moving average at 16950 is capping the downside. Last 3rd of April is well spent into the spread of 50 and 200 day moving average indicating that there is balance of power between the Bulls and the Bears. Any decisive close below the 200 day moving average will immediately plunge the index to test the lower end of the falling channel placed 15600 which also coincides with the swing low of march placed at 15671. Of late the price action supported by volume are clearly bearish and a close below 200 dma will confirm. Usually the last leg of bear markets are very sharp on the downside and with the current structure as we already discussed that 200 dma will be the line of last support for the bulls. The small cap has relative remained strong with Sugar, Paper & Fertilizer names outperforming but the heavy weights likes IT names are plunging under the global pressure. Coupled with Metals, Banks are also posting lower highs which is adding to the downside pressure.

Ukraine has limited exports of sunflower oil, wheat, oats and cattle in an attempt to protect its war-torn economy. Russia has banned sales of fertilizer, sugar and grains to other nations.

Indonesia, which produces more than half the world's palm oil, has halted outgoing shipments. Turkey has stopped exports of butter, beef, lamb, goats, maize and vegetable oils.

Russia's invasion of Ukraine has unleashed a new wave of protectionism as governments, desperate to secure food and other commodities for their citizens amid shortages and rising prices, erect new barriers to stop exports at their borders.

The measures are often well intended. But like the panic-buying that stripped grocery store shelves at various moments of the pandemic, the current wave of protectionism will only compound the problems that governments are trying to mitigate, trade experts warn.

Export restrictions are making grains, oils, meat and fertilizer — already at record prices — more expensive and even harder to come by. That is placing an even greater burden on the world's poor, who are paying an ever-larger share of their income for food, increasing the risk of social unrest in poorer countries struggling with food insecurity.

Since the beginning of the year, countries have imposed a total of 47 export curbs on food and fertilizers — with 43 of those put in place since the invasion of Ukraine in late February, according to tracking by Simon Evenett, a professor of international trade and economic development at the University of St. Gallen.

“Before the invasion, there’s a very small number of attempts to try and restrict exports of food and fertilizers,” Evenett said. “After the invasion you see a huge uptick.”

The cascade of new trade barriers comes as the war in Ukraine, and the sanctions imposed by the West on Russia, are further straining supply chains that were already in disarray from the pandemic.

Russia is the world’s largest exporter of wheat, pig iron, nickel and natural gas, and a major supplier of coal, crude oil and fertilizer. Ukraine is the world’s largest exporter of sunflower seed oil and a significant exporter of wheat, pig iron, maize and barley.

With countries facing severe threats to supplies of basic goods, many policymakers have quickly dropped the language of open markets and begun advocating a more protective approach.

Recommendations range from creating secure supply chains for certain critical materials in friendly countries to blocking exports and “reshoring” foreign factories, bringing operations back to their home countries.

In a speech last week, Treasury Secretary Janet Yellen said the pandemic and the war had revealed that United States supply chains, while efficient, were neither secure nor resilient.

While cautioning against “a fully protectionist direction,” the U.S. should work to reorient its trade relationships toward a large group of “trusted partners,” even if it meant somewhat higher costs for businesses and consumers.

Ngozi Okonjo-Iweala, the director general of the World Trade Organization, said in a speech Wednesday that the war had “justifiably” added to questions about economic interdependence.

But she urged countries not to draw the wrong conclusions about the global trading system, saying it had helped drive global growth and provided countries with important goods even during the pandemic.

“While it is true that global supply chains can be prone to disruptions, trade is also a source of resilience.”

The WTO has argued against export bans since the early days of the pandemic, when countries including the U.S. began throwing up restrictions on exporting masks and medical goods and removed them only gradually.

Now, the Russian invasion of Ukraine has triggered a similar wave of bans focused on food. “It’s like déjà vu all over again.”

Protectionist measures have cascaded from country to country in a manner that is particularly evident when it comes to wheat. Russia and Ukraine export more than one-quarter of the world’s wheat, feeding billions of people in the form of bread, pasta and packaged foods.

The current wave of trade barriers on wheat had begun as the war’s protagonists, Russia and Belarus, clamped down on exports. The countries that lie along a major trading route for Ukrainian wheat, including Moldova, Serbia and Hungary, then began restricting their wheat exports. Finally, major importers with food security concerns, like Lebanon, Algeria and Egypt, put their own bans into effect.

The dynamic was “still unfolding” and likely to get worse in the months to come. Ukraine’s summer growing season for wheat is being disrupted as fighting keeps farmers away from their fields and pulls workers off to war. And grocery stores in Spain, Greece and Britain are already introducing restrictions on the amount of cereals or oil that people can buy.

“We’re already feeling the pinch in Europe of limited supplies of these key crops.” Several other consequential export bans on food are unrelated to the war, but they will still play into the global dynamic of rising prices.

China began ordering its firms to stop selling fertilizer to other countries last summer, in order to preserve supplies at home, Chad Bown, a senior fellow at the Peterson Institute for International Economics, and Yilin Wang, a research analyst at the institute, wrote in a recent blog post. Now that Russia has also cut off exports of fertilizer, China's ban will be even more harmful.

"China's decision to take fertilizer supplies off world markets to ensure its own food security only pushes the problem onto others," they wrote, adding that "China's ongoing export restrictions could hardly come at a worse time."

Indonesia's restrictions on palm oil, a key ingredient in packaged foods, detergent and cosmetics, are in line with similar bans the country placed on exporting the product before the war in an attempt to keep the price of oil affordable for Indonesian households.

Those measures will add to skyrocketing prices for vegetable oils, driven by a disruption in the supply from Ukraine, the world's largest producer of sunflower oil.

Governments that put these restrictions in place often argue that their duty is to put the needs of their own citizens first, and the WTO's rules allow countries to impose temporary measures for national security or safety. But the measures can easily backfire, helping to push up global prices further.

Price increases for food have been felt particularly keenly in poorer countries in the Middle East and sub-Saharan Africa, which depend on imported food.

In a blog post Thursday, Abebe Aemro Selassie, the director of the International Monetary Fund's African Department, and Peter Kovacs, an economist in the department, wrote that sub-Saharan Africa was facing a severe shock from rising food and fuel prices that would slow economic growth, sink governments into debt and erode standards of living.

Food accounts for about 40% of consumer spending in sub-Saharan Africa, and around 85% of the region's wheat supplies are imported.

International organizations have pledged to increase their support for emergency food supplies and other aid, but the scale of the problem is daunting.

She was urging the trade group's members to refrain from restricting exports and to share any buffer stocks of food, to try to keep prices from soaring. Fewer than 10% of WTO members had imposed export restrictions and that she had made clear to members that such bans would only compound current problems.

"I'm very concerned about the pending food crisis and steps we need to take," she told a group of journalists in Washington on Tuesday.

Okonjo-Iweala, who recently visited Brazil, a major agricultural exporter had expressed concerns about Brazil's ability to obtain fertilizer, which typically comes from the Black Sea region.

She had pressed Bolsonaro about whether Brazil had additional vegetable oil or grains that it could offer on global markets. Bolsonaro told her that the country's crops were already under contract, but said Brazil would try to produce more next season.

A prolonged war, or the addition of new sanctions, could cause prices to rise further. But even absent those trends, the factors that have pushed up prices may be hard to unwind.

In a report Tuesday, the World Bank said the war in Ukraine had altered trade patterns in ways that would keep commodity prices higher through the end of 2024.

Countries have begun seeking out other sources of certain goods — for example, purchasing more costly coal from farther-flung nations like Colombia and the U.S. — to avoid buying from Russia.

And many of the price increases are interrelated. Higher energy costs are increasing the price of fertilizer, which is produced with natural gas. That in turn is pushing up agricultural prices as crops become more expensive to plant. Rising prices for wheat are also pushing up the price of rice, as people seek out alternatives.

The World Bank estimated that prices of non-energy goods, like agricultural products and metals, would increase almost 20% this year before moderating in following years, while wheat prices are expected to rise more than 40% to reach a high this year.

Anshul Jain

Research Analyst

Stocks To Watch

1. HSIL Ltd.

Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Packaging	Rs. 314.9	Buy in the band of Rs 311-318 & add more on dips to Rs 272-276 band	Rs. 349	Rs. 399	2 Quarters

Shree Varahi Scrip Code	HSIL
BSE Code	500187
NSE Code	HSIL
Bloomberg	HSI IN
CMP April 19, 2022	314.9
Equity Capital (Rs Cr)	12.94
Face Value (Rs)	2
Eq. Share O/S (cr)	6.47
Market Cap (Rs cr)	2037.3
Book Value (Rs)	195.6
Avg.52 Wk Volume	372535
52 Week High (Rs)	352.4
52 Week Low (Rs)	142.5

Share Holding Pattern % (March 2022)	
Promoters	60.3
Institutions	11.7
Non Institutions	28.0
Total	100.0

Our Take…

HSIL is engaged in the business of manufacturing and distribution of Packaging Products comprising three diverse segments: glass containers packaging, PET bottles and products, and counterfeit-resistant security caps & closures. HSIL is the second largest manufacturer of glass containers in India with two state-of-the-art manufacturing plants in Telangana, catering to the needs of a broad range of industries such as alco-bev, pharmaceutical, Food and Beverages (F&B), non-alcoholic beverages amongst others. PET bottles and products business, acts like a complementary business, helps in widening its portfolio offerings and cater to the substitute markets. The counterfeit-resistant security caps and closures business is aligned with glass containers business, especially in the alco-bev sector.

The company announced transfer of manufacturing operations of its building products division (BPD) to Brilloca Ltd, a wholly owned subsidiary of Somany Home Innovation Ltd (SHIL), in a slump sale transaction for a cash consideration of Rs 630cr. Building Products division's entire operating facilities will be transferred to Brilloca and HSIL will focus on the expansion of its packaging business and capitalize on the growing opportunities in the sector. The transaction, apart from strengthening the balance sheet, is EPS accretive for HSIL as BPD generated low single digit EBIT margin for past many quarters. The demerger in April 2018 and now the transfer of manufacturing operations to Brilloca (related party) would ensure sharper focus and better alignment of goals. It was a strategic move to enhance capabilities, create future-focused institutions of excellence.

Earlier, we had issued initiating coverage report on the stock; both base case and bull case target price were achieved within our recommended time frame. On account of recent developments, we are issuing stock update note, revising the target upwards.

Valuations…

Over the years, the company has built a strong product portfolio and improved the product mix, which has helped in improving its realisations. Glass container business constitute ~88% of Packaging products revenue with an existing capacity of 1600 tonnes per day. HSIL's entry into high-margin specialty glass segment is expected to further strengthen its presence in the glass packaging segment. Strong industry tailwinds and utilization across diverse sectors coupled with its long-term association with customers and supply chain partners would support strong growth momentum. Capability to operate with alternative fuel and management's conscious decision to use the most competitive available fuel has allowed HSIL to consistently improve its margin profile despite the fluctuation in fuel prices. PET bottles business, although a low single digit margin business, complements its product offerings to the clients' different needs. With capacity of over 10100 tonnes per annum, the company collaborates with leading FMCG and pharmaceutical companies for PET bottle requirements. Its growth dynamics are fully aligned with the fundamental underlying growth profile of its customers and there are multiple growth drivers for the packaging industry.

Leveraging its rich manufacturing legacy along with innovation capabilities, the company has emerged as the second-largest glass container manufacturer in India with the capability of using diverse fuel options and product applications across downstream sectors. Having established a leadership position in glass packaging segment it has ample growth opportunities to mark its territory in PET and security caps & closures. Higher realization due to likely price hikes, capacity expansion due to debottlenecking and foray into high margin specialty glass catering to perfumery, cosmetics industry among others would improve its topline growth and expand margins. Moreover, likely disruption in industry-wide glass container volumes, due to ongoing insolvency proceedings of largest player (Hindusthan National Glass & Industries Ltd), supports HSIL's medium term prospects. We think the base case fair value of the stock is Rs 349 (14x FY24E EPS) and the bull case fair value is Rs 399 (16x FY24E EPS) over the next two quarters. Investors can buy the stock in the band of Rs 311-318 (12.7x FY24E EPS) and add more on dips to Rs 272-276 band (11x FY24E EPS).

Financial Summary...

Particulars (RsCr)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ-%	FY20	FY21	FY22E	FY23E	FY24E
Revenue	638.8	541.5	18.0	546.2	16.9	1,859.1	1,852.6	2,278.3	1,694.6	1,959.7
EBITDA	89.6	94.6	-5.2	70.9	26.5	271.1	280.1	322.4	316.9	378.2
Depreciation	34.8	31.0	12.4	27.4	27.2	142.9	121.4	132.2	102.4	111.2
Other Income	5.9	6.1	-3.6	19.9	-70.4	20.3	28.0	38.7	43.8	48.3
Interest Cost	15.5	18.6	-16.7	16.8	-7.6	73.5	71.9	64.7	57.7	67.8
Tax	16.7	15.2	10.0	16.2	3.2	26.6	26.8	73.9	70.2	86.7
PAT	28.5	35.9	-20.7	30.4	-6.3	48.4	88.1	150.3	130.4	160.9
Adjusted PAT	28.5	35.9	-20.7	30.4	-6.3	48.4	88.1	90.3	130.4	160.9
EPS (Rs)	4.4	5.5	-20.4	4.7	-6.3	6.7	12.7	14.0	20.2	24.9
RoE-%						3.9	7.1	7.1	9.7	10.9
P/E (X)						47.1	24.8	22.6	15.6	12.7
EV/EBITDA (X)						11.7	10.1	7.5	7.1	5.8

Income Statement…

Particulars (Rs Cr)	FY19	FY20	FY21	FY22E	FY23E	FY24E
Net Revenues	**1859.1**	**1852.6**	**2278.3**	**1694.6**	**1959.7**	**1859.1**
Growth (%)	15.8	-0.3	23.0	-25.6	15.6	15.8
Operating Expenses	1588.0	1572.5	1956.0	1377.7	1581.5	1588.0
EBITDA	**271.1**	**280.1**	**322.4**	**316.9**	**378.2**	**271.1**
Growth (%)	**58.2**	**3.3**	**15.1**	**-1.7**	**19.4**	**58.2**
EBITDA Margin (%)	**14.6**	**15.1**	**14.2**	**18.7**	**19.3**	**14.6**
Depreciation	142.9	121.4	132.2	102.4	111.2	142.9
EBIT	**128.2**	**158.8**	**190.2**	**214.5**	**267.1**	**128.2**
Other Income	20.3	28.0	38.7	43.8	48.3	20.3
Interest Expenses	73.5	71.9	64.7	57.7	67.8	73.5
PBT	**75.0**	**114.8**	**164.2**	**200.6**	**247.6**	**75.0**
Tax	26.6	26.8	73.9	70.2	86.7	26.6
PAT	48.4	88.1	150.3	130.4	160.9	48.4
Adj. PAT	**48.4**	**88.1**	**90.3**	**130.4**	**160.9**	**48.4**
Growth (%)	**217.1**	**81.9**	**2.5**	**44.4**	**23.4**	**217.1**
EPS	6.7	12.7	14.0	20.2	24.9	6.7

Balance Sheet…

As at March (Rs Cr)	FY20	FY21	FY22E	FY23E	FY24E
SOURCES OF FUNDS					
Share Capital	14.5	12.9	12.9	12.9	12.9
Reserves	1242.4	1220.6	1285.1	1389.6	1524.6
Shareholders' Funds	**1256.9**	**1233.6**	**1298.0**	**1402.5**	**1537.5**
Long Term Debt	728.7	675.4	475.4	545.4	625.4
Net Deferred Taxes	236.4	256.3	196.3	206.3	216.3
Long Term Provisions & Others	28.6	28.0	37.7	28.0	32.4
Total Source of Funds	**2250.5**	**2193.2**	**2007.4**	**2182.2**	**2411.6**
APPLICATION OF FUNDS					
Net Block & Goodwill	1819.7	1831.3	1299.1	1376.8	1385.6
Capital Work-in-Progress	33.0	30.5	30.5	30.5	30.5
Other Non-Current Assets	121.5	108.3	149.0	110.3	125.8
Total Non-Current Assets	**1974.2**	**1970.2**	**1478.6**	**1517.5**	**1541.9**
Current Investments	0.0	0.0	0.0	0.0	0.0
Investories	408.0	436.1	505.6	385.3	445.6
Trade Receivables	293.0	317.3	343.3	269.3	311.4
Cash & Equivalents	47.5	23.4	262.9	504.4	686.4
Other Current Assets	145.6	109.0	106.1	88.2	102.0
Total Current Assets	**894.2**	**885.8**	**1217.9**	**1247.2**	**1545.5**
Short Term Brorrowings	208.7	128.7	158.7	178.7	208.7
Trade Payables	195.2	230.1	237.2	176.4	204.0
Other Current Liab & Provisions	213.9	304.0	293.2	227.4	263.0
Total Current Liabilities	**617.9**	**662.8**	**689.2**	**582.5**	**675.7**
Net Current Assets	276.3	223.0	528.7	664.7	869.8
Total Application of Funds	**2250.5**	**2193.2**	**2007.4**	**2182.2**	**2411.6**

2. MSTC Ltd.

Industry	LTP	Recommendation	Base Case Fair Value	Base Case Fair Value	Time Horizon
Trading & Distributors	Rs. 376	Buy between Rs.370-380 & add more on dips of Rs.333	Rs. 416	Rs. 457	2 Quarters

Shree Varahi Scrip Code	MSTCLTD
BSE Code	542597
NSE Code	MSTC
Bloomberg	MSTCLTD IN
CMP April 21, 2022	376
Equity Capital (Rs Cr)	70.4
Face Value (Rs)	10
Equity Share O/S (Cr)	7.0
Market Cap (Rs Cr)	2,647
Book Value (Rs)	91
Avg. 52 Wk Volumes (mn) 52	809728
52 Week High	542
52 Week Low	242

Share Holding Pattern % (Mar, 2022)	
Promoters	64.75
Institutions	2.70
Non Institutions	32.55
Total	100.0

Our Take…

MSTC limited (formerly known as Metal Scrap Trade Corporation Limited), is government owned Mini Ratna Category-I PSU under the administrative control of the Ministry of Steel. The core activity of the company is diversified mainly into providing e-auction/e- Procurement services and trading of bulk products like ferrous and non-ferrous scrap, coke, finished steel, coal and petroleum products.

In the past, the company had reported losses due to large provisions for unpaid trade receivables from the trading business. It has changed the policy and now it does business with customers who are ready to procure products backed by 110% Bank Guarantee. Further, looking at the opportunity in e-commerce business, the company has guided that it is reducing trading business. This will boost up the margins and the past receivables issues will be solved too. The company has in the recent past added many products/services in the e-commerce segment. The company has developed most sophisticated and robust IT infrastructure which enables it to take up e- commerce services in a secure and transparent manner.

MSTC has also entered into the recycling business through a 50:50 joint venture with Mahindra Intertrade Ltd (MIL) for setting up a shredding plant and collection centres across the country. We believe that with the introduction of new scrappage policy, this JV will be in the position to add significant valuation in the company's overall value. Ferro Scrap Nigam Limited (FSNL) renders custodian services for warehouse/stockyard management to its holding company (MSTC). The GoI intends to divest 100% of the share capital in this company which can result in one-time special dividend from MSTC.

High reliance on Government entities for business, cybersecurity threat and high competition in the e-commerce industry are the key risks for the company.

Valuations…

We have envisaged 11% CAGR in the consolidated revenue between FY21-24E. The share of e-commerce business will increase gradually in the total revenue. The margins should improve gradually as the management has guided that they are looking to reduce trading business. Further, we expect the net profit of the company could grow at 20% CAGR between FY21-24E. The company is almost debt free and has huge cash and cash equivalent (34% of market cap). It is also paying healthy dividend to its shareholders like many other PSUs. It is currently trading at 13.5x FY24E earnings.

We feel that investors can BUY MSTC Ltd between Rs.370-380 band (13.6xFY24E EPS) and add further on dips to Rs.333 band (12xFY24E EPS) for the Base case target of Rs.416 (15xFY24E EPS) and Bull Case target of Rs.457 (16.5xFY24E EPS) over period of six months.

Financial Summary...

Particulars (Rs Cr)	Q3FY22	Q3FY21	YoY-%	Q2FY22	QoQ-%	FY21	FY22E	FY23E	FY24E
Total Income	189.0	158.0	19.6	227.7	-17.0	994.1	985.3	1037.5	1107.4
EBITDA	73.6	36.7	100.4	51.7	42.3	162.6	250.1	283.0	314.5
APAT	41.3	11.2	270.4	28.3	45.9	113.9	143.2	168.9	194.9
EPS (Rs)	5.9	1.6	271.5	4.0	46.0	16.1	20.3	24.0	27.7
ROE						22.1	23.9	24.6	24.4
P/E						23.4	18.4	15.6	13.5
P/BV						4.7	4.1	3.6	3.1

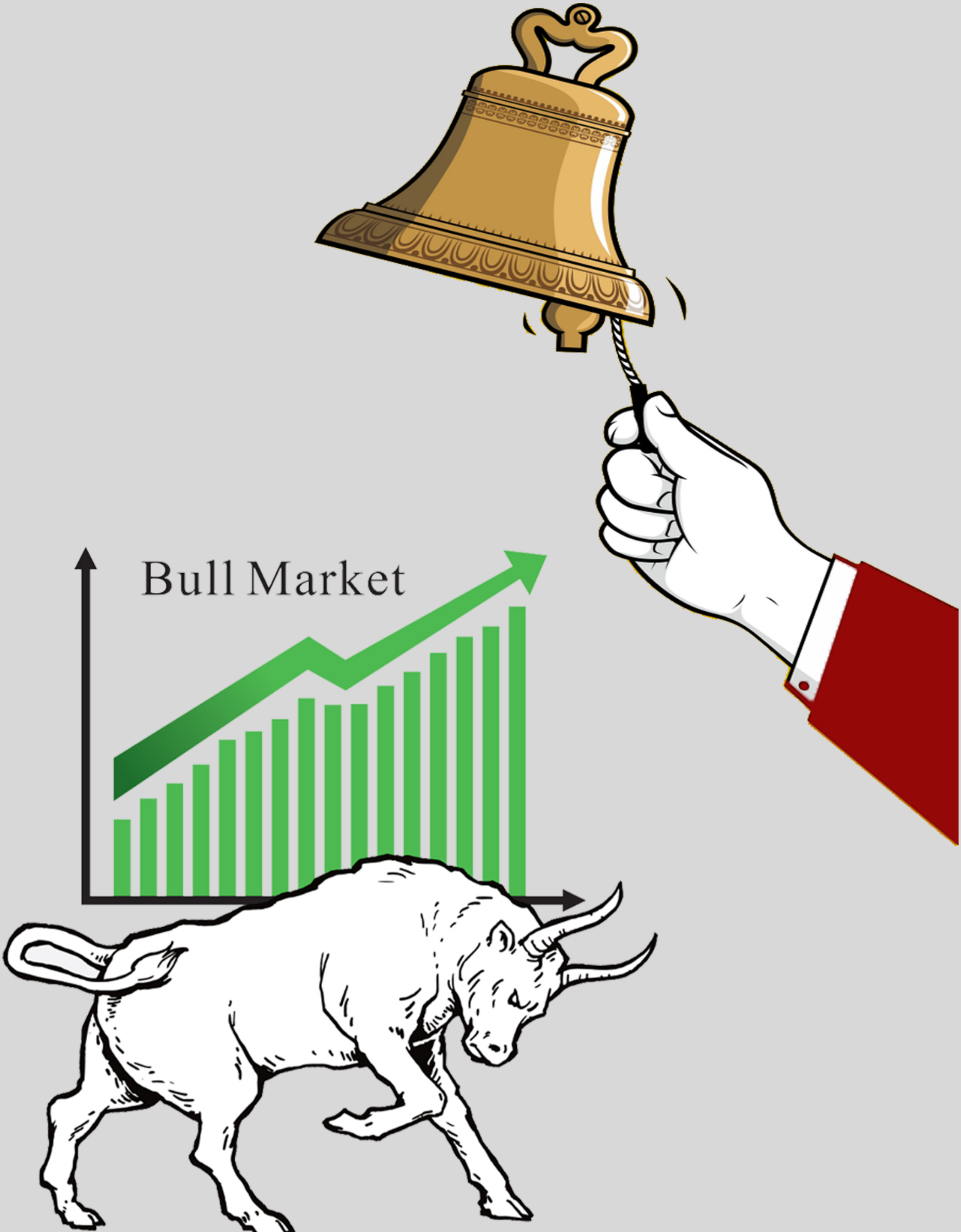
Income Statement...

(Rs Cr)	FY20	FY21	FY22E	FY23E	FY24E
Total Income	**1296.0**	**994.1**	**985.3**	**1037.5**	**1107.4**
Growth (%)	-61.2	-23.3	-0.9	5.3	6.7
Operating Expenses	1081.2	831.5	735.2	754.5	792.9
EBITDA	**214.8**	**162.6**	**250.1**	**283.0**	**314.5**
Growth (%)	**-232.5**	**-24.3**	**53.8**	**13.2**	**11.1**
EBITDA Margin (%)	**17.4**	**20.8**	**26.1**	**28.2**	**29.5**
Depreciation	16.6	18.7	21.5	22.2	22.8
EBIT	**198.2**	**143.9**	**228.5**	**260.8**	**291.7**
Interest	28.7	7.2	4.8	4.9	5.1
Exceptional Items	0.0	0.0	0.0	0.0	0.0
PBT	**169.5**	**136.7**	**223.7**	**255.8**	**286.6**
Tax	69.7	22.9	80.5	87.0	91.7
RPAT	**99.7**	**113.8**	**143.2**	**168.9**	**194.9**
APAT	**99.8**	**113.9**	**143.2**	**168.9**	**194.9**
EPS	13.8	16.1	20.3	24.0	27.7

Balance Sheet…

As at March (Rs Cr)	FY20	FY21	FY22E	FY23E	FY24E
SOURCES OF FUNDS					
Share Capital	**70.4**	**70.4**	**70.4**	**70.4**	**70.4**
Reserves	403.5	487.6	567.4	665.8	790.3
Shareholders' Funds	**473.9**	**558.0**	**637.8**	**736.2**	**860.7**
Long-Term Borrowings	3.4	4.3	3.5	3.7	4.1
Other non-Current Liab & Provisions	90.0	99.9	112.7	126.2	140.7
Total Source of Funds	**567.3**	**662.1**	**753.9**	**866.1**	**1005.4**
APPLICATION OF FUNDS					
Net Block	96.0	89.3	112.7	97.5	80.7
Capital Work-in-Progress	29.3	51.8	3.0	3.3	3.6
Non-Current Investments	11.2	14.4	14.4	14.4	14.4
Deferred Tax Assets (net)	229.7	228.7	220.0	200.0	180.0
Long Term Loans & Advances	96.3	168.4	144.8	134.8	125.7
Total Non Current Assets	**462.6**	**552.5**	**494.9**	**450.0**	**404.3**
Short-Term Loans and Advances	30.4	35.3	30.0	27.0	24.3
Inventory	7.0	5.2	7.0	8.5	10.2
Trade Receivables	1462.6	889.7	695.7	714.1	731.1
Cash & Equivalents	233.2	759.7	887.3	1020.5	1225.4
Other Current Assets	5.4	5.4	11.0	12.0	13.0
Total Current Assets	**1738.6**	**1695.2**	**1631.1**	**1782.1**	**2004.1**
Short-Term Borrowings	255.3	150.1	157.6	160.7	165.5
Trade Payables	653.7	430.8	280.0	252.0	257.1
Other Current Liab & Provisions	725.0	1004.7	934.5	953.2	980.4
Total Current Liabilities	**1633.9**	**1585.6**	**1372.1**	**1366.0**	**1403.0**
Net Current Assets	104.7	109.6	258.9	416.2	601.1
Total Application of Funds	**567.3**	**662.1**	**753.9**	**866.1**	**1005.4**

This Might Impact Your Investments !!



India considering wheat export curbs after heat waves damage crops

India is considering restricting wheat exports as severe heat waves have damaged crops, exacerbating tight global supplies after the war in Ukraine sent food inflation soaring.

The South Asian nation experienced its hottest March on record, shriveling the wheat crop that the world was relying on to alleviate a global shortage. To safeguard domestic supplies, the government is considering limiting wheat exports, according to a person with knowledge of the matter.

Top officials are discussing the move and will recommend it to Prime Minister Narendra Modi, who will then make the decision, said the person, who asked not to be identified as the information is private.

An agriculture ministry spokesperson wasn't immediately available to comment. A finance ministry spokesperson didn't answer calls, while the trade ministry didn't immediately respond to an email seeking comment. Benchmark wheat futures jumped almost 4% in Chicago.

Curbing exports would be a hit to India's ambition to cash in on the rally in global wheat prices after Russia's war in Ukraine upended trade flows out of the critical Black Sea breadbasket region. Importing nations have looked to India for supplies, with top buyer Egypt recently approving the South Asian nation as an origin for wheat imports.

The move would also add to a wave of crop protectionism around the world as governments seek to protect their own food supply amid soaring prices and fears of shortages. That has the potential to worsen global food inflation, which is already at a record and surging at a rampant pace.

One of the strategies, the person said, could be setting a minimum export price so wheat cannot be shipped overseas below this level. This way, without outrightly banning it, the government can boost domestic supply and keep a check on prices, according to the person.

The food ministry on Wednesday slashed its estimate of India's wheat output this season to 105 million tons. That's down from a record 111 million tons forecast previously and 109.6 million tons produced a year earlier.

There's no need to curb exports for now as the country has enough supply to meet domestic demand, Food Secretary Sudhanshu Pandey said at a briefing.

The fall in production is raising concerns for the domestic market, with millions depending on farming as their main livelihood and food source. Weaker output will hurt farmers' incomes. The government also buys wheat for its welfare program, which provides subsidized food to two-thirds of the population.

In a sign that Indian authorities are worried about surging inflation, the central bank raised its key interest rate in a surprise move Wednesday, sending bonds and stocks tumbling. Persistent inflation pressures are becoming more acute, particularly on food, Governor Shaktikanta Das said in an online briefing, adding there's a risk that prices stay at this level for "too long."

MFs pump Rs 22,000 cr into stocks in March amid extreme market volatility

Domestic mutual fund managers bought stocks worth Rs 22,200 crore in March, amid wild swings in share prices. Among the large-cap names, Kotak Mahindra Bank, HDFC, ONGC and Maruti Suzuki were among the most-bought shares. While in the mid-cap and small-cap segment top buys were Coforge, Indian Hotels, MCX and V-Guard shows the analysis done by Edelweiss.

On the other hand, ITC topped the sell list. Equity schemes cut exposure to the tune of around Rs 3,000 crore in the stock, taking advantage of a steady increase in its share price. Fund managers cut exposure in stocks such as Hindalco Industries, Sun Pharma, UPL and Bharti Airtel.
Equity funds have continued to witness net inflows for the 13th consecutive months. In March equity funds saw highest ever inflows to the tune of Rs 28,463 crore compared to Rs 19,705 crore seen in February 2022. Most of the fund houses were overweight on sectors such as auto, capital goods and cement and construction stocks among others.

Equity MFs see Rs 1.64-trn net inflow in FY22 on strong SIP book

Strong SIP book and lower returns from traditional investments made equity mutual funds an attractive investment destination for investors with equity-oriented funds receiving a staggering net inflow of Rs 1.64 trillion in 2021-22.

This comes following a net outflow of Rs 25,966 crore during 2020-21, data with Association of Mutual Funds in India (Amfi) showed.

Going ahead, we expect the growing inflow trends in equity mutual funds to sustain given the current economic condition and markets, Manish Kothari- CEO and Co-Founder, ZFunds, said.

According to the data, equity mutual funds witnessed a net inflow of Rs 1,64,399 crore in the entire 2021-22. This included an all-time high inflow of Rs 28,464 crore last month.

Geopolitical tension due to the raging war between Russia and Ukraine and concerns over the surging crude prices triggered a sharp correction in the market towards the end of February and early March. The correction provided investors a good buying opportunity, which they didn't fail to capitalise.

The robust inflow pushed the asset base of equity mutual funds by 38 per cent to Rs 13.65 trillion at the end of March this year.

The equity category has been witnessing consistent net inflows since March 2021, after the second wave of COVID hit India and resulted in the correction in the markets.

"Despite concerns, the growth outlook over the long term has remained strong which maintained positive sentiments among investors. Also, the perception that despite intermittent corrections the markets would continue to surge have prompted many investors to make the most of the dips in the markets and invest."

Moreover, relatively lower returns from traditional investments have also made equity mutual funds an attractive investment destination for investors, he added.

Mutual fund investors have only consolidated on their steadily rising returns driven by disciplined SIP (systematic investment) savings approach.

Further, folio numbers or investors account in equity-oriented funds also grew from 6.64 crore in April 2021 to 8.6 crore in March 2022, which is a growth of 29 per cent.

This is reflective of investor confidence in the mutual asset class.

Additionally, SIP book has also grown consistently from Rs 8,596 crore in April 2021 to an all-time high of Rs 12,328 crore in March 2022. With this, inflow through SIP route surged to Rs 1.24 trillion in the just concluded financial year from Rs 96,080 crore in the preceding fiscal.

Moreover, mutual funds have currently about 5.28 crore SIP accounts through which investors regularly invest in mutual fund schemes. SIP has been gaining popularity among Indian MF investors, as it helps in Rupee Cost Averaging and also in investing in a disciplined manner without worrying about market volatility and timing the market.

Equity mutual funds witness record inflows of Rs 28,000 crore in March

Equity mutual funds (MFs) saw record inflows in March supported by strong equity markets and new fund offerings (NFOs). The data from Association of Mutual Funds in India (Amfi) shows that equity funds saw net inflows of Rs 28,463.49 crore, with most flows coming into multicap funds.

In March, S&P BSE Sensex Index was up by 4 per cent, while S&P BSE Midcap Index and S&P BSE Smallcap Index gained 3.22 per cent and 5.83 per cent respectively.

March saw all the 11 categories of equity funds see net inflows, with multicaps witnessing highest inflows of Rs 9,694.56 crore, followed by large and midcap funds at Rs 3,164.67 crore, shows the data from Amfi. Surge in inflows into multicap funds was largely due to the NFO of SBI Multicap fund which garnered Rs 8,170 crore.

Market participants say that despite the volatility in markets, investors have continued to invest through systematic investment plans (SIPs). In the current financial year, equity funds have seen net inflows of Rs 1.64 trillion.

However, debt funds saw net outflows to the tune of Rs 1.14 trillion led by high redemptions from liquid funds, overnight funds and corporate bond funds. Typically, at the end of every quarter there are high redemptions from debt schemes as institutions such as banks and corporates redeem their investments to pay for quarterly advance taxes.

Overall, MF industry saw net outflows of Rs 69,883 crore in March and average assets under management (AAUM) of the industry stood at Rs 37.70 trillion.

Mutual fund schemes deliver on strong market performance, shows data

In March 2020, stocks hit rock bottom following the outbreak of the Covid-19 pandemic. The Nifty50 Index had crashed below 8,000, individual stocks slumped to multi-year lows, impacting the returns of several mutual fund (MF) schemes, industry assets dropped, and asset management companies (AMCs) stared at an uncertain future.

However, aggressive stimulus measures from global central banks, mainly the US Federal Reserve, helped stock markets the world over stage a remarkable comeback.

In India, measures undertaken by the Reserve Bank of India (RBI) and the Centre helped support the economy, individuals, and businesses. The sharp up move in the market and the spurt in retail interest helped the domestic MF industry grow rapidly.

In March 2020, the average net assets under management (AUM) of equity schemes had declined to Rs 6.5 trillion. In two years, they have more than doubled to Rs 13.15 trillion. Equity scheme folios went up from 62.9 million to 85.9 million in the past two years.

The solid historical performance of equity schemes and easy liquidity ensured that investors moved in hordes to invest in MFs through systematic investment plans (SIPs). In financial year 2019-20 (FY20), SIP investment was Rs 1 trillion, which declined to Rs 96,080 crore in FY21. However, in the last fiscal it again increased to Rs 1.24 trillion.

The inflows into the equity funds have not ebbed despite intense volatility in equity markets in the last few months. In the last two years, equity funds have seen net inflows of Rs 1.38 trillion, despite witnessing outflows for eight consecutive months in FY21. While structural changes propelled the industry's growth, its sustainability will depend on schemes' performance. We present here the best-performing schemes in various categories over a two-year period. Thanks to a low base, the two-year performance has been encouraging, but it remains to be seen how the industry performs when the base normalises.

ABB India stoABB India stock rallies over 10 per cent on strong March

Shares of ABB India on Thursday zoomed more than 10 per cent after the company posted over two-fold jump in net profit for the March quarter.

The stock rallied 10.47 per cent to end at Rs 2,224.70 on the BSE. During the day, it zoomed 11.80 per cent to Rs 2,251.50

At the NSE, it jumped 10.20 per cent to settle at Rs 2,220.05.

ABB India on Wednesday posted over two-fold jump in net profit at Rs 370 crore for the March quarter compared to the year-ago period mainly on the back of higher revenue.

The net profit of the company was Rs 151 crore in the quarter ended March 31, 2021, a company statement said.

The company follows January-December financial year.

Total revenue rose to Rs 1,968 crore in the quarter from Rs 1,629 crore in the same period a year ago.
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Valuation to growth potential: highlights of Delhivery's Rs 5,235-cr IPO

Logistics major Delhivery’s Rs 5,235-crore initial public offering (IPO) opens for subscription on Wednesday. It will be the second-biggest offering this after, Life Insurance Corporation’s. Delhivery’s market value, on a post-diluted basis, will be Rs 35,284 crore at the upper end of the price band of Rs 462-487 per share. Here are a some highlights of the issue:

Major technology IPO of 2022: IPOs by startups and new-age tech companies were the toast of the market last year. The change in market dynamics put the brakes on such share sales. So far this year, 2-3 tech IPOs of over $500 million have hit the markets globally, which includes Goto Gojek, an Indonesian ride-hailing player. Investment bankers said Delhivery’s IPO size and valuations have been realigned to the market conditions and after getting investor feedback. Delhivery’s anchor allotment on May 10 will demonstrate the strong interest among domestic and foreign institutional investors, they said.

Large fragmented market: Delhivery is India’s largest and fastest-growing integrated logistics platform—it is the only one to offer a full range of supply chain services. It has a total addressable market (TAM) of over $300 billion. However, its market share is only half a per cent, underscoring the large untapped opportunity. India’s logistic market is large and highly fragmented. The industry is pegged to grow at an annualised rate of 9 per cent annually with organized and tech-oriented players expected to grow faster. The boom in the digital and e-commerce sector is expected to underpin the growth. India’s per capita direct logistics spend is only $150 per dollar compared to $4,460 in the US and $1,050 in China, as per the company’s investor presentation

Profitability potential: Delhivery has seen an improvement in profitability at EBITDA level. In FY19, its adjusted EBITDA margins stood at -11.35 per cent, which improved to -6.95 per cent in FY21. For the first half of FY22, EBITDA margins turned positive at 0.5 per cent. From April 2021 to December 2021, EBITDA margins stood at -0.72 per cent, a near break-even level. The company’s operational profitability compares well to other startups, such as Oyo, Pharmeasy, Paytm and Zomato, which had adjusted EBITDA margins between -59 per cent and -15.3 per cent for FY21. Further, the improvement in operational performance has come amid continued investments in building capabilities and scaling up the topline rapidly.

Inorganic growth: Delhivery’s revenues from operations have grown nearly 50 per cent CAGR from Rs 1,654 crore in FY19 to Rs 3,647 crore in FY21. The company has effectively used strategic alliances and acquisitions to spur growth—over half a dozen in the past five years, which includes Aramex (to enlarge customer base), Roadpiper Tech (to build relationships with fleet owners), Primaselar (to increase direct to consumer reach), FedEx Express (to expand cross border express service) and Falcon Autotech (for future-ready hardware solutions).

Ukraine war and Chinese lockdowns weigh on oil markets as OPEC+ meets

OPEC and allied oil-producing countries, including Russia, are weighing conflicting forces Thursday as they decide how much crude should flow to volatile global markets. Europe's proposal to phase out Russian oil and other Western sanctions are choking back supply, while COVID-19 shutdowns in China are cutting demand.

The result has been fluctuating and high oil prices, squeezing consumers in the U.S. and Europe with climbing inflation and the rising costs of driving and heating homes. That eats away people's ability to spend elsewhere, including at shops still rebounding from the pandemic.

Analysts expect the 23-country alliance known as OPEC+ to stick with a set schedule of modest increases in production, amounting to 432,000 additional barrels of oil per day in June. The gradual increases are aimed at making up deep production cuts made during the depths of the pandemic recession in 2020.

Oil prices have risen as the boost in production remains smaller than what countries like the U.S. are pressing for to ease high prices at the pump. Some OPEC+ members also haven't been able to reach their allotted quotas. Two members Saudi Arabia and the United Arab Emirates have almost all the group's spare capacity.

Increasing production beyond the quotas would complicate relations among members, and OPEC has made it clear to European officials that the oil cartel is not going to increase production to compensate for lost Russian oil.

The war in Ukraine has been a driving force in oil markets in recent days, and more so after the European Union's executive commission on Wednesday proposed phasing out Russian crude oil imports within six months.

Fears of a cutoff of Russian oil, natural gas or both have helped keep energy prices high. Russia is the world's largest oil exporter, with some 12% of global supply, and Europe is its biggest customer.

Beyond the EU oil boycott, Western financial sanctions have deterred banks and insurers from supporting the oil trade with Russia. Some buyers have shunned Russian oil because they don't want to be associated with the Kremlin.

The International Energy Agency has said some 3 million barrels a day of Russian oil could wind up being forced off the market starting this month due to international sanctions and as the impact of a widening customer-driven embargo comes into full force.

The Paris-based organisation said that while some buyers, most notably in Asia, increased purchases of sharply discounted Russian barrels, traditional customers are cutting back.

Meanwhile, COVID-19 restrictions are weighing on fuel use in China and undermining oil demand. The government discouraged people from travelling over the May Day holiday, while in Beijing major tourist sites such as the Forbidden City and the Beijing Zoo have closed their indoor exhibition halls and are operating at partial capacity.

Also helping hold back bigger surges in oil prices is the release of oil from strategic reserves by the U.S. and other International Energy Agency member countries.

The oil market has not fully priced in the potential of an EU oil embargo, so higher crude prices are to be expected in the summer months if it's voted into law.

U.S. oil prices were little changed Thursday, up 0.1% ahead of the meeting to $107.90 per barrel, which is more than 40% higher since the start of the year. International benchmark Brent crude rose 0.4%, to $110.51 per barrel.

For U.S. consumers, average gasoline prices stood at $4.19 per gallon Wednesday, up $1.29 from a year ago. The price of crude oil accounts for about 60% of the price at the pump in the United States.

Diesel for trucks and farm equipment has risen even more, by $2.34, to $5.43 per gallon.

Drivers in Europe, where taxes make up a larger proportion of the price at the pump, are paying more, too. Gasoline prices are averaging 1.95 euros per liter in Germany, or the equivalent of $7.77 per gallon, while diesel has been at 2.02 euros per liter, or $8.05 per gallon.

Indian stocks see wild swings as RBI hike interest rates, US Fed follows up

It was a roller-coaster ride for the benchmark indices on Thursday when investors digested the move by the Reserve Bank of India (RBI) and US Federal Reserve to hike interest rates to combat inflation. Several stocks swung wildly as investors assessed the impact of aggressive tightening of monetary policy on economic growth and corporate earnings.

Following a three per cent up move in the US markets, the benchmark Sensex opened almost 900 points in early trade. Later, selling in the index heavyweights in the latter half of the session saw the index give up almost all the gains.

The Sensex ended the session at 55,702, with a gain of 33 points or 0.06 per cent. The Nifty, on the other hand, ended the session at 16,682, a gain of 5 points or 0.03 per cent. Both the indices had posted their worst fall in two months on Tuesday after RBI's surprise rate hike.

Foreign portfolio investors (FPIs) sold shares worth Rs 2,075 crore, while domestic institutions were buyers to the tune of Rs 2,229 crore.

Sentiment was also hit as the US futures market indicated a weak opening on Wall Street as inflation fears resurfaced. On Wednesday, the S&P500 jumped 3 per cent after US Federal Reserve chief Jerome Powell's comments quashed rumours about the Fed considering a 75 basis points rate hike in the months ahead.

The Federal Reserve raised interest rates by 50 basis points for the first time since 2000 and indicated similar moves for the next couple of meetings. The US central bank also unveiled its plans to shrink its balance sheet. However, Powell's comments that the monetary policy committee is not actively considering a 75 basis points hike sparked a relief rally.

“The Federal Reserve's rate hike was on expected lines. And the chairman's statement assuages fears of a bigger rate hike. Hence, the impact on equities is not going to be very severe. In contrast, RBI's rate hike announcement was unscheduled. The communication on the future course of action is a bit ambiguous, which rattled the markets yesterday".

Investors will have to brace for more volatility. "The tightening is going to start in June. The impact of that is going to start in July- September. Any intended consequences will start to show in September. The Bank of England is saying the economy could contract next year, and they still increase rates. That's where the problem lies now.”

The rise in crude oil prices also affected investor sentiment in India. Crude oil prices have been rising over the last two days after the European Union announced its plans to phase out Russian oil imports in six months. The Brent crude on Thursday was trading at $ 112.5, a gain of 1.6 per cent.

"With one of the major global events (Fed rate hike) now behind – markets should see some stability over the next few weeks. Despite the ongoing Russia-Ukraine war, tightening liquidity and supply chain disruptions, the market has been trading in a broader range. Domestic equities would continue to track global developments apart from the ongoing earning season for further cues.”

Some analysts said the current earnings season would not be bad because the commodity prices started increasing in February. They expect pressure on margins amid a spike in Brent oil and other commodity prices to reflect in June quarter earnings.

The market breadth was weak, with 1,899 stocks declining and 1,448 advancing. More than half of the index stocks declined. IndusInd Bank fell the most amongst Sensex constituents at 4.32 per cent followed by Nestle, which declined 2.8 per cent. BSE IT gained the most at 1.8 per cent, while BSE Realty declined 1.6 per cent.

India's foreign exchange reserves down $311 million to $603.7 billion

The country's foreign exchange reserves declined by USD 311 million to reach USD 603.694 billion in the week ended April 15, RBI data showed on Friday.

In the previous week ended April 8, the reserves had declined by USD 2.471 billion to stand at USD 604.004 billion.

During the reporting week, the fall in the forex kitty was on account of a decline in the foreign currency assets (FCA), a major component of the overall reserves, as per weekly data by the Reserve Bank of India (RBI).

FCAs dropped by USD 877 million to USD 536.768 billion.

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

Gold reserves increased by USD 626 billion to USD 43.145 billion in the reporting week, the data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) dipped by USD 44 million to USD 18.694 billion.

The country's reserve position with the IMF decreased by USD 16 million to USD 5.086 billion in the reporting week.

Angel One extends fall despite strong April update; stk drops 32% in 4 days

Shares of Angel One slipped 15 per cent to Rs 1,336 on the BSE in Friday's intra-day trade. The stock plummeted 21 per cent in the past two trading days after the company updated its key business parameters for the month of April 2022.

In the past four trading days, the stock plunged 32 per cent after Angel One said its promoter Rahul Thakkar sold 41,200 equity shares of the company via open market sale on April 29, 2022, the day on which the stock hit a record high of Rs 2,022. Post transaction, Rahul Thakkar holding in the company decreased to 2.6 per cent from 2.65 per cent. CLICK HERE

"I wish to inform that I am presently holding 2,200,000 shares of Angel One Limited representing 2.65 per cent of voting capital of the Company. I have sold 41,200 shares of Angel One Limited on April 29, 2022 in open market. Accordingly my shareholding is reduced to 2,158,800 shares representing 2.60 per cent of voting capital of the Company," Rahul Thakkar said in exchange filing.

At 01:05 pm; the stock traded 11 per cent lower at Rs 1,411 on the BSE as compared to 1.8 per cent decline in the S&P BSE Sensex.

Meanwhile, Angel One's client base rose by 4.6 per cent to 9.64 million in the month of April from 9.21 million clients in March 2022. That apart, gross client acquisition stood at 0.44 million in April 2022 compared with 0.48 million in March 2022 (down 7.3 per cent) and 0.31 million in April 2021 (up 41.5 per cent).

Angel's overall average daily turnover (ADTO) was Rs 9.48 trillion in April 2022 (up 7.2 per cent month on month and up 114.4 per cent year on year). The company's ADTO from the Future & Options (F&O) segment stood at Rs 9.24 trillion, accounting for 116.5 per cent of the overall ADTO during the month.

Besides that, the company's retail turnover market share in overall equity segment was 21.3 per cent in April 2022 as against 21.1 per cent in March 2022 and 22.8 per cent in March 2021. While F&O market share stood at 21.4 per cent (up 23 bps month on month and down 158 bps year on year), cash market share was 14 per cent (down 9 bps month on month and down 26 bps year on year) in April 2022.

Angel One is the largest listed retail stock broking house in India, in terms of active clients on NSE. Angel One is a technology-led financial services company providing broking and advisory services, margin funding, loans against shares and distribution of third-party financial products to its clients.

ITC outperforms benchmark on strong earnings hope; stock up 2%

Shares of ITC traded 2 per cent higher at Rs 267.25 on the BSE in Friday's intra-day trade in an otherwise weak market. The surge comes on the back of healthy earnings expectation due to improved cigarette volumes and announcement of dividend. In comparison, at 10:22 am, the S&P BSE Sensex was down 1.8 per cent at 54,695 points.

"A meeting of the board of directors of the company has been convened for May 18, 2022, to consider audited financial results for the quarter ended March 31, 2022. The board will also consider the recommendation of final dividend for the aforesaid financial year," the company said in an exchange filing.
Earlier, ITC had paid interim dividend of Rs 5.25 per equity share of Re 1 each for the financial year 2021-22.

The share price of the cigarettes to fast moving consumer goods (FMCG) major traded close to its 52-week high level of Rs 273.10 that it had touched on April 11, 2022. In the past one month, the stock has gained 2 per cent, as compared to 8 per cent decline in the S&P BSE Sensex. Meanwhile, in the past three months, the stock has rallied 13 per cent, against 7 per cent decline in the benchmark index. The stock has also surged 17 per cent in six months, as compared to 9 per cent fall in the Sensex.

While announcing Q3 results on February 3, 2022, ITC remained optimistic of robust recovery across markets aided by increase in mobility, agile supply chain and market servicing.

Analysts at Elara Capital believe that the cigarettes category continues to see volume uptick due to increased mobility and better farm income during the Rabi season. "A likely better realization in the Kharif season as well could result in higher farm income, leading to improvement in rural growth," the brokerage firm added.

Meanwhile, Emkay Global Financial Services believe that ITC is better-placed than peers with improving cigarette performance and strong earnings visibility. "We expect ITC to report a relatively stronger quarter, with improvement in cigarettes and other divisions and lesser margin pressure compared to FMCG peers," the brokerage firm added.

Analysts also estimate steady cigarette performance with sales/EBIT growth of 9 per cent/10 per cent and FMCG sales growth of 9 per cent with flat margins YoY. "We estimate strong performance in paper and agri with EBIT growth of 11 per cent/38 per cent and EBIT breakeven for hotels business. The profit after tax growth is lower at 8 per cent due to lower other income and higher ETR."

Thank

You ☺

श्री LAKSHMISHREE

Gateway to your Financial Goals

Corporate Member of NSE, BSE, NCDEX, MCX, and Depository Participant with CDSL

SEBI Registered Investment Advisor - SEBI Registration No: SEBI Registered Investment Advisor - CIN No U74110MH2005PTC157942 |BSE-3281| INZ000170330 | NSE-12817| INZ000170330 | DP:IN-DP-CDSL-490-2008 | DPID:12059100 |Research Analyst:INH000004565| MCX-55910| INZ000170330 | NCDEX-01253| INZ000170330

Registered Office:

Unit No 407, IV Floor, Marathon Icon Marathon Nextgen Campus, Ganpat Rao Kadam Marg, Mumbai-400013 Opposite Peninsula Corporate Park, Lower Parel

Contact No: (022) 43431818

Corporate Office:

57, 2nd Floor Gandhi Nagar Sigra, Varanasi, UP- 221010

Contact No: (0542) 6600000

Regional Offices:

Kolkata, Ahmedabad, Chennai, Aurangabad, Jaipur, Kanpur, Delhi, Ujjain, Varanasi NichiBagh, Varanasi Maldahiya.