

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	65,632	0.6	7.9
Nifty-50	19,546	0.6	8.0
Nifty-M 100	40,046	0.0	27.1
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	4,258	-0.1	10.9
Nasdaq	13,220	-0.1	26.3
FTSE 100	7,452	0.5	0.0
DAX	15,070	-0.2	8.2
Hang Seng	5,888	0.1	-12.2
Nikkei 225	31,075	1.8	19.1
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	88	-3.6	8.6
Gold (\$/OZ)	1,820	-0.1	-0.2
Cu (US\$/MT)	7,824	-0.7	-6.5
Almn (US\$/MT)	2,196	-0.6	-6.5
Currency	Close	Chg .%	CYTD.%
USD/INR	83.3	0.0	0.6
USD/EUR	1.1	0.4	-1.4
USD/JPY	148.5	-0.4	13.3
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.2	-0.02	-0.1
10 Yrs AAA Corp	7.7	-0.02	-0.1
Flows (USD b)	5-Oct	MTD	CYTD
FII	-0.2	-0.80	14.2
DII	0.06	0.50	16.1
Volumes (INRb)	5-Oct	MTD*	YTD*
Cash	705	758	666
F&O	3,66,819	3,68,619	2,61,829

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Automobiles 2QFY24 Preview: Festive season to see healthy volume growth; exports recovering

- ❖ From a demand standpoint, 2QFY24 was a mixed bag as PV and CV continued to expand YoY but 2W and tractors declined. MHCV appeared to be better placed despite a drop in discounts, driven by healthy demand across most of the underlying industries
- ❖ On a YoY basis, wholesale volumes are estimated to grow ~15% for MHCV, ~11% for PV, 20% for 3W and 1% for LCV. However, we estimate 2QFY24 volumes to decline 2% YoY for 2W and 4% YoY for tractors. Domestic 2W volumes are expected to decline 3% YoY, whereas exports are likely to grow 3.5% YoY.
- ❖ We estimate the EBITDA margin of our Auto OEM Universe (ex-JLR) to expand for the sixth consecutive quarter on a YoY basis. EBITDA margin is likely to improve 200bp YoY (+50bp QoQ) driven by lower RM costs, favorable FX and operating leverage benefits.



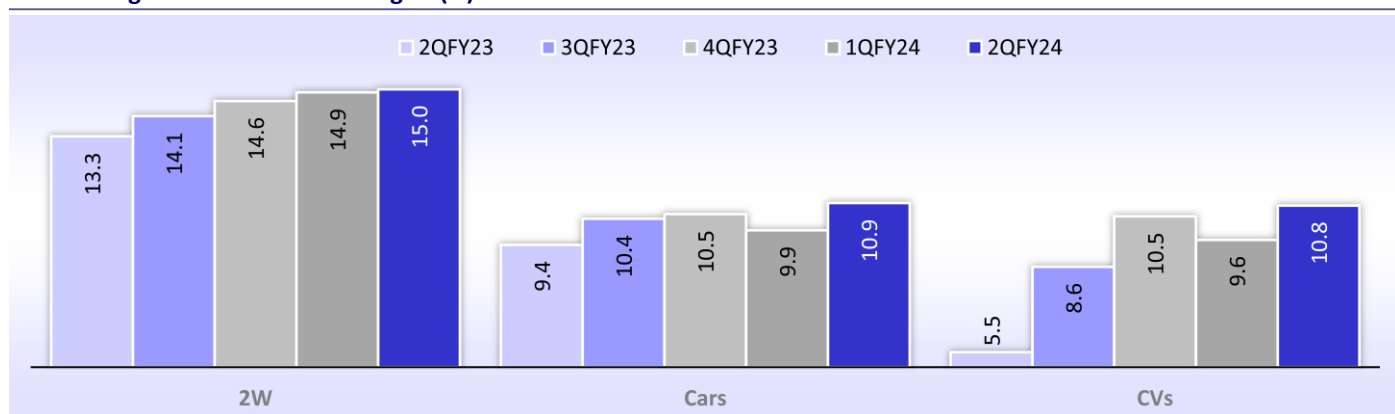
Research covered

Cos/Sector	Key Highlights
Automobiles	2QFY24 Preview: Festive season to see healthy volume growth; exports recovering
Tata Motor (JLR)	JLR 2QFY24 wholesales at 96.8k units (est. 92.5k units)
Godrej Cons. Products	Sales growth in mid-single digit; healthy operating margin expansion
Poonawalla Fincorp	Strong AUM growth of 53% YoY
Equitas Small Finance	Loan growth steady; CASA ratio moderates
Consumer Durable	Expert Speak: Festive season and ICC world cup to drive increased demand in consumer durable sector
EcoScope - EAI	Economic activity strengthened in Aug'23



Chart of the Day: Automobiles (2QFY24 Preview)

Trend in segment-wise EBITDA margins (%)



Source: MOFSL

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

RBI likely to hold rates as inflation persists

India's central bank, the Reserve Bank of India (RBI), is expected to keep its interest rate unchanged at 6.5% for the 4 consecutive time.

2

InterGlobe Hotels to invest about Rs 550 cr on two new properties by 2025

The company a 60:40 joint venture between InterGlobe Enterprises Pvt Ltd and Accor Asia Pacific opened its new 'ibis Styles' hotel here and plans to open a new property under the 'ibis' brand in Mumbai by the end of next year, followed by the launch of a new hotel under the Novotel brand in Bengaluru early 2025. We will continue to populate the market and grow as we keep growing in all our businesses. As a company, we fundamentally believe in the growth of India. We fundamentally believe in the robustness of the economy and what is going to present over the next 20-30 years.

3

BMW unveils Rs 33 lakh superbike in India: Boasts 999 cc engine, 280 kmph top speed, 0 to 100 in 3 seconds
Superbike maker, BMW Motorrad has unveiled its latest offering, the BMW M 1000 R, to the Indian market.

4

OMC inks pact with Hindalco to supply raw minerals to alumina refinery

The Odisha Mining Corporation (OMC) has signed an agreement with Hindalco Industries to provide long-term raw material linkage for its refinery project in Rayagada district.

5

Hero Group's consumer electronics business to seek ₹200 crore external funding

Hero Electronix's brand Qubo designs and markets products in the smart home and smart mobility segments, including home cameras, smart locks and a range of dash cameras.

6

Indian companies ready to sacrifice profit margins in hunt for festive sales push

Retailers in the consumer goods, white goods, and fashion sectors are expected to prioritize sales growth over profit margins during the festive season.

7

Tata Motors plans to equip half its workforce with new age tech capabilities in 5 years

The company's full-time apprenticeship programme demonstrates commitment to developing skilled and digital-enabled professionals.



Automobiles

Result Preview



Company

Amara Raja Batteries
Ashok Leyland
Bajaj Auto
Bharat Forge
BOSCH
Ceat
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Hero MotoCorp
Mahindra CIE
Mahindra & Mahindra
Maruti Suzuki
Motherson Sumi Systems
Sona BLW Precision Ltd
Tata Motors
TVS Motor Company
Tube Investments

Festive season to see healthy volume growth; exports recovering

Moderating commodity costs and operating leverage to aid margins

- From a demand standpoint, 2QFY24 was a mixed bag as PV and CV continued to expand YoY but 2W and tractors declined. While we anticipate a YoY decrease in 2W volume, the domestic and export markets appear to be recovering for 2W. Dispatches for SUV remained strong fueled by order book execution and improvement in supply chain situation. However, demand moderated for lower-end PVs. Among all the segments, MHCV appeared to be better placed despite a drop in discounts, driven by healthy demand across most of the underlying industries.
- On a YoY basis, wholesale volumes are estimated to grow ~15% for MHCV, ~11% for PV, 20% for 3W and 1% for LCV. However, we estimate 2QFY24 volumes to decline 2% YoY for 2W and 4% YoY for tractors. Domestic 2W volumes are expected to decline 3% YoY, whereas exports are likely to grow 3.5% YoY.
- We estimate the EBITDA margin of our Auto OEM Universe (ex-JLR) to expand for the sixth consecutive quarter on a YoY basis. EBITDA margin is likely to improve 200bp YoY (+50bp QoQ) driven by lower RM costs, favorable FX and operating leverage benefits.
- We are building our estimates based on stable commodity costs; however, we expect the benefits of favorable mix/FX and operating leverage to accrue and lead to sustained margin recovery. There has not been any material change in our FY24 earnings estimate for our coverage universe except for MRF (+5%).

Signs of demand moderation visible in PVs; 2W witnessing gradual recovery

From a demand perspective, 2QFY24 was a mixed bag as PV and CV continued to expand YoY but 2W and tractors declined. While we anticipate a ~2% YoY drop in 2W volume in 2QFY24, it continues to see gradual recovery especially in the exports market, which is expected to grow ~3.5% YoY. Dispatches for SUV remained strong fueled by order book execution and improvement in supply chain situation. However, demand moderated for lower-end PVs. As a result, we expect PV volumes to grow ~11% YoY in 2QFY24. CV wholesales are likely to grow ~6% YoY driven by better demand in underlying industries and healthy fleet utilization level. However, LCV volumes are projected to remain flat YoY due to high base. Tractor wholesales are anticipated to decline 4% YoY due to erratic monsoon across key regions and high base of last year. 3W volumes are likely to jump 20% YoY as demand is reverting to full normalcy.

Softening commodity costs to result in margin expansion

We estimate the EBITDA margin of our Auto OEM Universe (ex-JLR) to expand for the sixth consecutive quarter on a YoY basis. EBITDA margin is likely to improve 200bp YoY (+50bp QoQ) driven by lower RM costs, favorable FX and operating leverage benefits. Except for MM (weak tractor volumes) and HMCL/ EIM (flat EBITDA margin), all other OEMs are likely to report margin expansion on QoQ basis. We are building our estimates based on stable commodity costs; however, we expect the benefits of favorable mix/FX and operating leverage to accrue and lead to sustained margin recovery.

Sector outlook stable; emerging concerns to be monitored closely

The demand recovery is expected to sustain for 2W, M&HCV and 3W segments. Exports appear to have bottomed out, but broad-based recovery is not yet visible. On the other hand, new headwinds are emerging in the form of: 1) likely demand moderation in certain segments such as PVs, LCVs and tractors due to higher inflation/interest rates, and 2) global macro uncertainties that are raising concerns for players having international exposure. However, commodity prices have been favorable since the last few quarters. After witnessing inflationary pressure from the lows of 3QFY23, most of the commodity prices have corrected (especially precious metals). We expect a volume CAGR of 9-11%/5-7%/3-5% for 2W/PV/tractors over FY23-25. For 3W/LCV/MHCV, we expect a volume CAGR of 17-19%/3-5%/9-11% over FY23-25.

Valuation and view

There has not been any material change in our FY24E earnings estimate for our coverage universe except for MRF (+5%). We prefer companies with: 1) higher visibility in terms of demand recovery, 2) a strong competitive positioning, 3) margin drivers, and 4) balance sheet strength. **TTMT and AL** are our top OEM picks. Among auto component stocks, we prefer **ENDU**.

Summary of expected quarterly performance (INR m)

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-23	Var % YoY	Var % QoQ	Sep-23	Var % YoY	Var % QoQ	Sep-23	Var % YoY	Var % QoQ
Amara Raja Energy	638	Neutral	28,614	6.0	3.3	3,806	5.7	7.7	2,096	3.7	8.9
Apollo Tyres	369	Buy	63,389	6.4	1.5	10,797	51.6	2.7	4,483	130.5	10.3
Ashok Leyland	177	Buy	99,115	19.9	21.0	10,910	103.0	32.9	5,736	195.8	-0.6
Bajaj Auto	5062	Neutral	1,06,819	4.7	3.6	20,510	16.6	5.0	17,418	13.8	4.6
Balkrishna Inds	2557	Neutral	21,624	-22.9	2.2	5,146	-8.8	5.8	2,998	-25.8	-4.1
Bharat Forge	1092	Buy	22,844	22.6	7.4	6,126	35.5	10.8	3,604	34.2	15.7
Bosch	19024	Neutral	43,207	18.0	3.9	5,619	30.3	20.1	4,506	21.0	10.2
CEAT	2126	Buy	31,260	8.0	6.5	4,173	105.4	7.8	1,634	564.0	13.0
CIE Automotive	480	Buy	24,658	10.6	6.3	3,847	31.1	3.8	2,275	35.0	6.5
Craftsman Auto	4622	Buy	11,626	50.7	12.0	2,502	47.1	16.8	993	63.8	33.3
Eicher Motors	3456	Neutral	40,820	16.0	2.4	10,453	27.2	2.4	9,196	40.0	0.1
Endurance Tech.	1593	Buy	25,873	9.6	5.6	3,470	27.8	8	1,797	36.7	9.9
Escorts Kubota	3184	Neutral	20,359	8.1	-12.5	2,728	78.7	-16.6	2,294	61.0	-18.9
Exide Inds.	261	Buy	40,908	10.0	0.4	4,561	10.6	5.5	2,705	9.8	11.8
Hero Motocorp	3057	Buy	92,507	1.9	5.5	12,694	22.3	5.2	9,357	30.7	-1.0
Mahindra & Mahindra	1554	Buy	2,48,916	18.5	3.5	32,003	28.2	-1.1	28,128	20.3	1.4
Maruti Suzuki	10602	Buy	3,76,349	25.7	16.4	41,735	50.7	39.9	31,015	50.5	24.8
Samvardhana Motherson	96	Buy	2,16,144	18.4	-3.8	18,733	33.5	-2.7	5,933	88.2	-1.3
Motherson Wiring	64	Buy	20,818	13.4	12.0	2,646	46.3	36.3	1,714	47.2	39.2
MRF	107279	Sell	64,053	12.0	1.3	11,224	140.2	0.7	5,778	366.0	-0.6
Sona BLW Precis.	583	Neutral	7,664	16.6	4.7	2,100	26.7	3.3	1,174	26.8	2.7
Tata Motors	630	Buy	10,44,698	31.2	2.2	1,30,205	110.1	-4.0	28,865	LP	-22.5
Tube Investments	2985	Buy	19,477	2.2	9.4	2,442	-2.8	13.1	1,664	3.8	12.7
TVS Motor	1523	Neutral	81,677	13.1	13.2	9,035	22.7	18.3	5,161	26.7	10.4
Automobiles			27,53,419	20.7	4.8	3,57,464	56.5	4.6	1,80,524	86.7	1.0



Tata Motors

BSE SENSEX 65,632 S&P CNX 19,546

CMP: INR620 TP: INR740 (+19%) Buy

TATA MOTORS

Stock Info

Bloomberg	TTMT IN
Equity Shares (m)	3598
M.Cap.(INRb)/(USDb)	2268.9 / 27.3
52-Week Range (INR)	665 / 375
1, 6, 12 Rel. Per (%)	2/34/39
12M Avg Val (INR M)	6475
Free float (%)	53.6

Financials Snapshot (INR b)

Y/E March	2023	2024E	2025E
Net Sales	3,460	4,363	4,607
EBITDA	318.3	584.0	613.4
Adj. PAT	8.2	157.9	158.0
Adj. EPS (INR)	2.2	41.2	43.0
EPS Gr. (%)	-108	1,816	4
BV/Sh. (INR)	118.3	155.3	200.4

Ratios

Net D/E (x)	1.0	0.4	0.1
RoE (%)	1.8	30.1	23.7
RoCE (%)	5.0	14.0	12.6
Payout (%)	93.6	7.3	9.8

Valuations

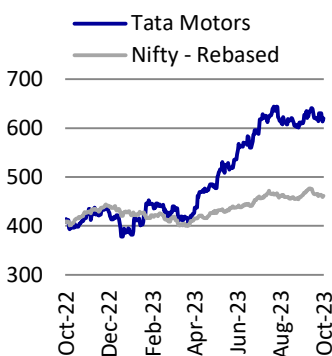
P/E (x)	288.1	15.0	14.4
P/BV (x)	5.2	4.0	3.1
EV/EBITDA (x)	9.4	4.6	4.1
Div. Yield (%)	0.3	0.5	0.7
FCF Yield (%)	7.8	12.9	4.3

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	46.4	46.4	46.4
DII	17.5	17.8	15.3
FII	19.1	16.9	13.7
Others	17.0	18.9	24.6

FII Includes depository receipts

Stock's performance (one-year)



JLR 2QFY24 wholesales at 96.8k units (est. 92.5k units)

2Q FCF guidance at around GBP300m

Wholesale volumes grew 29% YoY and 4% QoQ

- JLR's wholesale volumes (ex-China JV) grew 29% YoY/4% QoQ to 96.8k units (est. 92.5k units). 1HFY24 wholesales grew 29% YoY to 190.1k units.
- A breakup between Jaguar and LR wholesale was not shared in the press release. Higher-than-expected wholesales despite an annual two-week summer shutdown indicate that supply-side constraints continue to ease.

Retail volumes (incl. China JV) up 21% YoY/35% QoQ

- 2Q retails grew 21% YoY (+35% QoQ) to 106.6k units, while 1HFY24 retails increased by 25% to 208.5k units. Retails were higher in all the markets, with strong growth witnessed in the rest of world (+56% YoY), North America (+32% YoY), China (+7% YoY), UK (+9% YoY) and EU (+16% YoY).
- The order book** declined by 17k units QoQ to 168k units in 2QFY24 (vs. 1Q order book of 185k units) due to increased order fulfilment. RR/RR Sport/Defender account for 77% of the order book.

Others

- FCF is indicated to be over GBP300m in 2Q. In the 1Q call, the management had guided for 2Q FCF to be slightly lower than 1Q FCF of GBP451m.
- Based on the beat on 2Q wholesales volumes for JLR, we increase our 2QFY24 revenue/EBITDA/PAT estimates for JLR to GBP7.2b/GBP1.1b/GBP287m (from GBP6.9b/GBP1b/ GBP236m earlier). We also raise our 2QFY24 estimates for consolidated revenue/EBITDA/PAT to INR1,077.5b/INR137.1b/INR33.4b (from INR1044.7b/INR130.2b/INR28.9b earlier).
- Valuation and view:** TTMT's all three businesses are in a recovery mode. The India CV business is expected to see a cyclical recovery, while the India PV business is in a structural recovery mode. JLR is also seeing a cyclical recovery, supported by a favorable product mix. However, supply-side issues may delay the recovery process. While there will be no near-term catalysts from the JLR business, the India business (~50% of SoTP) will continue to see a recovery. The stock trades at 15x/14.4x FY24E/FY25E consolidated EPS, and 4.6x/4.1x FY24E/FY25E consolidated EV/EBITDA. We maintain our BUY rating on the stock with a TP of INR740 (based on Sep'25 SOTP).

Godrej Consumer Products

BSE SENSEX 65,632 S&P CNX 19,546

CMP: INR977

TP: INR1,150(+18%)

Buy



Stock Info

Bloomberg	GCPL IN
Equity Shares (m)	1022
M.Cap.(INRb)/(USDb)	998.8 / 12
52-Week Range (INR)	1102 / 794
1, 6, 12 Rel. Per (%)	-3/-11/-4
12M Avg Val (INR M)	1009
Free float (%)	36.8

Financials Snapshot (INR b)

Y/E March	2023	2024E	2025E
Sales	133.2	149.0	168.6
Sales Gr. (%)	8.5	11.9	13.2
EBITDA	24.3	29.8	36.0
EBITDA margins (%)	18.3	20.0	21.4
Adj. PAT	17.6	20.7	26.2
Adj. EPS (INR)	17.2	20.2	25.6
EPS Gr. (%)	-2.0	17.9	26.4
BV/Sh.(INR)	134.9	143.9	153.5

Ratios

RoE (%)	13.9	14.5	17.2
RoCE (%)	14.1	14.5	16.5
Payout (%)	0.0	49.4	62.6

Valuations

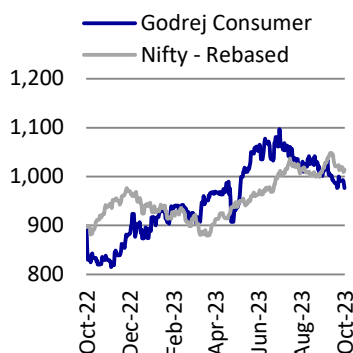
P/E (x)	56.9	48.3	38.2
P/BV (x)	7.2	6.8	6.4
EV/EBITDA (x)	41.1	33.1	27.2
Div. Yield (%)	0.0	1.0	1.6

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	63.2	63.2	63.2
DII	7.4	7.1	6.1
FII	23.5	23.7	24.0
Others	5.9	5.9	6.7

FII Includes depository receipts

Stock's performance (one-year)



Sales growth in mid-single digit; healthy operating margin expansion

Godrej Consumer Products (GCPL) released its pre-quarterly update for 2QFY24. Here are the key takeaways:

India business

- Demand trends weak during the quarter.
- Organic business reported mid-single digit volume growth.
- Home Care witnessed mid-single digit volume growth, whereas personal care reported low-single digit volume growth.

Indonesia business:

- The Indonesia business may report double-digit growth in volume and value.

GAUM (Godrej Africa, the US, and the Middle East) business:

- It is expected to register **mid-teens sales growth on constant currency basis**.
- In **INR terms**, sales declined in mid-single digit due to adverse currency translation impact.

Consolidated level:

- Organic business sales are expected to **grow in low single digits YoY in INR terms** and in **double digits in constant currency terms**.
- Sales growth, including inorganic, is expected to be in mid-single digits in INR terms.
- EBITDA margin may show healthy expansion YoY, along with higher category development investments.

Raymond Acquisition

- Performance of Park Avenue and Kama Sutra improved sequentially and on track to achieve full-year guidance.

Valuation and view

Along with investments in the grooming category and ongoing category development, the management focuses on boosting growth in the high-margin, high-RoCE domestic business. Hence, GCPL's medium to long term earnings growth outlook is strong. Reiterate **BUY** with a TP of **INR1,150**.

Poonawalla Fincorp

BSE SENSEX	S&P CNX
65, 632	19,546
Bloomberg	POONAWAL IN
Equity Shares (m)	768
M.Cap.(INRb)/(USDb)	290.6 / 3.5
52-Week Range (INR)	452 / 243
1, 6, 12 Rel. Per (%)	-8/19/7
12M Avg Val (INR M)	900
Free float (%)	37.9

Financials Snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
Net Total Income	14.2	21.7	30.0
PPOP	6.1	14.2	21.4
PAT	5.9	9.7	13.8
EPS (INR)	7.7	12.7	18.0
EPS Gr. (%)	102.0	64.0	41.9
Standalone BV (INR)	84	136	151

Valuations

NIM (%)	8.8	9.9	10.0
C/I ratio (%)	57.1	34.7	28.7
RoAA (%)	3.9	4.6	4.8
RoE (%)	9.8	11.6	12.6
Payout (%)	26.2	23.6	22.2

Valuations

P/E (x)	49.1	29.9	21.1
P/BV (x)	4.5	2.8	2.5
Div. Yield (%)	0.5	0.8	1.1

CMP:INR378

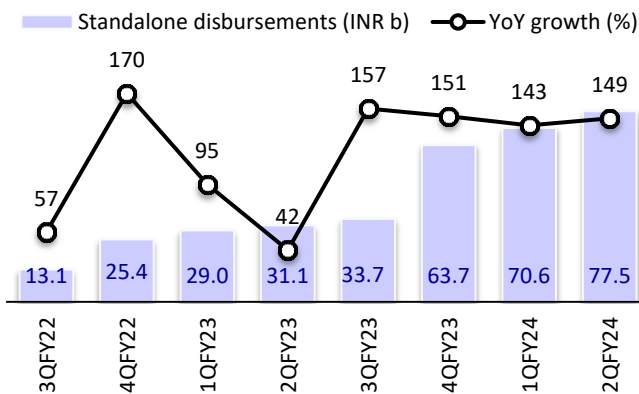
Buy

Strong AUM growth of 53% YoY

Asset quality continued to improve

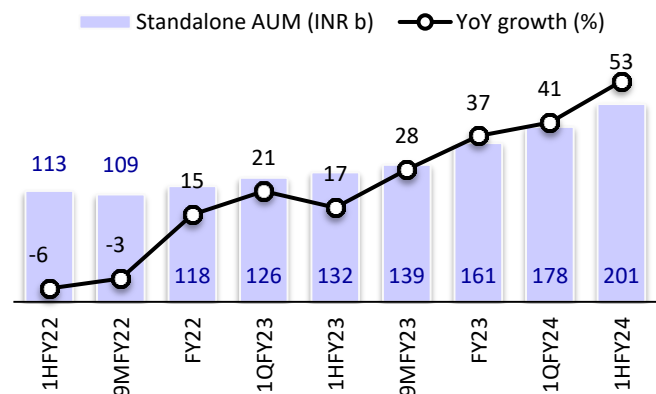
- PFL reported the highest-ever quarterly disbursements of ~INR77.5b, growing by ~150% YoY and 10% QoQ.
- AUM grew 53% YoY and 13% QoQ to ~INR201b (3% ahead of MOSLe of ~INR196b). Run-off in AUM moderated to ~122% (annualized) (PQ: 135%).
- GNPA and NNPA ratios are expected to improve further and the company is committed to maintaining its NNPA below 1%, in line with its Management Vision 2025.
- As of 2QFY24, the company's liquidity position was healthy and comfortable at ~INR38b (~19% of AUM). This healthy liquidity level might be higher than usual due to the proceeds from the sale of the HFC subsidiary.

Standalone disbursements grew ~10% QoQ...



Source: MOFSL, Company

...leading to AUM growth of 13% QoQ



Source: MOFSL, Company

Equitas Small Finance

Bloomberg	EQUITASB IN
Equity Shares (m)	1113
M.Cap.(INRb)/(USDb)	103 / 1.2
52-Week Range (INR)	101 / 47
1, 6, 12 Rel. Per (%)	7/26/71
12M Avg Val (INR M)	423

CMP: INR92

Buy

Loan growth steady; CASA ratio moderates

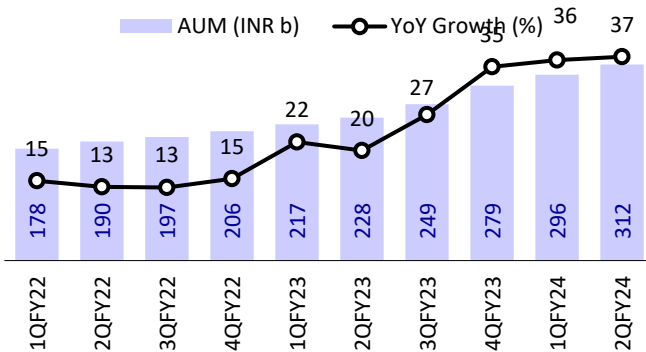
Equitas Small Finance Bank (Equitas) released its business update for 2QFY24. Here are the key highlights:

- Equitas reported 37% YoY (6% QoQ) growth in gross advances to INR312.3b.
- On the liability front, total deposits grew 42% YoY / 11% QoQ to INR308.4b. CASA deposits declined 3% QoQ to INR103.5b. CASA ratio thus moderated to 34% (from 38% in 1QFY24).
- Cost of funds increased to 7.21% in 2QFY24 from 6.94% in 1QFY24.
- Equitas reported a healthy loan growth as its customer businesses are generating healthy cash flows. Deposit growth has been steady whereas CASA deposits moderated that resulted in increased cost of funds at 7.21%.

Financials & Valuations (INR b)

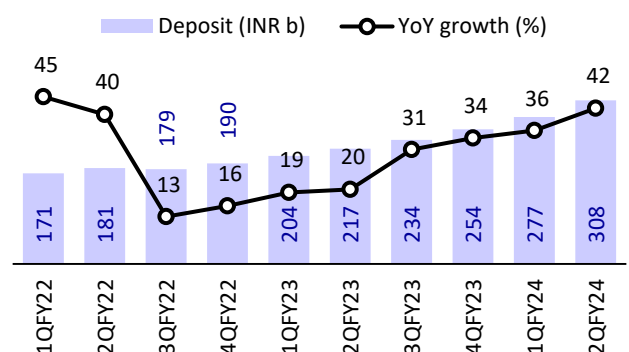
Y/E March	FY23	FY24E	FY25E
NII	25.4	32.1	39.0
OP	11.8	14.1	17.3
NP	5.7	8.3	9.6
NIM (%)	9.0	8.7	8.3
EPS (INR)	4.9	7.4	8.6
BV/Sh. (INR)	46	53	60
ABV/Sh. (INR)	44	51	58
Ratios			
RoE (%)	12.2	15.0	15.4
RoA (%)	1.9	2.1	1.9
Valuations			
P/E(X)	18.9	12.3	10.6
P/BV (X)	2.0	1.7	1.5
P/ABV (X)	2.1	1.8	1.6

Advances grew 6% QoQ (37% YoY) to INR312b



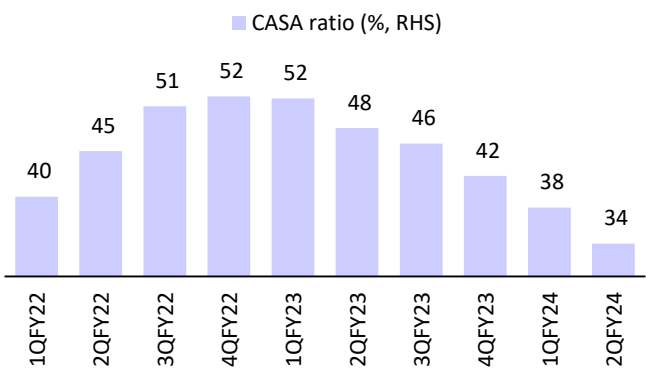
Source: MOFSL, Company

Deposits grew 11% QoQ (42% YoY) to INR308b



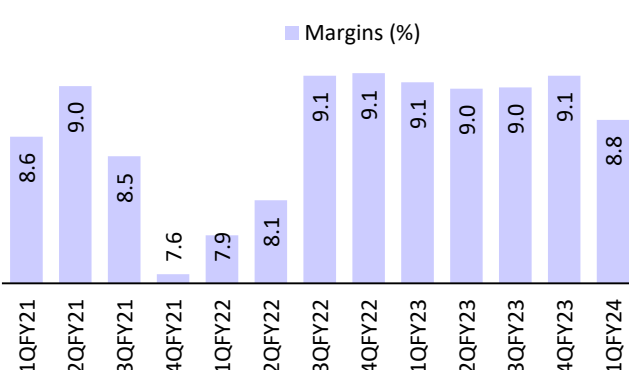
Source: MOFSL, Company

CASA ratio moderated to 34% in 2QFY24



Source: MOFSL, Company

NIM stood at 8.8% in 1QFY24



Source: MOFSL, Company

Expert Speak

Festive season and ICC world cup to drive increased demand in consumer durable sector

We hosted **Mr. Pulkit Baid, Director, Great Eastern Retail** to gauge: 1) the current demand trends across consumer electronics products and consumer sentiments; 2) shift toward premiumization; and 3) pricing behavior of companies.

Following are the key takeaways

- In the Summer of CY23, the overall season was weak due to unseasonal rains in the northern regions and the absence of heat waves, which adversely impacted demand. However, eastern markets (particularly West Bengal and some part of Odisha), saw better growth in volumes. Presently, the demand surge is fueled by tier II and tier III cities. While Apr'23-July'23 sales was weak, Aug'23 saw good recovery with ~12% YoY growth. Some products, such as washing machines (WM), small appliances, and Laptops (due to government curb on imports) registered better growth. Usually, brands tend to offer better deals in August as they aim to clear out their inventory before the festive season begins.
- Recently, there has been a noticeable shift toward premium products, which is encouraging. Smartphones costing +INR40k accounted for ~95% of the growth in the category, while ultrathin and gaming laptops contributed around +80% to the category's growth. Additionally, the sales of front load WM with added features, double-door refrigerators with +450ltr capacity, and air conditioners (AC) with invertors (5-star rating) are driving the overall growth in the market. The spurt in demand was seen despite price increases (12-18% over 2021 levels) due to higher raw material costs. However, the demand for entry-level products, such as single-door refrigerators, top-loading WM & 32-inch TVs, remains weak.
- One of the primary factors fueling the growth in premiumization is the abundant availability of EMI schemes (either through paper finance or credit card EMI conversion option). The share of credit card and paper financing has gone up considerably post Covid. In mature markets, credit card sales contribute ~60% of the total volume (through EMI schemes); while in other markets, paper financing is higher at 55-60%.
- ACs have become a year-round necessity in metro cities, with demand consistently high throughout the year. While, the demand for coolers and fans is seasonal and peaks during the summer months. Small appliances are typically popular during the festive season due to their affordable price tags.
- During the season, Lloyd capitalized on favorable pricing in the RAC segment and gained market share. Customers rate Lloyd higher than LG and Samsung, and in certain markets, particularly in North India (Rajasthan), it even ranked higher than Voltas. Prior to its acquisition by Havells, Lloyd had established its presence in specific markets through branding initiatives. Customer perception of Lloyd was shaped by factors such as product quality, low failure rates, warranty offerings, competitive pricing compared to peers, and local endorsements of the brand. Lloyd's pricing strategy positioned it as an attractive choice, being ~10% cheaper than LG and Samsung and about ~12-14% Cheaper than Daikin.
- Voltas witnessed some recovery in market share in the RAC segment in Aug'23 after re-working on its pricing strategy and strengthening its go-to-market strategy. Voltas Beko (Voltbek) products are on par with LG and Samsung, although Voltbek remains far behind in terms of market share.
- Major brands have been employing strategies such as cash back offers and extended warranties to enhance their competitiveness. However, none of them are offering any outright discounts in the market. It is anticipated that deep discounts may not be prevalent in the upcoming festive season.
- LG and Samsung have one of the best after-sales services with well-established service networks. While, some Chinese companies have struggled to provide satisfactory after-sales support, leading customers to shift their preferences from brands like vivo to companies like Panasonic that offer better service experiences.



Mr. Pulkit Baid
(Director, Great Eastern Retail)

Mr. Pulkit Baid is the Director at Great Eastern Retail. Founded in 1976, Great Eastern Retail has been in business for about 43 years now and has carved out its niche in the Retail Industry. The company has expanded its network to 83 retail outlets across six states. It houses one of the biggest range of products under different categories. The company primarily focuses on white goods, which constitutes the majority of its sales. Mobile phones and laptops, on the other hand, contribute to 12-15% of the total sales.

EAI – Monthly Dashboard: Economic activity strengthened in Aug'23

Led by nine-month high growth in investments

- Preliminary estimates indicate that India's EAI for GVA strengthened as it grew at a six-month high of 8.3% YoY in Aug'23 (vs. 5.7%/7.4% YoY in Aug'22/Jul'23). The acceleration in growth (vs. Jul'23) was mainly led by a 14-month high growth in the industrial sector (12.1% YoY in Aug'23 vs. 9.3% YoY in Jul'23, and 2.7% YoY in Aug'22) and continued robust momentum in the services sector (8.2% YoY in Aug'23 vs. 8% YoY in Jul'23, and 6.5% YoY in Aug'22, the best in four months). On the contrary, farm sector growth decelerated to 1.8% YoY in Aug'23 vs. 2.4%/5% YoY in Jul'23/Aug'22, the weakest in four years (and the same as in Apr'23).
- EAI-GDP growth decelerated to 5.4% YoY in Aug'23 (vs. 23.8% YoY in Jul'23 and 1% YoY in Aug'22), mainly on the back of 8.1% contraction in Government spending. Excluding fiscal spending, EAI-GDP grew decently at 6.3% YoY in Aug'23 vs. 8.7% YoY in the previous month. Private consumption, as per our estimates, grew slowly at 3.6% YoY during the month vs. 3.8%/4.8% YoY in Aug'22/Jul'23, while investments growth accelerated to nine-month high of 12.4% YoY (vs. 11.4%/7.5% YoY in Aug'22/Jul'23). Net exports had a negative impact on EAI-GDP, subtracting 0.3pp in Aug'23.
- High frequency indicators for the month of Sep'23 paint a mixed picture. Manufacturing PMI, currency circulation, rail passenger traffic, PV sales, and power generation have worsened in Sep'23 as compared to the previous month. On the other hand, toll collections, vaahan registrations, air cargo traffic, CV sales, and rail freight traffic have shown an improvement in Sep'23 as compared to Aug'23.
- Overall, EAI growth has remained better than expected in the first two months of 2QFY24 and it does not seem to have deteriorated significantly in Sep'23. Against this backdrop, we believe that there is a strong case for an upward revision to our 2QFY24 growth forecast of ~6.2% (RBI's forecast for 2QFY23 is 6.5%).

Preliminary estimates indicate that India's EAI for GVA grew 8.3% YoY in Aug'23 (vs. 5.7%/7.4% YoY in Aug'22/Jul'23).

- **EAI-GVA grew 8.3% in Aug'23:** Preliminary estimates indicate that India's EAI for GVA remained strong. It grew at a six-month high of 8.3% YoY in Aug'23 (vs. 5.7%/7.4% YoY in Aug'22/Jul'23). The acceleration in growth (vs. Jul'23) was mainly led by a 14-month high growth in the industrial sector (12.1% YoY in Aug'23 vs. 9.3% YoY in Jul'23 and 2.7% YoY in Aug'22) and continued robust momentum in the services sector (8.2% YoY in Aug'23 vs. 8% YoY in Jul'23, and 6.5% YoY in Aug'22, the best in four months). On the contrary, farm sector growth decelerated to 1.8% YoY in Aug'23 vs. 2.4%/5% YoY in Jul'23/Aug'22, the weakest in four years (*Exhibits 1, 2*).
- **...and EAI-GDP growth deteriorated to 5.4%, due to lower fiscal spending:** EAI-GDP growth decelerated to 5.4% YoY in Aug'23 (vs. 23.8% YoY in Jul'23 and 1% YoY in Aug'22), mainly on the back of 8.1% contraction in Government spending. Excluding fiscal spending, EAI-GDP grew decently at 6.3% YoY in Aug'23 vs. 8.7% YoY in the previous month. Private consumption, as per our estimates, grew slowly at 3.6% YoY during the month vs. 3.8%/4.8% YoY in Aug'22/Jul'23, while investments growth accelerated to nine-month high of 12.4% YoY (vs. 11.4%/7.5% YoY in Aug'22/Jul'23). Net exports had a negative impact on EAI-GDP, subtracting 0.3pp in Aug'23 (*Exhibits 3, 4*).

**Tata Consumer Products: Coffee portfolio has continued to grow well at 20-30%; Puneet Das, President – Packaged Beverages**

- Coffee portfolio has continued to grow well at 20-30%
- Expect coffee portfolio growth to improve further
- Seeing gradual recovery in rural demand
- Co expanded its availability in low unit packs which drove volume growth

[➔ Read More](#)**CSB Bank: Growth in CASA has been muted, compared to deposit growth; Pralay Mondal, MD**

- Growth in CASA has been muted, compared to deposit growth
- Customer will have better return on term deposits than CASA
- Can expect 30-40 bps increase in cost of funds
- Expect net interest margin to be at in 5-5.5% range by FY24
- Expect loan growth of 25% for FY24

[➔ Read More](#)**Indiabulls Housing Finance: Have all the approvals in place for Sanman Capital name transition; Gagan Banga, MD & CEO**

- Have all the approvals in place for Sanman Capital name transition
- RBI has suggested transition process
- Transition process to new identity to be completed in the current quarter
- Sameer Gehlaut has sold remaining 2% stake in co as well
- Sameer Gehlaut does not have any stake in Indiabulls Housing Finance now
- Engaging with RBI for a changing license to NBFC from housing finance company

[➔ Read More](#)**EaseMy Trip: Festive season & CricketWorldCup2023 have led to unprecedented demand; Prashant Pitti, Co-founder**

- Festive season & cricket world cup have led to unprecedented demand
- Demand is 72% higher this year, volumes for routes like Delhi-Ahmedabad higher by 89%
- Hotel business is 10% of sales now vs 3% at listing
- Target Rs 250 Cr. profit this year

[➔ Read More](#)**Goodluck India: Looking at Rs.3,500 cr revenue in FY24, Rs.4,200 cr in FY25 and Rs.5,000 cr in FY26'; MC Garg, Chairman**

- Looking at Rs. 3,500 Cr. revenue in FY24, Rs. 4,200 Cr in FY25 and Rs. 5,000 Cr. in FY26
- Margins will keep improving year after year
- Raised funds to finance our defence acquisition
- Have inhouse capacity to manufacture defence equipment

[➔ Read More](#)



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.6	-0.2	13.0
Nifty-50	0.6	-0.1	13.1
Nifty Next 50	0.2	-1.4	5.4
Nifty 100	0.5	-0.3	10.7
Nifty 200	0.4	-0.3	13.1
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	0.8	-0.2	25.4
Amara Raja Ener.	-1.3	-1.5	29.6
Apollo Tyres	0.7	-2.7	36.9
Ashok Leyland	-0.5	-6.1	10.2
Bajaj Auto	1.8	6.3	39.5
Balkrishna Inds	2.2	7.3	34.7
Bharat Forge	0.9	-2.5	51.2
Bosch	1.0	-1.2	19.0
CEAT	0.7	-5.8	34.1
Craftsman Auto	1.0	-4.7	65.2
Eicher Motors	1.1	1.1	-3.2
Endurance Tech.	1.7	-2.8	13.1
Escorts Kubota	1.4	5.9	52.4
Exide Inds.	-0.1	-5.7	63.9
Hero Motocorp	0.9	2.8	14.9
M & M	1.2	-1.9	22.3
CIE Automotive	1.6	-7.2	64.5
Maruti Suzuki	0.8	-0.5	17.6
MRF	-0.1	-1.6	28.9
Sona BLW Precis.	-0.1	-1.1	22.1
Motherson Sumi	0.0	-7.1	28.3
Motherson Wiring	-1.6	-5.4	-0.5
Tata Motors	1.0	1.4	51.9
TVS Motor Co.	0.1	2.7	44.6
Tube Investments	-0.3	-5.1	9.2
Banks-Private	0.4	-1.6	12.9
AU Small Fin. Bank	1.5	0.0	17.5
Axis Bank	0.9	2.3	35.1
Bandhan Bank	-1.9	6.2	-7.8
DCB Bank	0.7	3.7	18.5
Equitas Sma. Fin	-0.5	1.9	51.9
Federal Bank	-1.0	0.8	20.7
HDFC Bank	0.3	-2.5	5.7
ICICI Bank	1.1	-2.9	8.4
IDFC First Bank	0.2	-7.4	72.7
IndusInd Bank	0.0	-1.6	14.9
Kotak Mah. Bank	0.6	-2.1	-4.9
RBL Bank	-2.9	2.7	105.7
SBI Cards	-0.3	-5.3	-11.6
Banks-PSU	-0.5	11.1	73.4
BOB	0.0	8.5	58.7
Canara Bank	-0.5	9.7	63.3
Indian Bank	-1.1	9.3	116.4
Punjab Natl.Bank	-3.4	14.5	111.6
St Bk of India	1.1	3.4	11.2
Union Bank (I)	-2.8	17.2	136.9
NBFCs	0.5	-0.4	10.9
Angel Broking	7.0	7.7	29.7

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.4	-0.3	14.9
Nifty Midcap 100	0.0	-0.5	28.8
Nifty Smallcap 100	0.6	0.6	33.4
Nifty Midcap 150	-0.1	-0.8	27.0
Nifty Smallcap 250	0.6	0.2	31.8
Aditya Birla Capital Ltd	-0.1	-8.2	52.5
Bajaj Fin.	-0.1	6.9	4.8
Cholaman.Inv.&Fn	-0.8	9.4	62.7
Can Fin Homes	0.5	-3.2	52.9
Cams Services	0.9	0.9	-0.4
CreditAcc. Gram.	0.3	-9.1	32.5
Fusion Microfin.	0.7	-5.1	
Home First Finan	2.8	-1.8	-4.0
Indostar Capital	2.2	-6.8	8.4
L&T Fin.Holdings	1.9	1.3	70.8
LIC Housing Fin.	0.7	4.5	12.7
M & M Fin. Serv.	-0.7	-2.2	42.7
Muthoot Finance	-1.5	-6.7	15.1
Manappuram Fin.	-0.4	-6.2	43.4
MAS Financial Serv.	-0.1	4.0	19.4
ICICI Sec	1.2	-1.1	19.9
360 One	-0.3	-3.9	7.3
PNB Housing	-2.0	4.8	115.8
Repc Home Fin	-0.9	2.1	66.4
Shriram Finance	-0.7	-3.9	53.1
Spandana Sphoort	-3.3	-0.1	47.5
Insurance			
HDFC Life Insur.	-0.2	-2.6	17.4
ICICI Pru Life	-1.0	2.8	4.7
ICICI Lombard	-0.5	-3.6	12.7
Life Insurance	0.0	-3.4	1.4
Max Financial	3.1	-0.9	18.8
SBI Life Insuran	0.3	-2.6	1.1
Star Health Insu	1.1	-7.9	-16.8
Chemicals			
Alkyl Amines	2.2	-7.9	-21.0
Atul	1.3	-5.0	-22.4
Clean Science	-0.2	-3.5	-18.0
Deepak Nitrite	0.8	-7.7	-0.1
Fine Organic	0.0	0.8	-26.0
Galaxy Surfact.	0.3	-2.8	-12.0
Navin Fluo.Intl.	-3.3	-19.7	-18.2
NOCIL	0.7	-5.7	-12.8
Vinati Organics	-0.2	-3.2	-10.0
Cement			
Ambuja Cem.	0.7	-1.6	-12.0
ACC	-0.5	-4.2	-15.4
Birla Corp.	0.1	1.1	32.7
Dalmia Bhar.	-2.0	-0.5	41.5
Grasim Inds.	-0.1	2.1	12.1
India Cem	-0.6	-10.0	-12.1
J K Cements	-0.4	-8.3	21.1
JK Lakshmi Ce	3.0	-3.8	17.0
Ramco Cem	-1.4	2.0	24.2



Company	1 Day (%)	1M (%)	12M (%)
Shree Cem	1.2	0.1	22.5
Ultratech	0.6	-3.4	29.5
Consumer	-0.1	-0.3	16.0
Asian Paints	1.1	-0.6	-4.0
Britannia	-0.1	0.3	18.6
Colgate-Palm.	0.4	0.6	24.9
Dabur	-0.8	-1.6	-0.6
Emami	-1.7	1.6	4.9
Godrej Cons.	-1.3	-3.1	9.0
HUL	0.6	0.6	-5.4
ITC	0.0	-1.6	31.0
Indigo Paints	0.9	-5.2	0.6
Jyothy Lab	-1.3	2.1	88.6
Marico	-4.9	-6.0	3.1
Nestle	-0.3	4.4	19.1
Page Inds	-0.4	-1.2	-25.2
Pidilite Ind.	0.9	-2.5	-9.6
P&G Hygiene	0.2	10.2	27.8
Tata Consumer	-0.5	1.7	9.6
United Brew	0.3	-1.3	-8.4
United Spirits	2.5	-2.0	17.4
Varun Beverages	0.1	-1.7	61.0
Healthcare	-0.3	-1.3	13.5
Alembic Phar	-0.4	-0.3	24.8
Alkem Lab	-0.5	-5.2	4.8
Apollo Hospitals	0.0	1.3	14.7
Ajanta Pharma	-0.7	3.0	37.5
Aurobindo	-0.6	2.8	61.2
Biocon	-0.5	-1.3	-11.7
Zydus Lifesci.	0.3	-4.6	44.0
Cipla	-0.5	-6.3	1.4
Divis Lab	-0.2	1.6	-2.2
Dr Reddy's	-0.1	-3.0	22.6
ERIS Lifescience	-1.4	8.1	19.1
Gland Pharma	-0.5	-1.4	-21.6
Glenmark	-1.7	-0.1	96.4
Global Health	-0.1	6.2	
Granules	-1.4	13.8	-0.8
GSK Pharma	-1.7	5.8	9.3
IPCA Labs	0.5	3.8	-0.5
Laurus Labs	1.0	-2.9	-24.6
Lupin	-0.3	2.6	54.7
Max Healthcare	-1.4	-5.5	36.0
Piramal Pharma	0.1	-2.7	
Solara Active	0.1	-3.4	-19.1
Sun Pharma	-0.2	-1.1	18.9
Infrastructure	0.6	2.0	24.0
Torrent Pharma	-0.8	-1.2	16.2
G R Infraproject	-0.3	-6.0	-1.7
IRB Infra.Devl.	-0.3	0.0	44.0
KNR Construct.	1.1	3.2	23.9
Logistics			
Blue Dart Exp.	-0.6	7.7	-28.3
Container Corpn.	-0.5	3.4	-0.1
Mahindra Logis.	-1.8	-7.2	-28.8
Transport Corp.	0.2	-1.2	1.0

Company	1 Day (%)	1M (%)	12M (%)
TCI Express	0.0	-0.6	-24.9
VRL Logistics	-2.5	0.6	12.7
Media	1.6	-5.0	9.1
PVR INOX	0.6	-5.0	-1.9
Sun TV	3.7	2.9	21.7
Zee Ent.	0.3	-6.0	-3.4
Metals	-0.3	-4.7	16.3
Hindalco	-0.6	-3.2	19.4
Hind. Zinc	-1.1	-5.9	12.0
JSPL	-0.1	-4.9	54.2
JSW Steel	0.0	-7.4	17.5
Nalco	0.0	-7.8	33.3
NMDC	0.3	2.0	57.4
SAIL	-0.7	-12.9	11.4
Tata Steel	0.0	-4.9	23.8
Vedanta	-0.6	-8.0	-20.5
Oil & Gas	0.2	-1.9	-0.3
Aegis Logistics	0.5	-8.1	20.6
BPCL	0.8	-1.7	10.6
Castrol India	-0.3	-8.4	22.2
GAIL	1.3	-0.4	41.1
Gujarat Gas	-0.1	-7.8	-14.1
Gujarat St. Pet.	1.2	3.6	28.6
HPCL	1.4	-0.4	15.9
IOC	0.6	-1.9	33.2
IGL	0.1	-0.3	17.2
Mahanagar Gas	-0.9	7.8	35.1
MRPL	1.0	2.0	63.9
Oil India	0.3	5.0	60.4
ONGC	-0.3	-0.5	36.0
PLNG	-1.0	1.4	14.2
Reliance Ind.	0.0	-4.5	5.3
Real Estate	0.3	-1.1	33.1
Brigade Enterpr.	0.5	-8.3	14.2
DLF	-0.2	0.7	46.4
Godrej Propert.	2.4	-3.4	32.5
Mahindra Life.	0.0	-4.5	13.8
Macrotech Devl.	-0.1	2.0	54.2
Oberoi Realty Ltd	-2.6	-4.9	17.2
Sobha	6.9	16.2	9.7
Phoenix Mills	-2.3	-4.5	28.9
Prestige Estates	7.3	4.6	44.7
Retail			
Aditya Bir. Fas.	2.2	-5.2	-34.3
Avenue Super.	-0.2	2.3	-13.7
Bata India	1.2	-3.5	-10.6
Campus Activewe.	-0.5	-2.9	-51.7
Barbeque-Nation	4.0	9.2	-30.6
Devyani Intl.	1.1	1.8	12.6
Jubilant Food	-0.7	-0.5	-16.3
Metro Brands	-1.0	12.7	24.6
Raymond	-0.2	-17.7	67.4
Relaxo Footwear	-0.2	-2.3	-11.4
Restaurant Brand	4.9	7.6	-1.1
Sapphire Foods	1.1	-2.5	-3.9



Company	1 Day (%)	1M (%)	12M (%)
Shoppers St.	0.4	-6.8	-10.5
Titan Co.	1.5	2.5	24.4
Trent	1.2	-0.8	42.9
V-Mart Retail	1.3	-9.3	-30.0
Vedant Fashions	-1.2	-0.2	-10.7
Westlife Food	-1.1	-2.7	31.9
Technology	1.0	-0.7	16.8
Cyient	0.7	-11.5	114.6
HCL Tech.	-0.3	0.1	30.7
Infosys	1.2	-1.1	2.3
LTIMindtree	0.8	-3.7	13.9
L&T Technology	1.9	0.7	29.7
Mphasis	1.8	-1.9	19.6
Coforge	1.3	-7.3	49.5
Persistent Sys	0.9	-3.2	73.9
TCS	1.5	4.7	16.1
Tech Mah	0.1	-4.0	17.3
Wipro	0.5	-5.8	0.3
Zensar Tech	2.5	-4.0	142.0
Telecom	-0.3	3.8	16.9
Bharti Airtel	0.4	7.2	14.8
Indus Towers	-1.7	3.5	-8.8
Idea Cellular	-2.3	13.3	24.3
Tata Comm	-0.7	-0.9	55.6
Utilities	-0.6	-0.5	-3.8
Coal India	0.5	13.4	29.6
NTPC	-0.5	-0.3	44.0
Power Grid Corpn	-1.3	3.0	25.7
Others			
APL Apollo Tubes	0.7	-10.0	47.1
BSE	3.6	11.7	116.8
Coromandel Intl	2.0	2.9	16.8
EPL Ltd	1.7	-8.2	15.0
Indiamart Inter.	-0.8	-11.0	26.9
Godrej Agrovet	-0.2	-2.3	-7.3
Havells	1.3	3.7	4.7
Indian Hotels	2.6	-1.1	21.3
Interglobe	3.8	0.9	33.7
Info Edge	3.8	-5.9	6.6
Kajaria Ceramics	-1.2	-10.2	11.8
Kaveri Seed	0.0	2.1	42.7
Lemon Tree Hotel	0.9	11.1	29.4
MCX	1.0	8.5	53.0
One 97	3.8	1.7	32.8
Piramal Enterp.	1.1	-3.8	21.7
PI Inds.	-0.2	-6.2	11.6
Qess Corp	0.5	0.8	-33.1
SIS	9.2	2.0	14.9
SRF	0.7	-6.5	-11.2
Tata Chemicals	-0.2	-8.4	-11.5
Team Lease Serv.	1.0	0.1	-14.4
Trident	2.0	-12.0	2.3
Voltas	0.9	1.6	-4.8
UPL	0.2	-0.6	-12.4
Zomato Ltd	4.7	7.4	64.6

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Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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