



**SHRIRAM**

Insight

**Equity Monthly Report**

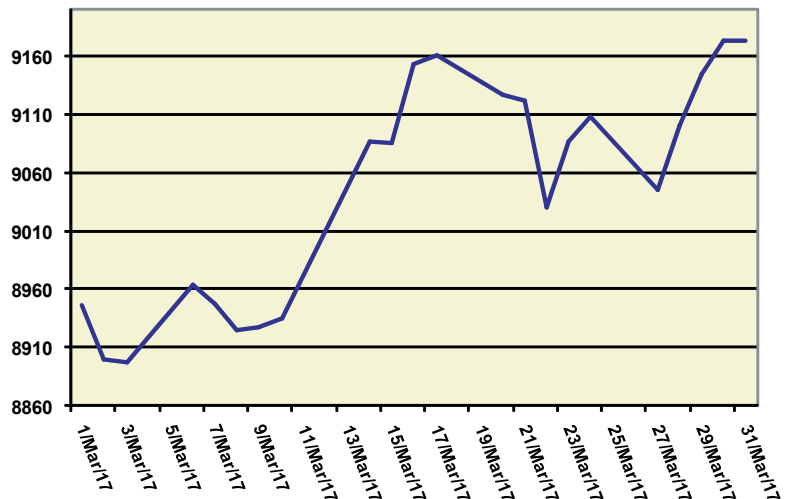
31st March 2017

Indian equity markets were up 3.3% during the month of March. The Nifty 50 Index hit its all-time high this month post euphoria on BJP's landslide victory in the state elections. Midcaps were also positive during the month as indicated by the BSE Midcap Index which delivered 4%. Market sentiment was also helped by record buying by foreign investors.

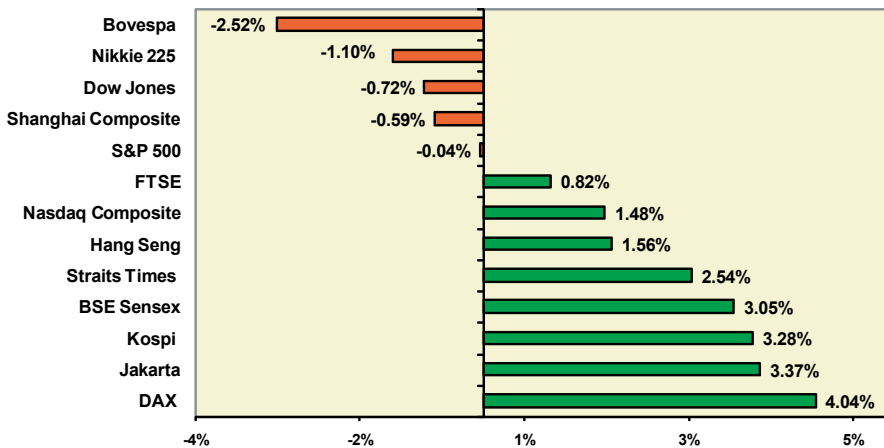
The other key development in March was that the GST Council cleared all the five GST bills which were subsequently passed by the Parliament. GST has now moved into its final lap and has a good chance of getting rolled out from 1st July.

Another major development was Supreme court directing that automobile manufacturers cannot sell vehicles that do not comply with Bharat Stage IV emission norms from 1 April, stating that public health is more important than commercial interests.

Nifty-50 movement in Mar'17



% Change In Global Indices



Brazil's Bovespa was the top loser (-2.52%) for the month. In Asia, Jakarta was the top gainer followed by Kospi, Strait times and Hangseng. However Shanghai composite ended with loss.

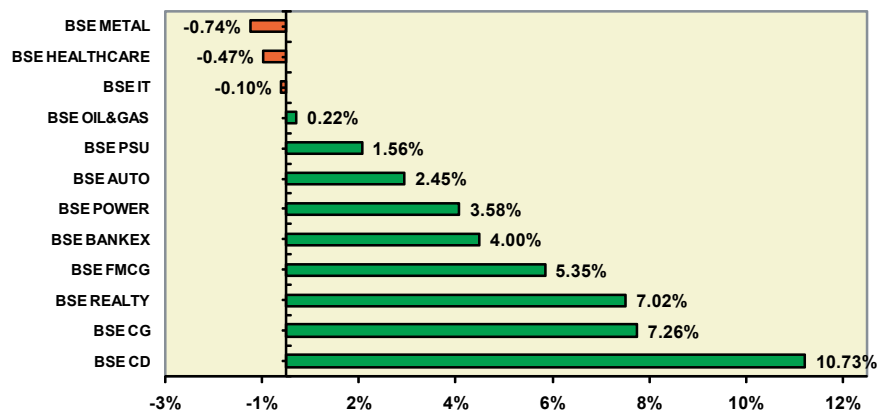
On investment front, the FIIs bought Rs 30,296.36 Crore in equities during Mar'17. While net flows by domestic institutional investors were negative in March after being net buyers for six consecutive months.

USD/INR strengthened to 64.860 from 66.725 during Mar '17 resulting in appreciation of INR by 2.795% against USD.

In global scenario, US Federal Reserve raised interest rates as expected without accelerating its timeline for future tightening. The Fed raised its benchmark lending rate a quarter point and continued to project two more increases this year. Fed said that it would raise the benchmark federal-funds rate to a range between 0.75% and 1%. The US economy, as measured by gross domestic product, expanded at a 2.1% annualized pace in the fourth quarter, slightly faster than the previously reported 1.9% rate.

Amongst global markets Germany was the top gainer (4.04%) in Europe. In US Nasdaq comp gained marginally while S&P500 and Dow Jones ended in red.

% Change in Sectoral indices



# AUTO SALES MARCH 2017

The Indian passenger vehicle (PV) has recorded robust sales in the last month.

**Maruti Suzuki India**, the leading PV maker, is striding confidently towards its targeted 2 million sales in 2020. In March 2017, the company sold a total of 139,763 units, comprising 127,999 units in the domestic market (+7.66%) and 11,764 units in exports (12.6%). In March, the six compact cars comprising the Swift, Ritz, Celerio, Ignis, Baleno and Dzire posted 29.7% growth at 60,699 units (March 2016: 46,786). Where Maruti is stretching the lead versus its competitors is in the UV segment, thanks to surging sales of the Vitara Brezza. Its total UV sales (Gypsy, Ertiga, S-Cross, Vitara Brezza) rose 31.8% YoY to 18,311 units (March 2016: 13,894).

**Hyundai Motor India**, which crossed the milestone of 5 million sales for the first time in a fiscal, sold 44,757 units in March, up 8.6 % YoY (March 2016: 41,201). The Grand i10, Elite i20 and Creta achieved record sales of over 10,000 units each in a single month.

**Mahindra & Mahindra**, sold 56031 units which was 6% increase. However the company sold 25352 PVs in March 2017, down 6% YoY (March 2016: 26,885),

**Honda Cars India** reported domestic sales of 18,950 units in March 2017, a year-on-year growth of 8.7% (March 2016: 17,430). New models like the 2017 City sedan and the WR-V crossover were major contributors to overall sales. While the City with 6,271 units was the biggest seller, the WR-V with 3,833 units was the next best. The others included the Jazz (3,527), Amaze (3,296), Brio (540), BR-V (1,436), CR-V (19) and the Accord Hybrid (28.)

**Tata Motors** recorded a 10% increase in overall sales at 2,56,341 units. It is riding a new wave of demand for its PVs, sold 15,433 units in the domestic market in March 2017, a growth of 84% over March 2016. The company says this is due to the continued strong demand for the Tiago hatchback. It has also received an encouraging customer response for its recently launched Hexa SUV and the Tigor.

Most of the prominent two-wheeler manufacturers have posted record sales as the last month of FY2016-17 came to end in the midst of rampant sales of BS III-compliant stock. Although the impact of the last minute clearance sale (of BSIII 2Ws on March 30-31) on the OEMs' monthly records remains unclear, the industry has indicated that it has managed to sell off the majority of its BS III inventory by offering heavy discounts.

**Hero MotoCorp** has reported sales of 609,951 units in March, up by a flat 0.56% YoY. The company had sold 606,542 units in March last year.

**TVS Motor Company's** sales at 10% higher to 2,56,341 over Mar'16. It has recorded total two-wheeler sales of 216,995 units in March 2017, up by 8.39 % YoY. It had sold 200,190 units in the domestic market in March last year. According to the company, its scooter sales grew by 23.5% at 84,173 units in March 2017. TVS Motor's total scooter sales stood at 68,161 units in March 2016. The motorcycle sales, on the other hand, grew by 10.3% increasing from 86,776 units sold in March 2016 to 95,671 units retailed in March 2017. The company has also conveyed that it has sold majority of its BS III-compliant stock during March 30 and 31.

**Bajaj Auto** has reported a decline of 11% YoY during March 2017. The Pune-based company sold 151,449 motorcycles last month as against 176,788 motorcycles that were retailed in March last year. The decline in Bajaj Auto's March sales can be attributed to its early upgrade to the BSIV emission standards, which in-turn had resulted into a hike across its product portfolio. The company, therefore, had lost some sales to the cheaper pricing (of BSIII compliant motorcycles) by its rivals.

Continuing its YoY growth, **Royal Enfield** has posted its best-ever month in March 2017, when it has reported domestic sales of 58,549 units, up by a handsome 16.96% YoY. It had sold 50,059 units in March last year.

## Total Figure

Name of Company	Mar-17	Mar-16	Change (in %)- (YoY)	Feb-17	Change (in %)- (MoM)
BAJAJ AUTO LTD	272197	305800	-10.99%	273513	-0.48%
TATA MOTORS LTD	51,309	46,701	9.87%	47,573	7.85%
MARUTI SUZUKI (INDIA) LTD	139763	129345	8.05%	130280	7.28%
MAHINDRA & MAHINDRA	56031	52718	6.28%	42714	31.18%
TVS MOTORS	256,341	232,517	10.25%	211,470	21.22%
EICHER MOTORS	60113	51,320	17.13%	58439	2.86%
ASHOK LEYLAND	18682	16,702	11.85%	14067	32.81%
HERO MOTOCORP LIMITED	609,951	606,542	0.56%	524,766	16.23%

## Export Figure

Name of Company	Mar-17	Mar-16	Change (in %)- (YoY)	Feb-17	Change (in %)- (MoM)
BAJAJ AUTO LTD	169279	204281	-17.13%	114404	47.97%
TATA MOTORS LTD	5,836	6356	-8.18%	4,894	19.25%
MARUTI SUZUKI (INDIA) LTD	11764	10,450	12.57%	9545	23.25%
MAHINDRA & MAHINDRA	2709	3751	-27.78%	2300	17.78%
TVS MOTORS	38,462	31,121	23.59%	38,215	0.65%
EICHER MOTORS	1,564	1,261	24.03%	1,702	-8.11%

## Total Domestic Sales (Excluding Export) Figure

Name of Company	Mar-17	Mar-16	Change (in %)- (YoY)	Feb-17	Change (in %)- (MoM)
BAJAJ AUTO LTD	102918	101519	1.38%	159109	-35.32%
TATA MOTORS LTD	45473	40345	12.71%	42679	6.55%
MARUTI SUZUKI (INDIA) LTD	127999	118895	7.66%	120735	6.02%
MAHINDRA & MAHINDRA	53322	48967	8.89%	40414	31.94%
TVS MOTORS	217879	201396	8.18%	173255	25.76%
EICHER MOTORS	58,549	50059	16.96%	56,737	3.19%

## TATA MOTORS

Name of Company	Mar-17	Mar-16	Change (in %)- (YoY)	Feb-17	Change (in %)- (MoM)
GLOBAL WHOLESALERS	129951	118750	9.43%	103064	26.09%
GLOBAL WHOLESALERS(JLR)	71609	64579	10.89%	54576	31.21%
Global Wholesales (Jaguar)	20492	13370	53.27%	16096	27.31%
Global Wholesales (Land Rover)	51117	51209	-0.18%	38480	32.84%

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