

Re-stocking aids in healthy volumes

Auto sales in Jul-17 were strong across segments, driven by price reduction and channel re-stocking post GST implementation. PVs continued to inch up in anticipation of strong festive demand, going ahead. A good monsoon and lower channel inventory aided healthy growth in 2Ws. Although dispatches were strong in CVs, weak replacement demand and subdued freight rates dented retail

PV: In top gear

- PVs continue to be on a strong footing, with double-digit growth (+17% YoY), led by MSIL (+23%), Toyota (+43%), Honda (+22%) M&M (+20%), Tata Motors (+10%).
- A good monsoon, revival in rural demand and the upcoming festive season will drive strong demand in the coming months.

2W: Battle for supremacy

- Hero continues to inch up (+17% YoY to 623k), while HMSI clocked volumes of 545k units. This indicates that the latter is in close competition with the industry leader.
- A good monsoon and revival in the rural economy (especially in UP, the largest market for 2Ws, with a share of 14%) will be key growth drivers.

CV: Demand revival on the cards?

- Despite strong wholesales, weak replacement demand and subdued freight rates are hurting retails.
- iEGR technology is helping Ashok Leyland gain market share in the domestic CV space.
- We believe higher dispatches may lead to an increase in receivable days of CV companies.

Source: Companies, HDFC sec Inst Research. * Hero/Bajaj sales include exports/3W volumes respectively. # AL and Eicher sales include export volumes

sales. In 3Ws, Atul Auto outperformed the industry with 7% growth YoY. A good monsoon, revival in rural demand and the festive season are near-term triggers for the industry. Our top picks are Maruti and M&M, owing to extensive distribution network and strong rural franchise. We also prefer Eicher and Force Motors, given the increasing preference for premium, stylish and differentiated vehicles.

Domestic PV Sales For Major Players

| Company | Jul-17 | Jul-16 | % YoY | Jun-17 | % MoM |
|---------------|----------------|----------------|--------------|----------------|--------------|
| Maruti Suzuki | 154,001 | 125,764 | 22.5% | 93,263 | 65.1% |
| Hyundai | 43,007 | 41,201 | 4.4% | 37,562 | 14.5% |
| M&M | 20,962 | 17,356 | 20.8% | 16,170 | 29.6% |
| Honda | 17,085 | 14,033 | 21.7% | 12,804 | 33.4% |
| Tata Motors | 14,933 | 13,547 | 10.2% | 11,176 | 33.6% |
| Toyota | 17,750 | 12,404 | 43.1% | 1,973 | 799.6% |
| Total | 267,738 | 224,305 | 19.4% | 172,948 | 54.8% |


Domestic 2W Sales For Major Players

| Company | Jul-17 | Jul-16 | % YoY | Jun-17 | % MoM |
|---------------|------------------|------------------|--------------|------------------|--------------|
| Hero Moto* | 623,269 | 532,113 | 17.1% | 624,185 | -0.1% |
| HMSI | 511,939 | 429,527 | 19.2% | 413,635 | 23.8% |
| TVS Motor | 219,396 | 206,605 | 6.2% | 200,116 | 9.6% |
| Bajaj Auto* | 187,127 | 198,022 | -5.5% | 126,975 | 47.4% |
| Royal Enfield | 64,459 | 53,378 | 20.8% | 63,160 | 2.1% |
| Total | 1,606,190 | 1,419,645 | 13.1% | 1,428,071 | 12.5% |

Domestic CV Sales For Major Players

| Company | Jul-17 | Jul-16 | % YoY | Jun-17 | % MoM |
|-----------------|---------------|---------------|--------------|---------------|-------------|
| Tata Motors | 27,842 | 24,242 | 14.9% | 25,678 | 8.4% |
| Ashok Leyland # | 11,981 | 10,492 | 14.2% | 12,330 | -2.8% |
| Eicher Motors # | 4,316 | 4,315 | 0.0% | 3,885 | 11.1% |
| Total | 44,139 | 39,049 | 13.0% | 41,893 | 5.4% |

TP Revision

| Company | TP | Chg | Reco |
|---------------|--------|---|------|
| Eicher Motors | 33,597 |  | BUY |

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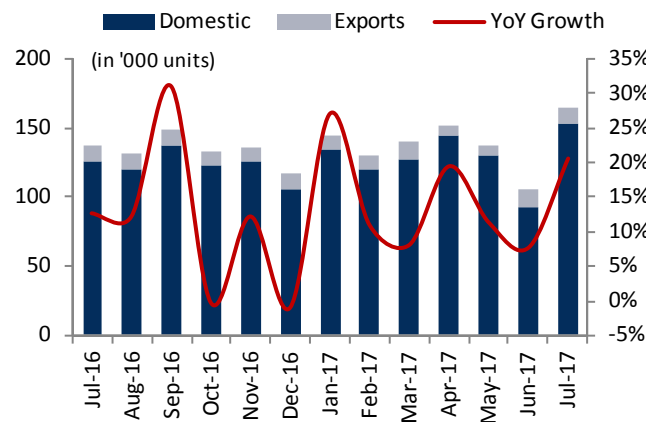
Maruti Suzuki India (CMP Rs 7,816, Market Cap Rs 2.4tn, BUY)

Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|--|----------------|----------------|--------------|----------------|----------------|--------------|---------------------|-------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Mini (Alto, Wagon-R) | 42,310 | 35,051 | 20.7% | 145,820 | 127,774 | 14.1% | | |
| Compact (Swift, Ritz, Dzire, Dzire Tour, Celerio, Baleno, Ignis) | 63,116 | 53,421 | 18.1% | 218,430 | 193,442 | 12.9% | | |
| Mid-size (Ciaz) | 6,377 | 5,162 | 23.5% | 22,075 | 18,852 | 17.1% | | |
| Total Passenger cars | 111,803 | 93,634 | 19.4% | 386,325 | 340,068 | 13.6% | | |
| Utility Vehicles (Gypsy, S-Cross, Ertiga, Vitara Brezza) | 25,781 | 17,382 | 48.3% | 82,906 | 56,730 | 46.1% | | |
| Vans (Omni, Eeco) | 15,714 | 14,748 | 6.6% | 51,453 | 51,306 | 0.3% | | |
| LCV (Super Carry) | 703 | 14 | 4921.4% | 1,748 | 14 | 12385.7% | | |
| Total Domestic Sales | 154,001 | 125,764 | 22.5% | 522,432 | 448,104 | 16.6% | 135,479 | 8.8% |
| Total Export Sales | 11,345 | 11,338 | 0.1% | 37,485 | 37,441 | 0.1% | 12,234 | 13.0% |
| Total Sales (Domestic + Export) | 165,346 | 137,102 | 20.6% | 559,917 | 485,545 | 15.3% | 147,713 | 9.1% |

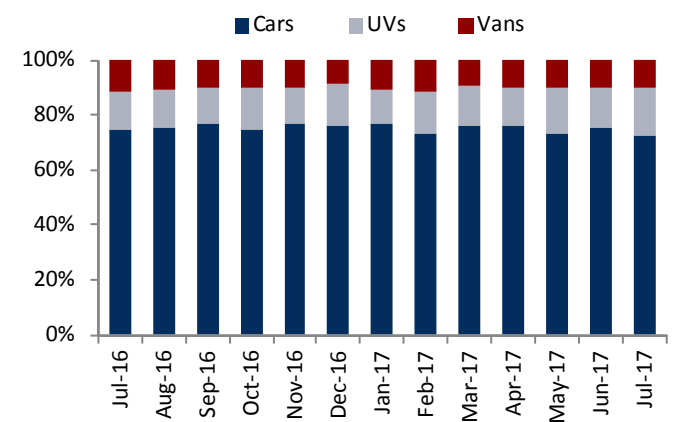
Source: Company, HDFC sec Inst Research

New Models Continue To Drive Sales



Source: Company, HDFC sec Inst Research

UVs' Mix Improved Substantially YoY & MoM



Source: Company, HDFC sec Inst Research

MSIL's total sales rose 21% YoY to 165k in July-17, driven by strong growth in Mini (+20.7%), Compact (+18%) and UV segment (+48.3%)

Domestic volumes jumped by 22.4% YoY to 154k units, owing to lower channel inventory and festive demand, while exports remain flat at 11.3k units

Going ahead, we expect the company to report healthy volume growth, supported by improvement in rural demand and high-waiting selling models like Brezza, Baleno and new Dzire

Steady market share improvement, rising rural contribution, reduced JPY exposure and improving share of premium products have improved MSIL's positioning considerably.

M&M reported strong growth in the automotive segment (+13% YoY to ~21k), offset by falling 3W volumes (-21% YoY to 3.8k)

PV sales were up 21% YoY, while LCV increased by 11% YoY, led by strong traction in pick-up sales

M&M will benefit the most with a likely pick-up in rural demand

Tractor volume growth was in high single digits, but that's commendable on a fairly large base

Management has indicated the benefits of a good monsoon, rollout of GST and good run-up to the festive season will result in robust growth in 2Q

Mahindra & Mahindra (CMP Rs 1,415, Market Cap Rs 835bn, BUY)

Auto Sales Volumes (In Units)

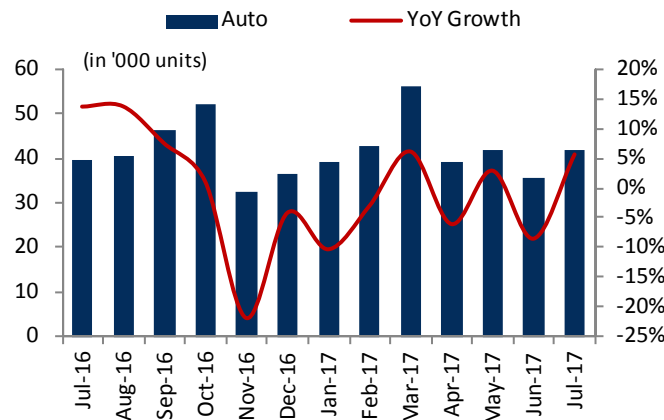
| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|-----------------------------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Passenger Vehicles | 20,962 | 17,356 | 20.8% | 76,747 | 76,716 | 0.0% | | |
| - Utility Vehicles | 19,152 | 15,962 | 20.0% | 72,234 | 71,871 | 0.5% | | |
| - Cars + Vans | 1,810 | 1,394 | 29.8% | 4,513 | 4,845 | -6.9% | | |
| Commercial vehicles | 15,023 | 13,168 | 14.1% | 61,475 | 52,764 | 16.5% | | |
| - LCV < 3.5T | 13,761 | 12,230 | 12.5% | 56,770 | 47,871 | 18.6% | | |
| - LCV > 3.5T | 605 | 556 | 8.8% | 2,632 | 3,021 | -12.9% | | |
| - MHCV | 657 | 382 | 72.0% | 2,073 | 1,872 | 10.7% | | |
| 3W (incl. Alfa) | 3,777 | 4,781 | -21.0% | 13,832 | 16,786 | -17.6% | | |
| Total Auto Sector (Dom.) | 39,762 | 35,305 | 12.6% | 152,054 | 146,266 | 4.0% | 43,723 | 8.3% |
| Exports (UV +3W) | 1,985 | 4,153 | -52.2% | 6,661 | 14,722 | -54.8% | 3,980 | 41.4% |
| Total Vehicles (Dom + Exp) | 41,747 | 39,458 | 5.8% | 158,715 | 160,988 | -1.4% | 47,703 | 10.4% |

Farm Equipment Segment Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|-----------------------------------|---------------|---------------|-------------|----------------|---------------|--------------|---------------------|-------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Domestic | 17,682 | 16,452 | 7.5% | 98,860 | 88,101 | 12.2% | 20,911 | 4.4% |
| Exports | 1,150 | 1,101 | 4.5% | 4,505 | 4,047 | 11.3% | 1,362 | 3.4% |
| Total Tractors (Dom + Exp) | 18,832 | 17,553 | 7.3% | 103,365 | 92,148 | 12.2% | 22,273 | 4.3% |

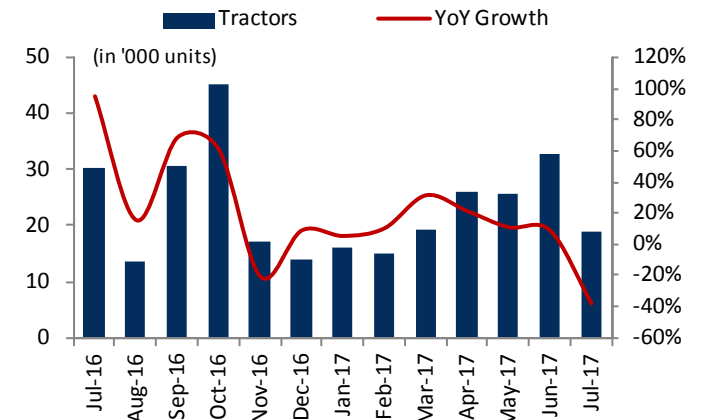
Source: Company, HDFC sec Inst Research

CV Volume Growth Led By Pick-ups



Source: Company, HDFC sec Inst Research

Tractor Volume Growth Momentum Continues



Source: Company, HDFC sec Inst Research

Bajaj's volumes were disappointing, with domestic volumes down 6% YoY to 186.5k, while exports dipped 8% YoY to 121.2k

Pulsar NX+RS family has sold 12k units in Jul-17 and targets 15k for Aug-17

12k units of KTM's higher-end bikes were produced at Chakan of which 10k were sold

Management expects strong numbers in Aug-17 on the back of festive season demand and new launches

Bajaj has commenced production of CT100 (Electric start) and indicated 40k units for Aug-17

Dominar 400 sales stood at 3k units in Jul-17, with a target of 4.5k units in Aug-17

Bajaj is targeting 24k 3W sales from Aug-17 led by pick-up in rural demand, and new permits from Maharashtra, Bangalore

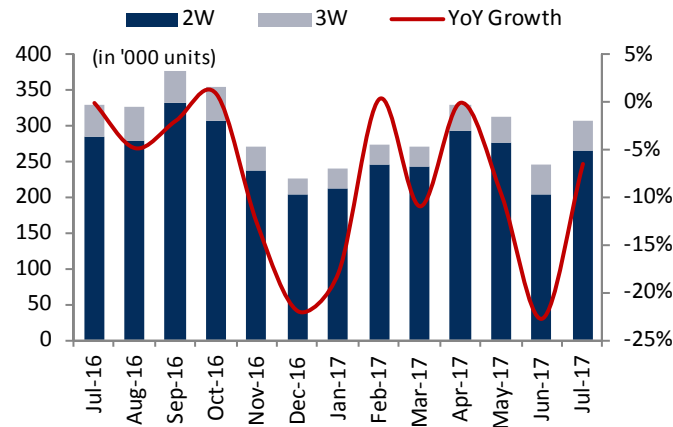
Bajaj Auto (CMP Rs 2,802, Market Cap Rs 811bn, BUY)

Bajaj Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|--------------|----------------|----------------|--------------|------------------|------------------|--------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Motorcycles | 265,812 | 285,527 | -6.9% | 1,041,526 | 1,158,067 | -10.1% | | |
| 3Ws | 42,545 | 44,306 | -4.0% | 155,265 | 166,499 | -6.7% | | |
| Total | 308,357 | 329,833 | -6.5% | 1,196,791 | 1,324,566 | -9.6% | 354,461 | 21.1% |
| Exports | 121,230 | 131,811 | -8.0% | 530,755 | 502,460 | 5.6% | 133,519 | 17.8% |
| Domestic | 187,127 | 198,022 | -5.5% | 666,036 | 822,106 | -19.0% | 220,942 | 23.2% |

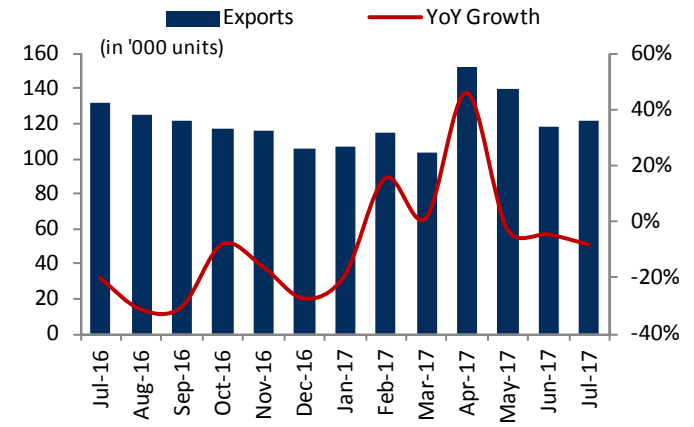
Source: Company, HDFC sec Inst Research

Weak 2W Volumes Dragged Overall Performance



Source: Company, HDFC sec Inst Research

Exports Were Weak



Source: Company, HDFC sec Inst Research

HMCL recorded 17% YoY increase in volumes to 623k units, led by strong retail off-take in key traditional markets and inventory build-up to meet festive demand

Management expects the strong demand momentum to continue, on expectations of a normal monsoon and new launches planned in FY18

We believe HMCL is the best pick, with a likely revival in the rural economy (especially in UP, the largest market for 2Ws, with a share of 14%), as ~50% of sales are in rural markets

Launch of six new models (including 125 CC scooters) in FY18E will provide much-needed support to volume growth

HMSI reported a strong month, with volumes of 545k units, and exports at an all-time high supported by increasing demand in countries like Latin America

Hero MotoCorp (CMP Rs 3,800, Market Cap Rs 759bn, BUY)

HMCL Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|--------------------|----------------|----------------|--------------|------------------|------------------|-------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Total sales | 623,269 | 532,113 | 17.1% | 2,472,644 | 2,277,502 | 8.6% | 608,325 | 10.9% |

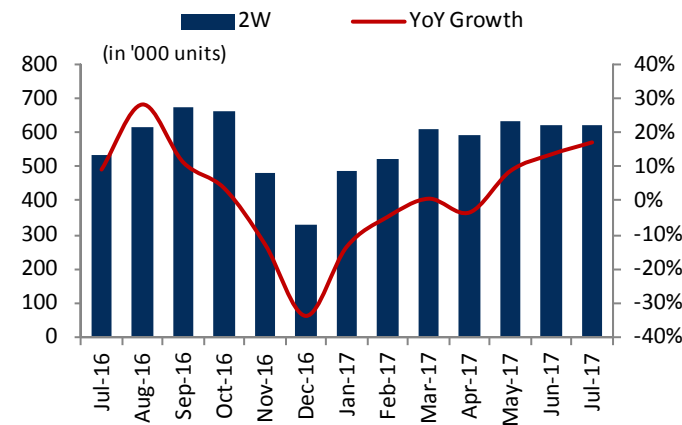
Source: Company, HDFC sec Inst Research

HMSI Sales Volumes (In Units)

| Particulars | July | | | YTD | | |
|--------------|----------------|----------------|--------------|------------------|------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change |
| Scooters | 343,878 | 309,144 | 11.2% | 1,317,678 | 1,106,332 | 19.1% |
| Motorcycles | 168,061 | 120,381 | 39.6% | 670,610 | 561,213 | 19.5% |
| Exports | 32,569 | 24,317 | 33.9% | 114,483 | 81,056 | 41.2% |
| Total | 544,508 | 453,842 | 20.0% | 2,102,771 | 1,748,601 | 20.3% |
| Domestic | 511,939 | 429,551 | 19.2% | 1,988,288 | 1,667,565 | 19.2% |

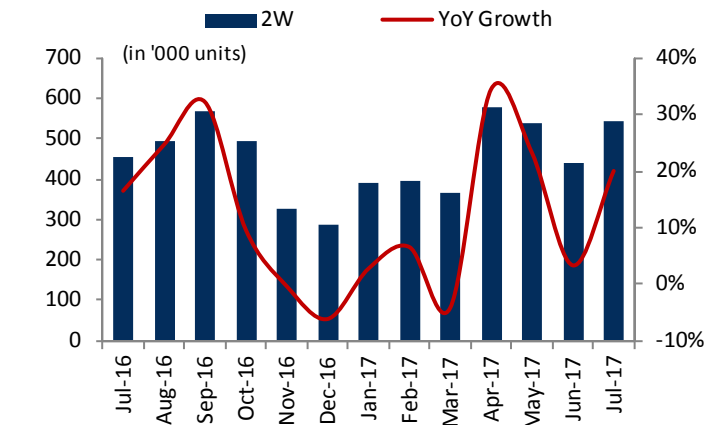
Source: Company, HDFC sec Inst Research

Hero Volume Picked Up Led By Re-stocking



Source: Company, HDFC sec Inst Research

HMSI's Vol Jump Aided By Growth In MC & Export



Source: Company, HDFC sec Inst Research

Ashok Leyland (CMP Rs 109, Market Cap Rs 311bn, Buy)

AL Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|--------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| MHCV | 9,026 | 8,182 | 10.3% | 28,903 | 32,207 | -10.3% | 11,426 | 12.7% |
| LCV | 2,955 | 2,310 | 27.9% | 11,573 | 9,448 | 22.5% | 3,142 | 12.6% |
| Total sales | 11,981 | 10,492 | 14.2% | 40,476 | 41,655 | -2.8% | 14,568 | 12.7% |

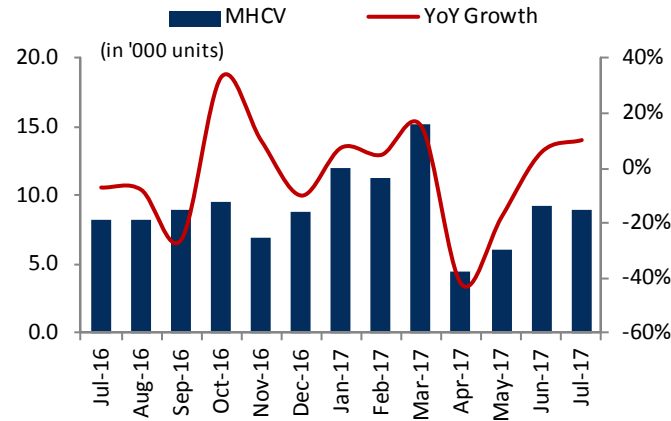
Source: Company, HDFC sec Inst Research

AL's July-17 volume increased by 14% YoY, led by 10% growth in MHCV and 28% growth in the LCV segment

Management indicated that iEGR technology (uses in-cylinder combustion management for reduced injection pressure leading to better engine life) has been received well by customers and is aiding in gaining market share

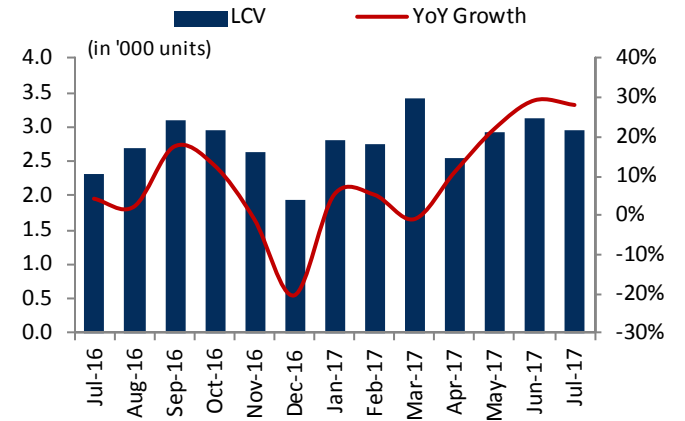
We estimate EPS CAGR at 32% over FY17-19E, on account of operating leverage benefit and reduction in interest cost

MHCV Volumes Improved On Re-stocking Post GST



Source: Company, HDFC sec Inst Research

LCV Volumes Showing Strong Recovery



Source: Company, HDFC sec Inst Research

Eicher Motors (CMP Rs 31,154, Market Cap Rs 844bn, BUY)

Eicher Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|----------------------|---------------|---------------|--------------|----------------|----------------|---------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Eicher LMD | 2,311 | 2,212 | 4.5% | 8,191 | 9,485 | -13.6% | | |
| Eicher HD | 995 | 1,028 | -3.2% | 2,806 | 4,751 | -40.9% | | |
| Eicher Buses | 1,010 | 1,075 | -6.0% | 4,820 | 5,993 | -19.6% | | |
| Total ETB | 4,316 | 4,315 | 0.0% | 15,817 | 20,229 | -21.8% | 5,641 | 22.7% |
| Royal Enfield | 64,459 | 53,378 | 20.8% | 248,457 | 200,861 | 23.7% | 65,471 | 13.6% |

Source: Company, HDFC sec Inst Research

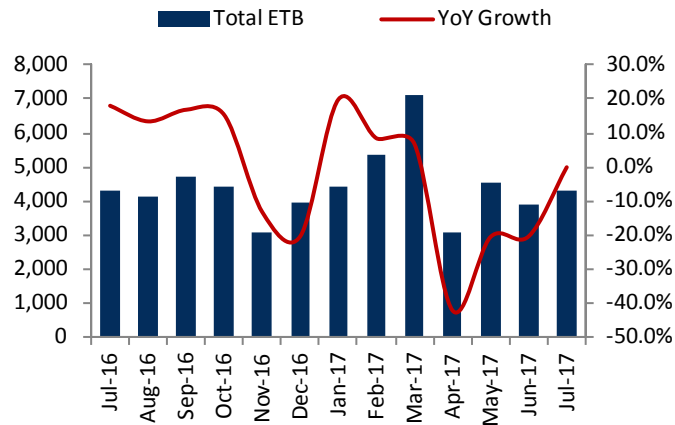
Eicher's Truck and Bus segment were flat for the month of Jul-17

Growth in LMD segment of 5% YoY was offset by 3/6% YoY drop in HD and Bus segments

RE reported another strong month, with volume growth at 21%

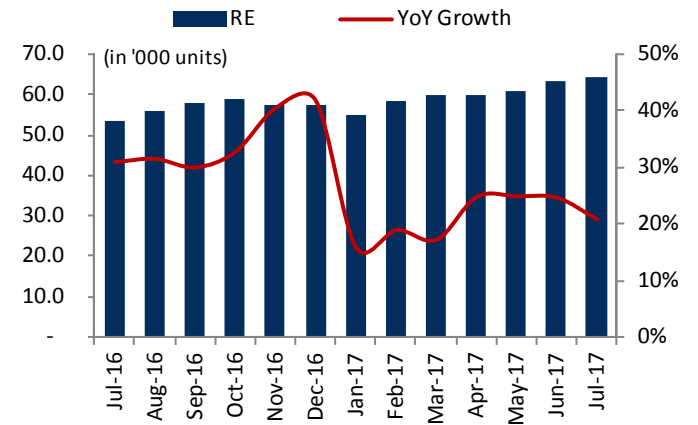
We have rolled-forward our TP to Jun-19E to Rs 33,597

ETB Volume Came In Flat



Source: Company, HDFC sec Inst Research

RE Volumes Continue To Rally



Source: Company, HDFC sec Inst Research

Total volumes improved 7% YoY, owing to a recovery in CVs and continued strong demand for its new PV launches

Growth in PV volumes (+10% YoY) was led by strong demand for the newly-launched Hexa

M&HCV segment saw a rebound in Jul-17, and witnessed a pick-up in demand and availability because of continued production ramp-up

I&LCV truck segment also grew 28% YoY to 3.4k units, owing to a good response to the new Ultra range and the new BS4 range in other products

SCV cargo and pickup segment continued its growth momentum owing to a good response to Ace XL, Mega XL, Zip XL and Tata Yodha

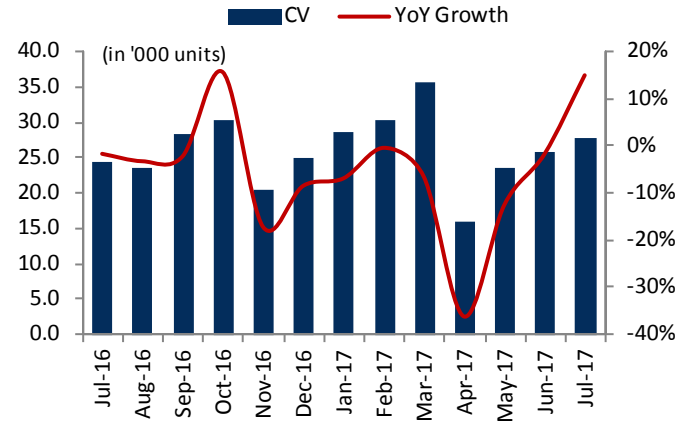
Tata Motors (CMP Rs 440, Market Cap Rs 1.5tn, BUY)

TTMT Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|---------------------|---------------|---------------|-------------|----------------|----------------|--------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | 2017 | 2016 |
| Commercial Vehicles | 27,842 | 24,242 | 14.9% | 67,465 | 75,034 | -10.1% | 32,918 | 3.1% |
| Passenger Vehicles | 14,933 | 13,547 | 10.2% | 49,791 | 45,513 | 9.4% | 16,830 | 33.3% |
| Exports | 3,441 | 5,371 | -35.9% | 12,973 | 19,187 | -32.4% | 6,138 | 7.3% |
| Total | 46,216 | 43,160 | 7.1% | 130,229 | 139,734 | -6.8% | 55,885 | 11.2% |

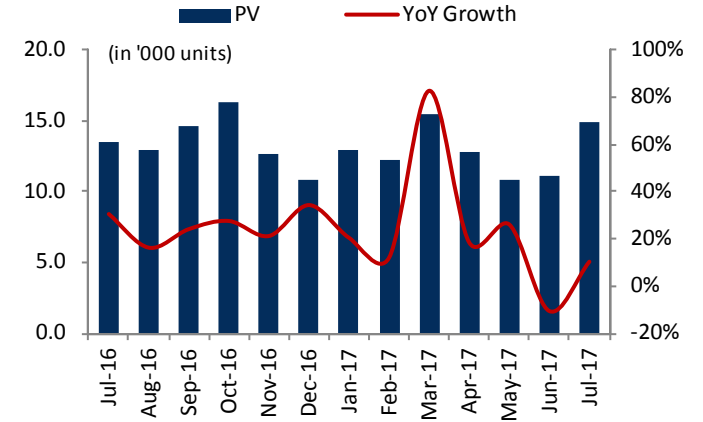
Source: Company, HDFC sec Inst Research

MHCV Volumes Witnessed A Strong Rebound



Source: Company, HDFC sec Inst Research

PV Vols Aided By Strong Demand For Hexa



Source: Company, HDFC sec Inst Research

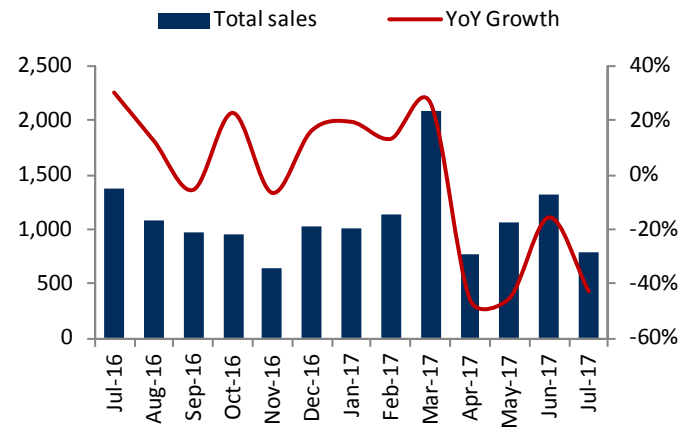
SML Isuzu (CMP Rs 1,054, Market Cap Rs 15bn, BUY)

SML Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|--------------------|------------|--------------|---------------|--------------|--------------|---------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | Monthly | % YoY |
| Total sales | 788 | 1,368 | -42.4% | 3,928 | 6,261 | -37.3% | 1,477 | 36.8% |

Source: Company, HDFC sec Inst Research

SML's Volume Drop Led By Low Channel Inventory



Source: Company, HDFC sec Inst Research

SML's total volume fell by 42% YoY to 788 units, as the company was cautious while re-stocking at the dealer level, considering the weak replacement demand and subdued freight rate in the near-term

SML's current channel inventory stands at 20 days vs normal inventory days of 30-35 days

We expect volume to recover in 2HFY18 on the back of pick up in school bus segment, mining and construction activities

We cut our EPS estimates for FY18E by 25%, factoring in disappointing volumes in 1HFY18. We retain FY19 numbers intact

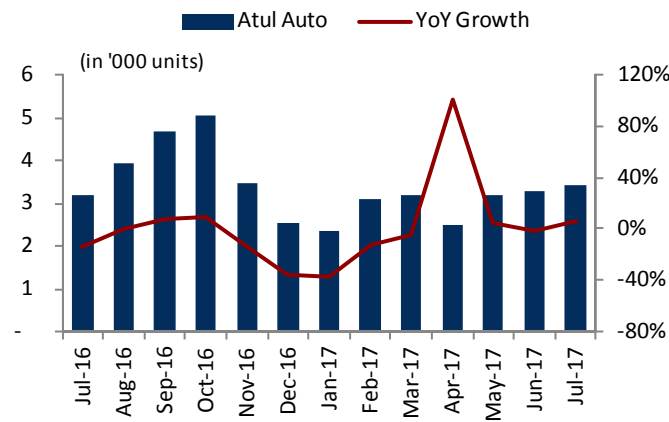
Atul Auto (CMP Rs 437, Market Cap Rs 10bn, BUY)

AAL Sales Volumes (In Units)

| Particulars | July | | | YTD | | | Ask rate for 8MFY18 | |
|--------------------|--------------|--------------|-------------|---------------|---------------|--------------|---------------------|--------------|
| | 2017 | 2016 | % Change | FY18 | FY17 | % Change | 2017 | 2016 |
| Total Sales | 3,402 | 3,180 | 7.0% | 12,376 | 10,786 | 14.7% | 4,241 | 21.1% |

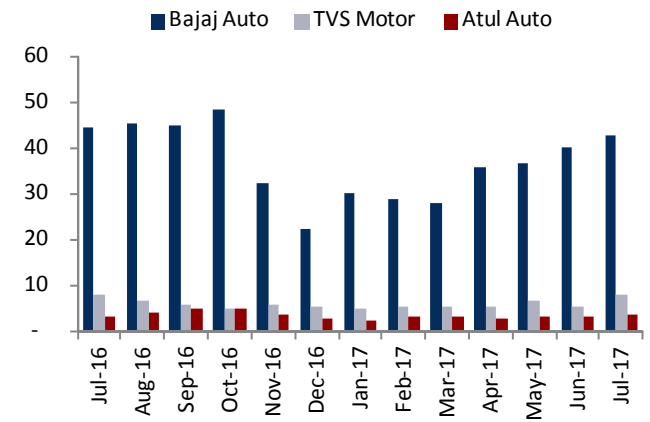
Source: Company, HDFC sec Inst Research

AAL's Monthly Volume Trend



Source: Company, HDFC sec Inst Research

Major 3W OEMs Volume Trend*



Source: Company, HDFC sec Inst Research

*These 3 companies account for 70% of total 3W volume

Atul Auto's vols increased to 3.4k units (+7% YoY) in Jul-17

The future performance of the company will be driven by a revival in rural demand, backed by a better monsoon, government's increased focus on this sector and pan-India launch of gasoline and electric 3Ws in FY18E

Peer Valuations

| | MCAP (Rs/bn) | CMP (Rs/sh) | Reco | TP | Adj EPS (Rs/sh) | | | P/E (x) | | | EV/EBITDA (x) | | | RoE (%) | | |
|---------------|-----------------|----------------|------|--------|-----------------|-------|---------|---------|-------|-------|---------------|-------|-------|---------|-------|-------|
| | | | | | FY17 | FY18E | FY19E | FY17 | FY18E | FY19E | FY17 | FY18E | FY19E | FY17 | FY18E | FY19E |
| Maruti Suzuki | 2,361 | 7,816 | BUY | 8,478 | 242.9 | 272.4 | 353.3 | 32.2 | 28.7 | 22.1 | 22.7 | 19.6 | 15.0 | 23.2 | 22.4 | 26.3 |
| Tata Motors | 1,493 | 440 | BUY | 542 | 30.2 | 34.6 | 49.3 | 14.6 | 12.7 | 8.9 | 6.9 | 4.8 | 3.7 | 12.2 | 12.7 | 15.8 |
| Eicher Motors | 844 | 31,154 | BUY | 33,597 | 624.3 | 804.9 | 1,010.0 | 49.9 | 38.7 | 30.8 | 36.5 | 28.9 | 23.4 | 39.4 | 38.9 | 39.3 |
| M&M | 835 | 1,415 | BUY | 1,556 | 56.6 | 75.8 | 86.4 | 25.0 | 18.7 | 16.4 | 14.0 | 11.8 | 9.3 | 14.4 | 17.5 | 17.7 |
| Bajaj Auto | 811 | 2,802 | BUY | 3,296 | 132.3 | 143.2 | 167.4 | 21.2 | 19.6 | 16.7 | 15.3 | 13.2 | 11.0 | 25.3 | 23.4 | 24.7 |
| Hero Motocorp | 759 | 3,800 | BUY | 4,250 | 169.1 | 182.3 | 208.6 | 22.5 | 20.8 | 18.2 | 15.4 | 14.1 | 12.3 | 35.6 | 33.9 | 34.9 |
| Ashok Leyland | 311 | 109 | BUY | 118 | 4.3 | 5.0 | 7.5 | 25.4 | 21.8 | 14.5 | 27.6 | 24.8 | 17.7 | 6.0 | 6.3 | 8.2 |
| Force Motors | 53 | 4,018 | BUY | 5,186 | 137.3 | 154.2 | 241.2 | 29.3 | 26.1 | 16.7 | 19.7 | 17.1 | 11.2 | 11.4 | 11.5 | 15.8 |
| SML Isuzu | 15 | 1,054 | BUY | 1,325 | 43.4 | 48.2 | 66.2 | 24.3 | 21.9 | 15.9 | 14.4 | 15.8 | 9.4 | 16.9 | 16.5 | 20.0 |
| Atul Auto | 10 | 437 | BUY | 528 | 17.7 | 26.2 | 31.1 | 24.6 | 16.7 | 14.1 | 13.9 | 9.8 | 8.1 | 23.1 | 28.5 | 27.7 |

Source: Company, HDFC sec Inst Research

Prices of CRC, lead and rubber have gone up, but we believe this can be offset by the strengthening INR and marginally lower aluminium prices

We also believe the effect of price hikes taken by OEMs post GST implementation will be visible in margins only in 2Q

Depreciation of JPY will continue to support MSIL's strong margin trajectory

Quarterly Average Price Trends For Key Commodities

| Commodities | 2QFY16 | 3QFY16 | 4QFY16 | 1QFY17 | 2QFY17 | 3QFY17 | 4QFY17 | 1QFY18 | QTD |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| CRC (USD/MT) | 431 | 634 | 574 | 509 | 493 | 625 | 674 | 553 | 628 |
| LME Aluminium (USD/MT) | 1,594 | 1,494 | 1,515 | 1,572 | 1,620 | 1,710 | 1,851 | 1,905 | 1,902 |
| LME Lead (USD/MT) | 1,718 | 1,682 | 1,740 | 1,718 | 1,873 | 2,138 | 2,277 | 2,154 | 2,272 |
| Brent (USD/bbl) | 50 | 43 | 35 | 46 | 46 | 50 | 54 | 50 | 49 |
| RSS4 (Rs/MT) | 11,846 | 10,873 | 9,989 | 13,215 | 13,502 | 12,530 | 15,201 | 13,098 | 13,291 |

| % QoQ | 2QFY16 | 3QFY16 | 4QFY16 | 1QFY17 | 2QFY17 | 3QFY17 | 4QFY17 | 1QFY18 | QTD |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| CRC (USD/MT) | (15.3) | 47.0 | (9.4) | (11.3) | (3.2) | 26.7 | 7.8 | (18.0) | 13.6 |
| LME Aluminium (USD/MT) | (9.8) | (6.3) | 1.4 | 3.8 | 3.0 | 5.6 | 8.2 | 2.9 | (0.2) |
| LME Lead (USD/MT) | (11.3) | (2.1) | 3.4 | (1.3) | 9.1 | 14.1 | 6.5 | (5.4) | 5.5 |
| Brent (USD/bbl) | (19.2) | (13.7) | (20.3) | 33.4 | (0.4) | 9.3 | 7.9 | (7.2) | (2.5) |
| RSS4 (Rs/MT) | (6.1) | (8.2) | (8.1) | 32.3 | 2.2 | (7.2) | 21.3 | (13.8) | 1.5 |

Source: Bloomberg, HDFC sec Inst Research

Quarterly Average Currency Exchange Rates

| Currency | 2QFY16 | 3QFY16 | 4QFY16 | 1QFY17 | 2QFY17 | 3QFY17 | 4QFY17 | 1QFY18 | QTD |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| USD-INR | 64.97 | 65.93 | 67.51 | 66.92 | 66.96 | 67.43 | 66.99 | 64.48 | 64.39 |
| EUR-INR | 72.27 | 72.22 | 74.42 | 75.56 | 74.76 | 72.75 | 71.33 | 70.97 | 74.44 |
| GBP-INR | 100.70 | 100.04 | 96.67 | 96.08 | 88.01 | 83.78 | 82.95 | 82.50 | 83.83 |
| EUR-USD | 1.11 | 1.10 | 1.10 | 1.13 | 1.12 | 1.08 | 1.06 | 1.10 | 1.16 |
| GBP-USD | 1.55 | 1.52 | 1.43 | 1.44 | 1.31 | 1.24 | 1.24 | 1.28 | 1.30 |
| USD-JPY | 122.24 | 121.41 | 115.25 | 107.97 | 102.37 | 109.45 | 113.71 | 111.11 | 112.23 |
| JPY-INR | 0.53 | 0.54 | 0.59 | 0.62 | 0.65 | 0.62 | 0.59 | 0.58 | 0.57 |

| % QoQ | 2QFY16 | 3QFY16 | 4QFY16 | 1QFY17 | 2QFY17 | 3QFY17 | 4QFY17 | 1QFY18 | QTD |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| USD-INR | 2.3 | 1.5 | 2.4 | (0.9) | 0.1 | 0.7 | (0.7) | (3.7) | (0.1) |
| EUR-INR | 2.8 | (0.1) | 3.0 | 1.5 | (1.1) | (2.7) | (1.9) | (0.5) | 4.9 |
| GBP-INR | 3.6 | (0.7) | (3.4) | (0.6) | (8.4) | (4.8) | (1.0) | (0.5) | 1.6 |
| EUR-USD | 0.5 | (1.5) | 0.7 | 2.4 | (1.1) | (3.3) | (1.3) | 3.4 | 5.0 |
| GBP-USD | 1.1 | (2.1) | (5.7) | 0.3 | (8.5) | (5.5) | (0.3) | 3.4 | 1.7 |
| USD-JPY | 0.7 | (0.7) | (5.1) | (6.3) | (5.2) | 6.9 | 3.9 | (2.3) | 1.0 |
| JPY-INR | 1.7 | 2.1 | 7.8 | 5.9 | 5.5 | (5.7) | (4.5) | (1.5) | (1.1) |

Source: Bloomberg, HDFC sec Inst Research

Rating Definitions

| | | |
|---------|---|---|
| BUY | : | Where the stock is expected to deliver more than 10% returns over the next 12 month period |
| NEUTRAL | : | Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period |
| SELL | : | Where the stock is expected to deliver less than (-)10% returns over the next 12 month period |

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