

Perfect time to enter markets now? 15 stocks for your shopping list

NEW DELHI: The markets have fallen about 3,000 points from their record high of 30K. The Sensex has actually erased gains made so far in the year 2015, both in rupee as well as in dollar terms. So, is this the right time to enter markets? Definitely yes, say experts.

"The growth story in India is strong and consistent, and the Indian markets are in a structural global bull run. So with that background, India is poised to do well," says D K Aggarwal, CMD, SMC [Investments](#) and Advisors Ltd.

"Therefore, it is advised to investors to accumulate stocks. The meaning thereby is that investors should buy on every dip. They can enter the markets at current levels, but for a long term," he adds.

Both domestic as well as global factors have weighed on the Indian markets. So, it will be fair to say that nothing is going right for the Indian markets, at least for now. But analysts are still not giving hope, and say that India still remains a long-term story despite near-term weakness.

Long-term investors should actually use the current weakness to buy into quality stocks, to build a long-term portfolio. In fact, it is the best time for investors who missed out the rally back in 2014.

After the correction in the past few days, there are certain stocks which are currently at very attractive valuations and thus provide downside protection.

The sell-off in the recent days has come on the back of concerns that have cropped up with respect to the MAT issue pertaining to the FIIs.

"To some extent a selloff in global sovereign bonds has also ruined the confidence among investors. Actually, the investors were worried that it might trigger profit-taking in other asset classes too," added D K Aggarwal.

Moreover, the muted earnings growth shown by Indian companies in Q4 and below normal monsoon predication by IMD have also spooked the confidence of market participants.

"Most of the companies witnessed significant rerating in their valuation multiples during the past 12-18 months. However, earnings growth had not caught up yet," says Tushar Pendharkar, Equity Strategist, Right Horizons Financial Services.

Assuming investors want to enter with a long-term view without using leverage, margin or derivatives, even at the market peak of Sensex at 30000 there were many companies available below their intrinsic value, say experts.

But now, even at lower levels there will be many more companies which are available below their intrinsic values.

"Well, the only people who understand the concept of value investing can accept the fact that after they buy, their portfolio could fall in value, and that is fine as long as they are holding good-quality stocks below their intrinsic value," says Dr. Vikas Gupta, EVP & [Fund Manager](#), Arthveda Fund Management Pvt Ltd.

"People with a minimum 3 to 5-year outlook are the only ones we can address. Others should follow momentum traders and technical analysts," he adds.

We have collated a list of stocks from various experts to buy on every dip for a period of 6-12 months:

Vivek Gupta of CapitalVia	D K Aggarwal of SMC	Tushar of Right Horizons
HUL	Jyothy Laboratories	Maruti Suzuki
Bharti Airtel	Jagran Prakashan	Sun Pharmaceutical
AB Nuvo	Indiabulls Housing Finance	ITC
HCL Technologies	UPL	Infosys Ltd
McLeod Russel	Voltas	Axis Bank Ltd

Vivek Gupta, CMT - Director Research, CapitalVia Global Research Limited

HUL Futures

Hindustan Unilever has recently given a strong bounce back post the continuous downside rally, and now is very well sustaining above the 200-days moving average. It is trading with an RSI of 44 and further upside movement can be expected. If it manages to sustain above the levels of 888, buying can be initiated for long-term targets of 955 and above. A strict SL order should be placed at 830.

Bharti Airtel Futures

Technically, the stock is looking good on charts for a strong up-move. It has already tested its 50 & 200-day moving average and bounced back. Airtel is trading below its falling trend line with a positive biasness. If it manages to cross the level of 410, buying positions can be initiated for the targets of 435 and above. SL order should be followed at the level of 400.

AB Nuvo Futures

Markets witnessed a huge fall in the past week. Nifty futures breached its 8000 mark, but Aditya Birla Nuvo managed to sustain at the higher level. The stock is looking positive on charts and has positive strength for a further up-move. One can initiate buying positions in this stock above the levels of 1857 for the long-term targets of 2000 and above. SL to be marked is at 1760.

HCL Technologies Futures

The stock is technically as well as fundamentally looking very strong. A falling rupee can prove to be a boost for the up-move in HCL Technologies. Technically, the stock has bounced from its support zone and has tested its falling trend line, and if it manages to cross the level of 935, one can initiate buying positions for the targets of 1075 and above. SL is at 860.

McLeod Russel Futures

McLeod Russel Futures is technically looking strong on chart as it is very well managed to bounce back from its support zone and sustaining below its falling trend line. If it crosses this trend line in the near future, a strong up-move can be expected. One can buy this stock above the levels of 247 for the long-term targets of 275 and above. SL should be strictly marked at the levels of 234.

D K Aggarwal, CMD, SMC Investments and Advisors Ltd.

Jyothy Laboratories Limited

The company continues to deliver superior value and strong performances through various measures such as healthy innovation pipeline, aggressive brand investment and focus on improvement of margin. The management said the fall in raw material cost will help the

company to see improvement in gross margin by 400 bps on YoY basis in Q4, out of which, it will retain 50% and 50% of it will be spent on advertisement and consumer promotion.

Jagran Prakashan Limited

Over the years, the company has gained strong foot print in the media and communications space. During the quarter ended December 2014, advertisement revenue was up by 6% to Rs 338.35 crore. Circulation revenue was up by 8% to Rs 100 crore.

In the coming quarter, the management expects to repeat the performance in the next year and expects to improve it further. Going forward, it is expected to benefit from the expansion in regional language newspaper readership and growth in ad revenue.

Indiabulls Housing Finance Limited

The fast growing housing finance company posted healthy results with the positive outlook of the confident management due to macro economic factors. The management expects the company to maintain 20-25% growth in all financial parameters in FY2016 and is 'confident' to touch the balance sheet level of Rs 1 lakh crore by FY2018. Cash position will continue to be at 15-20% of the assets in FY2016. The company has borrowings target of Rs 12000 crore for FY2016, of which about Rs 6000 crore would be raised through bonds, Rs 2500 crore from sell down and Rs 3500 crore through ECBs/bank term loans.

UPL Ltd

It has a well-diversified revenue base, with presence across key markets, viz Latam, the US, EU, India and the rest of the world (RoW). The company continues to focus on new product launches across geographies to drive growth. The management continues to guide for 12-15% revenue growth, led by volumes and operating margin improvement by 60-100 bps. Working capital is expected to remain in the band of 90-105 days. The company has a target of achieving \$4 bn sales in the next 4 years.

Voltas Ltd

The company has good opportunity for growth under strong brand presence coupled with expansive dealership network. The company boasts a strong balance sheet with sufficient reserves, low debt and consistent working capital. Going forward, owing to revenue growth, earnings per share of the company are expected to expand from 9.12 in FY15 to 11.66 in FY16.

Tushar Pendharkar, Equity Strategist, Right Horizons Financial Services.

Maruti Suzuki India Ltd

MSIL sold 1,170,702 vehicles in the domestic market during FY15 and reported a volume growth of 11.11% during the year due to successful launch of Celerio and Ciaz, sustained performance in existing brands and stellar sales recorded in Omni and Eeco. In addition, the company exported 121,713 vehicles during the year and posted a growth of 20.09%. Despite sluggish market conditions, MSIL sustained a consistent improvement in sales volumes. The company is expected to report 15-20% volume growth in FY16 and event better in FY17.

Sun Pharmaceutical Industries Ltd

After the acquisition of Ranbaxy, Sun Pharma has become one of the largest pharma companies in the global market and is looking for further expansion through the inorganic route. A long-term outlook for the company is strong and it could be a consistent performer.

ITC Ltd

ITC is currently trading at the TTM P/E of 26-27x, which is one of the lowest in the FMCG industry and significantly lower than the industry average of 35x. the company enjoys almost monopoly in the cigarette segment and is significantly expanding its business in the food segment.

Infosys Ltd

The appointment of Vishal Sikka as the new CEO could transform Infosys from a old-fashioned promoter-based company to a professionally-operating company. The new management may utilize the huge cash pile lying on the balance sheet to make few strategic acquisitions.

Axis Bank Ltd

AXIS is in the growth mode and has reported better-than-expected numbers in the recent quarter. Despite stellar performance in the past several quarters, AXIS is still trading at TTM P/B 2.8-2.9x and NTM P/B of 2.4-2.5x, which is significantly lower than its peers such as

HDFC Bank, Kotak Mahindra and Indusind Bank.

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