

## SBI YEARLY INDEX IS IN CONTRACTION MODE IN JULY 2019

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### SBI YEARLY COMPOSITE INDEX IS AT 48.7 IN JULY 2019

- The yearly SBI Composite Index for Jul'19 declined further and is at 48.7 (Low Decline) compared to 49.7 (Low Decline) in Jun'19. While, the monthly SBI Composite index remained volatile and is at 51.03 (Low Growth) in Jul'19 compared to 46.01 (Low Decline) in Jun'19.
- The SBI Composite Index, a leading indicator for manufacturing activities in the Indian Economy aims to foresee the periods of contraction and expansion. The Composite Index has mainly two indices i.e. SBI Monthly Composite Index and SBI Yearly Composite Index. We believe both IIP & IIP Manufacturing growth will be around 2% in June & July 2019.

### CORPORATE RESULTS: Q1FY20 UPDATE

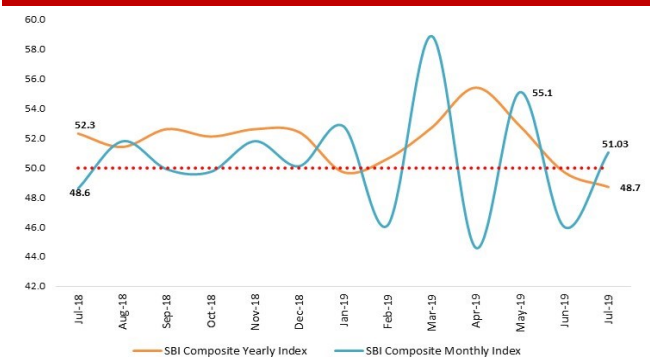
- Going by 460 listed companies announcing results, the top 5 sectors that reported all-round Y-o-Y growth in financial performance in Q1FY20 over Q1FY19 are stated hereunder. One may need to reckon the service sector viz., Entertainment amongst top performing sector. Hence, any consumption story needs to factor three sectors viz., FMCG, Entertainment and Alcoholic Beverages as a complete package, rather than look each of them in isolation. The numbers below exhibit that overall, growth in topline, midline and bottom-line based on 460 companies that announced results for Q1FY20.
- In FMCG, 10 companies reported quarterly numbers. While topline witnessed single digit growth, PBIDT and reported PAT saw double digit growth.
- Sectors that underperformed include Mining and Mineral Products, Print / TV (Media) and Power generation.

### How to Read SBI Composite Index

Index Value	Read as
Less than 42	Large Decline
42 to 46	Moderate Decline
46 to 50	Low Decline
50 to 52	Low Growth
52 to 55	Moderate Growth
55 & Above	High Growth

Source: SBI Research

### Graph 1: SBI Yearly and Monthly Composite Index Trend



Source: SBI Research

### Graph 2: SBI Yearly and Monthly Composite Index Trend



Source: SBI Research

### Corporate Results: Q1FY20

Sector	Net Sales Q1FY20	PBIDTA Q1FY20	RPAT Q1FY20	Net Sales (YoY %)	PBIDTA (YoY %)	RPAT (YoY %)
Cables	3354	565	272	25.9	35.6	46.1
Entertainment	3787	1425	640	15.6	46.0	52.3
Plantation & Plantation Products	632	169	113	6.2	70.0	98.6
Capital Goods - Non Electrical Equipment	2138	305	129	16.0	25.3	41.0
Alcoholic Beverages	2736	463	148	7.7	56.5	28.5
FMCG	14936	3815	2337	7.7	17.4	12.4

Source: C-Line; All Rs. Cr; Standalone results reported; RPAT: Reported PAT

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