

India

Neutral (no change)

Highlighted Companies

Titan Co Ltd

ADD, TP Rs3150, Rs3144 close

Jewellery remains a resilient segment in the discretionary basket. Titan's 1Q revenue growth (yoy/4-year CAGR) is far superior compared to other discretionary categories.

Dabur India Ltd

ADD, TP Rs585, Rs572 close

Dabur's 1Q revenue performance has seen a marked improvement on a sequential basis in all their major segments, except beverages, and is expected to report high-single-digit domestic sales growth with a better-than-previously-expected EBITDA margin.

Jyothy Labs Limited

ADD, TP Rs260, Rs238 close

Jyothy Labs' expected sales growth should be in the top quartile among HPC players with a sequential margin expansion and the possibility of a positive surprise.

Summary Valuation Metrics

P/E (x)	Mar22-A	Mar23-A	Mar24-F
Titan Co Ltd	128.83	86.12	71.35
Dabur India Ltd	56.02	59.32	49.69
Jyothy Labs Limited	53.99	36.48	29.38

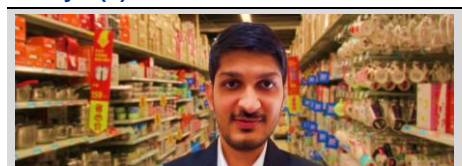
P/BV (x)

	Mar22-A	Mar23-A	Mar24-F
Titan Co Ltd	30.05	24.15	19.53
Dabur India Ltd	12.07	11.3	10.04
Jyothy Labs Limited	6.06	5.65	5.29

Dividend Yield

	Mar22-A	Mar23-A	Mar24-F
Titan Co Ltd	0.24%	0.35%	0.42%
Dabur India Ltd	0.96%	0.91%	0.94%
Jyothy Labs Limited	1.68%	1.05%	2.21%

Analyst(s)



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Consumer Staples - Overall

1QFY24 results preview

- We expect value-volume divergence for the staples pack to narrow in 1QFY24F as volume growth is steady while pricing growth tapers off. No visible recovery is seen in rural markets while urban demand is steady. We expect the paints pack to sustain double-digit volume growth, albeit a tad lower than 4Q.
- Commodity price tailwinds will result in gross margin improvement with a resultant rise in ad spending as well. Paint companies are expected to report very strong EBITDA/PAT growth as the rebating intensity remains benign.
- We expect staples/paints pack to report 9%/9.4% revenue growth and 16.7%/36.2% EBITDA growth, respectively, in 1QFY24F.

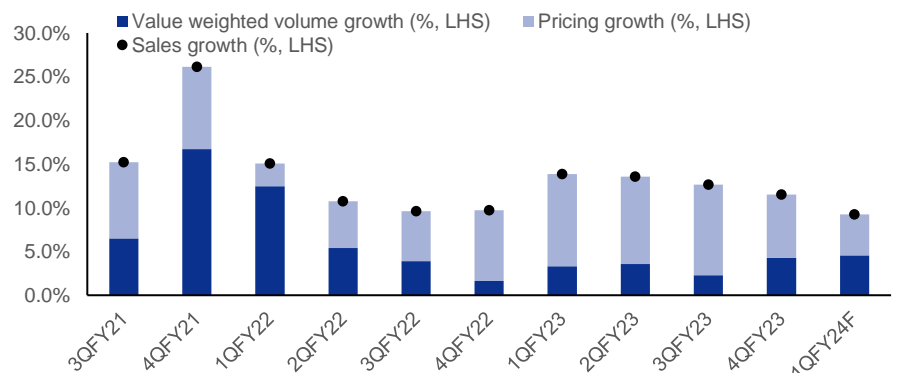
Margin expansion to drive earnings growth for the staples segment

Revenue growth of the staples universe (aggregate) is likely to decelerate to high single-digit as pricing growth tapers off (pricing in the base and cuts in categories like soaps/laundry) at a faster pace while volume recovery is not enough to compensate for the same. Rural demand remains soft while urban demand remains steady. Companies with a higher tilt towards the summer portfolio (HMN) may be impacted. Margin expansion for the coverage universe, on a low base of 1QFY23, will look impressive. However, on a sequential basis, EBITDA margins are likely to be flat as the benefits from gross margin expansion will be reinvested back by way of spending on advertisements (refer fig 3-5). On a qoq basis, we expect aggregate EBITDA margin contraction of 10bp (up 150bp yoy). We expect NEST to lead the sector's growth while MRCO is expected to report a decline. DABUR's performance is expected to witness a marked improvement (revenue & EBITDA) on a sequential basis. Positive surprises may come from 1) HUL/BRIT reporting higher-than-estimated volume growth of 4%/3.5%, respectively, and 2) JYL/NEST posting a better-than-estimated EBITDA margin expansion.

Paints pack to deliver strong earnings; Titan to retain its shine

We expect paint companies to continue their double-digit volume growth momentum, albeit a tad lower than in 4QFY23. We expect volume growth to be in the 10-12% range and sales growth at 9.4%. Input costs have been favourable while rebating has been benign. We expect paint companies (including PIDI) to retain a larger part of cost benefits in 9MFY24F, before the competition intensifies in 4QFY24F, leading to healthy EBITDA growth. We estimate PIDI to report 50% EBITDA growth while APNT, BRGR and KNPL to post 34%/24%/28% EBITDA growth, respectively. In the discretionary basket, the jewellery segment's growth remains resilient. TTAN will deliver another strong quarter led by its jewellery business, which is expected to grow 21% yoy (4-year CAGR of 24%). Negative surprises can stem from a lower-than-estimated EBITDA margin for paints companies and PIDI.

Figure 1: Pricing growth continues to taper off while volume recovery is not commensurate, resulting in domestic sales growth likely to taper off to 8.9% in 1QFY24F (vs. 12.6%/11.5% in 3Q/4QFY23, respectively)



NOTE: BASED ON AGGREGATE SALES (STANDALONE) FOR COVERAGE UNIVERSE
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Quarterly consolidated summary

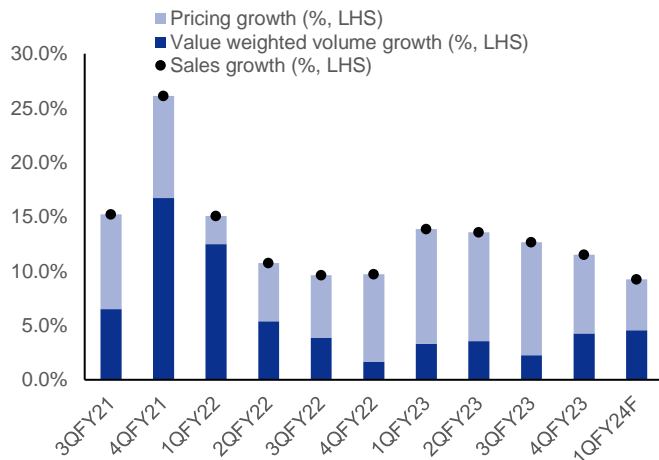
Figure 2: 1QFY24F preview of our coverage universe

Company	Revenue (Rs m)	% chg (yoy)	EBITDA (Rs m)	% chg (yoy)	Net Profit (Rs m)	% chg (yoy)
Consumer staples						
Britannia	40,205	8.6%	7,274	45.3%	4,945	46.6%
Colgate	12,881	7.6%	3,542	8.8%	2,413	10.2%
Dabur	31,233	10.7%	6,016	10.7%	4,581	3.0%
Emami	8,208	6.1%	1,854	7.0%	1,603	16.3%
Godrej Consumer	34,574	10.6%	6,749	29.6%	4,373	26.1%
Hindustan Unilever	1,54,485	8.2%	35,918	10.6%	25,647	11.5%
Jyothy Labs	6,556	9.8%	997	66.6%	706	78.0%
Marico	24,981	-2.3%	5,735	8.6%	4,138	11.5%
Nestle	47,003	17.3%	9,920	26.7%	6,730	30.6%
Aggregate (staples)	3,60,124	9.0%	78,004	16.7%	55,137	17.0%
Consumer Discretionary						
Asian Paints	94,135	9.4%	20,871	34.1%	14,384	38.2%
Berger Paints	30,199	9.4%	5,286	30.6%	3,279	29.4%
Kansai Nerolac	23,009	12.2%	3,274	28.4%	2,153	37.7%
Pidilite	33,363	7.6%	7,949	50.1%	5,378	52.1%
Aggregate (discretionary)	1,80,706	9.4%	37,380	36.2%	25,194	39.6%
Titan	1,14,449	21.2%	14,878	24.4%	9,822	25.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

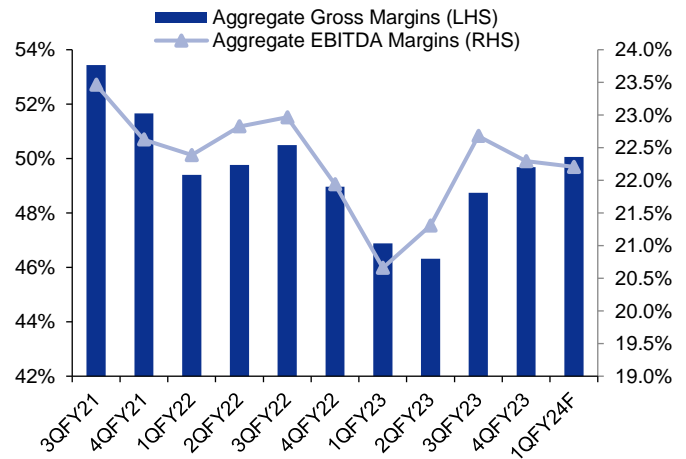
Consumer staples (standalone) aggregate – the story so far

Figure 3: Pricing growth continues to taper off while volume recovery is not commensurate, leading to sales growth tapering to 8.9% (vs. 12.6%/11.5% in 3Q/4Q, respectively)



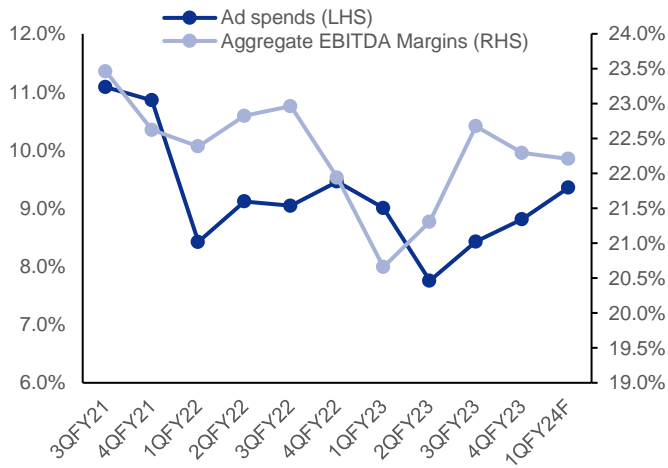
SOURCE: INCRED RESEARCH, COMPANY REPORTS
 NOTE: AGGREGATE DATA FOR COVERAGE UNIVERSE (FIG 3-6)

Figure 4: On a sequential basis, aggregate gross margin/EBITDA margin expected to expand/contract by 40bp/10bp, respectively



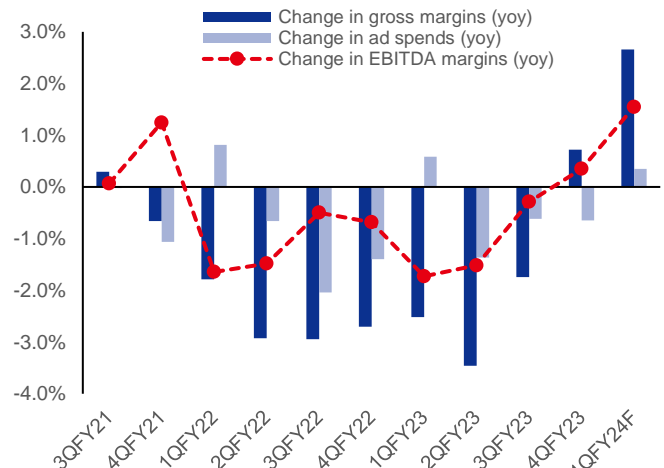
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Ad spending is expected to inch up, thereby restricting EBITDA margin expansion



SOURCE: INCRED RESEARCH, COMPANY REPORTS

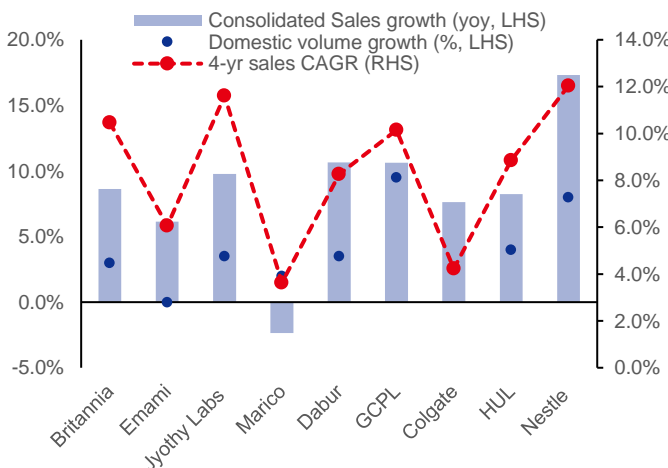
Figure 6: EBITDA margin improvement (yoy) is expected to come on a low base



SOURCE: INCRED RESEARCH, COMPANY REPORTS

1QFY24F – the story in charts

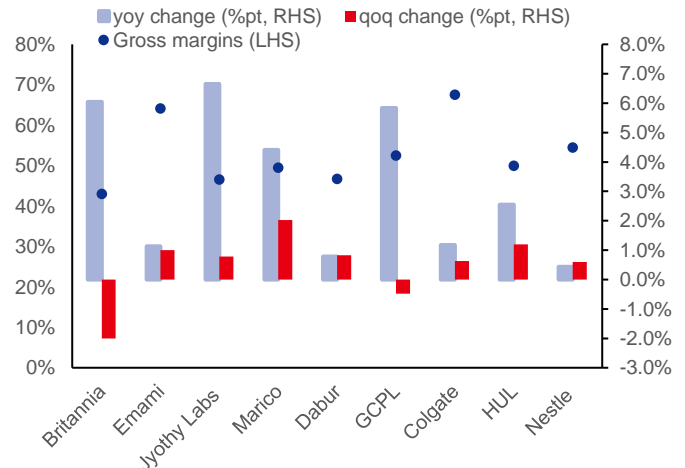
Figure 7: Nestle is expected to register its highest-ever sales growth in 1QFY24F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: STANDALONE DATA FOR HUL, NESTLE AND COLGATE. CONSOLIDATED FOR THE REST.

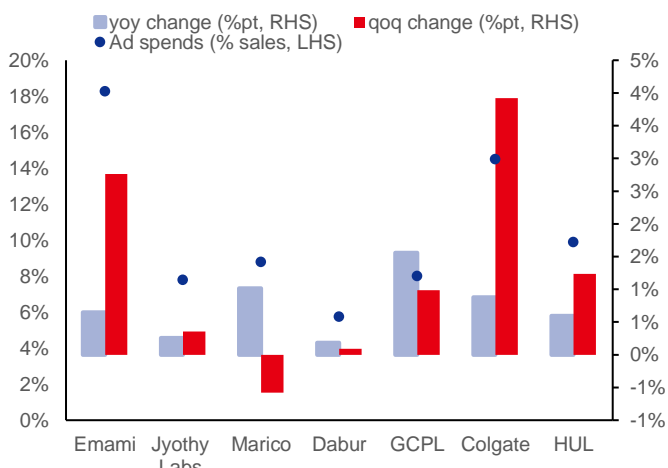
Figure 8: Gross margins expected to improve yoy on a low base, but sequential improvement to be limited



SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: STANDALONE DATA FOR HUL, NESTLE AND COLGATE. CONSOLIDATED FOR THE REST.

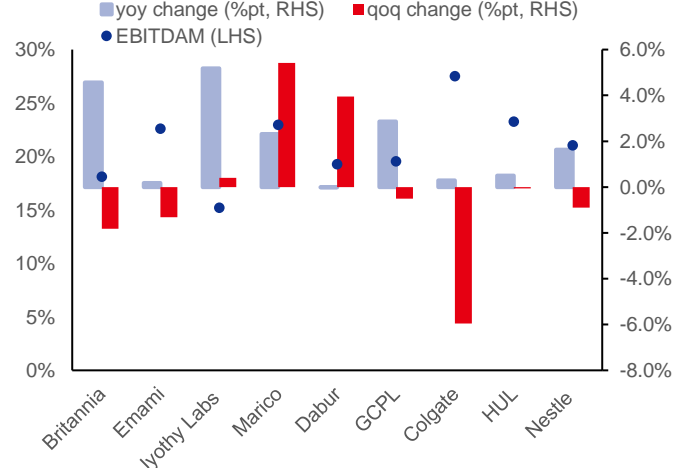
Figure 9: Ad spending is expected to inch up as gross margins recover...



SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: STANDALONE DATA FOR HUL, NESTLE AND COLGATE. CONSOLIDATED FOR THE REST

Figure 10: ...limiting the EBITDA margin expansion on a sequential basis



SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: STANDALONE DATA FOR HUL, NESTLE AND COLGATE. CONSOLIDATED FOR THE REST

Quarterly estimates

Figure 11: Earnings estimates for our staples coverage universe

	1QFY23	4QFY23	1QFY24	yoy % chg	qoq % chg	4-yr CAGR	Our estimates for 1QFY24F
Britannia - Consolidated							
Net Sales (Rs m)	37,010	40,232	40,205	8.6%	-0.1%	10.5%	- We estimate domestic value/volume growth of 10%/3.5% yoy, respectively (vs. 13.3%/1% in 4Q). Benefits of PLI schemes, which were higher in 4Q, will normalize from 1QFY24F. As the cheese range has moved into a JV, subsidiaries are expected to record a 25% yoy decline.
EBITDA (Rs m)	5,007	8,009	7,274	45.3%	-9.2%	16.5%	- Deflationary prices of palm oil will be partly offset by inflation in food commodities. Consolidated gross margin will normalize (as benefits from strategic buying stops) and we estimate a 200bp qoq decline to 42.9% (up 600bp yoy).
EBITDA Margin (%)	13.5%	19.9%	18.1%	456bp	-182bp	348bp	
Core Net Profit (Rs m)	3,374	5,587	4,945	46.6%	-11.5%	16.7%	
Colgate - Standalone							
Net Sales (Rs m)	11,968	13,506	12,881	7.6%	-4.6%	4.2%	- We estimate sales growth of 7.6% yoy led by higher pricing of CDC relaunch. Estimate volume growth of 2% on a low base.
EBITDA (Rs m)	3,257	4,519	3,542	8.8%	-21.6%	3.7%	- Gross margin to expand by 118bp yoy led by softening key input costs. Deferral of ad spending related to CDC relaunch will restrict the EBITDA margin expansion to 29bp yoy.
EBITDA Margin (%)	27.2%	33.5%	27.5%	29bp	-596bp	-55bp	
Core Net Profit (Rs m)	2,190	3,181	2,413	10.2%	-24.1%	9.3%	
Dabur - Consolidated							
Net Sales (Rs m)	28,224	26,778	31,233	10.7%	16.6%	8.3%	- We expect domestic sales volume/value growth of 3.5%/7.9%, respectively. International business is expected to grow at 11% on a reported basis. We estimate c.Rs640m sales from Badshah acquisition in 1Q.
EBITDA (Rs m)	5,437	4,098	6,016	10.7%	46.8%	7.1%	- HPC & healthcare segments to post double-digit growth (mid-single digit volume), with HPC being led by high-teen growth in the home care segment and low double-digit growth in oral care & hair care. The beverage segment is expected to report flat growth due to seasonality.
EBITDA Margin (%)	19.3%	15.3%	19.3%	0bp	396bp	-87bp	- Consolidated gross margin is expected to expand by 80bp yoy, which will be ploughed back into A&P spending, leading to flat EBITDA margin at 19.3%.
Core Net Profit (Rs m)	4,449	3,012	4,581	3.0%	52.1%	4.6%	- Amortization owing to the acquisition of Badshah products range (Rs220m) is expected to lead to a drag on PAT growth.
Emami - Consolidated							
Net Sales (Rs m)	7,733	8,360	8,208	6.1%	-1.8%	6.1%	- We estimate domestic volume/value growth of flat/3% yoy, respectively, while IBD is estimated to grow 8% yoy on a reported basis. The summer portfolio (40-45% of 1Q sales) is expected to decline by 6-8% while the balance portfolios should see a sequential recovery to mid-to-high single-digit growth.
EBITDA (Rs m)	1,733	1,998	1,854	7.0%	-7.2%	8.4%	- Softening of raw material prices is expected to aid gross margin expansion while the EBITDA margin is expected to remain range-bound due to higher A&P spending and higher operating expenditure from consolidation of The Man Co.
EBITDA Margin (%)	22.4%	23.9%	22.6%	17bp	-132bp	191bp	- We estimate domestic business volume/value growth of 10%/6.7%, respectively, with home care/personal care segments' growth at 10%/5% yoy, respectively.
Core Net Profit (Rs m)	1,378	1,835	1,603	16.3%	-12.6%	11.8%	- IBD is expected to grow in high single digits on a reported basis (mid-teens in CC terms) due to forex impact in the GAUM cluster. We estimate .c.Rs840m revenue from RCCL acquisition.
Godrej Consumer - Consolidated							
Net Sales (Rs m)	31,250	32,002	34,574	10.6%	8.0%	10.1%	- We expect gross margin/EBITDA margin to contract 48bp/50bp qoq, respectively. A&P spending is expected to inch up by 100bp qoq to 8% of sales in 1QFY24F. We have estimate gross/EBITDA margin of 50%/11% respectively and higher interest cost for RCCL acquisition.
EBITDA (Rs m)	5,208	6,409	6,749	29.6%	5.3%	10.3%	- We estimate volume growth to remain steady at 4% (similar to 3Q/4QFY23) and pricing growth to taper off to 4% (from 11%/7% in 3Q/4QFY23, respectively).
EBITDA Margin (%)	16.7%	20.0%	19.5%	286bp	-50bp	12bp	- Home care sales to taper off due to the high base and price cuts. Management expects lower market share gains in FY24F. Skin-cleansing portfolio to clock volume-led growth while the skin care/colour cosmetics range will continue delivering premiumization-led growth. F&R growth should accelerate on a sequential basis.
Core Net Profit (Rs m)	3,470	4,743	4,373	26.1%	-7.8%	10.2%	- We estimate a 120p qoq increase in ad spending to 9.9% of sales in 1QFY24F, leading to flat EBITDA margin sequentially.
Hindustan Unilever - Standalone							
Net Sales (Rs m)	1,42,720	1,48,930	1,54,485	8.2%	3.7%	11.2%	- We estimate volume/value sales growth at 3.5%/9.8% yoy, respectively.
EBITDA (Rs m)	32,470	34,710	35,918	10.6%	3.5%	7.9%	- Dishwashing segment expected to report high single-digit growth and fabric care high single-digit growth. Mid-priced brands have been registering a healthy growth.
EBITDA Margin (%)	22.8%	23.3%	23.3%	50bp	-6bp	-292bp	- Household insecticides expected to grow in high double digits on a low base. Personal care segment is expected to report a steady performance.
Core Net Profit (Rs m)	23,010	24,720	25,647	11.5%	3.7%	10.0%	- Softening key raw material prices are expected to drive a sequential gross margin expansion of 80bp to 46.5%. Ad spending is expected to inch up as well.
Jyothy Labs - Standalone							
Net Sales (Rs m)	5,972	6,170	6,556	9.8%	6.3%	12.3%	
EBITDA (Rs m)	598	913	997	66.6%	9.2%	11.0%	
EBITDA Margin (%)	10.0%	14.8%	15.2%	518bp	41bp	-73bp	
Core Net Profit (Rs m)	397	590	706	78.0%	19.6%	14.4%	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Earnings estimates for our staples coverage universe

	1QFY23	4QFY23	1QFY24	yoy % chg	qoq % chg	4-yr CAGR	Our estimates for 1QFY24F
Marico - Consolidated							
Net Sales (Rs m)	25,580	22,400	24,981	-2.3%	11.5%	3.6%	- We model domestic business to report a 4.8% sales decline, with a volume growth of c.2%. VAHO to report flat growth, edible oils to report volume growth of 12% while negative UPG (30%) to result in sales decline of 18%. Parachute to report volume/value decline of 2%/6%, respectively. Food portfolio is expected to post a healthy growth. IBD to grow at 6% yoy (high-single digit CC growth).
EBITDA (Rs m)	5,280	3,930	5,735	8.6%	45.9%	5.6%	- Prices of copra and vegetable oils have been softening, owing to which consolidated gross margin is expected to expand by 440bp yoy (up 200bp qoq).
EBITDA Margin (%)	20.6%	17.5%	23.0%	232bp	541bp	0.00	
Core Net Profit (Rs m)	3,710	3,020	4,138	11.5%	37.0%	5.5%	
Nestle - Standalone							
Net Sales (Rs m)	40,069	48,084	47,003	17.3%	-2.2%	12.0%	- We estimate 17.3% yoy sales growth led by 9.4%/8% pricing/volume and mix growth, respectively.
EBITDA (Rs m)	7,826	10,585	9,920	26.7%	-6.3%	10.4%	- We estimate 40bp/60bp yoy/qoq improvement in gross margin.
EBITDA Margin (%)	19.5%	22.0%	21.1%	157bp	-91bp	-127bp	
Core Net Profit (Rs m)	5,154	7,366	6,730	30.6%	-8.6%	11.3%	
Titan - Consolidated							
Net Sales (Rs m)	94,430	1,03,600	1,14,449	21.2%	10.5%	22.1%	- Titan's consolidated sales is expected to grow by 21% yoy led by a 21% growth in standalone jewellery business and 13%/10% yoy growth in watches/eyecare segments, respectively. Caratlane is expected to grow at 32% yoy.
EBITDA (Rs m)	11,960	10,890	14,878	24.4%	36.6%	26.9%	- Robust demand witnessed around Akshay Tritiya (in Apr 2023) and wedding demand (in Jun 2023) drove strong sales growth in the jewellery division. New buyer growth is expected to remain healthy and the studded mix is expected at 26%.
EBITDA Margin (%)	13%	11%	13%	33bp	249bp	187bp	
Core Net Profit (Rs m)	7,850	7,300	9,822	25.1%	34.6%	28.0%	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Earnings estimates for our discretionary coverage universe

	1QFY23	4QFY23	1QFY24	yoy % chg	qoq % chg	4-yr CAGR	Our estimates for 1QFY24F
Asian Paints - Consolidated							
Net Sales (Rs m)	86,069	87,873	94,135	9.4%	7.1%	16.4%	-We expect sales growth of 9.4% yoy with volume growth of 12%.
EBITDA (Rs m)	15,559	18,647	20,871	34.1%	11.9%	15.9%	-Gross margin expansion of 517bp yoy is led by softening raw material prices, which will drive strong EBITDA margin expansion.
EBITDA Margin (%)	18.1%	21.2%	22.2%	409bp	95bp	-37bp	
Core Net Profit (Rs m)	10,411	12,597	14,384	38.2%	14.2%	21.6%	
Berger Paints - Consolidated							
Net Sales (Rs m)	27,597	24,436	30,199	9.4%	23.6%	15.2%	-We estimate standalone volume led revenue growth of 11% yoy.
EBITDA (Rs m)	4,048	3,898	5,286	30.6%	35.6%	14.7%	- Gross margin expansion of 351bp yoy, fuelled by softening key input costs and benign rebating intensity, is expected to drive EBITDA margin expansion.
EBITDA Margin (%)	14.7%	16.0%	17.5%	284bp	156bp	-27bp	
Core Net Profit (Rs m)	2,534	2,067	3,279	29.4%	58.6%	16.7%	
Kansai Nerolac - Consolidated							
Net Sales (Rs m)	20,514	17,336	23,009	12.2%	32.7%	10.5%	-We expect the decorative paints business to grow at 10% and auto/industrial segments to grow in mid-teens led by pricing.
EBITDA (Rs m)	2,550	1,681	3,274	28.4%	94.7%	6.6%	- Owing to benign rebating intensity and benefits of sequential raw material price deflation, gross margin and EBITDA margin are expected to be 377bp/179bp higher yoy, respectively.
EBITDA Margin (%)	12%	10%	14%	179bp	453bp	-222bp	
Core Net Profit (Rs m)	1,563	938	2,153	37.7%	129.6%	10.2%	
Pidilite - Consolidated							
Net Sales (Rs m)	31,011	26,893	33,363	8%	24.1%	13.4%	- We expect domestic sales growth of 7.6% yoy driven by 11% volume growth. The C&B segment is expected to continue its growth momentum while the B2B segment is expected to report lower growth owing to stress in export-facing segments. We expect the international business to post a 7.4% yoy growth.
EBITDA (Rs m)	5,295	4,592	7,949	50%	73.1%	15.7%	- Owing to lower raw material costs, gross margin is expected to grow 840bp yoy, translating to 675bp yoy EBITDA margin expansion.
EBITDA Margin (%)	17.1%	17.1%	23.8%	675bp	675bp	183bp	
Core Net Profit (Rs m)	3,536	2,830	5,378	52.1%	90.0%	16.4%	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Raw material heat map

Figure 14: Key raw material movement on a YoY basis

% YoY Change	Companies impacted	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24
Copra (Rs/kg)	Marico and Dabur	17.1%	-5.2%	-19.4%	-30.7%	-25.6%	-19.6%	-17.8%	-6.5%	NA
Rice bran (Rs/kg)	Marico	67.9%	59.0%	28.8%	26.3%	11.1%	-11.5%	-2.0%	-18.9%	NA
Groundnut (Rs/kg)	Marico	11.3%	15.1%	1.6%	-3.6%	5.3%	10.2%	14.3%	17.4%	2.8%
PFAD (Rs/kg)	HUL, GCPL, Jyothy	81.1%	66.4%	65.0%	64.0%	46.4%	-21.4%	-30.5%	-45.5%	-39.9%
Sunflower oil (Rs/kg)	Marico	84.9%	40.7%	6.0%	-3.2%	10.4%	4.8%	6.7%	-25.0%	-49.4%
Mentha oil (Rs/kg)	Emami	-13.1%	-3.1%	-2.5%	1.2%	11.2%	5.4%	5.4%	5.8%	-6.4%
Palm oil (Rs/kg)	HUL, GCPL, Jyothy, BRIT	87.7%	59.4%	52.2%	55.9%	54.4%	-10.8%	-24.7%	-32.3%	-40.4%
Refined Palm Oil Index		92.1%	64.9%	52.8%	52.0%	51.5%	-13.0%	-29.3%	-37.9%	-45.5%
Tlo2, Solvents & other paints related										
Titanium dioxide (Du Pont) (Rs /kg)	Asian, Berger and Kansai	13.9%	29.0%	62.5%	63.4%	54.9%	22.4%	-10.1%	-10.6%	-12.0%
Acetic acid glacial price Rs/KG	Asian, Berger and Kansai	166.2%	151.3%	124.6%	18.1%	-43.3%	-41.0%	-54.8%	-38.6%	-26.6%
Brent crude oil (Rs/bbl)	All companies	100.1%	68.5%	78.7%	64.9%	70.0%	44.1%	22.3%	-8.0%	-25.9%
VAM (US\$/mt)	Pidilite	184.1%	133.0%	171.6%	33.8%	16.4%	1.6%	-55.5%	-46.3%	-59.9%
VAM (Rs/mt)	Pidilite	176.1%	132.1%	175.9%	38.0%	21.9%	9.4%	-51.2%	-41.3%	-57.3%
China titanium dioxide (Rs/kg)	Asian, Berger and Kansai	22.1%	56.3%	95.1%	52.6%	30.1%	9.7%	-31.8%	-30.2%	-28.2%
Foods-related (milk, tea, coffee, etc)										
Barley (Rs/kg)	HUL, Nestle	20.5%	48.1%	63.5%	64.8%	67.7%	48.8%	33.5%	8.4%	-35.0%
Wheat (Rs/kg)	Britannia	-5.4%	4.6%	19.0%	19.0%	21.5%	26.1%	28.7%	17.5%	4.9%
Sugar (Rs/kg)	HUL, Nestle, Britannia	2.6%	4.0%	11.6%	9.4%	6.5%	4.0%	0.5%	0.2%	4.1%
Milk powder prices (Rs/L)	Nestle, Britannia	29.8%	14.7%	11.5%	6.4%	31.7%	26.3%	28.5%	17.3%	1.2%
Leaf tea - North India (Rs/kg)	HUL, Tata Consumer	17.6%	-29.7%	-7.6%	-10.9%	1.4%	18.5%	4.7%	3.0%	-6.1%
Leaf tea - South India (Rs/kg)	HUL, Tata Consumer	16.7%	-37.9%	-33.8%	-18.8%	-13.6%	8.5%	20.6%	14.7%	10.1%
Leaf tea - All India (Rs/kg)	HUL, Tata Consumer	20.5%	-29.4%	-12.2%	-13.5%	-2.9%	16.9%	6.0%	4.3%	-0.8%
Coffee Index	HUL, Nestle	-7.2%	4.1%	15.1%	35.7%	52.1%	43.0%	27.9%	9.7%	-1.3%
Packaging Material										
LDPE (Rs/kg)	All companies	54.3%	35.6%	36.4%	19.6%	19.8%	0.4%	-14.2%	-11.1%	-20.8%
HDPE (Rs/kg)	All companies	43.8%	25.6%	24.5%	19.2%	25.8%	20.3%	3.7%	-2.6%	-13.7%
Others										
Soda ash (Rs/kg)	HUL, Jyothy	-8.9%	-6.1%	16.2%	47.1%	56.0%	65.0%	42.4%	12.3%	-5.3%
Gold prices (per 10gm)	Titan	10.5%	-7.9%	-4.8%	5.5%	8.1%	7.7%	8.9%	14.3%	16.9%
Inflation - WPI		10.6%	11.8%	13.5%	13.8%	15.6%	14.2%	8.4%	4.5%	-1.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

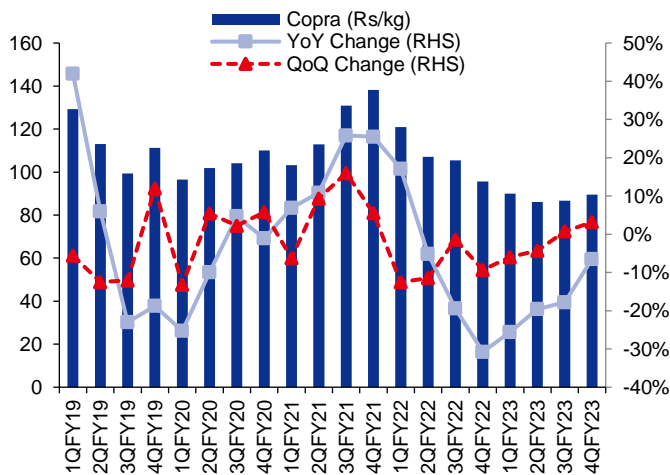
Figure 15: Key raw material movement on MoM basis

% MoM change (sequential)	Companies impacted	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Copra (Rs/kg)	Marico and Dabur	-5.7%	-3.8%	11.2%	4.1%	-0.7%	-4.4%	-0.7%	-1.6%	-0.7%	NA
Rice bran (Rs/kg)	Marico	-10.2%	5.0%	0.8%	-8.7%	-3.2%	-8.3%	-7.4%	0.8%	-3.9%	NA
Groundnut (Rs/kg)	Marico	0.3%	-0.9%	-6.1%	1.3%	4.0%	4.2%	0.8%	-0.5%	-3.1%	0.4%
PFAD (Rs/kg)	HUL, GCPL, Jyothy	-6.4%	9.5%	6.3%	0.2%	-6.7%	1.0%	-0.2%	7.9%	-1.9%	-0.4%
Sunflower oil (Rs/kg)	Marico	-12.6%	7.4%	-0.2%	-12.6%	-4.1%	-7.7%	-7.0%	-6.0%	-6.0%	-4.7%
Mentha oil (Rs/kg)	Emami	0.8%	0.3%	-2.0%	2.2%	4.3%	-0.6%	0.7%	-2.1%	-2.3%	-6.3%
Palm oil (Rs/kg)	HUL, GCPL, Jyothy, BRIT	-13.5%	1.9%	9.9%	2.0%	1.1%	0.6%	0.7%	1.8%	-9.7%	-8.1%
Refined Palm Oil Index		-11.8%	-2.3%	7.5%	-0.7%	0.2%	0.7%	1.3%	2.5%	-10.3%	-8.2%
Tio2, Solvents & other paints related											
Titanium dioxide (DuPont) (Rs /kg)	Asian, Berger and Kansai	-5.6%	2.1%	1.6%	0.7%	3.5%	-0.1%	-0.5%	-0.7%	0.2%	-1.3%
Acetic acid glacial price Rs/KG	Asian, Berger and Kansai	-11.2%	1.0%	-1.8%	-1.9%	6.9%	-5.3%	2.7%	-2.8%	0.2%	-4.7%
Brent crude oil (Rs/bbl)	All companies	-6.9%	5.9%	-3.4%	-9.6%	2.5%	0.0%	-5.4%	4.6%	-8.7%	-0.9%
VAM (US\$/mt)	Pidilite	-21.2%	-18.2%	-0.2%	-4.4%	0.2%	2.7%	0.6%	-7.6%	-10.8%	-5.1%
VAM (Rs/mt)	Pidilite	-20.6%	-16.0%	-0.9%	-3.6%	-0.6%	3.6%	0.3%	-8.0%	-10.5%	-5.2%
China titanium dioxide (Rs/kg)	Asian, Berger and Kansai	-8.2%	-9.7%	-4.1%	-5.5%	-1.6%	-2.0%	1.9%	1.1%	3.7%	-0.7%
Foods Related (Milk, Tea, coffee, etc)											
Barley (Rs/kg)	HUL, Nestle	-2.2%	2.5%	3.6%	-2.0%	-5.4%	-3.5%	-18.4%	-5.9%	-5.2%	-7.4%
Wheat (Rs /kg)	Britannia	-1.2%	5.2%	8.2%	2.2%	2.2%	-12.5%	-6.1%	-5.9%	4.2%	3.3%
Sugar (Rs / kg)	HUL, Nestle, Britannia	1.5%	0.2%	-0.2%	-1.1%	-2.5%	-0.6%	0.2%	6.2%	-1.2%	0.1%
Milk powder prices (Rs/L)	Nestle, Britannia	-1.8%	0.8%	-3.0%	0.5%	1.0%	-0.2%	-3.8%	1.8%	1.9%	-1.8%
Leaf tea - North India (Rs/kg)	HUL, Tata Consumer	-5.9%	-4.2%	-4.3%	-9.5%	-14.6%	-5.5%	-0.2%	39.5%	-5.2%	9.6%
Leaf tea - South India (Rs/kg)	HUL, Tata Consumer	1.2%	5.2%	7.4%	-3.5%	7.2%	2.7%	-2.4%	-6.1%	-4.7%	-7.1%
Leaf tea - All India (Rs/kg)	HUL, Tata Consumer	-2.8%	-11.7%	5.9%	-8.3%	-12.4%	-5.3%	-4.7%	24.8%	-0.3%	6.8%
Packaging Material											
LDPE (Rs/kg)	All companies	-2.0%	5.8%	-6.1%	1.8%	1.8%	5.8%	-0.1%	-4.7%	-0.8%	-6.0%
HDPE (Rs/kg)	All companies	1.4%	1.3%	-12.4%	0.5%	4.5%	2.8%	0.2%	-2.6%	-0.8%	NA
Polypropylene (Rs/kg)	All companies	4.5%	2.5%	-9.5%	1.0%	6.3%	9.9%	-3.1%	-3.8%	0.7%	-10.2%
Others											
Gold prices - MCX (per 10gm)	Titan	-3.4%	0.8%	3.0%	3.9%	4.3%	0.7%	1.5%	4.6%	0.7%	-2.3%
Inflation - WPI		12.4%	10.5%	8.6%	6.1%	5.0%	4.8%	3.8%	1.3%	-1.0%	-3.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

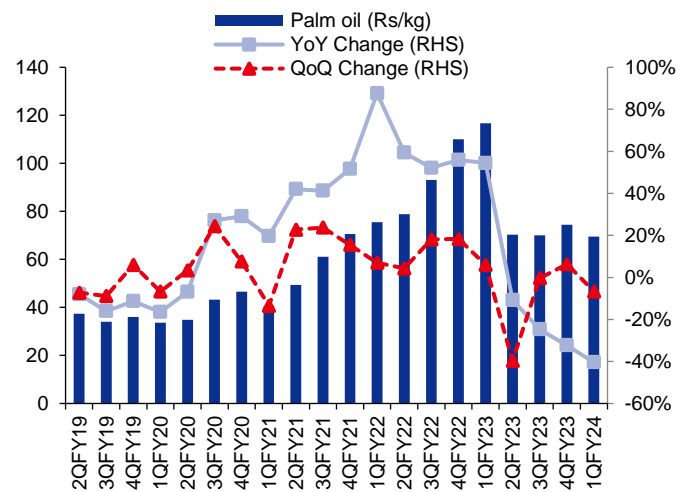
Price movement of key commodities

Figure 16: Copra prices have been on a deflationary trend



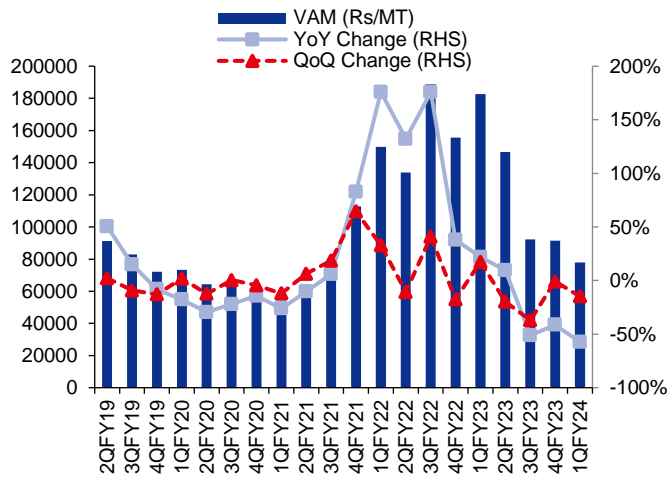
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 17: 1QFY24 exit prices of palm oil are close to pre-Covid levels



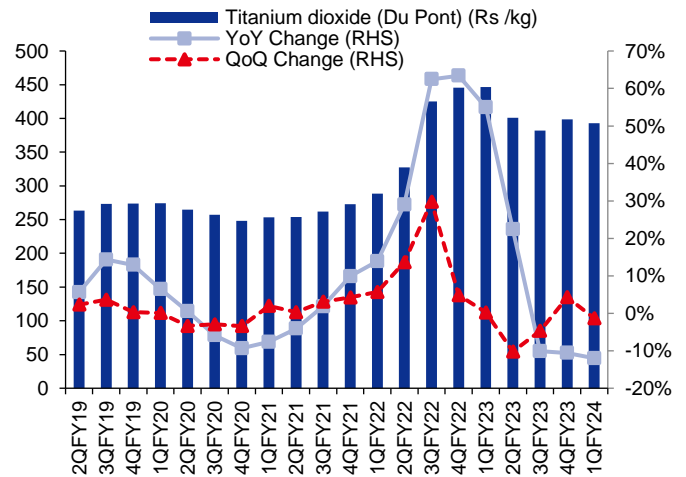
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Figure 18: VAM prices declined by 57% yoy in 1QFY24



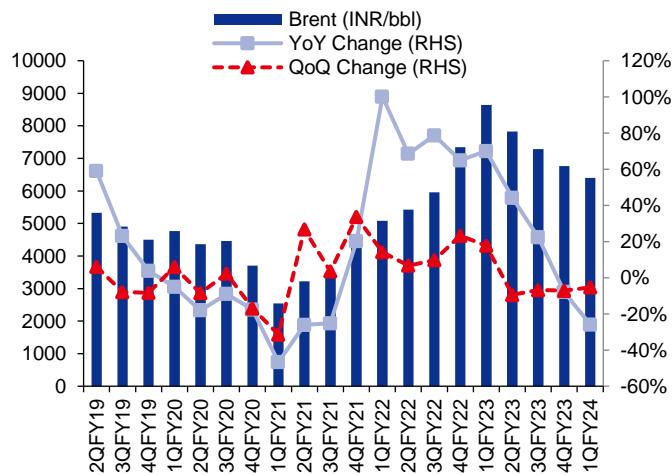
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Figure 19: Tio2 prices (DuPont) declined by 12% yoy in 1QFY24



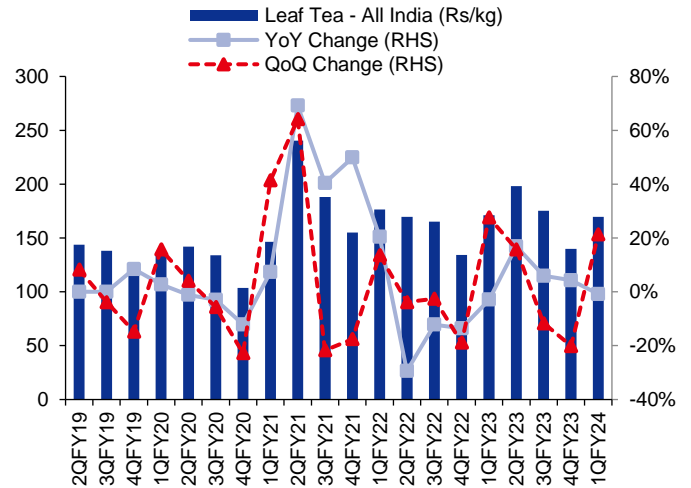
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Figure 20: Prices of Brent crude oil fell 26% yoy



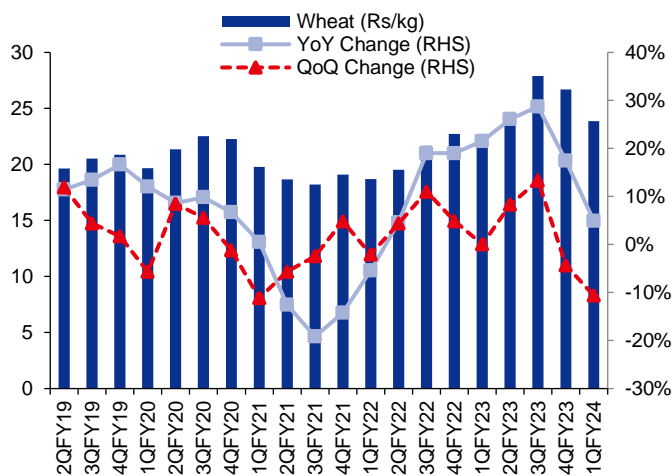
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 21: Prices of tea (All-India leaf tea) declined 1% yoy in 1QFY24



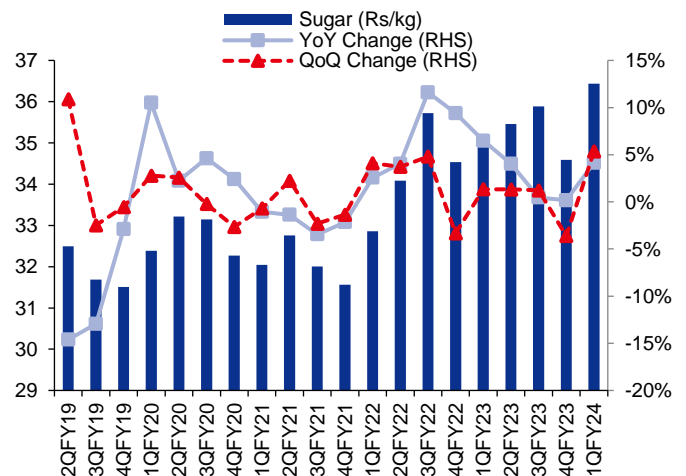
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 22: Prices of wheat increased by 5% yoy in 1QFY24



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 23: Sugar prices were up by 4% yoy in 1QFY24



SOURCE: INCRED RESEARCH, COMPANY REPORTS

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