

## Monthly Market Update – July' 2018

### Indian Equity Markets

Benchmark indices closed flat supported by a strong rally on the last day for a consecutive second month. Sun Pharma remains the only Pharma representation in Sensex after Dr. Reddy Labs was replaced by Vedanta. Mid & Small Cap indices corrected by -3.52% and -7.06% respectively. Healthcare & IT sector indices gained on the back of weak ₹ while all sector indices recorded losses. FIIs net sold ₹4,831 Cr in equities.

### Debt Markets

RBI hiked Repo rate by 25bps (as forecasted in June'18 MMU), expects inflation to inch higher due to rising crude and global commodity prices. 10Y G-Sec yields soared from 7.83% to 7.91%, FIIs continued to sell for the 5th month in a row and sold ₹10,970 Cr in debt during the month.

### Global Markets

The FOMC raised the target range of Federal Fund Rate by 25bps and further stated two more rate hikes were appropriate in 2018.

A historic US – DPRK Summit was held in Singapore, laid out goals for future round of negotiations without specifying any immediate steps.

Except NASDAQ and NIKKEI major global indices corrected due to Prevailing trade tensions and high oil prices (after sanctions against Iran threatened to remove a substantial volume of oil from world markets).

### Corporate Announcements

**TCS** Board approves buyback of 7.61Cr equity shares at ₹ 2100.

**Infosys** won a mandate to provide its Finacle services to Santander.

**Reliance** unit acquires 100% stake in Rhea Retail for Rs 203 crore.

**KDDL** to raise FPI/FII Limit up to 49% and to raise Rs 30 Cr via equity.

**Yes Bank** reappointed Rana Kapoor CEO for further period of 3 years.

**ICICI Bank** appointed Sandeep Bakhshi as its COO for 5 years.

**Bharat Forge** acquires 35.26% stake in UK's Tevva Motors for £10 MN.

### Market Outlook

Monsoons covered the entire country 17 days ahead of its normal onset this year, we can celebrate once it records above normal rainfall too.

Key event remains Q1 results with TCS kick starting it on 10<sup>th</sup> July.

High Crude prices combined with weak ₹ can derail fiscal deficit target, which stands at 55.3% of budgeted estimate as of May and FII sell off (Apr-Jun'18 is ₹ 61,132 Cr) are key concerns.

Volatility to continue both in Equity & Debt Markets in near term.

Model Portfolio	PE*	2017	2016	2015
BSE SENSEX	22.54	27.91	1.95	-5.03
Custom Benchmark	21.90	40.48	4.83	4.26
Portfolio Strategy	PE	2017	2016	2015
Diversified Conservative	17.26	45.10	8.82	5.69
Diversified Moderate	18.86	40.42	7.36	5.54
Diversified Aggressive	21.09	48.40	5.90	6.81
Sector Strategy	17.23	37.78	4.08	5.64
Thematic Strategy	15.23	43.41	4.84	7.82

\*PE based on 31-05-2018 Portfolio data.

Custom Benchmark includes 166 Equity Schemes with an AUM threshold of 500 Cr and above, representing approx. 80% of total Industry AUM under Equity Fund Category.

Benchmark	29-June-18	MTD	2018
SENSEX	35423	0.29%	4.7%
NIFTY	10714	-0.20%	2.3%
10 Year G-Sec	7.91%	1.02%	10.8%

Top Gainers	Change	Top Losers	Change
Cipla	16.3%	HPCL	17.9%
Lupin	15.7%	UPL LTD	12.2%
Dr. Reddy's	12.6%	ONGC	9.8%
Sun Pharma	12.4%	PowerGrid	9.5%
Bajaj Finance	10.7%	IOC	9.3%

Sector Performance	MTD	2018
Basic Materials	-5.23%	-15.88%
Telecom	-1.72%	-28.08%
Utilities	-7.28%	-16.42%
Industrials	-7.65%	-15.70%
Finance	-1.87%	1.68%
Consumer Discretionary	-2.89%	-9.12%
FMCG	-0.69%	5.74%
Energy	-1.01%	-6.48%
Healthcare	7.70%	-4.88%
IT	3.47%	24.92%

FII (cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	-4831	-10970	7	-15795
YTD	-6431	-41435	-6	-47872

Currencies	29-June-18	MTD	2018
USDINR	68.57	-1.66%	-6.86%
EURINR	79.84	-1.33%	-4.28%
GBPINR	89.92	-0.14%	-4.29%

Global Indices	29-June-18	MTD	2018
DJIA	24271	-0.59%	-2.28%
NASDAQ	7510	0.92%	8.06%
DAX	12306	-2.37%	-5.19%
FTSE	7637	-0.54%	0.18%
CAC	5324	-1.39%	-0.30%
NIKKEI	22305	0.46%	-2.10%
HSI	28955	-4.97%	-3.04%
KOSPI	2326	-4.00%	-5.73%
RTSI	1154	-1.77%	-0.02%
SHANGAI	2848	-8.06%	-13.59%

Commodity(USD)	29-June-18	MTD	2018
Gold	1254.2	-3.68%	-3.31%
Silver	16.6	-1.64%	-4.51%
Brent	79.44	2.50%	19.06%

IPO's – During June '18	Issue Price	Listed At
Fine Organic Industries LTD	780 - 783	*
RITES LTD	180 - 185	*
Varroc Engineering LTD	965 - 967	*

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