

Monthly Market Update - April' 2018

Indian Equity Markets

Benchmark indices along with all the Sector Indices witnessed sharp correction while RIL, ICICI, TCS, Tata Steel and Tata Motors accounted for nearly half of the index fall.

Mid & Small Cap indices corrected -3.62% and -6.25% respectively.

FII's were big buyers of ₹11654 Cr in equities dwarfing DIIs which to an extent were impacted by investors decision to rejig their portfolio for tax purposes ahead of the new rule(LTCG) taking effect from 1st April'18.

Debt Markets

Major PSU and Private banks revised their MCLR upwards due to surging bond yields and higher provisioning requirements.

Government's announcement to borrow only ₹2.88 lakh Cr in first half of FY19 compared to ₹3.72 Lakh Cr in FY18 came as a surprise which led to a sharp rally in bonds easing 10Y G-Sec yields from 7.73% to 7.39%.

FII's were net sellers (₹9044 Cr) in debt during the month.

Global Markets

All major global indices witnessed sharp correction due to the selling pressure in Tech Stocks led by Face Book, US Tariff announcements on Steel & Aluminum products and lastly the FED rate hike. Except HSI, RTSI & NASDAQ, 2018 gains of all major indices have now turned into losses.

Yuan denominated Crude Oil Futures contract launched on Shanghai International Energy Exchange ending US Dollar monopoly.

Corporate Announcements

Fortis Healthcare to demerge hospitals business into Manipal Hospitals.

Yes Bank acquired 17.31% stake of Fortis Healthcare pursuant to pledge.

IDFC Bank-Capital First merger gets NSE approval.

PFC board approves ₹57,000 Cr market borrowing plan for the next FY.

L&T Finance Holdings raises ₹1,000 Cr through QIP.

HDFC raises ₹1,896 Cr through QIP.

HDFC Bank raises USD 350Mn via 7Yr Masala Bonds at 8.1%.

SBI allots shares to government for Rs 8,800 crore capital infusion.

Tata Sons to buy 6.64% stake in Indian Hotels from promoter entities.

ICICI, SBI, PNB, HDFC Bank, Canara Bank hikes MCLR by 10-15 Bps.

Reliance Jio music announces merger with Saavn valued at USD 1Bn.

Market Outlook

The key events to watch out include RBI's MPC review & Q4/FY18 results. Sensex earnings to be in line with street expectations. We expect RBI to maintain Status Quo on policy rates and adopt hawkish stance going forward with a possibility of a surprise rate hike around the next MPC review. Volatility to continue both in Equity & Debt Markets in near term.

Model Portfolio	PE*	1M	YTD	2017	2016	2015
BSE SENSEX	22.66	-3.56	-3.20	27.91	1.95	-5.03
Custom Benchmark	-	-3.54	-7.33	39.72	4.78	4.00
Portfolio Strategy	PE	1M	YTD	2017	2016	2015
Diversified Conservative	19.22	-5.05	-8.46	45.10	8.82	5.69
Diversified Moderate	21.57	-3.98	-7.25	40.42	7.36	5.54
Diversified Aggressive	27.13	-2.67	-4.01	48.40	5.90	6.81
Sector Strategy	25.34	-3.03	-4.03	37.78	4.08	5.64
Thematic Strategy	28.33	-3.29	-6.48	43.41	4.84	7.82

*PE based on 28-02-2018 Portfolio data.

Custom Benchmark includes 165 Equity Schemes with an AUM threshold of 500 Cr and above, representing approx. 80% of total Industry AUM under Equity Fund Category.

Benchmark	28-Mar-18	MTD
SENSEX	32968	-3.56%
NIFTY	10121	-3.54%
10 Year G-Sec	-7.39%	-4.37%

Top Gainers	Change	Top Losers	Change
Bajaj Fin	7.30%	Vedanta	-15.53%
IndusInd	6.89%	Tata Steel	-15.01%
Tech M	4.48%	Adani Ports	-13.13%
NTPC	3.95%	Hindalco	-12.64%
HCL Tech	2.86%	Tata Motors	-11.55%

Sector Performance	MTD	2018
Basic Materials	-8.08%	-11.55%
Telecom	-7.86%	-21.08%
Utilities	-3.81%	-11.49%
Industrials	-6.23%	-9.29%
Finance	-2.41%	-4.19%
Consumer Discretionary	-1.07%	-8.74%
FMCG	-2.06%	-3.79%
Energy	-6.69%	-6.38%
Healthcare	-6.77%	-11.09%
IT	-3.24%	7.30%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	11654	-9044	51	2662
YTD	14398	-775	22	13646

Currencies	28-Mar-18	MTD	2018
USDINR	64.79	-0.47%	1.45%
EURINR	80.76	1.48%	5.53%
GBPINR	92.25	2.00%	6.94%

Global Indices	28-Mar-18	MTD	2018
DJIA	23848	-4.96%	-3.52%
NASDAQ	6949	-4.45%	0.66%
DAX	11941	-4.21%	-7.56%
FTSE	7045	-3.28%	-8.36%
CAC	5130	-3.70%	-3.43%
NIKKEI	21162	-4.11%	-7.04%
HSI	29952	-2.89%	0.11%
KOSPI	2423	-0.18%	-1.81%
RTSI	1233	-4.06%	6.80%
SHANGAI	3125	-4.12%	-5.51%

Commodity(USD)	28-Mar-18	MTD	2018
Gold	1327.63	0.88%	1.91%
Silver	16.29	-0.61%	-3.82%
Brent	64.59	-0.91%	-3.41%

IPO's - During March'18	Issue Price	Listed At
Bharat Dynamics	428	363
Bandhan Bank Ltd	375	485
Hindustan Aeronautics	1240	1169
ICICI Securities LTD	520	
Lemon Tree Hotel*	26-Mar-17	28-Mar-18

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