

INDIAN EQUITY MARKETS:

Indices continued bearish trend and ended 5% lower for the month on par with correction witnessed in global markets amid fears of slowing economic growth.

FII's sold ₹28,921 Cr in equities which is more than 50% of their 2017 inflows.

Sensex heavy weights HDFC Bank, TCS, Infosys, RIL, ITC and IndusInd corrected sharply despite good earnings as investors choose to book their profits.

Only IT & FMCG sectors continue to be positive on YTD basis while Mid & Small Cap indices corrected by 1.02% and 1.59% respectively.

DEBT MARKETS:

RBI's liquidity measures and a reduced borrowing program helped 10Y G-Sec yield move up to 7.83%. ₹400 billion via OMO's is planned in Nov by RBI to cushion against anticipated tightness ahead of the festive season.

IL&FS board's 3-step revival plan received NCLT approval and it's expected to calm the troubled debt markets staring at a ₹1.8 Lac Cr worth of Commercial Papers issued by NBFC's and others due for rollover in near term. ₹ depreciated by 1.95% and Oil prices corrected by 8.7% during the month. India and Japan signed a \$75 billion Currency Swap Agreement to bring greater stability in FX market. FII's turned to net sellers of ₹9978 Cr in debt markets.

GLOBAL MARKETS:

Except for DJIA and NASDAQ, all global indices turned negative for 2018 led by fear of unabated Trade wars resulting in likelihood of additional \$257 Bn in tariffs, Escalating tensions over strained relations between key nations and hawkish Interest rate stance to possibly dent global economic growth dominated the sentiments.

The Key Events to watch out are US Mid Term Elections, FOMC meet scheduled in 2nd week of Nov and sanctions against Iran starting from this weekend.

CORPORATE ANNOUNCEMENTS:

SBI Board approved Raising of Bonds & Equity up to ₹5000 & ₹20,000 Cr in FY19.

Reliance Board approved investing up to ₹ 8000 Cr in Den, Hathway & Datacom.

Axis Bank sold its 4.57% stake in NSDL to HDFC Bank at ₹ 825 Per Share.

HDFC Bank MD & CEO Mr. Aditya Puri reappointed by RBI till 26th OCT' 20.

Bharti Airtel to raise \$1.25 billion by diluting stake in African unit.

L&T Finance said it had about Rs 1,800 crore exposure to some IL&FS Infra SP versus JSW Steel's board approved raising Rs 5,000 crore through a rights issue.

Dr. Reddy's Lab received Form-483 from U.S. FDA at the Vishakhapatnam facility.

MARKET OUTLOOK:

Few market voices are comparing this correction to a Diwali discount while we recommend caution with both crackers and speculative trading alike.

India's rank in Ease of Doing Business improved to 77 from 100, a year ago prompting hopes for revival in FX flows which is the need of the hour and more than 50% of top 20 companies reported growth in PAT on the positive side.

With RBI's changed stance to Calibrated tightening in its last MPC, Companies with large debt would see margin contraction and profits impacted going forward while IT & Pharma might benefit from weak ₹ already visible in results.

With 3 State Elections all ruled by BJP in near term, this quarter would actually set the tone for general elections and in case of a fractured mandate, volatility is only expected to continue. 10 Year G-Sec Yield would be range bound.

Model Portfolio	PE*	2017	2016	2015
BSE SENSEX	22.01	27.91	1.95	-5.03
NIFTY 50	25	28.65	3.01	-4.06
Custom Benchmark	24	40.45	4.81	4.23
Portfolio Strategy	PE	2017	2016	2015
Diversified Conservative	16.60	45.10	8.82	5.69
Diversified Moderate	16.83	40.42	7.36	5.54
Diversified Aggressive	30.12	48.40	5.90	6.81
Sector Strategy	26.32	37.78	4.08	5.64
Thematic Strategy	21.05	43.41	4.84	7.82

*PE based on 28-09-2018 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.

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Benchmark	31-Oct-18	MTD	2018
SENSEX	34442.05	-4.93%	1.13%
NIFTY	10386.6	-4.98%	-1.37%
10 Yr G-Sec	7.83	-2.37%	6.97%

Top Gainers	Change	Top Losers	Change
ICICI Bank	15.87%	BPCL	26.68%
Baj Finance	9.26%	Tata Motors	20.05%
SBI	5.94%	Grasim	18.57%
TITAN	4.49%	Reliance	15.90%
Yes Bank	2.69%	IndusInd	15.80%

BSE Sector Performance	MTD	2018
Basic Materials	-6.73%	-21.41%
Telecom	-4.10%	-41.50%
Utilities	2.26%	-15.05%
Industrials	-1.06%	-23.71%
Finance	-0.28%	-6.27%
Consumer Discretionary	-4.31%	-21.13%
FMCG	-3.26%	4.05%
Energy	-13.55%	-4.08%
Healthcare	-1.99%	-0.49%
IT	-7.02%	28.85%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	-28921	-9978	-6	-38906
YTD	-42138	-58154	-110	-100403

Currencies	31-Oct-18	MTD	2018
USDINR	73.99	-1.95%	-15.84%
EURINR	83.92	0.62%	-9.65%
GBPINR	94.1	0.86%	-9.07%

Global Indices	31-Oct-18	MTD	2018
DJIA	25115.76	-5.07%	1.60%
NASDAQ	7035.9	-12.56%	1.92%
DAX	11447.51	-6.53%	-11.38%
FTSE	7128.1	-5.09%	-7.28%
CAC	5093.44	-7.25%	-4.12%
NIKKEI	21920	-9.12%	-3.71%
HSI	24979.69	-10.11%	-16.51%
KOSPI	2029.69	-13.37%	-17.74%
RTSI	1126.21	-4.63%	-2.44%
SHANGAI	2602.78	-7.75%	-21.30%

Commodity (USD)	28-Oct-18	MTD	2018
Gold	1218.9	2.5%	-6.4%
Silver	14.3	-2.8%	-15.6%
Brent	75.47	-8.7%	12.8%

IPO's – During Oct '18	Issue Price	Listed At
BCPL Railway Infrastructure	35	*
SM Gold Limited	30	*
Buy Back 's – During Oct '18	Amount	Price
Cochin Shipyard	₹ 200 Cr	₹ 455
BHEL	₹ 1628 Cr	₹ 86
OFS – During Oct '18	% Share	Issue Price
Coal India	3%	₹ 266