

Indian Equity Markets

Benchmark Indices closed moderately negative despite strong correction in global indices, supported by relief measures announced by the government like rollback of surcharge on FPI's, additional 15% depreciation benefit on vehicles, initiatives for transmission of interest rate cuts to borrowers.

Mid & Small Cap Indices corrected by -1.29% and -1.24% respectively.

Energy, FMCG, Auto, IT & Pharma sectors ended positive while others closed negative. FII's continued to be net sellers in equities, sold ₹17,592 Cr in August.

Debt Markets

RBI cut policy repo rate by 35 bps and further stated the size of rate cut calibration is expected to reinforce and quicken the impact of the past cumulative rate reduction of 75 bps, change in the stance from neutral to accommodative and injection of large surplus liquidity in the system.

Government announced slew of measures to improve liquidity in the system:

- ₹30,000 Cr additional support to Housing Finance Companies by NHB.
- Pursued banks to offer loan products where interest rate is linked with repo rate.
- Merger of 10 Public Sector Banks into 4 banks to strengthen the balance sheets.
- ₹70,000 Cr upfront for Public Sector Banks recapitalization.

10Y G-Sec Yield corrected to 6.56% despite FIIs buying of ₹11,672 Cr in debt market.

Global Markets

Global indices correctly sharply led by the escalating US China trade war, uncertainty over Brexit and sluggish pace of global economic growth.

10Y treasury yield fell by 26% to 1.49% and 30Y yield fell below 2% for first time.

Oil prices corrected sharply after unexpected build in US crude stockpiles.

Gold prices surged 7.38% to a new 6Yr high as investors rushed for safe-haven assets.

Corporate Announcements

Wipro and **Infosys** conclude their respective buy back's during the month.

BOB cut MCLR by 15 bps, approved raising up to ₹2,150 crore in Tier-I, II bonds.

ICRA cut **Tata Motors** long-term debt rating to AA- from AA.

RIL and **BP** to form a new JV for fuel retailing in the ratio 51% and 49%.

Saudi Aramco to invest 20% in **RIL's** oil-to-chemical division, at a valuation of \$75 billion

Jio & Microsoft partnered to launch cloud data centers across India powered by Azure.

SBI announced a reduction in its MCLR by 15 bps across all tenors.

Yes Bank has raised ₹1,930 crore through QIP.

Moody's downgrades **Yes Bank** long-term FX issuer rating to Ba3 with negative outlook

DHFL board approves plan to convert debt into equity.

Moody's revised corporate family rating of **Indiabulls Housing Finance** to "Ba2".

NTPC gets shareholders' nod to raise up to ₹15,000 crore via bonds.

Nalco signed JV agreement with MIDHANI for setting up aluminium alloys plant.

Tiffany & Co. and Reliance Brands announced JV to enter the India market.

L&T plans to issue NCD aggregating up to ₹1,400 crore on private placement basis.

Coffee Day board approved to sell Tech Park to Blackstone valued at ₹2,600-3,000 Cr.

CG Power removed Gautam Thapar as Chairman of the Board.

NMDC gets stay order against withdrawal of Mining Lease of Donimalai Mine.

Amazon to buy 49% stake in Future Coupons, part of Future group.

Market Outlook

J&K Reorganization Bill to split the state into two UTs - J&K with legislature and Ladakh was proposed and passed as a test of NDAs majority in both houses in a surprise move.

We believe, RBI's decision to transfer surplus reserve of ₹1,76,051 Cr would aid the Government in taking measures at a time when the GDP growth slipped to 5% following a sharp deceleration in consumer demand and tepid investment.

Cumulative rainfall during monsoon 2019 upto August end of 1% above Long Period Average comes as a relief news amid slowdown in Auto sales as the rural demand can revive the sales during the peak festive season ahead.

We expect volatility to continue in Equity Markets in near term.

Key Events to watch out: Advance Tax collection, Monsoon, US FOMC and UN Climate change summit.

| Benchmark | 30-Aug-19 | MTD | 2019 |
|-----------|-----------|--------|---------|
| SENSEX | 37,332.79 | -0.40% | 3.51% |
| NIFTY | 11023.25 | -0.85% | 1.48% |
| 10Y G-Sec | 6.56% | 3.14% | -10.99% |

| Top Gainers | Change | Top Losers | Change |
|-------------|--------|--------------|--------|
| Maruti | 11.87% | Yes Bank | 34.83% |
| Bajaj-Auto | 11.24% | Tata Steel | 20.13% |
| Tech M | 9.28% | TataMotorDVR | 17.94% |
| Hero Moto | 9.15% | SBI | 17.57% |
| HUL | 8.93% | ONGC | 12.74% |

| BSE Sector Performance | MTD | 2019 |
|------------------------|--------|---------|
| Basic Materials | -5.94% | -13.78% |
| Telecom | -0.16% | -7.78% |
| Utilities | -1.72% | -8.52% |
| Industrials | -4.28% | -13.98% |
| Finance | -2.54% | 1.82% |
| Consumer Discretionary | 3.17% | -11.55% |
| FMCG | 0.13% | -6.36% |
| Energy | 3.04% | 4.06% |
| Healthcare | 1.35% | -7.53% |
| IT | 2.64% | 14.62% |

| FII (Cr) | EQUITY | DEBT | HYBRID | TOTAL |
|----------|---------|--------|--------|--------|
| MTD | -17,592 | 11,672 | 49 | -5,871 |
| YTD | 48,637 | 30,176 | 8,773 | 87,583 |

| Currencies | 30-Aug-19 | MTD | 2019 |
|------------|-----------|-------|--------|
| USDINR | 71.4063 | 3.86% | 2.31% |
| EURINR | 78.8322 | 2.95% | -1.19% |
| GBPINR | 86.9258 | 4.05% | -1.83% |

| Global Indices | 30-Aug-19 | MTD | 2019 |
|----------------|-----------|--------|--------|
| DJIA | 26403.28 | -1.72% | 13.79% |
| NASDAQ | 7962.88 | -2.6% | 20.01% |
| DAX | 11939.28 | -2.05% | 13.07% |
| FTSE | 7207.18 | -5.00% | 7.12% |
| CAC | 5480.48 | -0.7% | 15.85% |
| NIKKEI | 20704.37 | -3.92% | 4.04% |
| HSI | 25724.73 | -7.39% | -0.47% |
| KOSPI | 1967.79 | -2.8% | -3.59% |
| RTSI | 1293.32 | -4.74% | 21.02% |
| SHANGHAI | 2886.24 | -1.58% | 15.73% |

| Commodity (USD) | 30-Aug-19 | MTD | 2019 |
|-----------------|-----------|--------|--------|
| Gold | 1520.38 | 7.38% | 18.66% |
| Silver | 18.34 | 13.35% | 18.02% |
| Brent | 60.43 | -6.24% | 12.87% |

Q1 Results FY20

| Company | PAT Growth | Company | PAT Growth |
|------------|------------|--------------|------------|
| Titan | 94.04% | BhartiAirtel | NA |
| Lupin | 49.1% | SBI | -183.42% |
| Sun Pharma | 41.56% | M&M | -89.7% |
| Coal India | 22.18% | Cadila | -34.07% |
| ITC | 12.7% | IBulshsgfin | -24.66% |
| Power Grid | 9.87% | ONGC | -24.42% |

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