

## Indian Equity Markets

SENSEX and NIFTY touched lifetime high during the month however ended negative led by profit booking. Energy, Healthcare, Telecom & Basic Materials sectors corrected. Mid & Small Cap Indices corrected by 1.12% & 4.22% led by large number of defaults reported by corporates in this segment due to refinancing issues among others. FII remained net buyers for 5<sup>th</sup> consecutive month, invested ₹ 2,596 Cr in June.

## Debt Markets

RBI changed its stance to “accommodative” and cut Repo Rate by 25 bps during MPC. Financial Stability Report released by RBI stated that the Indian financial system is stable and bad loans in the banking sector are expected to decline.

The report further called for greater vigilance for the shadow banking sector and the need to safeguard domestic markets against recent global geopolitical developments. 10 Year G-Sec Yield dropped from 7.03% to 6.89% prompted by the risk aversion for the corporate bonds continuing into this month and FII buying amounting to ₹ 8,319Cr. Government has cut interest on small savings schemes by 10 bps for the quarter.

## Global Markets

Global indices rallied sharply reversing the previous month losses after US Fed maintained status quo on interest rates and changed its stance from patient to most appropriate.

US - China agreed to restart trade talks after Trump offered concessions to his Chinese counterpart Xi Jinping when the two met at the sidelines of the G20 summit in Japan. Oil prices rallied as OPEC scheduled meet on July 1-2 could curb oil output by 1.2 mbpd for next 6 to 9 months, already Saudi Arabia and Russia agreed for this production cut. Gold prices rallied for the month due to geopolitical tensions.

The Key events to watch out are 2<sup>nd</sup> Quarter results and FOMC meet on July 30-31.

## Corporate Announcements

Bharat Forge announced an investment of €11.35 Mn in a new JV with Refu Elektronik. ITC to invest ₹ 20,000 Cr in a new FMCG factory to be set up in West Bengal.

Reliance Industries and BP sanctioned third phase of integrated KG D6 development.

NTPC got an approval for 100 MW Floating Solar PV Project in Ramagundam.

PFC raised \$1 Bn via bonds in US markets in 5 & 10 Year tranches at 3.87% & 4.57%.

Hexaware bought 100% stake in digital company Mobiquity Inc. for \$182 million.

BHEL won orders worth ₹800 Cr from NTPC & Gujarat State Electricity Corporation.

Biocon to sell branded formulation India operations to arm for Rs 45 Cr.

Tech M to buy Object wise Consulting Group for Canadian \$2.75 million.

VA Tech Wabag bags order worth ₹ 1,477 Cr in UP for Clean Ganga project.

Blue Star bags order worth ₹ 253 Cr from Mumbai Metro Rail.

HDFC Ergo General Insurance to acquire 51.2% stake in Apollo Munich for ₹ 1,347 Cr.

Govt recognizes ONGC as HPCL's promoter firm.

IndusInd bank promoters (Hinduja's) to infuse 2700 Cr via warrants.

Bharat Financial has received merger approval from NCLT with IndusInd Bank.

NCLT approves the merger of Gruh Finance with Bandhan Bank.

Radiant Life Care acquires 49.7% stake in Max Healthcare from Life Healthcare.

Infosys announced a strategic partnership with Toyota Material Handling Europe.

TCS Acquired 15% stake from Mitsubishi Corporation in TCS Japan for \$ 32.6 Mn.

L&T bought 10.61% stake of Mindtree Ltd from Singapore-based Nalanda Capital.

ICRA downgraded Long Term ratings of Edelweiss Financial Services & Piramal Capital.

HDFC Bank planning an IPO of HDB Financial Services, and may raise ₹ 7000-8000 Cr.

## Market Outlook

The cumulative rainfall recorded in June is below 36% Long period average and an above normal rainfall is likely to occur in July as per IMD.

Current a/c deficit narrowed to \$4.6B (0.7% of GDP) in Q4 YoY Vs \$13B (1.8% of GDP).

Forex Reserves are at a record high of \$426.42B and can support the country from external shocks due to any Geopolitical escalation.

The key events like Union budget (we expect most of the proposals announced in the Interim budget would be included), Q1 results for FY20 starting from July 9th, progress of monsoons, monthly automobile sales data along with production figures for eight core industries (ECI) in June along with the direction of foreign fund flows would give a clear direction for market in the near term.

Benchmark	28-June-19	MTD	2019
SENSEX	39394.64	-0.80%	9.22%
NIFTY	11788.85	-1.12%	8.53%
10Y G-Sec	6.89%	-1.99%	-6.51%

Top Gainers	Change	Top Losers	Change
PowerGrid	9.3%	Yes Bank	26.42%
Vedanta	8.6%	IBHFL	22.74%
Titan	8.01%	GAIL	13.59%
Bajaj Finance	6.17%	IndusInd	12.14%
NTPC	6.08%	Tech M	7.07%

BSE Sector Performance	MTD	2019
Basic Materials	-1.97%	0.52%
Telecom	-2.69%	0.08%
Utilities	0.33%	-0.70%
Industrials	-1.93%	1.45%
Finance	-0.75%	12.36%
Consumer Discretionary	-1.45%	-5.35%
FMCG	-1.36%	-3.95%
Energy	-5.19%	10.77%
Healthcare	-3.12%	-7.43%
IT	-0.81%	11.10%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	2596	8319	2196	13111
YTD	78648	9071	8741	96457

Currencies	28-June-19	MTD	2019
USDINR	68.91	-1.27%	-1.25%
EURINR	78.35	0.81%	-1.78%
GBPINR	87.34	-0.75%	-1.36%

Global Indices	28-June-19	MTD	2019
DJIA	26599.96	7.19%	14.64%
NASDAQ	8007.18	7.43%	20.68%
DAX	12398.8	5.73%	17.42%
FTSE	7425.63	3.69%	10.37%
CAC	5538.97	6.36%	17.09%
NIKKEI	21275.92	3.28%	6.91%
HSI	28542.62	6.10%	10.43%
KOSPI	2130.62	4.35%	4.39%
RTSI	1380.52	7.26%	29.18%
SHANGHAI	2978.88	2.77%	19.45%

Commodity (USD)	28-June-19	MTD	2019
Gold	1412.1	7.7%	10.21%
Silver	15.34	5.28%	-1.29%
Brent	66.77	3.54%	24.71%

IPO's - June'19	Issue Price (₹)	Listed At
IndiaMart	970 - 973	*
KPR AgroChem	59 - 61	*
Buyback's - June'19	Amount (₹)	Price (₹)
Frontline Securities	7.56 Cr	40
Takeover - June'19	Amount (₹)	Price (₹)
Mindtree	5030 Cr	980

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