

Indian Equity Markets

Benchmark indices rallied sharply and closed at a life time high, supported by strong earnings reported so far and subsequent price movement in select heavy weights, ignoring surprise No Confidence Motion initiated in the monsoon season of parliament and losses reported by ICICI Bank & Tata motors.

15 out of 16 Sectors ended with gains, FMCG & Consumer Durable companies cheered as GST council cut rates on more than 50 consumer durable goods.

Mid & Small Cap indices posted gains of 3.64% and 3.44% respectively after two consecutive months of correction. FII's were net buyers of ₹2,264 Cr in equities.

Debt Markets

RBI hiked Repo rate by 25bps for the second time in a row while retaining a 'Neutral' monetary policy stance.

10Y G-Sec yield retreated to 7.77% from 7.91% as FII's turned net buyers and invested ₹43 Cr after 3 consecutive months of selling.

Global Markets

Major global indices ended the month on a positive note except HSI and KOSPI. FOMC kept the target range of federal fund rates unchanged. Monetary Policy stance remains "Accommodative" but upgraded view on economy to "Strong".

European markets rallied sharply as Trump and EU officials agree to work towards 'zero tariff' deal.

Brent Prices corrected after data from the American Petroleum Institute showed domestic crude inventories rose by 5.6 million barrels and also OPEC has pledged to offset the loss of supply from Iran.

Corporate Announcements

Reliance acquired NASDAQ listed Radisys Corporation for \$75 million.

PNB received ₹ 2,816 Cr capital infusion from Indian government.

Apollo Hospitals acquired 50% stake in Medics International Lifesciences.

Infosys announced a 1:1 bonus issue.

Godrej Consumer Products announced a 1:2 bonus issue.

PC Jeweler withdrew buyback offer as it did not get NOC from bankers.

HCL Tech board has approved buyback of 3.64 Cr shares at ₹ 1,100 each.

Cipla's wholly owned subsidiary acquired Mirren (Pty) Ltd. for ₹ 228 Cr.

HDFC bank launched QIP to raise up to ₹ 15,500 Cr.

Market Outlook

While Asian indices corrected this year, Indian markets are at a record high levels despite high crude prices and rising interest rates. On the brighter side though, nearly 74 percent of the country has received normal rainfall until now (rural demand may see an uptick) and rationalizing of GST rates continue. Any surprise move towards reducing/abolishing Income Tax for the marginal tax payers prior to general elections would boost savings.

Volatility to continue in Equity Markets in near term while 10 Year G-Sec Yield would be range bound for rest of the year.

Benchmark	31-July-18	MTD	2018
SENSEX	37607	6.16%	10.42%
NIFTY	11357	5.99%	7.84%
10 Year G-Sec	7.77 %	-1.7%	6.15%

Top Gainers	Change	Top Losers	Change
Reliance	21.77%	Tata Motors	12.14%
Bajaj Finserv	19.96%	Lupin	8.95%
Bajaj Finance	17.57%	Hindalco	7.34%
Asian Paints	14.63%	Vedanta	5.51%
IBHF	13.48%	Hero Motor	5.16%

Sector Performance	MTD	2018
Basic Materials	2.28%	-14.30%
Telecom	0.37%	-28.97%
Utilities	3.40%	-14.42%
Industrials	2.70%	-14.20%
Finance	6.03%	7.42%
Consumer Discretionary	3.39%	-6.82%
FMCG	7.13%	12.32%
Energy	14.99%	7.86%
Healthcare	1.44%	-4.01%
IT	4.36%	28.81%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	2264	43	-43	2264
YTD	-4167	-41392	-49	-45608

Currencies	31-July-18	MTD	2018
USDINR	68.60	-0.04%	-7.41%
EURINR	80.36	-0.65%	-5.00%
GBPINR	90.08	-0.18%	-4.41%

Global Indices	31-July-18	MTD	2018
DJIA	25399	4.64%	2.75%
NASDAQ	7709	2.65%	11.68%
DAX	12806	4.06%	-0.87%
FTSE	7749	1.46%	0.79%
CAC	5511	3.53%	3.74%
NIKKEI	22500	0.88%	-1.16%
HSI	28583	-1.29%	-4.47%
KOSPI	2295	-1.33%	-6.98%
RTSI	1173	1.64%	1.61%
SHANGAI	2876	0.99%	-13.03%

Commodity(USD)	31-July-18	MTD	2018
Gold	1230.7	-1.87%	-5.53%
Silver	15.51	-4.02%	-8.63%
Brent	74.32	-6.45%	11.14%

IPO's – During July '18	Issue Price	Listed At
TCNS CLOTHING CO. LTD	714 -716	716
HDFC AMC LTD	1095-1100	*

Model Portfolio	PE*	2017	2016	2015
BSE SENSEX	23.61	27.91	1.95	-5.03
NIFTY 50	28.22	28.65	3.01	-4.06
Custom Benchmark	22.96	40.45	4.81	4.23
Portfolio Strategy	PE	2017	2016	2015
Diversified Conservative	17.05	45.10	8.82	5.69
Diversified Moderate	18.19	40.42	7.36	5.54
Diversified Aggressive	28.09	48.40	5.90	6.81
Sector Strategy	26.30	37.78	4.08	5.64
Thematic Strategy	21.96	43.41	4.84	7.82

*PE based on 30-06-2018 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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