

## Monthly Market Update - June' 2018

### Indian Equity Markets

Benchmark indices closed flat (thanks to the rally on last day led by HDFC Bank) despite a volatile month which witnessed a big political tug-of-war between BJP and Congress in the state of Karnataka.

All sectors except Finance corrected sharply post FII selling, triggered in anticipation of impact on GDP due to high crude prices and weak ₹.

Mid & Small Cap indices corrected 5.87% and 6.26% respectively.

Nearly half of Sensex companies reported positive growth for FY18, surprisingly street rewarded SBI & AXIS despite disastrous earnings.

### Debt Markets

10Y G-Sec yield ended at 7.83% and FPI's sold ₹19,654 Cr ahead of RBI MPC scheduled for 6th June, consensus suggest a rate hike.

### Global Markets

Global Indices lacked direction thanks to Mr. Trump's flip-flop's, political turmoil in Italy and decision to include Chinese A- shares in MSCI EM Index from June'18.

Brent prices were kept in check after Saudi Arabia announced OPEC and Russia could supply more oil to world markets "in the near future" to make up for a collapse in Venezuelan output and the impact of US sanctions on Iran.

US-North Korea summit (12<sup>th</sup> Jun) could make headlines this month.

### Corporate Announcements

**Techno Electric** acquired 26% stake in Kohima-Mariani from Kalpataru.

**Tata Motors** to sell its defense & aerospace portfolio to Tata AS LTD.

**Reliance Communications** admitted into insolvency by NCLT bench.

**Century Textiles** merges cement division with Ultratech Cement.

**Tata steel** completed acquisition of 72.65 percent in Bhushan Steel.

**IDBI Bank** Government of India increases its stake in by 5%

**Manpasand** stock crashed as auditors resign.

**HDFC Bank, ICICI, Kotak, PNB** raised their MCLR between 10 – 20 bps.

**Walmart** inks deal to buy majority stake in **Flipkart**.

### Market Outlook

Monsoons arrived 3 days early this year and its progress would be keenly watched alongside RBI's MPC stance on June 6<sup>th</sup> and high domestic fuel prices. Weak ₹ is expected to boost margins of export-oriented sectors and volatility would continue in Equity & Debt Markets in near term.

Model Portfolio	PE*	1M	YTD	2017	2016	2015
BSE SENSEX	23.19	0.46	3.72	27.91	1.95	-5.03
<b>NIFTY 50</b>	27.19	-0.03	1.95	28.65	3.01	-4.06
Custom Benchmark	-	-2.90	-4.24	39.72	4.78	4.00
Portfolio Strategy	PE	1M	YTD	2017	2016	2015
Diversified Conservative	19.18	-4.75	-7.47	45.10	8.82	5.69
Diversified Moderate	21.25	-3.50	-5.87	40.42	7.36	5.54
Diversified Aggressive	27.56	-2.65	0.43	48.40	5.90	6.81
Sector Strategy	28.16	-2.94	-0.12	37.78	4.08	5.64
Thematic Strategy	29.21	-3.25	-3.70	43.41	4.84	7.82

\*PE based on 30-04-2018 Portfolio data.

Custom Benchmark includes 167 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-May-18	MTD	2018
SENSEX	35322	0.46%	3.72%
NIFTY	10736	-0.03%	1.95%
10 Year G-Sec	7.83%	0.90%	6.97%

Top Gainers	Change	Top Losers	Change
HDFC Bank	9.6%	Ambuja	18%
SBI	9.3%	Tata Motors	15.7%
Asian Paints	8.8%	ACC	14.2%
Kotak	8.7%	HCL Tech	13.6%
Gail	7.8%	Aurbindo	13.4%

Sector Performance	MTD	2018
Basic Materials	-6.89%	-11.58%
Telecom	-7.09%	-28.00%
Utilities	-2.66%	-10.75%
Industrials	-6.71%	-9.53%
Finance	2.08%	3.25%
Consumer Discretionary	-3.93%	-7.19%
FMCG	-0.13%	5.58%
Energy	-2.31%	-5.25%
Healthcare	-8.13%	-12.14%
IT	-0.85%	19.29%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	-10060	-19654	-61	-29776
YTD	-1600	-30465	-13	-32077

Currencies	31-May-18	MTD	2018
USDINR	67.45	1.00%	5.61%
EURINR	78.79	-2.42%	2.95%
GBPINR	89.79	-3.34%	4.08%

Global Indices	31-May-18	MTD	2018
DJIA	24415.84	0.43%	-1.23%
NASDAQ	7442.12	4.53%	7.80%
DAX	12604.89	0.19%	-2.42%
FTSE	7678.2	2.35%	-0.12%
CAC	5398.4	-1.55%	1.62%
NIKKEI	22201.82	-1.18%	-2.47%
HSI	30468.56	-1.10%	1.84%
KOSPI	2423.01	-3.67%	-1.80%
RTSI	1174.91	3.37%	1.77%
SHANGAI	3097.94	0.51%	-6.33%

Commodity(USD)	31-May-18	MTD	2018
Gold	1302.1	-1.61%	-0.05%
Silver	16.43	0.15%	-3.00%
Brent	77.5	3.83%	15.90%