

## Monthly Market Update - March' 2018

### Indian Equity Markets

Benchmark indices along with all the Sector Indices witnessed sharp correction during the month led by FII's selling (₹11,037Cr).

Banking & Finance sector was the worst hit rocked by a series of frauds unearthed, negating prospects of many policy measures announced recently aimed at strengthening the bank balance sheets.

Mid & Small Cap indices corrected -4.62% & -3.15% respectively.

### Debt Markets

RBI maintained status quo on policy rates during the bi monthly MPC and expects inflation to inch upwards on the back of higher crude prices.

10Y G-Sec yields soared from 7.48% to 7.73% while FIIs turned net sellers (₹253 Cr) in debt for the first time in 12 months.

### Global Markets

Except for RTSI all major global indices witnessed sharp correction due to profit booking in stocks after a strong rally in Jan'18 and in anticipation of surge in yields after the change in guard at Fed.

### Corporate Announcements

**Infosys** to divest entire stake in Onmobile Systems for USD \$2.5 Million.

**SBI** to raise ₹8,800 Cr via Preferential issue to government.

**PNB** was hit by a ₹11,400 Cr fraud, largest in the Indian Banking sector.

**L&T** bags orders worth ₹1,266 Cr from its Diversified businesses.

**Mahindra's** Smartshift intends to merge with Porter by Resfeber Labs.

**RIL** to acquire 5% stake in Eros for \$48.75 m.

**TCS** recognized as one of LATAM's best places to work for the 4<sup>th</sup> year.

**Airtel** partners with Motorola to offer 4G smartphones starting at ₹3999.

**Tata Steel** issued 11.8% perpetual high secured debentures of ₹1500 Cr.

**Bajaj Finserv, Grasim & Titan** to replace **Ambuja, Aurobindo & Bosch** in NIFTY from April 2<sup>nd</sup> 2018.

### Market Outlook

Budget played its part in contributing to profit booking (LCTG) and also paved way for a year of government's aggressive (generous) spending as we march towards general elections scheduled around the next budget.

Elections are underway in multiple states, markets henceforth are expected to react in knee jerk fashion than in the past as it adds to momentum all the way up to 2019 Lok Sabha elections.

The performance contrast in Jan and Feb'18 alongside volatility in the markets globally could well be early indicators of what to expect in 2018. We continue to remain vigilant on our market outlook for the near term. We expect yields would remain at alleviated levels throughout the year.

Model Portfolio	PE*	1M	3M	2017	2016	2015
BSE SENSEX	24.04	-4.95	3.12	27.91	1.95	-5.03
NIFTY	25.68	-4.85	2.60	28.65	3.01	-4.06
Portfolio Strategy	PE	1M	3M	2017	2016	2015
Diversified Conservative	20.70	-3.69	-0.17	45.05	8.74	5.74
Diversified Moderate	23.14	-3.39	0.11	40.44	7.38	5.54
Diversified Aggressive	28.22	-2.77	2.67	48.92	6.19	4.90
Sector Strategy	25.42	-2.69	2.72	39.83	8.03	1.62
Thematic Strategy	29.65	-2.69	1.19	43.64	5.01	5.84

\*PE based on 31<sup>st</sup> Jan Portfolio data

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Benchmark	28-Feb-18	MTD
SENSEX	34184	-4.95%
NIFTY	10493	-4.85%
10 Year G-Sec	7.73%	3.98%

Top Gainers	Change	Top Losers	Change
Eicher	3.46%	SBI	-14.45%
Coal India	3.22%	ICICI	-11.25%
Power Grid	2.01%	Axis Bank	-10.92%
Infosys	1.94%	Yes Bank	-9.06%

Sector Performance	MTD	2018
Basic Materials	-3.57%	-3.77%
Telecom	-2.95%	-14.35%
Utilities	-3.42%	-7.99%
Industrials	-4.25%	-3.27%
Finance	-7.31%	-1.83%
Consumer Discretionary	-4.92%	-7.76%
FMCG	-1.91%	-1.77%
Energy	-2.83%	0.33%
Healthcare	-3.07%	-4.64%
IT	-0.41%	10.89%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	-11037	-253	3	-11288
YTD	2744	8270	-29	10,984

Currencies	28-Feb-18	MTD	2018
USDINR	65.10	2.38%	1.93%
EURINR	79.58	0.51%	3.99%
GBPINR	90.44	0.59%	4.84%

Global Indices	28-Feb-18	MTD	2018
DJIA	25092	-4.29%	1.25%
NASDAQ	7273	-1.87%	5.35%
DAX	12466	-5.49%	-3.50%
FTSE	7284	-3.32%	-5.26%
CAC	5327	-2.82%	0.28%
NIKKEI	22068	-4.46%	-3.06%
HSI	30845	-6.21%	3.09%
KOSPI	2427	-5.42%	1.63%
RTSI	1285	0.24%	11.35%
SHANGAI	3260	-6.36%	-1.44%

Commodity(USD)	28-Feb-18	MTD	2018
Gold	1316.04	-2.19%	1.02%
Silver	16.39	-5.51%	-3.23%
Brent	64.71	-6.29%	-3.23%

IPO's—During Feb'18	Offer Price	Offer Period
HG Infra Engineering	₹263-270	26 <sup>th</sup> -28 <sup>th</sup> Feb
Aster DM Healthcare	₹180-190	12 <sup>th</sup> -15 <sup>th</sup> Feb