

Indian Equity Markets

Sensex with annual gains stood as the top performer and the only Index to have recorded gains among the major global indices in 2018.

FII's sold record ₹33,014cr in Equities compared to ₹51,252cr bought in 2017, making it the second instance in this decade after 2011.

Public issues raised a record amount of ₹ 34,000cr via IPO's apart from a dozen OFS to seize upon investor appetite in equity markets.

While IT, FMCG & Finance sectors posted gains, Energy was flat and all other BSE Sectoral Indices gave negative return which incidentally shares the fate of 2013, the year before previous general elections, which also has another unique common reference wherein the headline Large cap Indices recorded gains vs losses by Mid & Small cap Indices.

Rising Interest rates, Scams in PSB's, Defaults by NBFC's, below normal Monsoons, Weak ₹, Volatile Oil, FII sell off erased initial gains of the year that were supported by Recovery in Corporate Earnings & GDP data, relief provided via GST rate cuts and FDI inflows.

Debt Markets

10Y GSec yields have spiked above 8% prior to ending the year flat at 7.37%, despite FII's selling ₹47,795cr against buying of ₹1,48,808cr in debt in 2017.

Events like Interest rate hikes, Volatile ₹, IL&FS default and RBI governor resignation led the fears, however, markets seem to have drawn comfort from government responses and instead choose to focus on Bank recapitalisation efforts, Liquidity infusion via OMO, Success of IBC and NPA resolutions in sight, adherence to fiscal deficit targets, likely exit of PSB's from RBI's PCA framework.

Global Markets

All major global indices ended the year with negative returns, US markets too ended in losses after a selloff in the December which saw extreme volatility.

US Fed actions in 2018 and outlook for 2019, Trade Wars between US & China, Middle East tensions, Slowdown in global economic growth, concern over increasing share of computer-driven trading, etc. were the possible reasons for global market's dismissal performance.

Corporate Headlines of the Year

Wipro bags its biggest deal valued over \$1.5 billion from Alight Solutions LLC.

Aditya Birla sold its stake in More to Amazon & Samara Capital for ₹ 4200Cr.

Yes Bank: RBI cut Rana Kapoor's tenure, board seeks extension till 31st Jan'19.

IL&FS defaulted on short term loan of ₹ 1000 Cr to SIDBI.

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

ONGC buys 51.1% stake in HPCL for ₹36,915cr at ₹473.97 per share.

IDFC Bank merges with Capital First, with Share swap ratio of 139:10.

Tata steel completed acquisition of 72.65 percent in Bhushan Steel.

Infosys & TCS both announced a 1:1 bonus issue during the year.

Aditya Puri reappointed as HDFC Bank's MD & CEO till 26th Oct' 20.

Kochhar & Shikha Sharma step down as CEO from ICICI & Axis Bank respectively.

Cabinet approves planned takeover of IDBI Bank by LIC.

Market Outlook

The biggest goal post of the year 2019 would be the General & State elections. We see 3 possibilities, continuity of Policy initiatives (NDA wins), replacement or discontinuity (Anti-incumbency) and chaos in case of a fractured mandate (the most damaging and least possibly scenario).

Markets always rewarded irrespective of who is elected as long as they can hold the office for a full term. Our bias continues towards IT, Healthcare, BFSI and Consumption driven sectors as we believe Oil, Trade wars, Interventions by Central banks aren't over yet.

Benchmark	31-Dec-18	MTD	2018
SENSEX	36068.33	-0.35%	5.91%
NIFTY	10862.55	-0.13%	3.15%
10 Yr G-Sec	7.37	-3.13%	0.68%

Top Gainers	Change	Top Losers	Change
IBULLS	19.32%	SUNPHARM	12.6%
BPCL	11.26%	HCL TECH	5%
POWERGRID	10.24%	GRASIM	4.44%
HPCL	9.07%	DR. REDDY	4.16%
BAJAJ FINSERV	7.75%	TCS	4.14%

BSE Sector Performance	MTD	2018
Basic Materials	0.46%	-19.30%
Telecom	-0.35%	-40.99%
Utilities	4.09%	-14.87%
Industrials	1.36%	-19.04%
Finance	2.09%	1.98%
Consumer Discretionary	1.08%	-15.85%
FMCG	1.56%	10.60%
Energy	-1.19%	0.14%
Healthcare	-2.86%	-5.92%
IT	-1.45%	24.93%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	3143	4749	-3	7889
YTD	-33014	-47795	-109	-80919

Currencies	31-Dec-18	MTD	2018
USDINR	69.7923	0.19%	9.27%
EURINR	79.7805	0.53%	4.24%
GBPINR	88.5488	-0.60%	2.64%

Global Indices	31-Dec-18	MTD	2018
DJIA	23203.91	-9.09%	-6.13%
NASDAQ	6635.28	-9.48%	-3.88%
DAX	10558.96	-6.20%	-18.26%
FTSE	6728.13	-3.61%	-12.48%
CAC	4730.69	-5.46%	-10.95%
NIKKEI	19900	-10.96%	-12.58%
HSI	25845.7	-2.49%	-13.61%
KOSPI	2041.04	-2.66%	-17.28%
RTSI	1066.13	-5.33%	-7.65%
SHANGAI	2493.9	-3.64%	-24.59%

Commodity (USD)	31-Dec-18	MTD	2018
Gold	1281.3	4.51%	-1.65%
Silver	15.54	9.28%	-8.25%
Brent	53.54	-8.81%	-21.86%

Biggest IPO's of 2018

Name	Issue Size (Cr)	Offer Price
Bandhan Bank	4473	375
HAL	4113	1215
ICICI Securities	3514	520
HDFC AMC	2800	1100
VARROC	1954	967

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