

## Indian Equity Markets

Indian equity markets corrected over concerns of economic slowdown, delayed monsoon, earnings below expectations, poor auto sales and a proposal of tax surcharge on super-rich and foreign investors registered as non-corporates or trusts introduced in budget, further evidenced by FII's selling of ₹12,419 Cr in equities.

Mid & Small Cap Indices corrected by 7.87% & 10.87% respectively.

Except IT all other major sector indices ended negative for the month.

## Debt Markets

RBI expects liquidity crisis faced by NBFC's would end soon, given the government's reassurance in the Union Budget of an appropriate intervention.

RBI rejigged portfolios of deputy governors post Dr. Viral Acharya's exit.

10Y G-Sec Yields dropped from 6.89% to 6.36% prompted by the risk aversion for the corporate bonds and demand from FII's (bought ₹9433 Cr) continuing into this month.

## Global Markets

Global Indices closed mixed after Fed cut target rates by 25 bps inline with market expectation amid muted inflation pressures, mixed economic data, U.S economic growth slow down to 2.1% in the second quarter along with geopolitical tensions.

Oil prices corrected supported by strong growth in U.S. output and enough spare capacity in Saudi Arabia alone to offset any significant supply disruptions.

Gold emerged as a safe heaven and made strong gains during the month led by geopolitical instability & negative yields on major global sovereign bonds.

Key Events to watch out are Brexit and progress of US China trade talks as US decided to impose additional 10% tariff on \$300 Bn Chinese imports from 1<sup>st</sup> September.

## Corporate Announcements

Kalpataru to buy balance 19.94% stake in Shubham Logistics for ₹ 64.66 Cr.

Aditya Birla Fashion acquired 51% stake in Finesse International Design.

Tata Sponge Iron promoter Tata Steel participates in the rights issue up to ₹ 1,485 Cr.

Oil India bags 12 exploration license in oilfield auction ahead of Vedanta 10 & ONGC 8.

HDFC to consider issue of NCDs aggregating to ₹ 45000 Cr on a private placement basis.

Mindtree categorized L&T as promoter of company with 60.06% stake in the company.

India Mart Intermesh IPO listed at premium of 21% to the issue price of ₹ 973.

Yes Bank acquired a 9.47% stake in Eveready Industries by invoking pledged shares.

GMR Infra sold an entire stake of 47.62% in GMR Chhattisgarh Energy to Adani Power.

PNB detected a fraud of more than ₹ 3,800 Cr by Bhushan Steel & reported it to RBI.

Fortis Healthcare Mauritius arm completed sale of its entire 29% stake in MSCL.

Larsen and Toubro to merge its shipbuilding arm with self.

TCS Board declared an interim dividend of ₹5 per equity share.

BHEL & ConCor formed JV to establish rail-based logistics terminal at Haridwar.

Vedanta to spend \$8 billion in the medium-term to increase output by 50%.

Cipla EU will hold 80% stake in JV with Jiangsu Acebright Pharma Co., Ltd.

Tata Motors incorporated wholly-owned unit Brabo Robotics & Automation.

Gruh Finance board approved to increase registered FPIs/FILs limit from 24% to 40%.

TVS Motor (Singapore) Pte. signed agreement to invest \$7Mn in Scienaptic Systems.

PNB HFC has raised \$100 MN from IFC for lending to buyers in affordable housing.

Coal India sold 1.7% stake in the company via CPSE ETF.

CPSE ETF was subscribed five times, in excess of ₹40,000 Cr, against issue of ₹8,000 Cr.

CCD founder committed suicide as he was unable to service heavy debt burden.

Wipro board approved buyback of 32.30 Cr equity shares at ₹325 per share.

## Market Outlook

IMF lowered India's economic growth forecast to 7% in 2019 and 7.2% in 2020 due to weaker-than expected outlook for domestic demand.

Adverse monsoon (17% below normal so far) can deteriorate already weak auto sales leading to massive job cuts, stress on MSME's and FMCG sector may too suffer with rising input costs coupled with weak demand.

Political landscape has changed with the re-entry of BJP in Karnataka and can be seen as a step towards consolidation of strength in both the houses of parliament ahead of passage of multiple bills, proposals introduced in budget and lastly supreme courts scheduled day to day hearing of Ayodhya resolution.

Major Indian Equity Indices have given up all the gains made in 2019 reversing the perception of froth in valuations and any further correction may see incremental allocations into equities as there is little room for rally in G-Sec's.

Key events to watch out are RBI MPC policy meet scheduled on 7<sup>th</sup> august and continuing Q1 earnings season.

Benchmark	31-July-19	MTD	2019
SENSEX	37,481.12	-4.86%	3.92%
NIFTY	11,118.00	-5.69%	2.35%
10Y G-Sec	6.36%	-7.69%	-13.70%

Top Gainers	Change	Top Losers	Change
Asian Paints	12.34%	Titan	20.21%
Infosys	8.48%	Coal India	19.41%
ZEE	6.81%	Tata Motors	19.21%
Sun Pharma	6.42%	GAIL	17.62%
Kotak	2.55%	Axis Bank	16.77%

BSE Sector Performance	MTD	2019
Basic Materials	-8.81%	-8.3%
Telecom	-7.71%	-7.6%
Utilities	-6.27%	-6.9%
Industrials	-11.42%	-10.1%
Finance	-7.02%	4.5%
Consumer Discretionary	-9.42%	-14.3%
FMCG	-2.64%	-6.48%
Energy	-8.83%	0.99%
Healthcare	-1.43%	-8.8%
IT	0.51%	11.7%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	-12,419	9,433	-17	-3003
YTD	66,229	18,504	8,724	93,454

Currencies	31-July-19	MTD	2019
USDINR	68.75	-0.24%	-1.49%
EURINR	76.57	-2.28%	-4.02%
GBPINR	83.54	-4.36%	-5.66%

Global Indices	31-July-19	MTD	2019
DJIA	26864.27	0.99%	15.16%
NASDAQ	8175.42	2.10%	23.21%
DAX	12189.04	-1.69%	15.44%
FTSE	7586.78	2.17%	12.76%
CAC	5518.9	-0.36%	16.66%
NIKKEI	21521.53	1.15%	8.15%
HSI	27777.75	-2.68%	7.48%
KOSPI	2024.55	-4.98%	-0.81%
RTSI	1357.7	-1.65%	27.04%
SHANGHAI	2932.51	-1.56%	17.59%

Commodity (USD)	31-July-19	MTD	2019
Gold	1415.9	0.27%	10.50%
Silver	16.18	5.48%	4.12%
Brent	64.45	-3.47%	20.38%

## Q1 Results FY20

Company	PAT Growth	Company	PAT Growth
ICICI Bank	NA	Tata Motors	NA
AXIS Bank	74.87%	Yes Bank	-92.45%
ZEE	62.56%	UPL	-57.81%
Dr. Reddy	45.32%	IOC	-49.50%
Bajaj Finance	42.99%	Maruti	-31.68%
Bharti Infratel	39.03%	Eicher	-21.59%

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