

Indian Equity Markets

Benchmark indices corrected sharply from its life time high, led by a series of events starting with liquidity crisis triggered after IL&FS default, RBI curtailing Rana Kapoor's tenure as MD& CEO of YES bank, Surge in oil prices and a Weak INR.

IT is the only sector to have ended on a positive note. Mid & Small Cap indices corrected by 12.55% and 16.07% respectively. FII's turned to net sellers of ₹10,825 Cr in equities.

Debt Markets

IL & FS default event shocked the debt markets and now NBFC's are under severe scrutiny for their ability to roll over existing debt and maintain liquidity.

RBI permitted, total carve out from SLR available to banks to 15 per cent of their NDTL to improve liquidity and announced a cut in Gross Market Borrowings by ₹700 billion for H2FY19 to keep the fiscal deficit in check. FII's were net sellers of ₹10,198 Cr in debt.

Global Markets

NIKKEI, RTSI & SHANGAI rallied during the month while NASDAQ and DAX corrected.

FOMC raised target range of federal fund rates to 2-2.25%.

Oil prices rose after slowdown in US crude production and sanctions against Iran nearing.

Corporate Announcements

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

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

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

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

Dena Bank's board approved the proposed merger with BOB & Vijaya Bank.

RITES received turnkey contracts work worth ₹731 Cr from the Indian Railways.

HCL Technologies offered buyback of 3.63 Cr shares at ₹ 1,100 per share.

NBCC (India) to acquire 100 % stake in HSCC for 285 Cr from Indian Government.

Infosys received IT digitization order worth CAD \$80.3 million from Canada.

DHFL: Management clarified the company has not defaulted on any bonds

Market Outlook

Monsoon ended with below normal 91% rainfall, ICRA rating agency forecasts agriculture growth falling to 3-3.2% in FY19 from 6.3% seen in FY18, the least expected surprise crisis that could further strain the govt's kitty which is already under pressure due to high Oil prices and delays in divestment targets.

October month key events include RBI MPC review and Q2 results. Markets could adversely react to even a minor disappointment in the earnings season.

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

| Benchmark | 28-Sep-18 | MTD | 2018 |
|---------------|-----------|--------|-------|
| SENSEX | 36227 | -6.26% | 6.37% |
| NIFTY | 10930 | -6.42% | 3.80% |
| 10 Year G-Sec | 8.02 | 0.88% | 9.56% |

| Top Gainers | Change | Top Losers | Change |
|-------------|--------|---------------|--------|
| Wipro | 7.85% | Yes Bank | 46.58% |
| TCS | 5.13% | IndiaBulls HF | 19.20% |
| HCL | 4.19% | Bajaj Fin | 18.07% |
| BPCL | 3.37% | Maruti | 16.34% |
| Vedanta | 2.00% | Tata Motors | 14.20% |

| Sector Performance | MTD | 2018 |
|------------------------|---------|---------|
| Basic Materials | -7.41% | -15.74% |
| Telecom | -13.38% | -39.00% |
| Utilities | -9.31% | -16.93% |
| Industrials | -12.41% | -22.90% |
| Finance | -12.85% | -6.01% |
| Consumer Discretionary | -12.78% | -17.57% |
| FMCG | -9.94% | 7.55% |
| Energy | -0.38% | 10.96% |
| Healthcare | -5.77% | 1.53% |
| IT | 0.52% | 38.58% |

| FII (Cr) | EQUITY | DEBT | HYBRID | TOTAL |
|----------|--------|--------|--------|--------|
| MTD | -10825 | -10198 | -11 | -21035 |
| YTD | -13217 | -48176 | -104 | -61497 |

| Currencies | 28-Sep-18 | MTD | 2018 |
|------------|-----------|--------|--------|
| USDINR | 72.54 | -2.24% | -13.6% |
| EURINR | 84.44 | -1.90% | -10.3% |
| GBPINR | 94.90 | -2.7% | -10.0% |

| Global Indices | 28-Sep-18 | MTD | 2018 |
|----------------|-----------|--------|---------|
| DJIA | 26458.14 | 1.90% | 7.03% |
| NASDAQ | 8046.35 | -0.78% | 16.56% |
| DAX | 12246.73 | -0.95% | -5.19% |
| FTSE | 7510.2 | 1.05% | -2.31% |
| CAC | 5491.42 | 1.56% | 3.37% |
| NIKKEI | 24120.01 | 5.49% | 5.95% |
| HSI | 27788.52 | -0.36% | -7.12% |
| KOSPI | 2343.07 | 0.87% | -5.04% |
| RTSI | 1180.89 | 8.11% | 2.29% |
| SHANGAI | 2821.35 | 3.53% | -14.69% |

| Commodity (USD) | 28-Sep-18 | MTD | 2018 |
|-----------------|-----------|--------|--------|
| Gold | 1189.4 | -1.34% | -8.7% |
| Silver | 14.71 | 1.24% | -13.2% |
| Brent | 82.72 | 5.82% | 23.7% |

| IPO's – During Sept '18 | Issue Price | Listed At |
|---------------------------|-------------|-----------|
| Garden Reach shipbuilders | 183-185 | * |
| Aavas Financiers Ltd | 818-821 | * |
| Manorama Industries Ltd | 181-188 | * |
| IRCON international Ltd | 470-475 | 422 |

| Model Portfolio | PE* | 2017 | 2016 | 2015 |
|--------------------------|-------|-------|------|-------|
| BSE SENSEX | 23.37 | 27.91 | 1.95 | -5.03 |
| NIFTY 50 | 26.44 | 28.65 | 3.01 | -4.06 |
| Custom Benchmark | 23.99 | 40.45 | 4.81 | 4.23 |
| Portfolio Strategy | PE | 2017 | 2016 | 2015 |
| Diversified Conservative | 18.6 | 45.10 | 8.82 | 5.69 |
| Diversified Moderate | 19.01 | 40.42 | 7.36 | 5.54 |
| Diversified Aggressive | 30.97 | 48.40 | 5.90 | 6.81 |
| Sector Strategy | 27.2 | 37.78 | 4.08 | 5.64 |
| Thematic Strategy | 22.76 | 43.41 | 4.84 | 7.82 |

*PE based on 31-08-2018 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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