

Indian Equity Markets

Indian indices corrected despite strong rally in global markets, owing to uncertainty post Pulwama attack, deteriorating credit profile of few large corporates and select earnings miss.

HDFC, ICICI, SBI, Infosys & Vedanta led the correction in the indices, while Mid & Small Cap Indices corrected by -1.66% & -1.70% respectively.

FII's invested ₹ 17,220 Cr in equities, highest for a month after Nov'17.

Debt Markets

RBI Cut repo rate by 25 bps and changed its stance to Neutral from Calibrated Tightening supported by soft headline inflation outlook in near term.

RBI announced ₹ 28,000cr as interim dividend to government.

10Y G-Sec yield closed at 7.41% from 7.28% after the cross-border tensions.

FII's sold off ₹ 6037 Cr in debt.

Global Markets

Major global indices continued its 2019 rally into the month.

Shanghai index was up 13% after progress seen in US-China trade talks and MSCI increasing weightage of Chinese A shares to 3.3% from 0.6% in EM index.

US FED seen continuing to implement balance sheet normalization while expressing uncertainty over interest rate rise in 2019, as per the FOMC minutes released.

Crude prices soared after OPEC and its allies decided to extend production curb to second half of 2019 leading correction in US stock inventory.

Key events to watch in March are FOMC meeting and 2nd Brexit referendum.

Corporate Announcements

Govt announced ₹48,239 Cr capital infusion in 12 PSU banks.

IL&FS's 22 subsidiaries got approval from NCLAT to repay debts.

Coal India announced buyback of 4.4 Cr equity shares at ₹ 235 per share.

Jet Airways board approved to give equity stake to its lenders.

Fortis healthcare appointed Ashutosh Raghuvanshi as CEO.

Tech M announced buyback of 2.05 Cr equity shares at ₹ 950 per share.

ING Group sold its 1.21% stake in Kotak Bank via block deal.

Emami Group sold 10% promoter's stake for ₹1600 Cr in Emami.

RCOM board decides to go for insolvency through NCLT framework.

DHFL CP's worth ₹ 8000cr downgraded by ICRA to A2+ from A1+.

Adani Logistics to acquire Adani Agri Logistics Ltd for ₹ 946 crore.

BEML received contract of ₹400 Cr to augment the metro services in Bangalore.

Britannia to replace HPCL in Nifty 50 from 29th March' 19.

Allahabad, Corporation & Dhanalakshmi Banks are out of RBI PCA framework.

Max India sold its 51% stake in Max Bupa Health Insurance to True North Fund.

Market Outlook

Slowdown in GDP growth to 6.6% in Q3 vs 7.1% in Q2 and Current Account deficit at 2.9% vs 1.1% of GDP in Q2 FY18 remain near term concerns on the back of several populist initiatives like Union Cabinet approval for additional 3% DA and ₹20,000 Cr disbursement as first tranche under PM-Kisan scheme.

NDA seen doing a lot of catch up prior to code of conduct for Polls comes in, through GST council approval for lowering the tax rate in real estate, passing four ordinances including Muslim Women (Protection of Rights on Marriage), Banning of Unregulated Deposit Schemes Ordinance, etc.

We are starting to see limited possibility of anti-incumbency after recent NDA's decisive response to cross border terrorism, alignment with regional parties like Shivsena & AIADMK and FII flows, if they are any early indicators.

Market volatility is expected to continue until a stable government irrespective of the lead party is formed to mend a positive direction.

Benchmark	28-Feb-19	MTD	2019
SENSEX	35867.44	-1.07%	-0.56%
NIFTY	10792.5	-0.36%	-0.64%
10Y G-Sec	7.41%	1.79%	0.54%

Top Gainers	Change	Top Losers	Change
Zee	23.36%	Vedanta	14.23%
Yes Bank	19.63%	SBI	8.04%
Bajaj Auto	13.71%	Tata Motors (DVR)	6.61%
Tech M	13.12%	M&M	5.03%
UPL	11.63%	ICICI Bank	4.24%

BSE Sector Performance	MTD	2019
Basic Materials	0.08%	-6.79%
Telecom	1.08%	-0.12%
Utilities	-2.72%	-7.76%
Industrials	-1.43%	-8.68%
Finance	-1.63%	-3.66%
Consumer Discretionary	1.62%	-5.91%
FMCG	-2.26%	-4.02%
Energy	0.60%	5.40%
Healthcare	-0.87%	-1.17%
IT	-0.07%	8.26%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	17220	-6037	7	12053
YTD	12958	-7338	878	6497

Currencies	28-Feb-19	MTD	2019
USDINR	71.1953	0.23%	2.01%
EURINR	80.979	-0.86%	1.50%
GBPINR	94.7021	1.57%	6.95%

Global Indices	28-Feb-19	MTD	2019
DJIA	25916	3.67%	11.69%
NASDAQ	7532.53	3.44%	13.52%
DAX	11515.64	3.07%	9.06%
FTSE	7074.73	1.52%	5.15%
CAC	5240.53	4.96%	10.78%
NIKKEI	21629.04	4.12%	8.69%
HSI	28633.18	2.47%	10.79%
KOSPI	2195.44	-0.43%	7.56%
RTSI	1188.28	-2.15%	11.46%
SHANGHAI	2945.05	13.33%	18.09%

Commodity (USD)	28-Feb-19	MTD	2019
Gold	1314.6	-0.80%	2.60%
Silver	15.634	-2.71%	0.60%
Brent	66.03	6.69%	23.33%

Q3 Earnings (YOY)			
Company	PAT	Company	PAT
Sun Pharma	286.18%	Tata Motors	NA
ONGC	64.77%	HPCL	-87.30%
Tata Steel	54.16%	BPCL	-76.905
Coal India	50.09%	Hindalco	-34.39%
Grasim Ind	45.44%	Cipla	-20.13%

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