

Indian Equity Markets

Benchmark indices ended flat after FII sell off, despite strong global rally. L&T, M&M, Maruti and HDFC twins led the correction while market rewarded select stocks after posting strong earnings.

Mid & Small Cap corrected by 5.69% and 5.31% respectively.

FIIs turned to net sellers of ₹4,262 Cr in equities.

Debt Markets

RBI to conduct OMOs for ₹375 billion in the month of February 2019.

RBI MPC stance would be closely watched given the recent Fed move to hold further hikes. We expect an accommodative stance and a possible rate cut either in Feb or April.

10Y G Sec bond yields retreated to 7.28% from 7.37%.

FII's net sold ₹1301 Cr in debt.

Global Markets

All major Global indices rallied rebounding from losses of 2018 supported by signs of easing tension between US and China, end to US government shutdown and change in stance by FOMC to be patient as it determines what future adjustments to the target range for the federal funds rate.

WTO began an enquiry into US's tariffs on \$250 billion of Chinese goods.

Brent spiked sharply by 15.6% led by US sanctions against Venezuela, strong job data and falling rigs count in US.

Corporate Announcements

RBI removes BOI, Bank of Maharashtra, OBC from PCA framework.

ICICI Bank sacked Ms. Kochhar for violating code, asked to return bonus.

Yes Bank appoints Ravneet Gill as MD & CEO.

Infosys Ltd. announced buyback & special dividend for 2nd time in 2 yrs.

NTPC announces interim dividend and bonus share in the ratio of 1:5.

Axis Bank appoints Amitabh Chaudry as new CEO.

Fraud allegation on DHFL for ₹31,000 crore by Cobrapost.

Prabhat Dairy to sell its dairy business to Lactalis for ₹1,700 crores.

Essel Group given a 3-month time to find buyer to repay dues.

Gruh finance to merge with Bandhan Bank Ltd.

Vijaya & Dena Bank to merge with BOB in swap ratio of 2.48:9.09:1.

Market Outlook

Interim budget presented by Piyush Goyal on Feb1 has all the essential ingredients of a Populist and welfare budget with a near term eye of upcoming general elections as well as Vision for long term.

The nature of sops announced in the budget would surely tie down incoming government to uphold them or else face the brunt of public.

Fiscal Deficit estimate for this financial year seem under control, the concern is how much it'd inflate if all the budget sops are implemented.

Possibility of a further rally in Oil prices and weakness in ₹ continue to concern us apart from IL&FS resolution in near term.

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

Benchmark	31-Jan-19	MTD	2019
SENSEX	36256.69	0.52%	0.52%
NIFTY	10830.95	-0.29%	-0.29%
10Y G-Sec	7.28%	-1.22%	-1.22%

Top Gainers	Change	Top Losers	Change
Axis Bank	16.58%	I Bulls HFL	22.15%
Infosys	13.75%	Zee Ent.	20.20%
Bharti Infratel	12.84%	Eicher	17.93%
Wipro	11.59%	Hero Moto	15.79%
Reliance	9.44%	M&M	15.40%

BSE Sector Performance	MTD	2019
Basic Materials	-6.87%	-6.87%
Telecom	-1.18%	-1.18%
Utilities	-5.18%	-5.18%
Industrials	-7.36%	-7.36%
Finance	-2.07%	-2.07%
Consumer Discretionary	-7.41%	-7.41%
FMCG	-1.80%	-1.80%
Energy	4.78%	4.78%
Healthcare	-0.30%	-0.30%
IT	8.34%	8.34%

FII (Cr)	EQUITY	DEBT	HYBRID	TOTAL
MTD	-4262	-1301	7	-5556
YTD	-4262	-1301	7	-5556

Currencies	31-Jan-19	MTD	2019
USDINR	71.0333	1.78%	1.78%
EURINR	81.6836	2.39%	2.39%
GBPINR	93.2383	5.30%	5.30%

Global Indices	31-Jan-19	MTD	2019
DJIA	24999.67	7.74%	7.74%
NASDAQ	7281.74	9.74%	9.74%
DAX	11173.1	5.82%	5.82%
FTSE	6968.85	3.58%	3.58%
CAC	4992.72	5.54%	5.54%
NIKKEI	20773.49	4.39%	4.39%
HSI	27942.47	8.11%	8.11%
KOSPI	2204.85	8.03%	8.03%
RTSI	1214.45	13.91%	13.91%
SHANGAI	2598.58	4.20%	4.20%

Commodity (USD)	31-Jan-19	MTD	2019
Gold	1325.2	3.43%	3.43%
Silver	16.07	3.41%	3.41%
Brent	61.89	15.60%	15.60%

Q3 Earnings (YOY)			
Company	PAT growth	Company	PAT Growth
Axis	131.38%	HDFC	-60.12%
L&T	35.21%	Infosys	-29.62%
Bajaj Finance	53.55%	YES Bank	-6.97%
HDFC Bank	20.31%	TCS	-6.06%
Reliance	9.95%	ICICI Bank	-2.75%