



What's New!!! Economic & Business Updates

- **India Becomes Eighth Largest Services Exporter In 2018 Says WTO:** India was the eighth-largest services exporter and the tenth-largest services importer in 2018, a latest update from the World Trade Organization (WTO) stated. Rapid export growth in other business services for three consecutive years (around 9 per cent) and in telecommunications, computer and information services (7 per cent in 2018) boosted the country's performance.
- **India received highest-ever FDI worth \$64.37 billion in FY19:** India received the highest-ever FDI inflow of \$64.37 billion during the fiscal ended March 2019. According to the Annual Report 2018-19 of the Department for Promotion of Industry and Internal Trade (DPIIT), foreign direct investments (FDI) worth \$286 billion were received in the country in past five years.
- **India Will Achieve Over 8% Growth from FY 2020-2021 Onwards says, NITI Aayog Vice-Chairman:** NITI Aayog Vice-Chairman Rajiv Kumar has voiced confidence that India will achieve economic growth of 8 per cent plus from fiscal year 2020-2021 onwards as structural reforms like the GST are set to produce the benefits. He also said that in the next five years, the Modi government is focussed on accelerating growth from currently about seven per cent to more than eight per cent that will propel the country to easily achieving the target of becoming a five trillion dollar economy.
- **Amazon in talks to buy Uber Eats India:** The India business of American e-commerce major Amazon is learnt to be in talks on a possible buyout of the local unit of Uber Eats, the food order and delivery platform hosted by the San Francisco-based travel aggregator. Amazon said that the talks for a buyout are in initial stages and a possible strategic alliance could also be explored.
- **India's non-basmati rice export falls after government withdraws tax incentive:** India's exports of non-basmati rice declined by half between April and May this year after the government withdrew 5 per cent incentives from April 1. Agricultural & Processed Food Products Export Development Authority (APEDA) showed India's overall exports at 711,837 tonnes for April-May 2019 compared to 1.53 million tonnes shipped for the corresponding period of the previous year.
- **Byju Raveendran is India's newest billionaire:** India's newest billionaire is a former classroom teacher who developed an education app that's grown to a valuation of almost \$6 billion in about seven years. Think & Learn, the parent firm of Byju's, bagged \$150 million in funding. The deal placed the education app's value at \$5.7 billion.
- **CCD owner VG Siddhartha is no more:** VG Siddhartha, the founder of India's largest coffee chain Cafe Coffee Day (CCD) and former Karnataka CM and former Union minister SM Krishna's son-in-law is no more. His body was gathered near Netravati river in Karnataka.
- **MG Motor India to increase production due to high demand for SUV Hector:** MG Motor India has managed to get an overwhelming response for its new SUV, Hector. It was the automaker's first India launch. The company is now increasing its production to meet the demand and has lined up four more launches in next two years.



Mr. Seshu Sai P L V K

From the President's Desk


Warm Greetings!!!

Events of recent past played a spoilsport in our markets especially led by foreign investors. These events acted as catalyst and propelled profit booking in our markets. Nifty saw steep correction post budget. One can attribute such a reaction in equity markets to varied factors be it taxes on super rich, FPI's pulling funds out on back of hike in surcharge and also the rally which was witnessed in our markets prior to budget and post-election outcome.

July saw Nifty correcting more than five and half percentage from previous month's close. Some of the selected marquee large cap stocks that were holding index up came in for significant profit booking. These FII favourite stocks had frenzy moves which in turn showcased healthy gains on the index. This resulted in covering up of real pain prevalent in mid & small caps. When these bellwether index heavyweight stocks come in for profit booking, index naturally tends to see significant correction and that is what we are witnessing in our markets right now.

Many major sectors such as autos are facing significant pressure on back of future uncertainties. We have been witnessing significant fall in auto sales numbers and demand. Various attributes that aide to such slow down can be stress in NBFC space, policy uncertainties, slump in overall discretionary consumption and so on. Proposal by the government to phase out fossil-fuel-based three-wheelers by 2023 and two-wheelers (up to 150 cc) by 2025, a shift from existing Internal Combustion Engine (ICE) to Electric and incentivising electric variant has put auto makers in a fix. Some pain could be witnessed in this transient phase which though could ultimately lead to bearing fruits for both country's economic well-being by way of reduction in oil imports and elimination of vehicle borne air pollution by giving quality living environment for future generation in the years to come.

Union finance minister in her budget speech had highlighted about labour law reforms. The compression of 44 labour laws into four 'codes' or broad categories - wages, social security,



industrial relations and occupational health and safety, forms a central aspect of the Centre's labour reforms push. This simplifies access to numerous provisions of the law by all stakeholders concerned. The work in this regard commenced at the recent cabinet approval for tabling of the Code on Occupational Safety, Health and Working Conditions Bill in Parliament, which encapsulates 13 laws.

Major crashes and corrections seen in the markets are opportunities and not situation to panic. In the words of Warren Buffet, "It's been an ideal period for investors; a climate of fear is their best friend. Those who invest only when commentators are upbeat end up paying a heavy price for meaningless reassurance. The best chance to deploy capital is when things are going down." Markets tend to swing both ways and one must utilise these to his/her benefit rather than worrying about market movement. Taking the instance of our markets, Small cap index as a whole have seen significant draw down in its index value. In other words it can be said small-caps in India are in bear market phase. Before the tide turns, investors should utilise this opportunity to accumulate quality companies in this space which are available at historically cheaper valuation. As we analyse, in all previous instances, people who have accumulated quality stock at it's gloomy period have amassed wealth over the period of time.

Liquidity is a major force that drives the stock markets. In 2018-19, foreigners pulled out of more stocks than they bought. But thanks to the domestic financial institutions led by mutual funds that steadied the markets. Aided by more funds from investors, mutual funds influenced the stock markets by absorbing the sales by the foreign funds. Now with lower inflows into mutual funds and further jolt received by FPI's in the form of enhanced tax surcharge in the budget, the markets are in a deep correction mode.

As we all know we are in tax filing season. As a breather this time on back of varied confusions raised by auditing community pertaining to various returns and changes made there in, the Income Tax department has extended the last date for filing your income tax returns (ITR) to August 31, 2019. Let's take this as an opportunity and do our duty towards the nation by filing our returns in time and way ahead of deadline to avoid last minute unwanted tensions.

Independence Day greetings to our valued constituents.

Happy and Safe Investing!!!

Snap Shots

Inflation (WPI) (%)	2.02% (Jun 19)	2.45% (May 19)	3.07% (Apr 19)	3.18% (Mar 19)
Inflation (CPI) (%)	3.18% (Jun 19)	3.05% (May 19)	2.92% (Apr 19)	2.86% (Mar 19)
India Industrial Production (IIP) (%)	3.1% (Jun 19)	3.4% (May 19)	-0.1% (Apr 19)	0.1% (Mar 19)
Particulars	26.07.2019	19.07.2019	12.07.2019	05.07.2019
91-Day Cut-off (%)	5.7364	5.7364	5.8602	5.9841
10-yr G-Sec yield (%)	6.7196	6.5560	6.6341	6.8142
USD/INR(Rs)	68.88	68.86	68.56	68.45
EUR/INR (Rs)	76.64	77.27	77.27	76.83

Global Indices

Indices	Country	Index as on 31.07.2119	Index as on 28.06.2019	Variation (%) (Inc/ Dec)
SENSEX	India	37,481.12	39,394.64	-4.86
NIFTY 50	India	11,118.00	11,788.85	-5.69
NASDAQ	United States	8,175.42	8,006.24	2.11
DJIA	United States	26,864.27	26,599.96	0.99
S&P 500	United States	2,980.38	2,941.76	1.31
Hang Seng	Hong Kong	28,146.50	28,542.62	-1.39
Nikkei 225	Japan	21,521.53	21,275.92	1.15
Shanghai Composite	China	2,952.34	2,978.88	-0.89
Straits Times	Singapore	3,346.39	3,321.61	0.75
FTSE 100	United Kingdom	7,586.78	7,425.63	2.17
CAC 40	France	5,518.90	5,538.97	-0.36
DAX	Germany	12,189.04	12,398.80	-1.69

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments July 2019 (upto 29.07.19)	Equity	89,848.91	101,023.44	-11,174.53
	Debt	39,358.76	32,045.75	7,313.01
Mutual Fund July 2019 (upto 29.07.19)	Equity	51,962.94	43,031.55	8,931.39
	Debt	157,996.06	115,212.50	42,783.56
FII Derivative Trades (Rs. in Crores) July 2019 (upto 29.07.19)	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	80927.84	4113355.37	301767.16	108485.74
- Sell	89803.44	4100081.71	299702.59	108618.68

Forthcoming Corporate Action

Company Name	Symbol	Purpose	Record / Ex Date
COCHINSHIP	Cochin Shipyard Limited	Annual General Meeting/Dividend - Rs 13 Per Share	05-Aug-19
WABCOINDIA	WABCO India Limited	Dividend - Rs 9 Per Share	06-Aug-19
CRISIL	CRISIL Limited	Interim Dividend - Rs 6 Per Share	06-Aug-19
AUTOAXLES	Automotive Axles Limited	Annual General Meeting/Dividend - Rs 19.50 Per Share	07-Aug-19
TTKPRESTIG	TTK Prestige Limited	Annual General Meeting/Dividend - Rs 30 Per Share	07-Aug-19
GRASIM	Grasim Industries Limited	Annual General Meeting/Dividend - Rs 7 Per Share	08-Aug-19
RITES	RITES Limited	Bonus 1:4	08-Aug-19
HEG	HEG Limited	Annual General Meeting/Dividend - Rs 50 Per Share	09-Aug-19
ABBOTINDIA	Abbott India Limited	Annual General Meeting/ Final Dividend - Rs 50 Per Share/ Special Dividend - Rs 15 Per Share	13-Aug-19
INDIAGLYCO	India Glycols Limited	Annual General Meeting/Dividend - Rs 6 Per Share	13-Aug-19
DIVISLAB	Divi's Laboratories Limited	Annual General Meeting/Dividend - Rs 16 Per Share	14-Aug-19
BPCL	Bharat Petroleum Corporation Limited	Dividend - Rs 8 Per Share	21-Aug-19
IRCON	Ircon International Limited	Annual General Meeting / Dividend - Rs 10.825 Per Share	26-Aug-19
DWARAKESH	Dwarikesh Sugar Industries Limited	Annual General Meeting/Dividend Re 1 Per Share	28-Aug-19

Upcoming IPO's

Issuer Company	Issue Open	Issue Close	Lot Size	Issue Price (Rs.)	Issue Size (Rs. Cr.)	Exchange
Spandana Sphoorty Financial Ltd	Aug 5, 2019	Aug 7, 2019	17	853 to 856	1,200.94	BSE, NSE
Sterling and Wilson Solar Ltd	Aug 6, 2019	Aug 8, 2019	-	-	3,125.00	BSE, NSE

Crude and Rupee check

Crude opened at \$65.79 in July. Crude price after hitting low of \$61.30 in July recovered and closed at \$64.21 on 31st July, 2019. Rupee closed at Rs 69.23 on 31st July, 2019.

Brent crude price movement



USD-INR price movement



Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
L&T Finance Holdings Limited	96.20	Buy	88-90	75	108	Medium term
Godrej Consumer Products Ltd	603.55	Buy	585-590	565	645	Short term
GAIL	128.60	Buy	120-123	112	145	Medium term
Axis Bank	669	Buy	650-655	620	710	Medium term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 01.07.19

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
SBI Fixed Maturity Plan (FMP) - Series 15 (1123 Days)	30-Jul-2019	05-Aug-2019	5,000	Close Ended

Sector-wise month to date performance (July 2019)

Sector	Market-Cap (Rs)	% Chg	Advance	Decline
Agriculture	63,414	-42.78%	2	60
Alcohol	86,410	0.42%	1	10
Automobile & Ancillaries	8,19,133	-40.54%	3	109
Aviation	60,343	8.70%	1	2
Banks	21,03,318	-5.66%	7	30
Capital Goods	2,92,250	-26.15%	8	77
Chemicals	5,34,495	-3.39%	15	85
Construction Materials	3,57,257	-14.00%	2	51
Consumer Durables	1,14,906	-13.84%	2	27
Containers & Packaging	5,365	-42.61%	0	12
Diamond & Jewellery	1,19,807	-4.66%	3	11
Diversified	1,75,819	-24.82%	3	21
Electricals	19,845	-47.52%	2	21
ETF	21,058	-9.69%	35	14
Finance	11,75,007	-7.12%	13	97
FMCG	13,09,558	9.44%	14	27
Footwear	28,520	42.21%	2	3
Healthcare	6,58,741	-14.56%	18	81
Hospitality	47,804	-32.06%	1	26
Industrial Gases & Fuels	99,938	-20.15%	2	4
Infrastructure	3,37,199	-17.27%	4	58
Insurance	3,44,170	-5.77%	3	3
Logistics	69,607	-35.75%	1	28
Manufacturing	14,262	-19.91%	1	5
Media & Entertainment	80,872	-46.34%	2	37
Metals & Mining	5,80,897	-38.40%	8	92
Miscellaneous	86,295	-27.49%	2	37
Oil & Gas	12,29,307	-7.36%	1	15
Paper	10,000	-44.74%	1	19
Photographic Products	15	-79.51%	0	1
Plastic Products	49,948	-24.20%	2	26
Power	3,89,146	-15.13%	3	27
Real Estate	1,66,295	-29.52%	4	52
Retailing	1,53,262	2.93%	4	9
Ship Building	4,701	-33.54%	0	1
Software & IT Services	16,98,321	21.76%	20	72
Telecom	2,79,595	-46.71%	1	23
Textiles	88,298	-40.53%	8	102
Trading	33,585	-37.33%	0	16

Mutual Fund Corner

Scheme for the Month : ICICI Prudential
Regular Savings Fund
Level of Risk : Moderately High

Objective

The scheme seeks to generate long-term capital appreciation by investments in money market and debt instruments.

Current Statistics & Profile	
Latest NAV	Rs. 43.16 (Growth) Rs. 11.24 (Dividend) as on 31.07.19
Fund Category	Hybrid: Conservative Hybrid
Type	Open Ended
Launch Date	Mar 30, 2004
Net Assets (Cr)	Rs 1,640 crore
Benchmark	NIFTY 50 Hybrid Composite Debt

Fund Style	Concentration & Valuation	
Investment Style Growth Blend Value Capitalisation Large Medium Small	Number of Stocks	26
	Top 10 Stocks (%)	50.00
	Number of Bonds	27
	Average Maturity (yrs)	2.47
	Portfolio P/B Ratio	3.90
	Portfolio P/E Ratio	34.45

Asset Allocation	
As on 30.06.2019	% Net Assets
Equity	16.57
Debt	78.12
Cash	5.31

Investment Details	
Minimum Investment Amount (Rs)	Rs 5,000
Additional Investment (Rs)	Rs 500
SIP(Rs)	Rs 100
Options	Growth/Dividend
Expense Ratio (%)	1.96%
Lock-in period	Nil
Exit Load (%)	For units in excess of 10% of the investment, 1% will be charged for redemption within 365 days

Trailing Returns

Trailing Returns %	Fund Return	NIFTY 500	Category Return
Year to Date	4.21	5.28	2.54
1-Month	-0.17	-0.9	-0.57
3-Months	1.31	1.33	0.37
1-Year	6.66	6.93	3.15
3-Years	8.13	8.01	5.76
5-Years	9.89	8.28	7.71

Return Since Launch 10.00%

Note : Return up to 1 year are absolute and over 1 year are annualized.

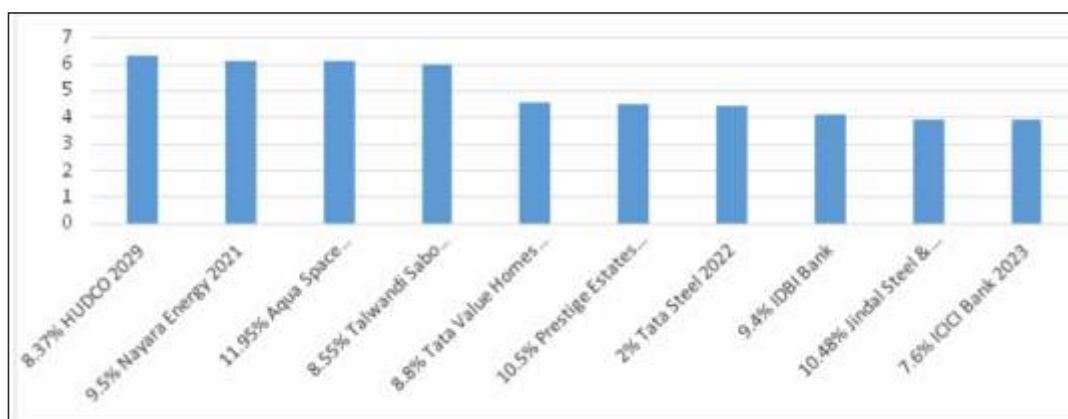
Top 10 Debt constituents of fund in percentage as on 30.06.19

Sl. No.	Company	Sector	% Assets
1)	8.37% HUDCO 2029	Debenture	6.34
2)	9.5% Nayara Energy 2021	Bonds/NCDs	6.1
3)	11.95% Aqua Space Developers 2022	Non Convertible Debenture	6.1
4)	8.55% Talwandi Sabo Power 2021	Debenture	5.97
5)	8.8% Tata Value Homes 2019	Debenture	4.58
6)	10.5% Prestige Estates Projects 2021	Non Convertible Debenture	4.5
7)	2% Tata Steel 2022	Debenture	4.46
8)	9.4% IDBI Bank	Bonds	4.09
9)	10.48% Jindal Steel & Power 2019	Debenture	3.94
10)	7.6% ICICI Bank 2023	Bonds	3.93

Top 10 stock constituents of fund in percentage as on 30.06.19

Sl. No.	Company	Sector	% Assets
1)	HDFC Bank	Financial	1.51
2)	PVR	Services	1.01
3)	Motherson Sumi Systems	Automobile	0.98
4)	State Bank of India	Financial	0.94
5)	Bajaj Finserv	Financial	0.72
6)	Maruti Suzuki India	Automobile	0.71
7)	Britannia Inds.	FMCG	0.65
8)	KNR Constructions	Construction	0.63
9)	Indian Hotels	Services	0.6
10)	TVS Motor Co.	Automobile	0.59

Top 10 Debt constituents of fund



KNOWLEDGE CORNER!!!

Benefits of debt funds as part of your core financial portfolio:

Asset rebalancing is one of the most useful, though often ignored practices in the world of investing. It requires you to abandon a simplistic approach to equity and fixed investment options. Instead of seeing it as a black and white binary choice, you need to appreciate the range of possibilities both equity and debt open up for you when taken together.

HERE ARE REASONS WHY DEBT FUNDS HAVE A KEY ROLE TO PLAY;

Lesser erosion in total portfolio value: The real benefit of rebalancing one's portfolio with portion of debt is seen only when the equity markets starts falling and the value of your equity portfolio starts declining. Even though the equity portion of this portfolio would fall when the market falls, the portion that have already been moved into debt funds will not fall.

A good source of liquidity closer to one's financial milestone: This is a very interesting point. Let us say you have a target of reaching a corpus in 5 years to pay margin for your home loan. It is hard to make money on equities in a short period of time and hence you may look to have a greater proportion allocated to debt funds for this specific need. As you approach the milestone, you can keep increasing the exposure to debt funds so that by

the time of the milestone your risk of loss on liquidation is almost minimal. Debt funds play a key role in balancing risk and returns as you approach your milestones.

Gives stability to your portfolio: Your portfolio surely needs growth and wealth creation but that alone is not enough. Your portfolio also requires an element of stability that only comes from debt. When you are in debt funds your longer period returns may be lower than equities but it gives you the much needed stability and predictability to your portfolio. The component of your debt portfolio may still be small but your immediate milestones are safe due to debt exposure rather than to the more risky equity exposure.

Reduces the overall risk of your portfolio: Your risk appetite does vary and normally with advancing age and shrinking income your risk appetite reduces. The challenge is to use debt funds to consistently keep reducing and tweaking the average risk of your portfolio. In the pecking order of assets, equities have the highest risk and debt funds carry much lower risk as they invest in assured return debt products and are less volatile. This lower volatility of debt funds makes them ideal candidates to reduce the overall risk of your portfolio.

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