



## What's New!!!

### Economic & Business Updates

- **SEBI introduces new norms for debt funds:** In the wake of the recent liquidity crisis, the Securities and Exchange Board of India (SEBI) in its recently held board meeting, tightened norms such as sectoral, cash limits and valuation norms for debt funds including liquid funds to protect investors from credit and liquidity risk.
- **State-run banks may get flexibility in deciding employees' salaries:** The 11th bipartite wage settlement talks between the Indian Banks' Association (IBA) and state-run banks have included a new formula under which the latter will be given the flexibility to pay their employees in accordance with their profitability and capacity to absorb higher wage costs. This proposal featured in the talks between bank unions and bank managements, which resumed on June 21st under the aegis of the IBA, after a three-month break for the Lok Sabha polls.
- **LPG cylinders become cheaper in July:** Prices of non-subsidized LPG (liquid petroleum gas) cylinders were lowered by Rs 100.50 by the state-owned Indian Oil Corporation Limited (IOC).
- **Vodafone revises Rs 129 prepaid recharge to offer more data:** Vodafone has revised its Rs 129 prepaid plan across all the circles where it's offering the plan. The Rs 129 prepaid recharge from Vodafone now offers 2GB of data for 28 days, which is an increase from the earlier 1.5GB data benefit.
- **Indian start-ups raise a record \$3.9 billion so far in 2019:** Start-ups in India have raised a record \$3.9 billion from venture capitalists till 30th June. The investments this year across 292 deals is a 44.4% jump from the \$2.7 billion received by domestic start-ups in the first half of 2018, showed data from Venture Intelligence, a start-up data tracker.
- **Bank of Baroda buys ₹3,000 crore DHFL loans:** Bank of Baroda (BoB) has entered into a transaction with Dewan Housing Finance Corp. Ltd (DHFL) to acquire loans worth Rs. 3,000 crore against its exposure in the company.
- **SAT slaps Rs 50,000 fine on SEBI for alleged lapses in ruling:** The Securities Appellate Tribunal has imposed a fine on regulator SEBI for an adjudicating officer's order that resulted in litigation and harassment for a former official of BGIL Films & Technologies.
- **McLeod Russel in talks with lenders for restructuring:** McLeod, part of the BM Khaitan controlled-Williamson Magor Group, has been facing liquidity issues and has been selling its tea estates to repay its financial obligations. It is currently in talks with lenders to explore refinancing possibilities.
- **Reliance Home defers NCD repayment:** The liquidity crisis of housing finance companies deepened further with Anil Ambani's Reliance Home Finance (RHF) extending till October 31, 2019 the maturity of non-convertible debentures worth Rs. 400 crore that came up for repayment on June 29, 2019. This, in turn, resulted in its mutual fund arm, the holder of those NCDs marking down the investment.
- **OPEC set for oil cut extension if Iran endorses pact:** OPEC and its allies look set to extend oil supply cuts at least until the end of 2019 as Iraq joined top producers Saudi Arabia and Russia in endorsing a policy aimed at propping up the price of crude amid a weakening global economy. Iran is the only major OPEC nation yet to have spoken publicly about a need to extend production cuts. Tehran has in the past objected to policies put forward by arch-rival Saudi Arabia, saying Riyadh was too close to Washington.
- **FPIs continues to buy; pump in Rs. 10,384 crore in June:** Foreign investors infused a net amount of Rs.10,384 crore into the Indian capital markets in June and remained net buyers for the fifth month in a row on expectations of continued economic reforms.



Mr. Sessa Sai P L V K

## From the President's Desk

### *Warm Greetings!!!*

Global markets have outperformed when compared with our market in the month gone by. This is largely seen as a corrective move post the rally that we witnessed in our markets during the month of May on back of election expectations and outcome. All major US indices saw surge of more than 7%. Aiding factors which acted as catalyst for such up move being, hope of seeing light at the end of tunnel with respect to US trade talks with China and FED outcome.

The US Federal Reserve decided to hold key interest rates steady in its monetary policy and hinted at cut in rates in its July review. Many of the markets across the globe reacted positively, as the Fed move is likely to boost FII inflows to emerging markets such as India. This move by the FED is seen critical at a time when domestic liquidity situation remains a worrying factor. The Fed also signalled it was ready to lower interest rates for the first time since 2008, citing "uncertainties" that have increased the case for a cut going forward.

Outcome of G20 summit looks heartening for many emerging countries including India with President Trump assuring no new tariff on Chinese goods. This has instilled confidence for time being amongst market participants on a pause in further escalation on trade war front.

RBI's latest financial stability report states that, despite some recent dislocation, the financial system is stable. One can get an inference from the report that problem of bad loans that has plagued the banking system have been arrested. Gross NPAs of banks declined to 9.3 per cent of advances at the end of March 2019, from 11.5 per cent the year before. The central bank expects them to fall to 9 per cent by March 2020, which in turn is a healthy sign for the

Indian banking system. Report also talks about number of banks with more than 20 per cent NPAs, mostly public sector banks, has declined. The provision coverage ratio has improved, indicating an improvement in asset quality. This is good news. Quick resolution of cases that are currently stuck in the IBC process would further aid the sector's recovery.

Union Finance minister will be presenting her maiden budget on 5th of July. Focus this time would be to give push for slowing consumption demand especially auto and FMCG sectors. Expectations of tax sops remain high in the budget which in turn end up giving opportunity of higher disposable income with the public to spur consumption demand. Industry also voices for cut in corporate taxes. Given the state of economy, this budget could be a means through which the government could address other key issues daunting infrastructure and agriculture sectors.

SEBI in its latest board meeting has come out with measures to safeguard interest of investors of debt mutual fund especially Fixed Maturity Plans (FMP's) and liquid funds. SEBI has mandated liquid funds to hold at least 20% in liquid assets compared with 5-10 percent earlier to address fund's immediate redemption demand. This assists investors with a better exit opportunity from the funds, if required. In order to diversify concentration risk that a fund faces, SEBI has brought down sectorial limit from erstwhile 25% to 20%.

In investment, diversification should be given importance. Investing across asset class helps in diversifying risk factor. Investor can consider allocation of minor portion of their entire investments in other asset classes such as gold especially gold ETF's. One has advantage of deriving benefits of surging gold prices by investing in Gold ETFs with ease at a click, through their existing trading and demat accounts. Asset allocation helps in deriving benefit of other performing asset classes apart from equity. Of course equities have proved to be better investment asset class that tends to yield higher inflation adjusted return in longer run when compared with any other assets classes.

**Happy and Safe Investing!!!**

### Snap Shots

<b>Inflation (WPI) (%)</b>	<b>2.45% (May 19)</b>	<b>3.07% (Apr 19)</b>	<b>3.18% (Mar 19)</b>	<b>2.93% (Feb 19)</b>
<b>Inflation (CPI) (%)</b>	<b>3.05% (Apr 19)</b>	<b>2.92% (Apr 19)</b>	<b>2.86% (Mar 19)</b>	<b>2.57% (Feb 19)</b>
<b>India Industrial Production (IIP) (%)</b>	<b>3.4% (May 19)</b>	<b>-0.1% (Apr 19)</b>	<b>0.1% (Mar 19)</b>	<b>1.7% (Feb 19)</b>
<b>Particulars</b>	<b>28.06.2019</b>	<b>21.06.2019</b>	<b>14.06.2019</b>	<b>07.06.2019</b>
91-Day Cut-off (%)	6.0254	5.9841	5.9428	6.0668
10-yr G-Sec yield (%)	6.9720	6.9649	7.0848	7.1236
USD/INR(Rs)	68.95	69.61	69.83	69.35
EUR/INR (Rs)	78.39	79.13	78.27	78.60

### Global Indices

<b>Indices</b>	<b>Country</b>	<b>Index as on 28.06.2019</b>	<b>Index as on 31.05.2019</b>	<b>Variation (%) (Inc/ Dec)</b>
SENSEX	India	39,394.64	39714.20	-0.80
NIFTY 50	India	11,788.85	11922.80	-1.12
NASDAQ	United States	8,006.24	7,453.15	7.42
DJIA	United States	26,599.96	24,815.04	7.19
S&P 500	United States	2,941.76	2,752.06	6.89
Hang Seng	Hong Kong	28,542.62	26,901.09	6.10
Nikkei 225	Japan	21,275.92	20,601.19	3.28
Shanghai Composite	China	2,978.88	2,898.70	2.77
Straits Times	Singapore	3,321.61	3,117.76	6.54
FTSE 100	United Kingdom	7,425.63	7,161.71	3.69
CAC 40	France	5,538.97	5,207.63	6.36
DAX	Germany	12,398.80	11,726.84	5.73

### Institutional Investments

<b>Category</b>	<b>Debt/Equity</b>	<b>Gross Purchases (Rs Crores)</b>	<b>Gross Sales (Rs Crores)</b>	<b>Net Investment (Rs Crores)</b>
FII Investments June 2019	Equity	12,170.29	12,693.21	-522.92
	Debt	3,724.51	3,177.14	547.37
Mutual Fund June 2019	Equity	6,858.27	6,278.93	579.34
	Debt	15,044.73	12,066.08	2,978.65
<b>FII Derivative Trades (Rs. in Crores) May 2019</b>	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	10983.08	535164.32	34756.81	7000.32
- Sell	8748.11	533226.9	33255.62	6884.57

### Forthcoming Corporate Action

Company Name	Symbol	Purpose	Record / Ex Date
GAIL (India) Limited	GAIL	Bonus 1:1	09-Jul-19
ICICI Prudential Life Insurance Company Limited	ICICIPRULI	Annual General Meeting / Dividend - Rs 1.55 Per Share	09-Jul-19
Can Fin Homes Limited	CANFINHOME	Annual General Meeting/Dividend Rs 2 Per Share	09-Jul-19
Karur Vysya Bank Limited	KARURVYSYA	Annual General Meeting/Dividend - Rs 0.60 Per Share	10-Jul-19
Greaves Cotton Limited	GREAVESCOT	Buyback	11-Jul-19
Zee Entertainment Enterprises Ltd.,	ZEEL	Annual General Meeting/ Dividend - Rs 3.50 Per Share	15-Jul-19
Mahindra & Mahindra Financial Services Limited	M&MFIN	Annual General Meeting/Dividend - Rs 4 Per Share/ Special Dividend - Rs 2.5 Per Share	15-Jul-19
Tata Consultancy Services Limited	TCS	Interim Dividend	16-Jul-19
Housing Development Finance Corporation Limited	HDFC	Annual General Meeting/ Dividend - Rs 17.50 Per Share	19-Jul-19
Bata India Limited	BATAINDIA	Annual General Meeting/Dividend Rs 6.25 Per Share	22-Jul-19
Larsen & Toubro Limited	LT	Annual General Meeting/Dividend - Rs 18 Per Share	24-Jul-19

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Aditya Birla Sun Life Pharma and Healthcare Fund	20-Jun-2019	04-Jul-2019	1000	Open Ended
Quantum India ESG Equity Fund	21-Jun-2019	05-Jul-2019	500	Open Ended
Kotak Focused Equity Fund	25-Jun-2019	09-Jul-2019	5000	Open Ended
Mahindra Hybrid Equity Nivesh Yojana	28-Jun-2019	12-Jul-2019	1000	Open Ended

### Draft Red-herring prospectus filed with SEBI:

Shyam Steel Industries Ltd maker of thermo-mechanically treated (TMT) reinforcement bars, has filed a draft prospectus with the capital market regulator Securities and Exchange Board of India (SEBI) to float an initial public offering (IPO). The Kolkata based company will sell fresh shares worth Rs 200 crore; promoter and individual shareholders will offer 6.67 million shares. The company has their manufacturing plant in West Bengal. The TMT bars manufactured by the company are earthquake proof and corrosion resistant. As per DRHP filed with SEBI company has wide market presence including rail, roads, bridges, ports, airports, defence, and energy.

#### 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
Tata Elxi Ltd	906	Buy	905-915	880	962	Medium term
HDFC Ltd	2245	Buy	2235	2185	2300	Short term
Emami Ltd	302	Buy	295-300	275	325	Short term
Reliance Industries Ltd	1268	Buy	1255-1260	1230	1300-1315	Medium term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 02.06.2019

### Crude and Rupee check

Crude opened at \$61.64 in June. Crude price after hitting low of \$59.45 in June recovered and closed at \$66.85 on 28th June, 2019. Rupee closed at Rs 68.95 on 28th June, 2019.

### Sector-wise month to date performance (June 2019)

Sector	Market-Cap (Rs)	% Chg	Advance	Decline
Automotive	8,34,288	-30.25%	3	75
Banking & Financial Services	36,30,660	4.16%	56	125
Cement & Construction	4,12,914	-12.44%	7	82
Chemicals	5,54,427	-0.87%	19	84
Conglomerates	3,10,947	-8.54%	6	16
Consumer Durables	59,724	-9.93%	4	7
Consumer Non-durables	7,37,341	14.69%	8	20
Engineering & Capital Goods	7,16,569	-10.54%	18	108
Food & Beverages	4,06,737	5.23%	15	63
Information Technology	17,48,252	22.97%	29	76
Manufacturing	2,81,339	-26.03%	17	180
Media & Entertainment	1,02,640	-44.82%	2	42
Metals & Mining	6,45,657	-28.30%	6	81
Miscellaneous	5,78,409	-15.78%	26	119
Oil & Gas	14,70,787	0.49%	3	19
Pharmaceuticals	6,53,760	-14.12%	19	66
Retail & Real Estate	3,25,277	-3.74%	11	40
Services	2,69,789	-19.99%	10	69
Telecommunication	3,31,970	-38.27%	4	26
Tobacco	3,46,880	1.07%	2	3
Utilities	3,83,626	-10.79%	4	22

## Mutual Fund Corner

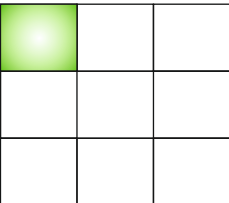
Scheme for the Month : Kotak Equity Opportunities Fund

Level of Risk : Moderately High

### Objective

The scheme aims to invest in a mix of large and mid-cap stocks across sectors based on performance and potential of companies within the sectors.

Current Statistics & Profile	
Latest NAV	Rs. 121.15(Growth) Rs. 24.33(Dividend) as on 01.07.19
Fund Category	Equity: Large & MidCap
Type	Open Ended
Launch Date	Sep 09, 2004
Net Assets (Cr)	Rs 2,593 crore
Benchmark	S&P BSE 200

Fund Style	Concentration & Valuation	
<b>Investment Style</b> Growth Blend Value 	Number of Stocks	49
	Top 10 Stocks (%)	45.69
	Top 5 Stocks (%)	28.42
	Top 3 Sectors (%)	55.98
	Portfolio P/B Ratio	3.26
	Portfolio P/E Ratio	27.09

Asset Allocation	
As on 31.05.2019	% Net Assets
Equity	99.04
Debt	0.38
Cash	0.58

Investment Details	
Minimum Investment Amount (Rs)	Rs 5,000
Additional Investment (Rs)	Rs 1,000
SIP(Rs)	Rs 1,000
Options	Growth/Dividend
Expense Ratio (%)	2.12%
Lock-in period	Nil
Exit Load (%)	1% for redemption within 365 days

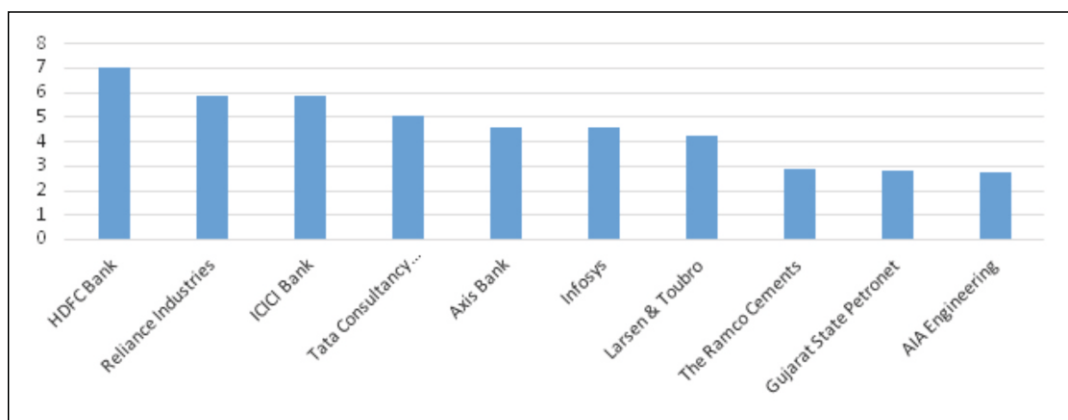
### Trailing Returns

Trailing Returns %	Fund Return	NIFTY 500	Category Return
Year To Date	7.19	7.1	5.27
1 Month	-1.68	-0.4	-0.22
3 Month	0.41	0.89	0.93
1 Year	8.42	8.84	5.51
3 Year	12.18	13.28	11.21
5 Year	12.99	11.02	11.64

**Return Since Launch 18.34%**

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

### Top 10 stock constituents of fund



### Top 10 stock constituents of fund in percentage as on 31.05.2019

Sl. No.	Company	Sector	% Assets
1)	HDFC Bank	Financial	7.02
2)	Reliance Industries	Energy	5.9
3)	ICICI Bank	Financial	5.84
4)	Tata Consultancy Services	Technology	5.08
5)	Axis Bank	Financial	4.58
6)	Infosys	Technology	4.55
7)	Larsen & Toubro	Construction	4.21
8)	The Ramco Cements	Construction	2.91
9)	Gujarat State Petronet	Energy	2.84
10)	AIA Engineering	Metals	2.76

## KNOWLEDGE CORNER!!!

### Stop loss and its importance:

#### What is stop loss in trading?

A stop loss is a protection to your trade. You need to put stop losses irrespective of whether you are trading on the long side or on the short side. Markets by default are volatile and it is hard to predict how much the markets will move on either side. Also markets have the tendency to react violently to negative news flows and if you do not put a stop loss then your losses could escalate to a level where they could endanger your entire trading capital. That is why stop losses become so central to a trader.

#### Why stop loss is important?

Every trader can trade in the market only with finite capital. Hence the primary objective of trading is to protect your capital. That is only possible in a measurable way by using the concept of stop losses. Stop loss instils discipline in trade. The idea of trading is that you have a good idea of your risk-return trade off in each trade. That is only possible if you set your stop loss levels and profit targets well in advance.

Stop loss is your best defence against market volatility. By default you have to live with volatility in the market. The only way out is to protect your downside risk by putting appropriate stop losses while trading. By measuring your potential loss on the basis of stop loss on all your open trades, you get an idea of how much of your capital is at risk. That immediately acts as a trigger in case you need to appropriately cut your positions to reduce your risk.

Stop loss enables churn of your capital. As a trader your primary aim is to keep churning your capital and thus keep compounding your returns on a regular basis. Stop loss avoids situations where you are stuck in meaningless trades and blocking capital in the process.

A stop loss is designed to limit an investor's loss on a security position that makes an unfavourable move. A disadvantage that could arise out of placing stops and not monitoring them is that, a short-term price fluctuation and volatility could activate the stop, trigger sale.

## What is trailing stop loss?

Another use of stop loss is to lock in profits, in which case it is sometimes referred to as a "trailing stop." Here, the stop-loss order is set at a percentage level below the current market price, not the price at which you bought it. The price of the stop-loss adjusts as the stock price fluctuates. Remember, if a stock goes up, what you have is an unrealized gain, which means you don't have the cash in hand until you sell. Using a trailing stop allows you to let profits run while at the same time guaranteeing at least some realized capital gain.

## Conclusion:

A stop-loss order is a simple tool, yet so many traders/ investors fail to use it. Whether to prevent excessive losses or to lock in profits, nearly all investing styles can benefit from this trade. Think of a stop-loss as an insurance policy. It's good to know your quantum of risk and its affordability before entering a trade. Stop loss acts as a protection that you need for the trade from erosion of your entire limited capital resource.

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### Registered Office Address:

No 480, First Floor, Khivraj Complex – 1, Anna Salai, Nandanam, Chennai - 600 035.

Phone : 044 - 24313094 - 97, Email : [indbank@indbankonline.com](mailto:indbank@indbankonline.com)

**Our Website: [www.indbankonline.com](http://www.indbankonline.com)**

## Editorial Team

**Mr. Sesha Sai P L V K**  
President & Whole Time Director

**Sujay K S**  
Vice President & CFO

**Sreeram R**  
Research Analyst