



What's New!!! Economic & Business Updates

- **RBI Lifts Ban on Banks from Using Aadhaar For e-KYC:** The Reserve Bank of India has said that banks can now use Aadhaar for KYC verification if the customer gives consent. The central bank also updated Aadhaar to its list of documents eligible for identification of individuals.
- **Manpasand Beverages GST fraud case:** company's officials were taken under judicial custody following a search by the Commissioner of Central GST and Customs on back of searches carried out resulted into an unveiling of a huge racket of creating fake units for availing fraudulent credit and committing tax evasion of Rs 40 crore and involving turnover of Rs 300 crore approximately. Shares of Manpasand Beverages fell sharply post arresting company's top brass.
- **DHFL announces delay in consolidated financial results for FY19:** Dewan Housing Finance Limited (DHFL) has informed the stock exchanges that it will not be able to furnish the audited standalone and consolidated financial statements for FY19 within the time stipulated under applicable SEBI norms. DHFL said that the delay was due to new submissions under the provisions of the Companies (Indian Accounting Standards) Rules, 2015, which came into effect from April 1, 2018.
- **NCLT approves Tata Steel's bid for Bhushan Energy:** The principal bench of the National Company Law Tribunal (NCLT) approved Tata Steel's nearly Rs 800-crore bid to acquire Bhushan Energy. The NCLT, while approving this bid, also rejected Bhushan Energy's former promoter Neeraj Singhal's objections to Tata Steel's bid for the debt-laden company.
- **Q4 metrics show Bharti Airtel withstanding industry churn better:** Bharti Airtel Ltd released its statutory financial results earlier this month, the Street didn't get a complete picture of the operating performance due to rights issue related compliance restrictions. The company released these details subsequently and showed notable improvement in company's operating metrics.
- **Cholamandalam Investment to raise \$222 Million in Debt Funds:** Cholamandalam Investment and Finance Company would raise \$222 million in debt funds in an investment round anchored by World Bank arm International Finance Corporation (IFC). The investment comes at a time when non-banking financial companies are strained for funds due to a liquidity crisis that hit the sector hard last year.
- **SEBI summons Cobrapost chief, seeks details on DHFL expose:** SEBI on May 6, 2019 had issued summons to Aniruddha Bahal, founder of Cobrapost news website, seeking details of the expose of alleged money laundering operations by DHFL. Among other things, SEBI has asked Bahal to share details, evidence and source of the material used in the expose.
- **SFIO files criminal conspiracy charges against IL&FS directors and two auditors:** The Serious Fraud and Investigation Office (SFIO) filed its first chargesheet in the lapses at Infrastructure Leasing and Financial Services (IL&FS). The charges of cheating and alleged criminal conspiracy have been filed against 30 individuals including former directors and two auditors BSR and Co and Deloitte Haskin and Sells.
- **MG Motor India to Kick Start Bookings for the Hector SUV from June 4, 2019:** MG Motor India has announced that the bookings for the Hector SUV will begin from June 4, 2019. These bookings will open online on the company's website on the said date from 12 pm. The company will initially support the booking process across 120 centers in India. The carmaker aims to expand this reach to a total of 250 centers by September this year.
- **Goldman Sachs opens \$250-million Bengaluru office; No 3 globally:** Leading global investment bank Goldman Sachs opened its new \$250-million Bengaluru office. The office, which will serve as a global centre supporting innovation, has 1.2 million sq ft of building area housed in three 10-storey towers, with a seating capacity for approximately 7,300 employees.



Mr. Seshu Sai P L V K

From the President's Desk

Warm Greetings!!!

Bye Bye uncertainty and welcome continuity! Parliamentary elections are once in a 5 years event and markets tread cautiously during the run up to the same. Markets love continuity and movement in the indices after the election results proved it once again. The month gone by saw many events largely political in nature. Markets have been rejoicing on the back of the election outcome, lower and favourable crude prices and decent corporate earnings and so on. A resounding mandate for the ruling political arrangement brings the hope for investment, growth and development, stability, continuity in terms of policies and the social climate which are very essential for positivity in the indices to continue. Our markets have given a thumbs-up to the mandate people have given to this government.

Going forward the key event to watch out will be the regular Budget and it should address the economic slowdown and drought while providing the necessary push to investments. The core structural issue in the economy is to improve farm income. Agriculture as a sector had a larger focus during the fag end of previous term of the government and Initiatives such as e-NAM had received largely positive response from the rural farming community. Measures to promote self-sufficiency in crucial crops such as pulses from a nutritional point of view need to be given importance which could also promote lower import of essentials. Increased focus on agriculture will help alleviate rural distress and boost farm



income. Initiatives such as PM-KISAN scheme could come in handy here. Result could also see a spurt in rural spending which is the need of the hour for consumption demand to pick up.

The NBFC mess needs to be cleared, as it is emerging as a threat to growth. As the current troubles of many NBFCs can be traced to ALM mismatch i.e., their over-reliance on short-term borrowings to fund long-term loans to real estate and infrastructure players, RBI's decision to bridge asset-liability mismatches (ALM) and its insistence on more disciplined liquidity management at NBFCs could help in avoiding future recurrence of such developments in the sector.

Lower Crude oil prices have come as a breather for our economy. Worries about the negative impact of trade war escalation on global growth, and thereby demand, coupled with disappointing crude inventory data appeared to be the latest catalysts. The selloff accentuated after the US threatened new tariffs targeting Mexico. Concerns that the U.S.-China trade war will trigger an economic downturn kept the crude gains under check.

After a steep correction, many mid and small caps are available at attractive valuations when compared with large cap universe of stocks. Going ahead a broad based market performance is expected, which in turn could help generate wealth in beaten down quality stocks from this space. Aided by the India growth story, a healthy churn from the large cap to reasonably valued mid and small cap universe of stocks is expected. Also as an investment principle in stocks it is always better to deploy money across large, mid and small caps space according to investor's risk profile.

Happy and Safe Investing!!!

Snap Shots

Inflation (WPI) (%)	3.07% Apr 19	3.18% Mar 19	2.93% Feb 19	2.76% Jan 19
Inflation (CPI) (%)	2.92% Apr 19	2.86% Mar 19	2.57% Feb 19	2.05% Jan 2019
India Industrial Production (IIP) (%)	-0.1% Apr 19	0.1% Mar 19	1.7% Feb 19	2.4% Jan 19
Particulars	24.05.2019	17.05.2019	10.05.2019	03.05.2019
91-Day Cut-off (%)	6.3563	6.3977	6.4805	6.4391
10-yr G-Sec yield (%)	7.3297	7.4692	7.5064	7.4995
USD/INR(Rs)	69.38	70.28	70.01	69.09
EUR/INR (Rs)	77.73	78.42	78.66	77.40

Global Indices

Indices	Country	Index as on 31.05.2019	Index as on 30.04.2019	Variation (%) (Inc/ Dec)
SENSEX	India	39714.20	39,031.55	1.75
NIFTY 50	India	11922.80	11748.15	1.49
NASDAQ	United States	7,453.15	8095.39	-7.93
DJIA	United States	24,815.04	26,592.91	-6.69
S&P 500	United States	2,752.06	2,945.83	-6.58
Hang Seng	Hong Kong	26,901.09	29,699.11	-9.42
Nikkei 225	Japan	20,601.19	22,258.73	-7.45
Shanghai Composite	China	2,898.70	3,078.34	-5.84
Straits Times	Singapore	3,117.76	3400.20	-8.31
FTSE 100	United Kingdom	7,161.71	7418.22	-3.46
CAC 40	France	5,207.63	5,586.41	-6.78
DAX	Germany	11,726.84	12,344.08	-5.00

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments May 2019	Equity	12,343.67	10,372.53	1,971.14
	Debt	3,170.68	3,313.89	-143.21
Mutual Fund May 2019	Equity	5,639.75	6,949.36	-1,309.61
	Debt	21,891.56	18,534.49	3,357.07
FII Derivative Trades (Rs. in Crores) May 2019	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	12409.24	520961.26	43054.63	8199.66
- Sell	10592.58	516242.87	39598.64	7911.07

Forthcoming Corporate Action

Company Name	Symbol	Purpose	Record / Ex Date
Tata Consultancy Services Limited	TCS	Dividend - Rs 18 Per Share	06-Jun-19
Colgate Palmolive (India) Limited	COLPAL	Interim Dividend - Rs 8 Per Share	06-Jun-19
FDC Limited	FDC	Buyback	07-Jun-19
MM Forgings Limited	MMFL	Interim Dividend - Rs 2.5 Per Share	10-Jun-19
Syngene International Limited	SYNGENE	Bonus 1:1	12-Jun-19
HDFC Bank Limited	HDFCBANK	Dividend Rs 15 Per Sh	21-Jun-19
BSE Limited	BSE	Dividend - Rs 25 Per Share	28-Jun-19

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
YES Ultra Short Term Fund	24-May-2019	06-Jun-2019	1000	Open Ended
ICICI Prudential MNC Fund	28-May-2019	11-Jun-2019	5000	Open Ended

Draft Red-herring prospectus filed with SEBI:

Bajaj Energy Ltd, a thermal power generation company under the Bajaj Group, has filed its draft prospectus for IPO with the Securities and Exchange Board of India (SEBI). Bajaj Energy is led by Kushagra Bajaj, the son of Shishir Bajaj who split from the Bajaj clan and drove his own consumer, sugar and energy businesses. The IPO is a sale of fresh shares worth Rs 5,150 crore and a sale of shares worth Rs 300 crore by promoter entity Bajaj Power Ventures Ltd. Incorporated in 2008, Bajaj Energy, along with associate firm Lalitpur Power Generation Co. Ltd (LPGCL), is one of the largest private-sector thermal generation companies in the state of Uttar Pradesh. Bajaj Energy has a total gross installed capacity of 2,430 megawatt (MW), comprising 450 MW from five operational plants of 90 MW each, owned and managed by Bajaj Energy, and 1,980 MW from the power plant owned and managed by LPGCL, which Bajaj Energy will acquire from the proceeds of proposed issue.

Sterling and Wilson Solar Ltd filed DRHP with SEBI for an IPO. It is a Shapoorji Pallonji Group's solar engineering, procurement, and construction (EPC) business company. The proposed IPO comprises only a share sale worth Rs 4,500 crore by existing shareholders. Incorporated in March 2017 as Rashmika Energy Pvt Ltd, the Mumbai-based company offers end-to-end solar engineering, procurement and construction (EPC) solutions to its customers. It ranked the world's largest solar EPC solutions provider last calendar year based on annual installation of utility-scale photovoltaic systems of more than five mega-watt peak.

Brent crude price movement



USD-INR price movement



Stock picks

Company Name	Symbol	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
GAIL India Limited	GAIL	357.50	Buy	350-353	340	375	Short term
ICICI Pru life Insurance company limited	ICICIPRULI	390	Buy	385	360	422	Short term
Infosys Limited	INFY	735	Buy	728-730	700	770	Medium term
ITC Limited	ITC	279	Buy	274	260	295	Medium term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 04.06.19

Crude and Rupee check

Crude opened at \$71.73 in May. Crude price saw downward move of almost 10% in the month gone by and closed at \$64.49 on 31st May, 2019. Rupee closed at Rs 69.91 on 31st May, 2019.

Sector-wise month to date performance (April 2019)

Sector	Market-Cap (Rs)	% Chg	Advance	Decline
Automotive	8,57,484	-28.31%	4	75
Banking & Financial Services	36,21,675	4.27%	54	127
Cement & Construction	4,34,218	-7.83%	10	81
Chemicals	5,82,317	4.08%	20	84
Conglomerates	3,06,495	-9.90%	5	20
Consumer Durables	60,828	-8.26%	3	8
Consumer Non-durables	7,42,639	15.52%	8	20
Engineering & Capital Goods	7,22,140	-9.81%	17	106
Food & Beverages	4,08,014	5.53%	15	63
Information Technology	17,54,336	23.39%	29	74
Manufacturing	2,90,345	-23.61%	22	175
Media & Entertainment	1,08,545	-41.67%	2	44
Metals & Mining	6,37,942	-28.94%	6	80
Miscellaneous	5,78,445	-15.52%	26	121
Oil & Gas	15,66,039	7.00%	5	17
Pharmaceuticals	6,71,030	-11.85%	22	63
Retail & Real Estate	3,09,569	-7.41%	10	39
Services	2,73,987	-18.77%	10	71
Telecommunication	3,42,981	-36.23%	4	26
Tobacco	3,52,259	2.63%	3	2
Utilities	3,62,628	-15.67%	1	25

Mutual Fund Corner

Scheme for the Month : ICICI Prudential
Multicap Fund

Level of Risk : Moderately High

Objective

The scheme seeks to generate capital appreciation through investments in equity & equity related instrument across large cap, mid cap and small cap stocks of various industries.

Current Statistics & Profile	
Latest NAV	Rs. 300.05(Growth) Rs. 23.36 (Dividend) as on 31.05.19
Fund Category	Equity: Multi Cap
Type	Open Ended
Launch Date	Oct 01, 1994
Net Assets (Cr)	Rs 3,632 crore
Benchmark	S&P BSE 500

Fund Style	Concentration & Valuation	
Investment Style Growth Blend Value 	Number of Stocks	69
	Top 10 Stocks (%)	40.48
	Top 5 Stocks (%)	24.42
	Top 3 Sectors (%)	44.22
	Portfolio P/B Ratio	1.94
	Portfolio P/E Ratio	17.69

Asset Allocation as on 30.04.2019	
As on 30.04.2019	% Net Assets
Equity	90.55
Debt	-
Cash	9.45

Investment Details	
Minimum Investment Amount (Rs)	Rs 5,000
Additional Investment (Rs)	Rs 1,000
SIP(Rs)	Rs 100
Options	Growth/Dividend
Expense Ratio (%)	2.16%
Lock-in period	Nil
Exit Load (%)	1% for redemption within 365 days

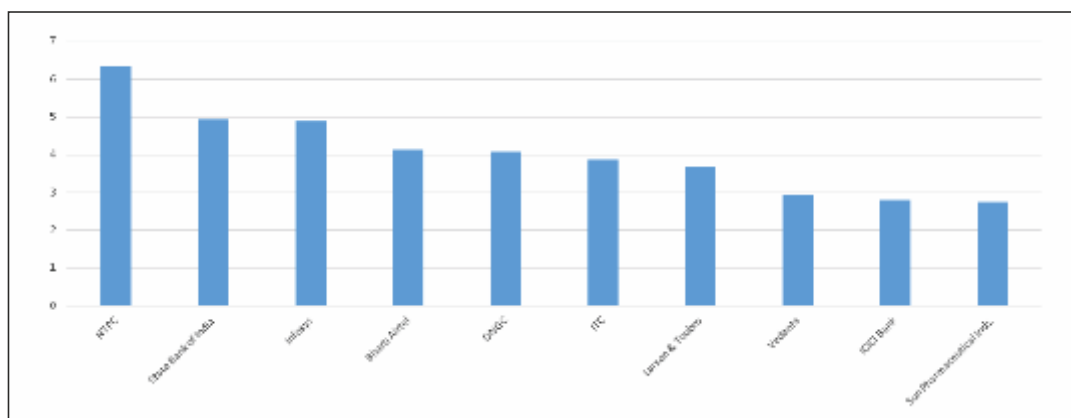
Trailing Returns

As on 27.02.2019	Fund Return	NIFTY 500	Category Return
Year to Date	6.23	7.09	7.33
1 Month	1.48	1.58	2.19
3 Months	8.76	9.53	10.01
1 Year	9.46	6.32	4.35
3 Years	13.96	14.36	12.89
5 Years	13.95	12.44	13.06

Return Since Launch 14.78%

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 30.04.2019

Sl. No.	Company	Sectpr	% Assets
1)	NTPC	Energy	6.36
2)	State Bank of India	Financial	4.95
3)	Infosys	Technology	4.89
4)	Bharti Airtel	Communication	4.14
5)	ONGC	Energy	4.08
6)	ITC	FMCG	3.87
7)	Larsen & Toubro	Construction	3.69
8)	Vedanta	Metals	2.94
9)	ICICI Bank	Financial	2.8
10)	Sun Pharmaceutical Inds.	Healthcare	2.76

Knowledge Corner!!!

Diversification and its benefits:

Diversification is a technique that reduces risk by allocating investments among various financial instruments, industries, and other categories. It aims to maximize returns by investing in different areas that would each react differently to the same event.

Benefits of diversification:

Minimising risk of loss: if one investment performs poorly over a certain period, other investments may perform better over that same period, reducing the potential losses of your investment portfolio from concentrating all your capital under one type of investment.

Preserving capital:

Not all investors are in the accumulation phase of life; some who are close to retirement have goals oriented towards preservation of capital, and diversification can help protect your savings.

Generating returns:

Sometimes investments don't always perform as expected. By diversifying you're not merely relying upon one source for income.

It is said "Never put all your eggs in one basket". This may be a frequently used cliché but holds very true when it comes to investing. One of the most effective ways of reducing risk is to bring variety into your investments or diversify your investments. A diversified portfolio has a mix of varied asset classes like equities, debt, cash, real estate, gold, etc. Even within these asset classes, investments can be further diversified based on sectors, geographies, and other factors.

A diversified portfolio means spreading risk by investing:

- across different asset classes such as shares, cash, fixed interest, property.
- within such asset classes purchasing shares across different industry sectors
- across different fund managers if investing in managed funds.

Generally, particular investments or asset classes will perform better than others over a specific period depending on a range of factors including:

- current market conditions
- interest rates
- currency markets.

No particular investment consistently outperforms other investments.

So why one should diversify his/ her portfolio?

Let's take a portfolio of only airline stocks. If it is announced that airline fuel charges are going to witness a steep increase then share prices of airline stocks will drop. That means such a portfolio of airline stocks will experience a noticeable drop in value.

If the portfolio is counter balanced with say other sector for example railway stocks wherein such news has no effect then only part of the portfolio would be affected. In fact, there is a good chance the railway stock prices would climb higher, as passengers turn to trains as an alternative form of transportation. But one could diversify even further because there are many risks that affect both rail and air, as both air and rail are involved in transportation sector. An event that reduces any form of travel, hurts both types of companies. Therefore, one would want to diversify across the board, not only different types of companies but also different types of industries. The more uncorrelated your stocks are, the better.

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