



What's New!!!

Economic & Business Updates

- **FM slashes corporate tax rate to 25.17 percent:** Biggest tax reduction in 28 years, the Government slashed corporate tax by almost 10 percentage as it looked to pull the economy out of a six-year low growth and a 45-year high unemployment rate by reviving private investments with a Rs 1.45-lakh crore tax break.
- **PM Modi interacts with over 40 global CEOs:** Prime Minister Narendra Modi interacted with over 40 global business leaders and American CEOs, highlighting the steps taken by India to build a USD 5 trillion economy. The extensive agenda of the meeting included harnessing investment opportunities in India and boosting commercial linkages between India and USA.
- **Core sector growth contracts 0.5% in August:** Growth of India's eight infrastructure sectors contracted 0.5% in August as production in five sectors, including electricity and cement, shrank during the month. This signals the recovery seen in factory output in July was a mere blip. The eight core sector industries had expanded by 4.7% in August last year.
- **PMC customers file police complaint against bank directors:** Several customers of the Mumbai-based Punjab and Maharashtra Co-operative (PMC) Bank, on which several curbs were imposed by the Reserve Bank of India, lodged complaint with Mumbai police alleging malpractices by the directors of the bank.
- **HDFC keen to contribute to govt's Rs 20,000 cr realty fund says Deepak Parekh:** Parekh, chairman of housing finance major HDFC Ltd, said the government's proposed Rs 20,000 crore fund will help the realty sector in a big way to get their pending projects completed and his company is very keen to contribute to this fund. Making a strong case for supporting developers to help them come out of crisis, he said that the government incentives have helped the affordable housing sector gain traction but homebuyers now clearly want "right developers, right price, right size and right financier".
- **Millennials Using Ride-Hailing Services Will Increase Demand for Cars says JLR:** Millennials depending more on ride-hailing service providers for commuting would mean more demand for cars rather than affecting sales in megacities, including those in India, according to JLR chief executive Ralf Speth. Amid automobile sales slowdown in India, Finance Minister Nirmala Sitharaman had recently said one of the reasons for the downturn in the industry was Millennials using more of ride-hailing services like Ola and Uber instead of buying new cars.
- **INX Media case- Chidambaram's bail plea rejected:** The Delhi High Court dismissed the bail petition filed by former Finance Minister P. Chidambaram in the INX Media case. Justice Suresh Kumar Kait dismissed the bail on the grounds that after being a member of the Bar and of Parliament, "there is a chance that he may influence the witnesses".
- **MG Hector re-booking starts in India, price hiked:** After receiving an overwhelming response in the first phase, MG Motor India has now re-opened booking for its mid-size SUV MG Hector. Launched in India on June 27 this year, MG Hector received 28,000 orders in the first round. MG Motor India has also increased the price of the MG Hector by up to 2.5% depending on the variant.
- **Attack On Saudi Oil Facilities Makes Oil Prices Spike:** The price of oil saw a massive price spike during mid-September following drone strikes on Saudi oil facilities that has shut off more than half of daily exports, or about 5% of the world's crude production. Benchmark Brent crude in the next trading session post the attack spiked almost 20%.
- **Saudi Crown Prince Warns Of "Unimaginably High" Oil Prices :** Saudi Arabia's crown prince warned that oil prices could spike to "unimaginably high numbers" if the world does not come together to deter Iran, but said he would prefer a political solution to a military one.



Mr. Sesha Sai P L V K

From the President's Desk

Warm Festive Greetings to all Readers!!!

Markets continued to remain buoyant throughout the month that has gone by. Markets gave a huge thumbs-up and witnessed biggest single day up-move in more than ten years on back of corporate tax cut and slew of other announcements made by the Union Finance Minister. Nifty and Sensex recouped almost all of its lost ground since mid-July 2019 in a single day. Announcements made on corporate taxes has made India an attractive investment destination and made India's tax rate attractive and competitive on par with other Asian peers.

Major announcements made by Union Finance Minister on tax front are such as new manufacturing firms, incorporated after October 1, 2019 and starting operations before March 31, 2023, will be taxed at 15 per cent from current 25 per cent. This will be subject to the condition that these companies does not avail any other incentive or concession such as tax holiday enjoyed by units in Special Economic Zones (SEZ) and accelerated depreciation. The effective tax rate for existing units, after considering surcharges and cess such as Swachh Bharat cess and education cess - which are levied on top of the income and corporate tax rates, will be 25.17 per cent as compared to 34.94 per cent now. For new units, it will be 17.01 per cent as against 29.12 per cent now.

Investor sentiments declined amid news that a number of companies, including real estate developers had deposits in the Punjab and Maharashtra Co-operative (PMC) Bank, which came under RBI's scanner last week. Financial space in the last week of September saw pressure because of various unverified news/ rumours floating in social media questioning

strength of our financial sector. Reserve Bank of India later put out a tweet re-assuring investors and stakeholders on strength and stability of Indian financial sector especially commercial banks. Such unverified news fuelled significant value/ price erosion of even bluest of blue chips and well managed banks and NBFCs. Events such as these again put a strong emphasis on not to trust or follow unsolicited messages that are being circulated on social media platforms with unknown hidden agenda.

Moving on from equity to commodity markets, crude prices in the month of September witnessed significant volatility on back of attack on Saudi's Aramco refining facility. This news significantly influenced crude prices to move up by more than 20 percent in a single day. Global markets witnessed wide spread fears of crude prices shooting above \$100/ barrel in the short term on back of supply disruption and uncertainties emanating from Saudi Arabia. This news came in as a blow for many crude importing countries including India. Subsequently Saudi's oil minister clarifying that supply would be normal have been taken positively by the markets and prices saw correction post the surge seen on back of attack.

Even though our economy is seeing positive micro vibes from government policy initiative front, macro global picture with respect to trade war and geopolitical tensions tend to loom large on our economy. Prolonged trade negotiations and news emerging out on this front on a day to day basis can disturb market equilibrium globally.

Navratri is considered to be auspicious nine days as per Hindu tradition. These nine days has a common theme that is battle and victory of Good over Evil. In the same way let this auspiciousness usher markets and bring in cheers and brightness to equity investor's portfolios in the days to come.

Wishing you all in advance A Very Happy Dusshera and Prosperous Diwali!!!

Happy and Safe Investing!!!

Snap Shots

Inflation (WPI) (%)	1.08% Aug 19	1.08% Jul 19	2.02% Jun19	2.45% May 19
Inflation (CPI) (%)	3.21% Aug 19	3.15% Jul 19	3.18% Jun 19	3.05% May 19
India Industrial Production (IIP) (%)	4.3% Aug 19)	2% Jul 19	3.1% Jun 19	3.4% May 19
Particulars	27-Sep-2019	20-Sep-2019	13-Sep-2019	06-Sep-2019
91-Day Cut-off (%)	5.406	5.283	5.324	5.365
10-yr G-Sec yield (%)	6.729	6.782	6.631	6.597
USD/INR(Rs)	70.509	71.075	70.985	71.645
EUR/INR (Rs)	77.129	78.310	78.616	79.017

Global Indices

Indices	Country	Index as on 30.09.2019	Index as on 31.08.2019	Variation (%) (Inc/ Dec)
SENSEX	India	38,667.33	37,332.79	3.57
NIFTY 50	India	11474.45	11,023.25	4.09
NASDAQ	United States	7,999.34	7,962.88	0.46
DJIA	United States	26,916.83	26,403.28	1.95
S&P 500	United States	2,976.74	2,926.46	1.72
Hang Seng	Hong Kong	26,092.27	25,724.73	1.43
Nikkei 225	Japan	21,755.84	20,704.37	5.08
Shanghai Composite	China	2,905.19	2,886.24	0.66
Straits Times	Singapore	3119.31	3,106.52	0.41
FTSE 100	United Kingdom	7424.31	7,207.18	3.01
CAC 40	France	5,677.79	5,480.48	3.60
DAX	Germany	12,428.08	11,939.28	4.09

Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments September 2019	Equity	10,160.93	10,761.75	-600.82
	Debt	3,245.41	4,429.25	-1,183.84
Mutual Fund September 2019	Equity	4,661.24	4,076.19	585.05
	Debt	15,244.88	14,041.37	1,203.51
FII Derivative Trades (Rs. in Crores) September 2019	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	7355.16	422216.09	17832.16	7345.35
- Sell	7190.89	421106.93	18562.86	7367.89

Forthcoming Corporate Action

Company Name	Symbol	Purpose	Record / Ex Date
FRSHTRP	FRESHTROP FRUITS LTD	Buy Back of Shares	11-Oct-19
GOCLCORP	GOCL Corporation Limited	Interim Dividend - Rs 2 Per Share	15-Oct-19
PGINDST	PG INDUSTRY LTD	Stock Split From Rs.10/- to Rs.5/-	15-Oct-19

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
ICICI Prudential Commodities Fund	25-Sep-2019	09-Oct-2019	5000	Open Ended
Motilal Oswal Large and Midcap Fund (MOFLM)	27-Sep-2019	11-Oct-2019	500	Open Ended
ITI Long Term Equity Fund	15-Jul-2019	14-Oct-2019	500	Open Ended

Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Piramal Enterprises Ltd	1568	Buy	1540-1550	1440	1680	Medium term
L&T Finance holdings Ltd	82	Buy	78-80	68	90	Short term
Sun Pharmaceutical Industries Limited	388	Buy	375-377	355	450	Medium term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 30.08.19.

Crude and Rupee check

Crude opened at \$ 58.80 in September. Crude price witnessed huge surge in September post attack on Saudi Aramco's refinery. Crude witnessed single day rally of almost \$12 post the attack. After hitting low of \$57.23 in September recovered and closed at \$60.78 on 30th September, 2019. Brent Crude in September witnessed volatility of almost \$13 in the month gone by. Volatility largely attributable to attack on Aramco's refinery. Rupee closed at Rs70.64 on 30th September, 2019.

Brent crude price movement



USD-INR price movement



Sector-wise month to date performance (September 2019)

Sector	Market-Cap (Rs)	% Change	Advance	Decline
Agri	68,864	-37.76%	3	58
Alcohol	87,746	2.00%	1	9
Automobile & Ancillaries	8,81,943	-35.97%	4	107
Aviation	72,315	30.27%	1	2
Banks	20,83,830	-8.03%	6	31
Capital Goods	3,11,912	-21.17%	10	74
Chemicals	5,74,737	5.45%	17	81
Construction Materials	3,46,022	-16.72%	2	52
Consumer Durables	1,33,279	0.78%	6	21
Containers & Packaging	5,363	-42.88%	0	12
Diamond & Jewellery	1,39,293	10.70%	3	11
Diversified	1,64,969	-29.39%	3	20
Electricals	20,387	-46.10%	1	23
ETF	21,096	-10.22%	39	13
Finance	11,93,313	-5.71%	15	94
FMCG	14,11,416	17.84%	16	25
Footwear	35,932	79.17%	2	3
Healthcare	6,53,044	-15.53%	20	78
Hospitality	46,901	-33.34%	3	23
Industrial Gases & Fuels	1,05,910	-15.38%	3	3
Infrastructure	3,48,994	-14.50%	4	56
Insurance	3,82,569	4.74%	4	2
Logistics	79,316	-26.92%	3	29
Manufacturing	14,530	-20.30%	1	5
Media & Entertainment	69,980	-53.64%	3	35
Metals & Mining	5,45,395	-41.88%	7	93
Miscellaneous	82,580	-29.76%	2	35
Oil & Gas	13,50,076	1.74%	3	13
Paper	11,332	-37.48%	1	20
Plastic Products	54,318	-17.52%	2	25
Power	3,75,117	-19.14%	4	28
Real Estate	1,54,861	-34.39%	5	52
Retailing	1,82,905	22.23%	4	9
Ship Building	4,415	-37.58%	0	1
Software & IT Services	16,20,060	17.13%	21	73
Telecom	2,77,215	-47.17%	1	23
Textiles	91,071	-38.82%	8	103
Trading	35,365	-34.01%	0	16

Mutual Fund Corner

Scheme for the Month : Axis Midcap Fund

Level of Risk : Moderately High

Objective

The scheme seeks to achieve long term capital appreciation by investing predominantly in equity & equity related instruments of Mid Cap companies.

Current Statistics & Profile

Latest NAV	Rs. 37.41(Growth) Rs. 23.86(Dividend) as on 01.10.19
Fund Category	Equity: Mid Cap
Type	Open Ended
Launch Date	Feb 18, 2011
Net Assets (Cr)	Rs 2,819 crore
Benchmark	S&P BSE Mid Cap

Investment Details

Minimum Investment Amount (Rs)	Rs 5,000
Additional Investment (Rs)	Rs 100
SIP(Rs)	Rs 1000
Options	Growth/Dividend
Expense Ratio (%)	2.17%
Lock-in period	Nil
Exit Load (%)	For units in excess of 10% of the investment, 1% will be charged for redemption within 365 days

Fund Style

Concentration & Valuation

Investment Style			Capitalisation Large Medium Small		
Growth	Blend	Value			
				Number of Stocks	35
				Top 10 Stocks (%)	41.66
				Top 5 Stocks (%)	24.63
				Top 3 Sectors (%)	52.99
				Portfolio P/B Ratio	5.38
				Portfolio P/E Ratio	33.31

Trailing Returns

Trailing Returns %	Fund Return	S&P BSE 200	Category Return
Year to Date	4.88	-9.24	-3.13
1 Month	5.23	3.16	3.74
3 Months	1.35	-6.23	-4.82
1 Year	9.16	-5.5	0.33
3 Years	11.69	2.88	4.19
5 Years	11.3	9.05	9.33

Return Since Launch 16.54%

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

Asset Allocation

As on 31.08.19	% Net Assets
Equity	80.68
Debt	19.32
Cash	-

Top 10 stock constituents of fund in percentage as on 31.08.2019

Sl. No.	Company	Sector	% Assets
1)	City Union Bank	Financial	5.29
2)	Info Edge (India)	Services	5.23
3)	Avenue Supermarts	Services	5.14
4)	Gruh Finance	Financial	4.7
5)	Bata India	FMCG	4.27
6)	Mphasis	Technology	3.84
7)	Bajaj Finance	Financial	3.61
8)	Voltas	Cons Durable	3.5
9)	Astral Poly Technik	Chemicals	3.23
10)	Cholamandalam Invest. & Fin.	Financial	2.85



What is Multi-Asset Fund and what are its benefit? Multi-asset fund, is a combination of asset classes (such as cash, equity or bonds/ debt) used as an investment option. A multi-asset class investment contains more than one asset class, thus creating a group or portfolio of assets. The weights and types of classes vary according to the individual fund managers or investors.

Multi-asset class investments increase the diversification of an overall portfolio by distributing investments throughout several classes. This reduces risk (volatility) compared to holding one class of assets, but might also hinder potential returns. For example, a multi-asset class investor might hold bonds, stocks, cash, and real property, whereas a single-class investor might only hold stocks. One asset class might outperform during a particular period of time, but historically, no asset class will outperform during every period. Many mutual fund companies offer asset allocation funds that are designed to perform according to an investor's tolerance for risk. The funds can range from aggressive to conservative. Allocation in such funds are normally dynamic in nature to derive benefits of every asset class involved. An aggressive-style fund would have a much higher allocation to equities, with maybe as much as 100%.

Benefits of Multi-Asset Class Funds: Unlike balanced funds, which typically focus on meeting or beating a benchmark, multi-asset class funds are composed to achieve a certain investment outcome, such as exceeding inflation. Their broad options for investing, ranging across securities, sectors, real estate, and other types of securities, give them enormous flexibility to meet their goals. This type of fund also offers more diversification than most balance funds, which may combine mainly fixed income and equities. Many are actively managed, meaning a person or group of people make decisions based on the dynamics of the market to maximize returns and limit risk.

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