



# Current Market Scenario

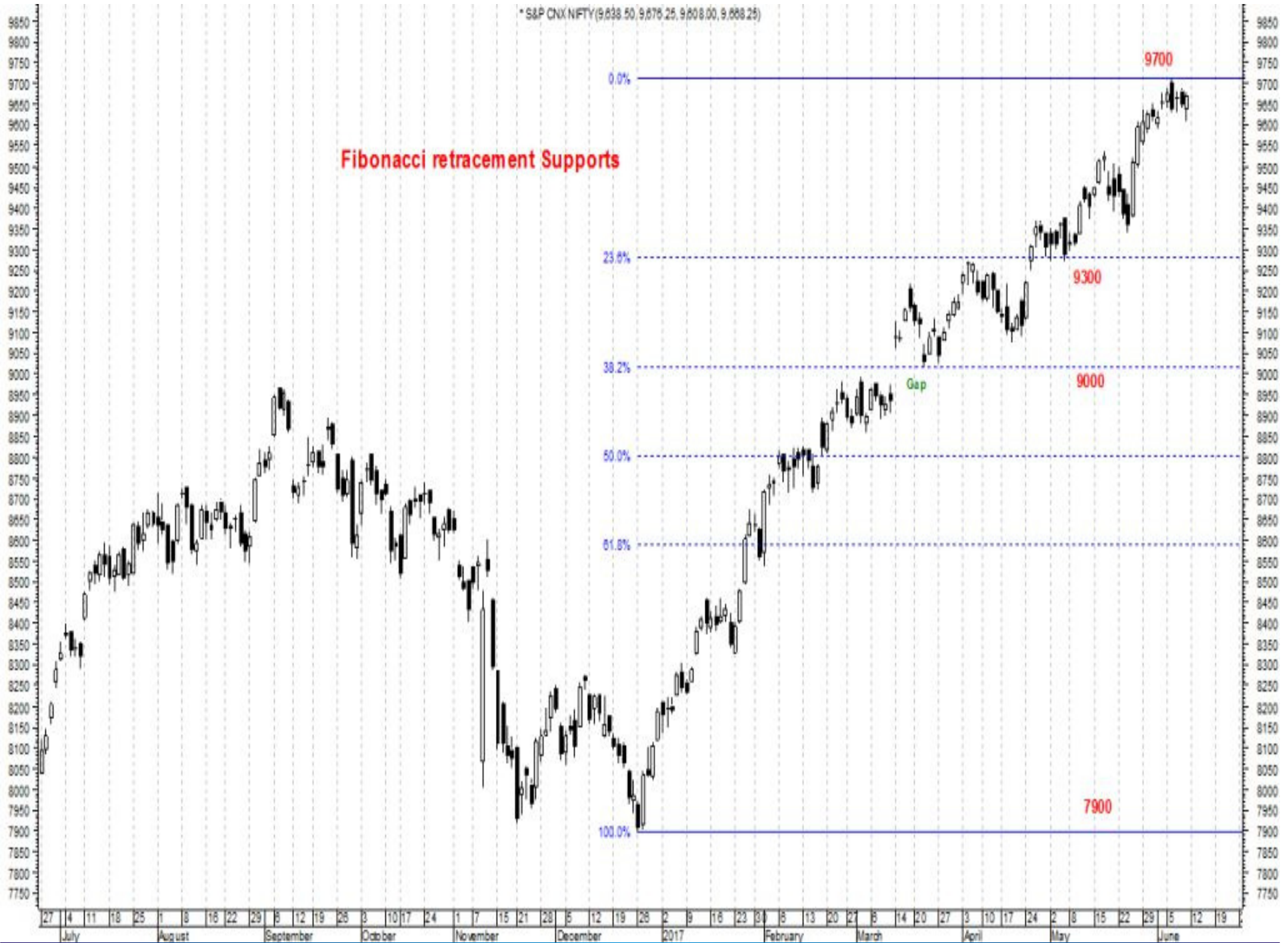
\*S&P CNX NIFTY(9,638.50, 9,676.25, 9,608.00, 9,688.25)

### NIFTY - Channel

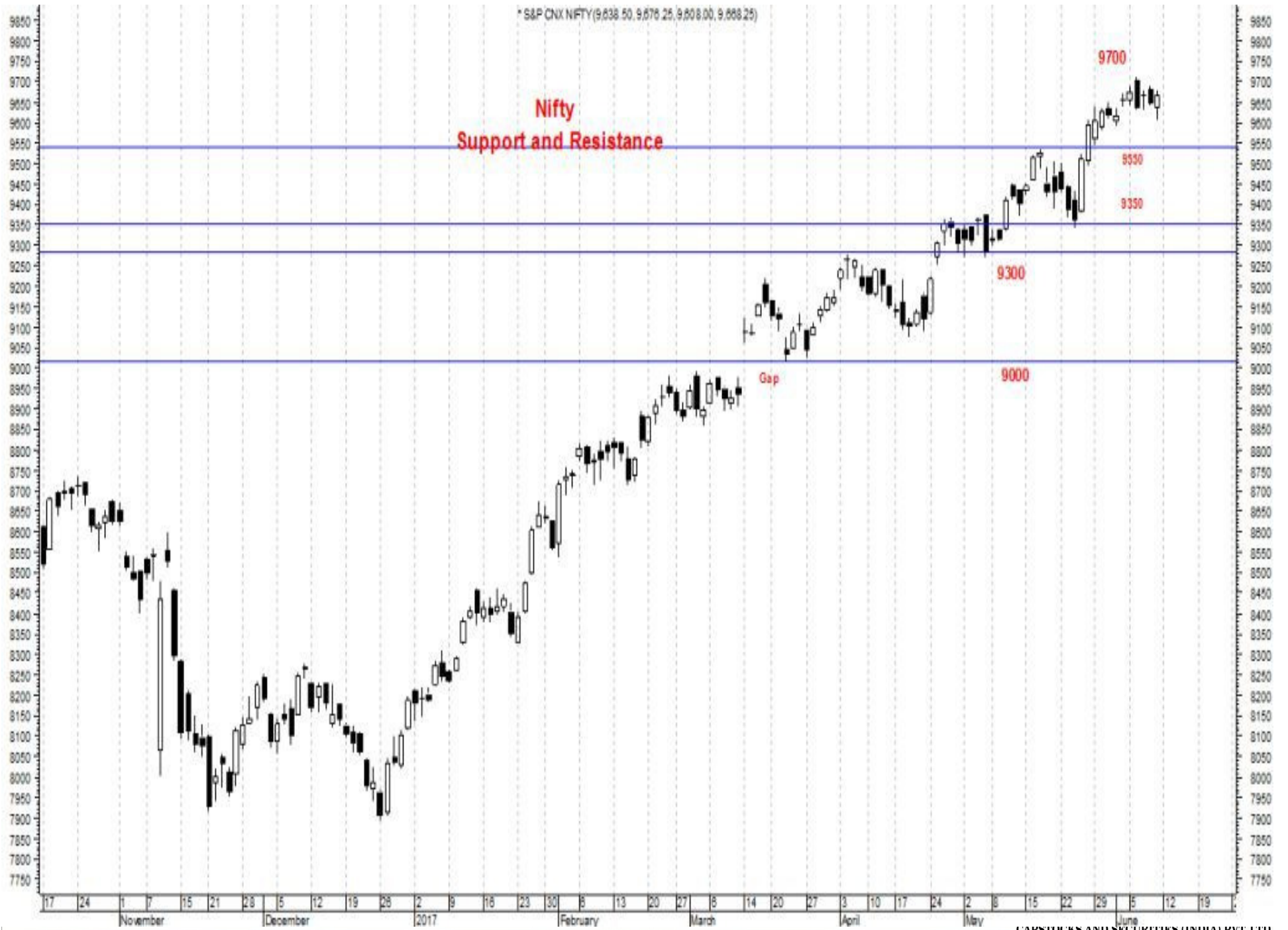


\* S&P CNX(NIFTY)(9,638.50, 9,676.25, 9,608.00, 9,668.25)

### Fibonacci retracement Supports

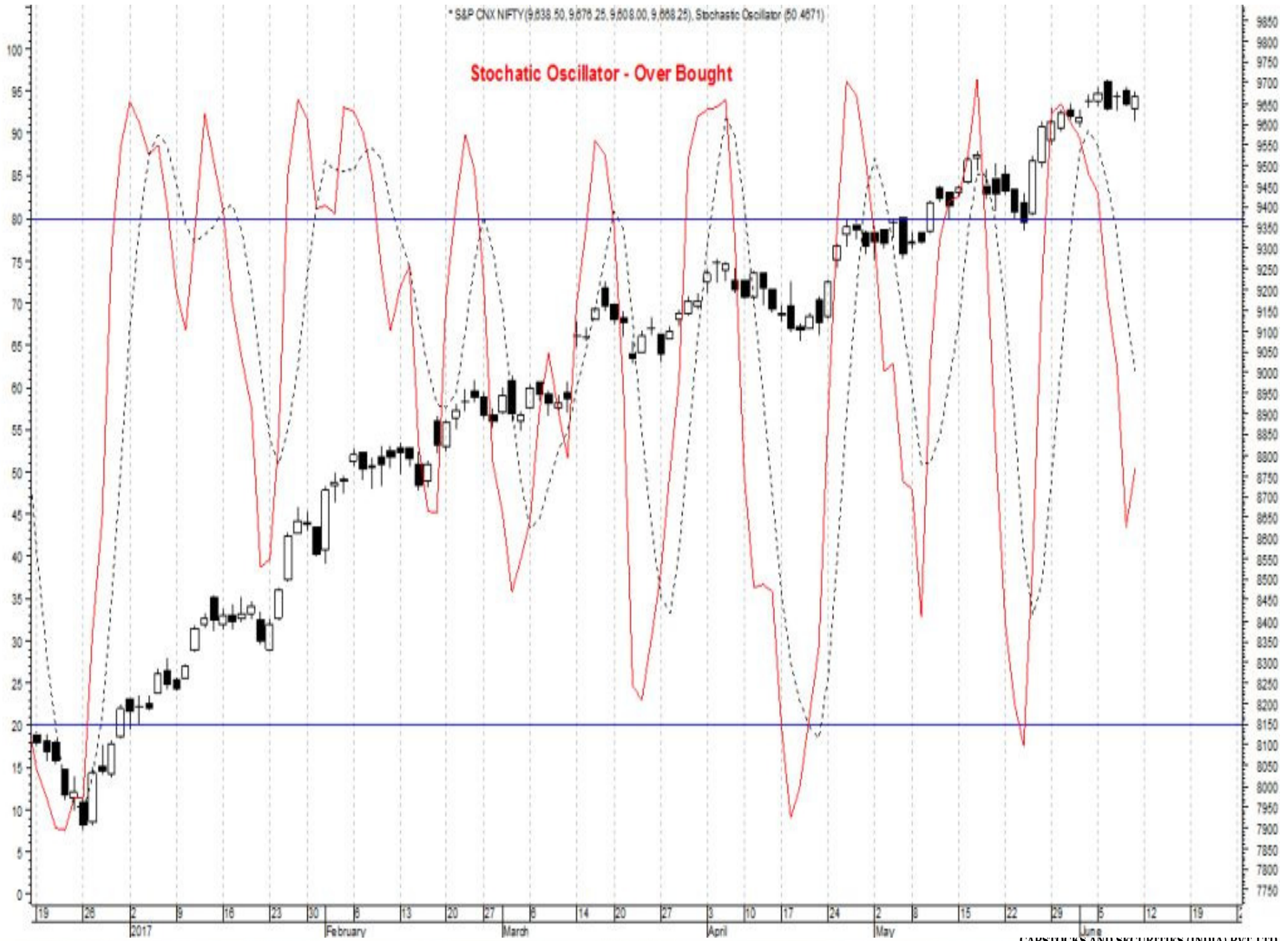


\* S&P CNX NIFTY(9,636.50, 9,676.25, 9,608.00, 9,668.25)



\* S&P CNX NIFTY (9,838.50, 9,876.25, 9,808.00, 9,868.25), Stochastic Oscillator (50, 4671)

### Stochastic Oscillator - Over Bought



\* BSE - SENSEX (31,316.91, 31,354.51, 31,193.77, 31,213.36)

### Sensex - From 2003

New bull market - started in 2014



7 times in 5 years

Jan 2008

21000

Sideways - 6 Years

21000

March 2014

31000

Markets may see multiyear Bull run

In 2003-2008 bull run from 3000 to 21000  
Sensex multiplied by 7 times

The present bull phase started in 2014 at 21000  
If markets multiplies by

- 7 times Sensex - 147000
- 5 times Sensex - 105000
- 3 times Sensex - 63000

April 2003



# Markets At Historic Levels

- Heavyweights lift indices at historic highs
- Midcaps see healthy correction
- Global markets on consolidation

## INDEX WATCH

<b>INDEX</b>	<b>10, June</b>	<b>12, May</b>	<b>% Change</b>
Nifty	9,668	9,400	+ 2.8
Sensex	31,262	30,188	+ 3.5
CNX Midcap	17,993	18,240	- 1.3
BSE Small Cap	15,542	15,528	0.0

# GST to be Reality !



- Tax slabs for all products finalised
- GST Council unanimous to implement from July 1<sup>st</sup>



# Teething Issues on GST



- Business disruption to be seen during GST implementation
- Stockist started reducing stocks
- IT infrastructure to be made ready
- Two months of business likely to be affected

# Market To Be Cautious Ahead of GST



- Big brokerages voiced caution on possible disruption in business
- Companies and firms unprepared for GST switchover
- Market will be volatile during implementation time

# Monsoon Key for Market Tailwind



- Normal monsoon with good distribution is crucial for rural economy
- Markets started discounting monsoon to be normal
- IMD revised rainfall to be 98% against 96% of Long Term Average

# Market Betting on Rural Recovery



- Good Monsoon, Govt. spending to revive rural economy
- Direct benefit transfer to improve cash in hands of consumer
- Overall consumption from rural economy to improve

# Domestic Liquidity To Remain Strong

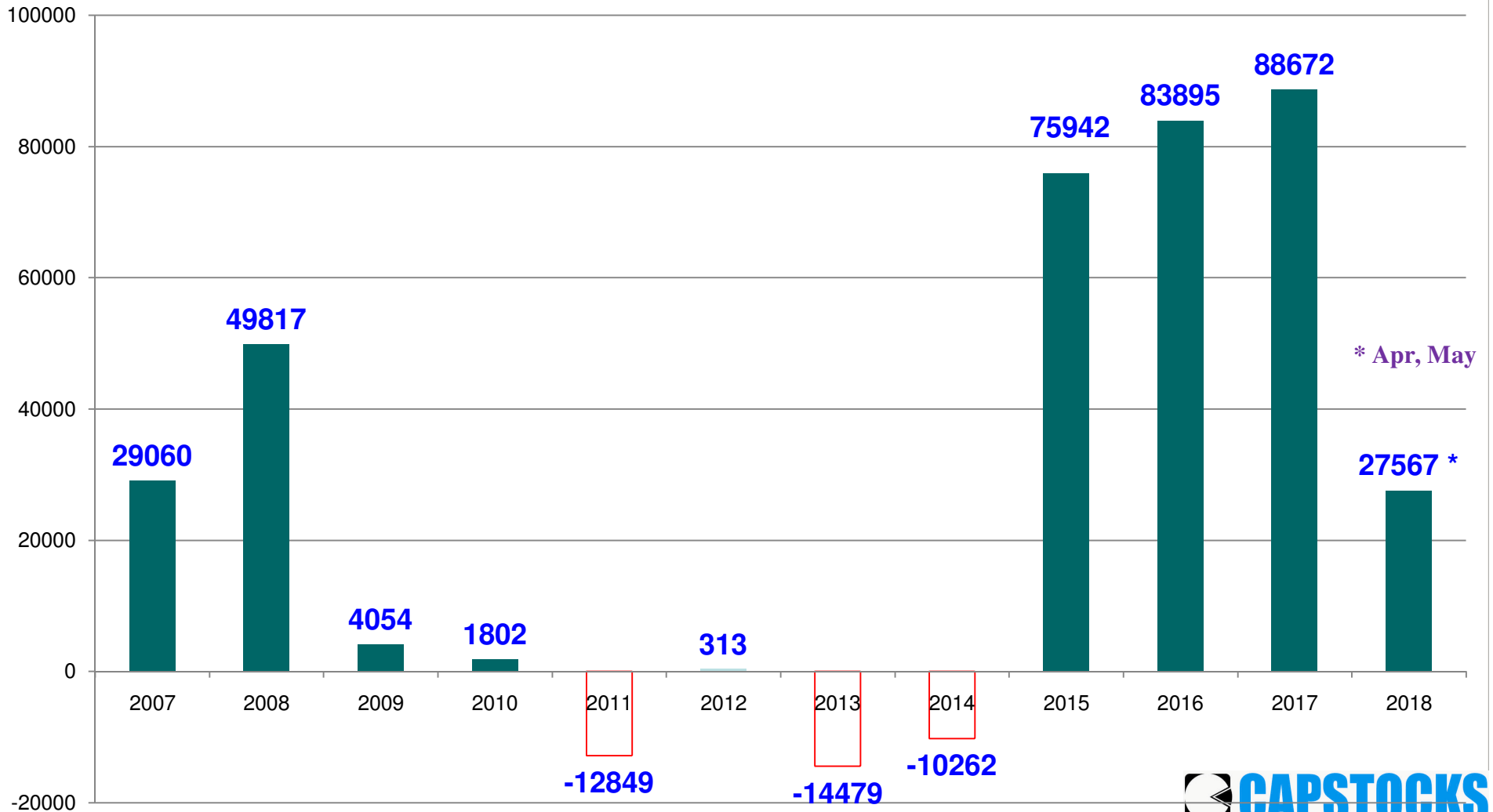


- Mutual Funds
- Insurance
- Employee Provident Fund
- National Pension Scheme

# Strong Mutual Fund Inflows Continues



Equity + ELSS + 50% of Balanced Funds



\* Apr, May

\* 27567

# Employee Provident Fund to Allocate More for Equities



- Hikes equity investment to 15% for FY18 from current 10% on incremental inflows
- EPF invests in index linked ETF

<b>FY</b>	<b>Equity Investment Cr.</b>
2016	6,577
2017	14,982
2018*	24,000

\* Expected



# Insurance Flows To Remain Study

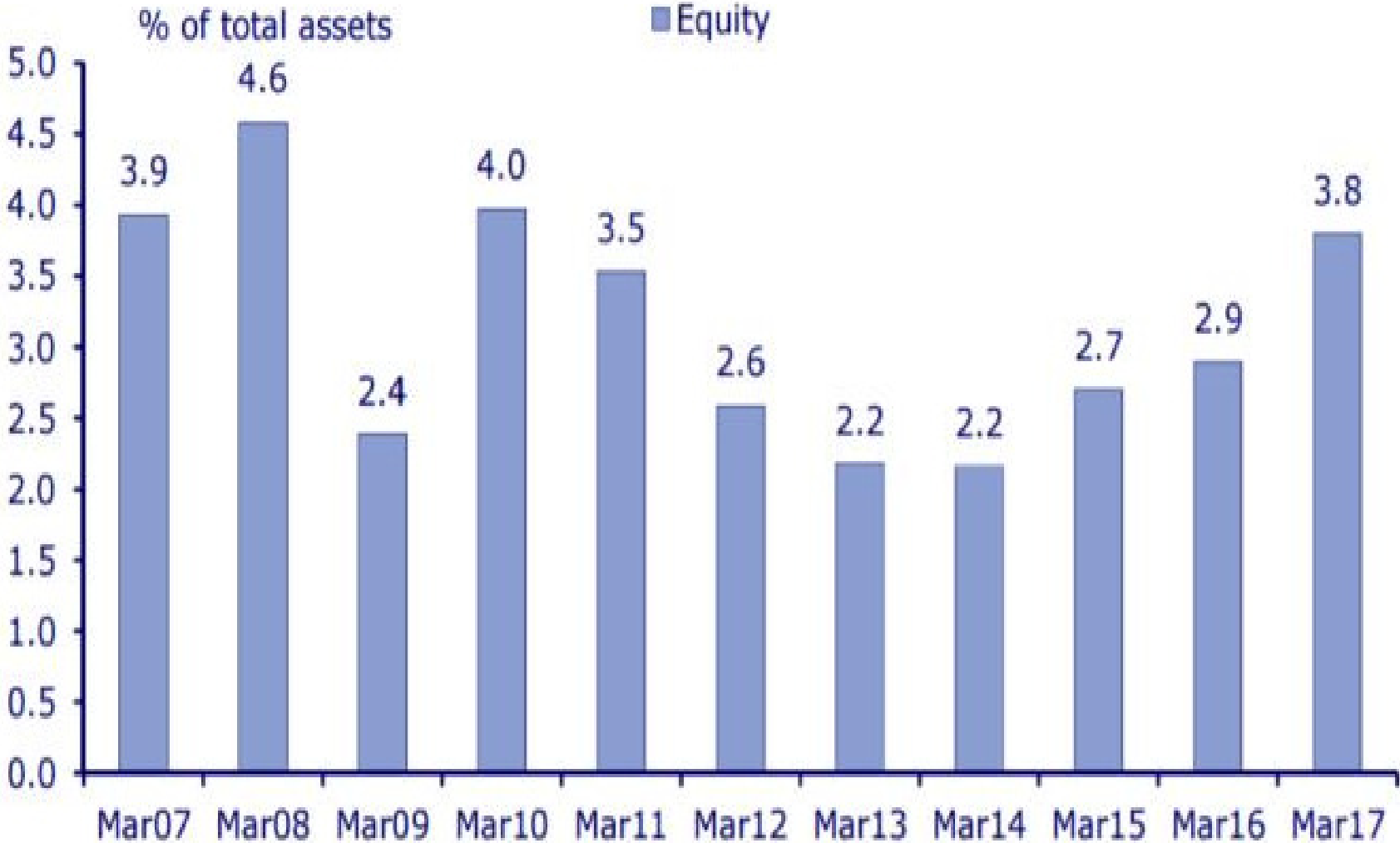
- Insurance investment in equity shares to be around 30,000 to 40,000 Cr. in FY18
- In FY 17 LIC net investment in equities at 22,450 Cr.



# Equity holding has trended up but still below peak

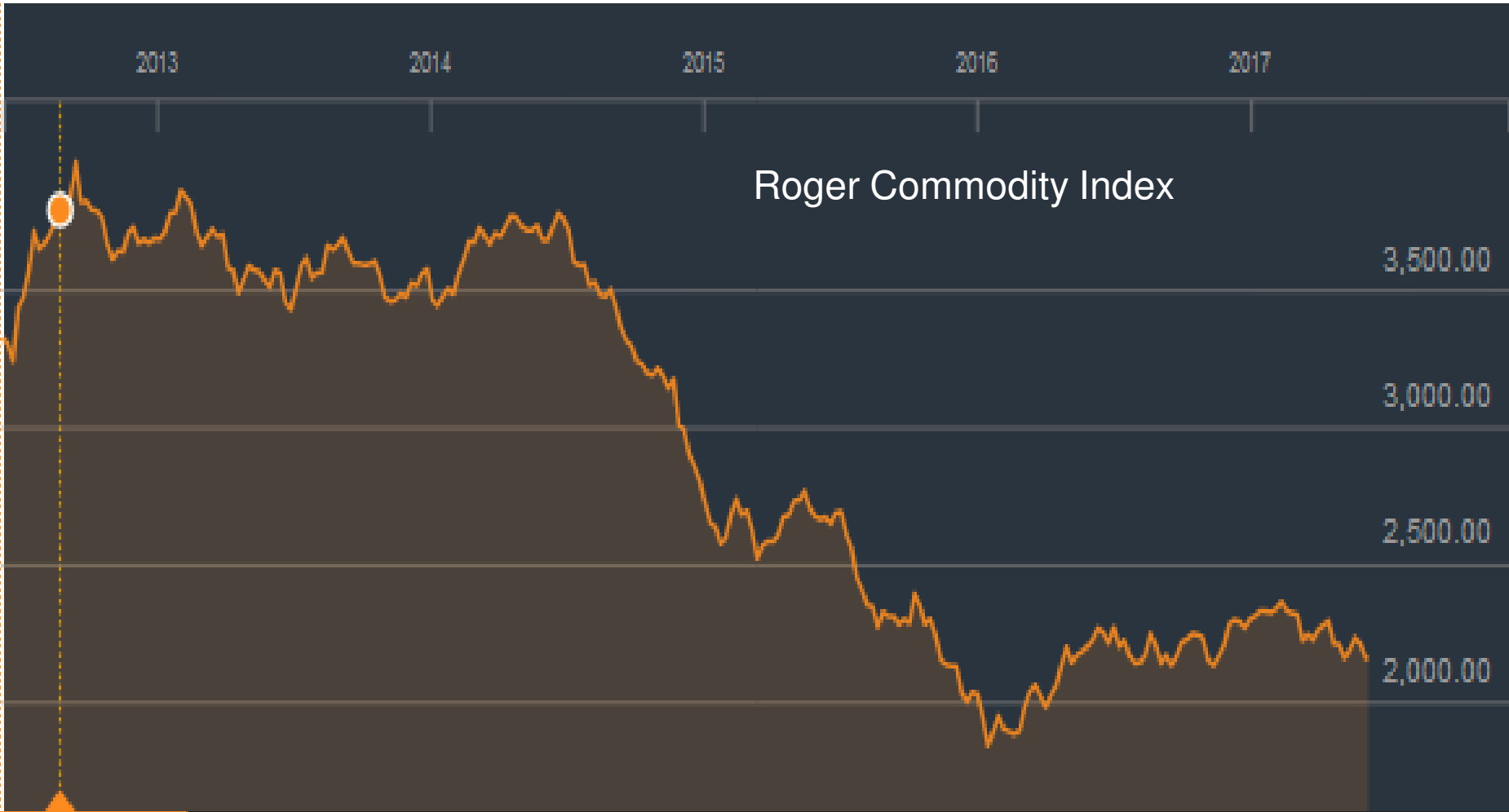
Figure 15

## Trend of equity as % total household assets



Source: CLSA, RBI, Bloomberg, AMFI, WGC, IRDA

# Cooling in Commodity Prices



08/24 3,795.19

# Crude Oil Price - Rangebound



# Crude Oil Price – Significant Factor



- India imports 80% of its crude oil needs
- Will have significant impact on macro economy
- Sectors like tyre, paint , refinery, airlines depend upon crude oil price

# RBI Likely To Cut Rate in Next Meeting



- RBI maintains status quo on interest rates
- Tone dovish on lower inflation
- May cut rate in August meeting



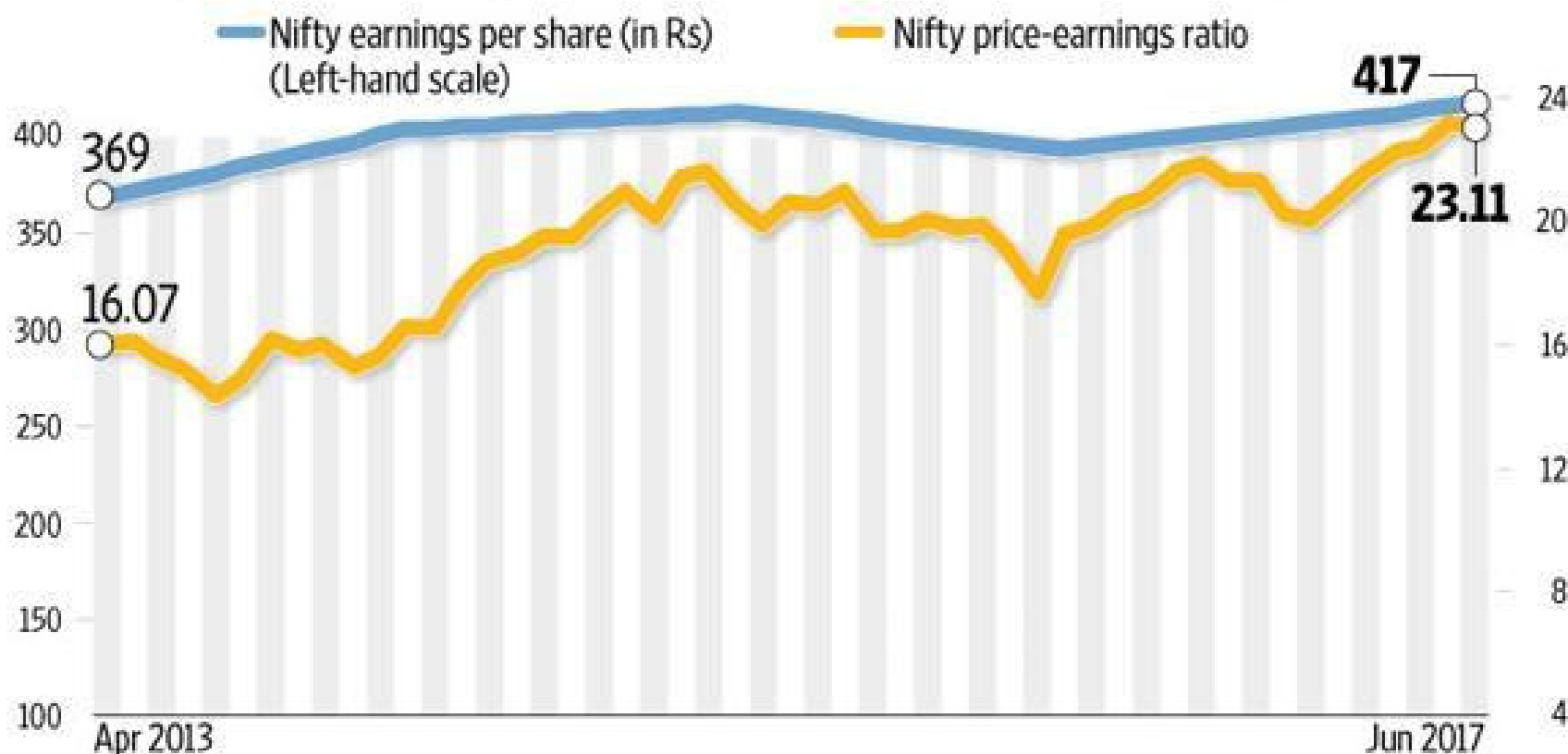
# Trump Policy under Threat ?

- Various controversy for US President Trump
- Smooth implementation of Infrastructure spending , corporate tax cut under threat

# Market Rally Driven by Rerating

## HOPE FLOATS

Nifty earnings have risen at a glacial pace in the past four years; but hopes of a pickup in earnings growth remain strong, as is visible from the expansion in P-E multiples.





# Events to Watch

- Monsoon
- GST Implementation





**Thank You**