



Current Market Scenario

*NIFTY50 (12,151.00, 12,154.00, 12,073.00, 12,098.00)

12430

Nifty made New High



*NIFTY50 (12,151.00, 12,154.00, 12,073.00, 12,098.00)

Nifty-Channels

12300



Fall in Indices & rises from recent lows



Index	Current Index	Recent high	Fall from peak	Current fall from peak
Nifty	12098	12430	14%	3%
Nifty Midcap	18367	21841	31%	16%
Nifty small cap	6247	9656	47%	35%



Nifty Midcap

Still down by 16% from peak

21841 Jan 2018

18367

14975



9656 Jan 2018

Nifty Small cap

Still down by 35% from peak



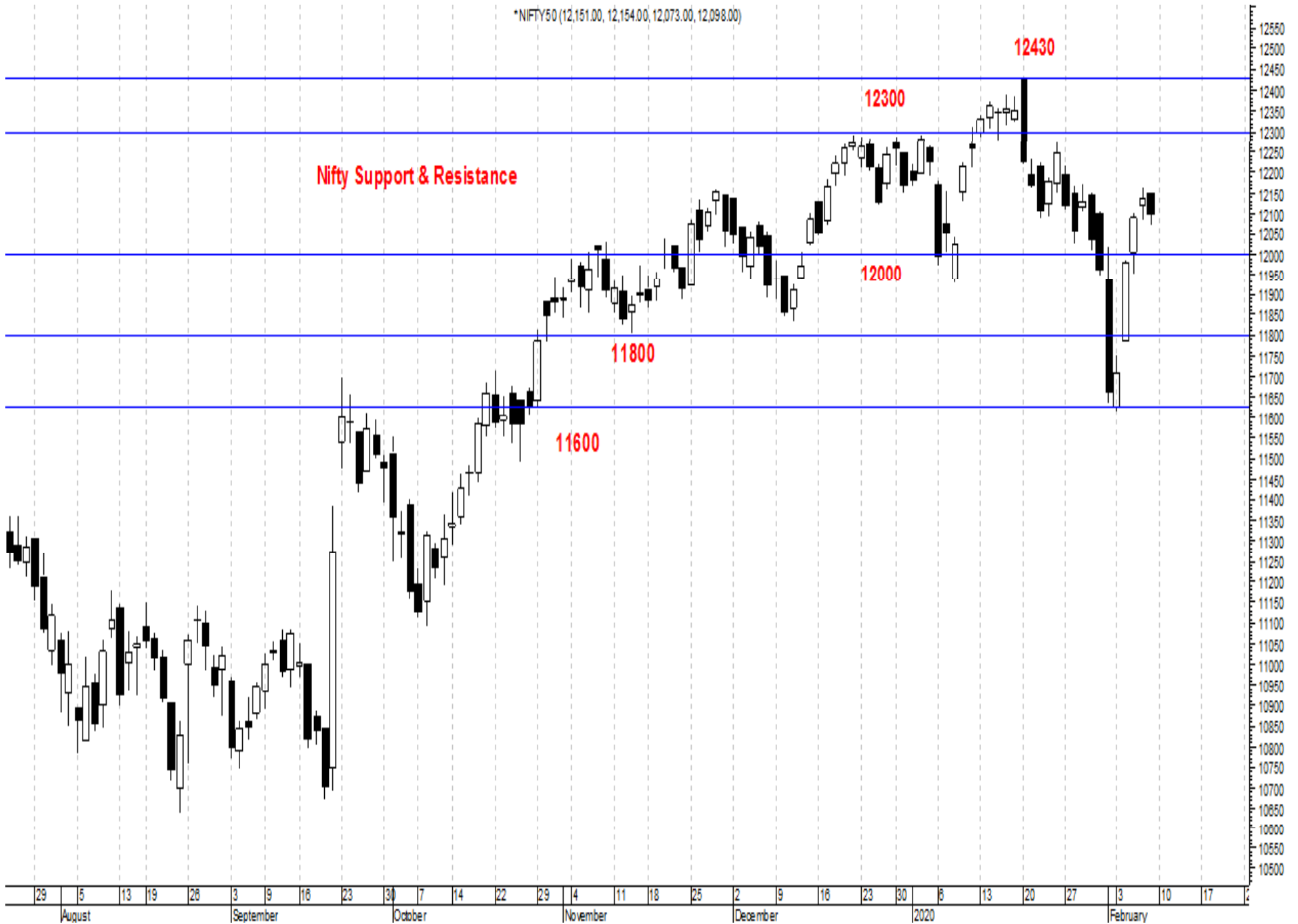
6056

5114



*NIFTY50 (12,151.00, 12,154.00, 12,073.00, 12,098.00)

Nifty Support & Resistance



Markets on Roller Coaster Ride



- Union Budget evokes mixed opinions
- Corona Virus spooks global market
- Crude Oil prices slide
- Domestic Economy Recovering

INDEX WATCH

INDEX	7, Feb	10, Jan	% Change
Nifty	12,098	12,256	- 1.2
Sensex	411,41	41599	- 1.1
Nifty Midcap	18,367	17,386	5.6
BSE Small Cap	14,840	14,147	4.8



CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.

Improving Underlying Economy



- Improvement in GST collection
- Increase in Coal India production
- Mfg and Service PMI inching higher

Positive PMI Data



Manufacturing PMI



A reading above 50 indicates expansion, while a score below this mark indicates a contraction

Crude Oil Prices To Remain Depressed



Budget Highlights



- Govt. will continue to spend
- Personal Tax slabs made optional
- Dividend distribution tax abolished
- Customs duty on many products increased
- LIC to be listed

Budget Highlights . . .



- To launch new Direct Tax Settlement Dispute scheme
- Additional deduction upto 1.5 Lakh for interest paid on loans for affordable housing extended by 1 year
- Depositor insurance hiked to 5 Lakh from 1 Lakh
- Divestment target set at 2.1 Lakh Cr

Fiscal Deficit - Never Ending Burden....



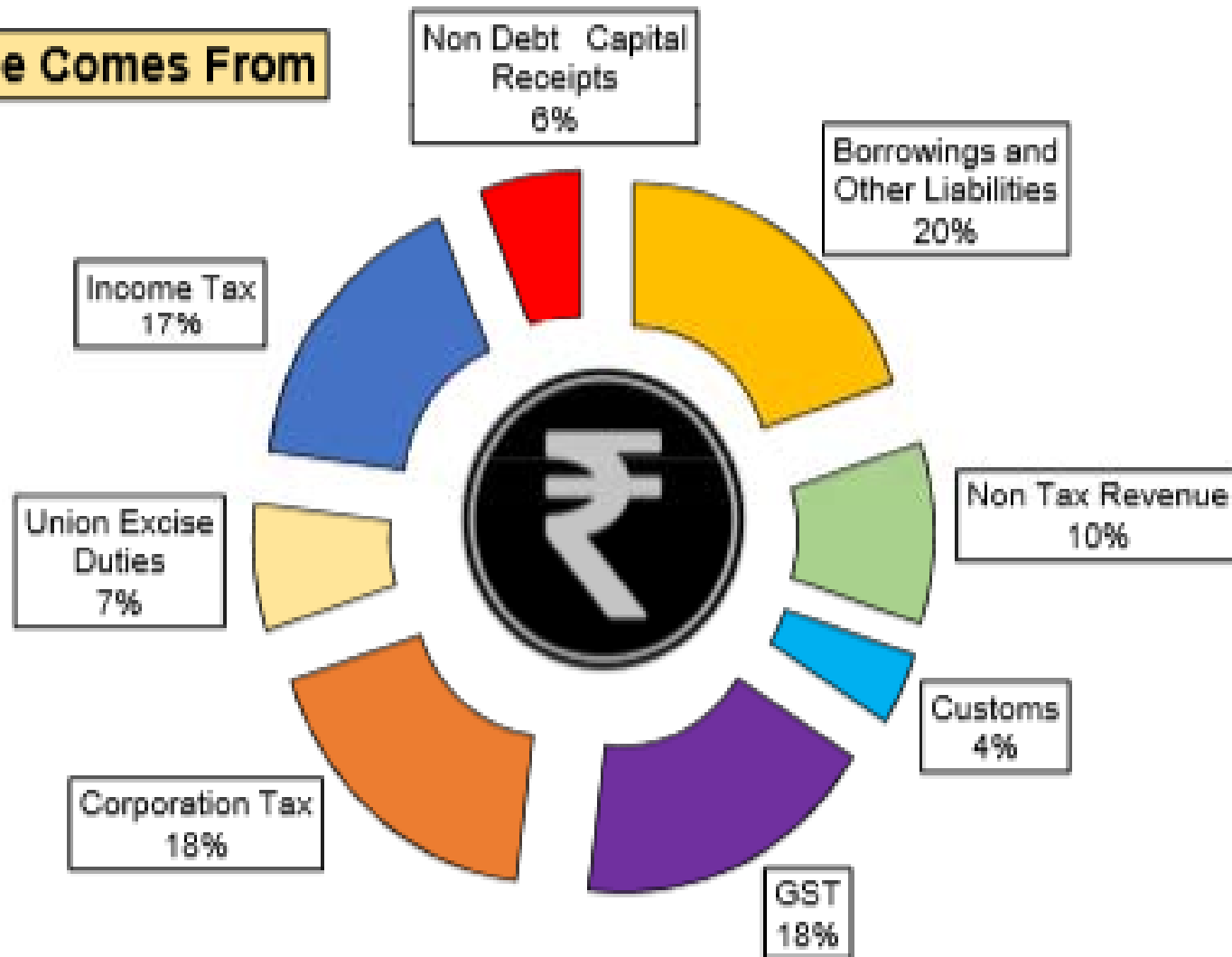
Year	Fiscal Deficit Lakh Cr.	% GDP
FY21(BE)	7.9	3.5
FY20 (RE)	7.6	3.8
FY19	6.3	3.4
FY18	5.9	3.5
FY17	5.3	3.5
FY16	5.3	3.9
FY15	5.1	4.1
FY14	5.0	4.5

Budget Internals

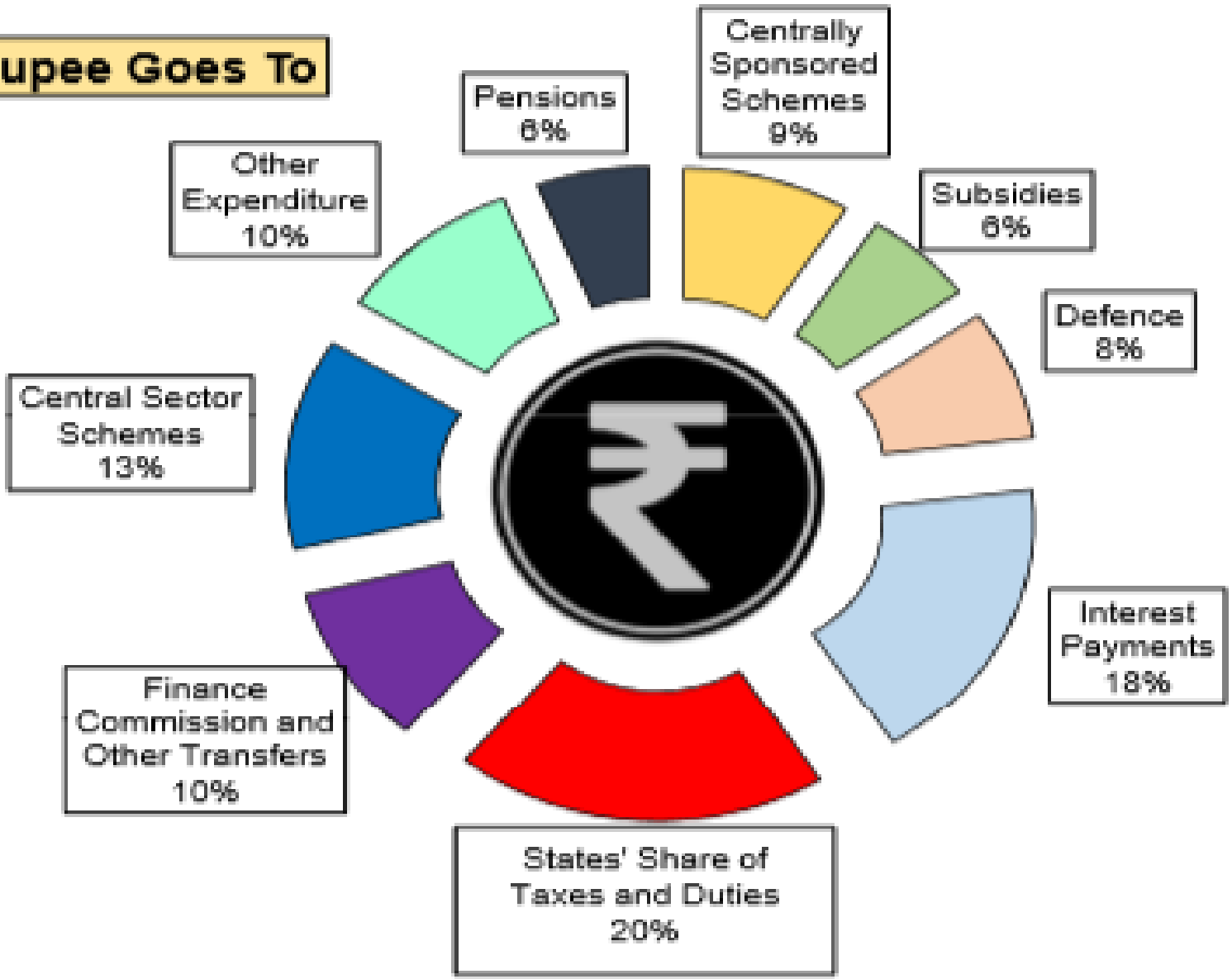


Revenue	Lakh Cr. (FY 21 BE)
Revenue Receipts	20.2
Expenses	
Interest Payment	7.0
Food Subsidy	1.1
Fertilizer	0.7
Petroleum	0.4
Total	9.2

Rupee Comes From



Rupee Goes To



Budget Allocations



Segment	FY 20 (RE)	FY21 (BE)	% Change
Defence	457800	454787	- 0.6
Railways	70000	72000	3
MGNREGA	71000	61500	-13
NHAI	45900	48800	6
National Health Mission	34300	34100	0
PM Awas Yojna	25300	27500	8
PM Gram Sadak Yojna	14100	19500	38
Crop Insurance	13600	15700	15
Amrut and Smart Cities Mission	9800	13800	39

IT Exemptions will become History



- IT Assesses were given option to choose old IT slabs with claimable exemptions or new lower rate IT slabs without exemptions
- FM hinted exemptions will be phased out in future

Corporate Major Beneficiary



- Reduction in Corporate Tax
- Abolition of Dividend Distribution Tax
- Benefits will get reflected in stock prices

Corona Virus Impact



- Chinese economy to see immediate slow down
- Global supply chain may get impacted if Corona virus epidemic prolongs which will slowdown global growth
- Pharma, Chemicals and Consumer durables sectors will see direct impact

RBI Policy Outcome



- Status Quo Repo Rate
- Banks can borrow from RBI at 5.15% interest for 1 and 3 years giving G-Sec as Collateral
- Eases CRR norms for Incremental retail loans in Auto, residential housing and MSME

PSU Stocks



- Significant price damage in majority of PSU stocks
- Apart from business fundamentals , technical issues likes frequent supply from Govt. leading to wealth erosion

Why PSU ETF Big Overhang on its Constituents



- Initially , fund house invites bids for ETF
- Based upon response Govt. transfers its shares to ETF
- Shares become underlying of ETF
- Post that depending upon net inflow and outflow, fund house buys or sells shares in the market
- Mostly PSU ETF will see net outflow which means fund will sell its constituents shares in market

Anti Gravity Stocks ?



Company	P/E
Asian Paint	66
Berger Paint	92
Relaxo Footwear	80
Nestle	85
Abbott	52
Bajaj Finance	49
Pidilite Ind	66
Info Edge	100
PVR Cinema	75
Jubliant Food	78
Trent	246
DMART	113

Tesla – Electrified



Events to Watch



- Corona Virus status
- FII Activity



Thank You