



Current Market Scenario

Market Rally Continues . . .



- Broad based participation
- Extent of rally surprises everyone
- Economic recovery to be gradual and skewed
- FIIs are cautious

INDEX WATCH

INDEX	11, July	13, June	% Change
Nifty	10,768	9,972	7.9
Sensex	36,594	33,780	8.3
Nifty Midcap	15,253	14,339	6.3
BSE Small Cap	12,803	11,845	8.0



CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.

Market Rally Surprises Most



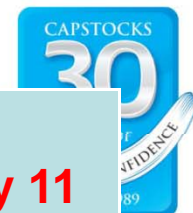
- Reliance leading market with “Jio” news
- Broad based rally will sustain till world market is fine
- Most analysts are giving price target based on FY22 earnings as current year earnings difficult to forecast
- Many sectors to witness structural changes on consumer spending preferences to see alteration

Retail Investors Volume Up



- Stock market volume from retail investors across the world has gone up
- Lock down and unemployment provided spare time
- New account opening in CDSL is at average 6.5 Lakh a month this year against 3 Lakh a month last year

Global Markets YTD Return



Country	% On May 8	% On June 12	% On July 11
US – Nasdaq	1	11	18
Shanghai	- 5	- 4	11
Korea	- 11	- 1	- 2
Hong Kong	- 14	- 13	-9
Japan – Nikkei	- 14	- 5	- 5
US – Dow	- 14	- 5	- 8
Germany	- 18	- 7	- 4
UK	- 21	- 17	- 19
France	- 23	- 17	- 16
India	- 23	-18	- 11
Brazil	- 30	- 18	- 13



Zero Interest Rate – Armour For Bulls



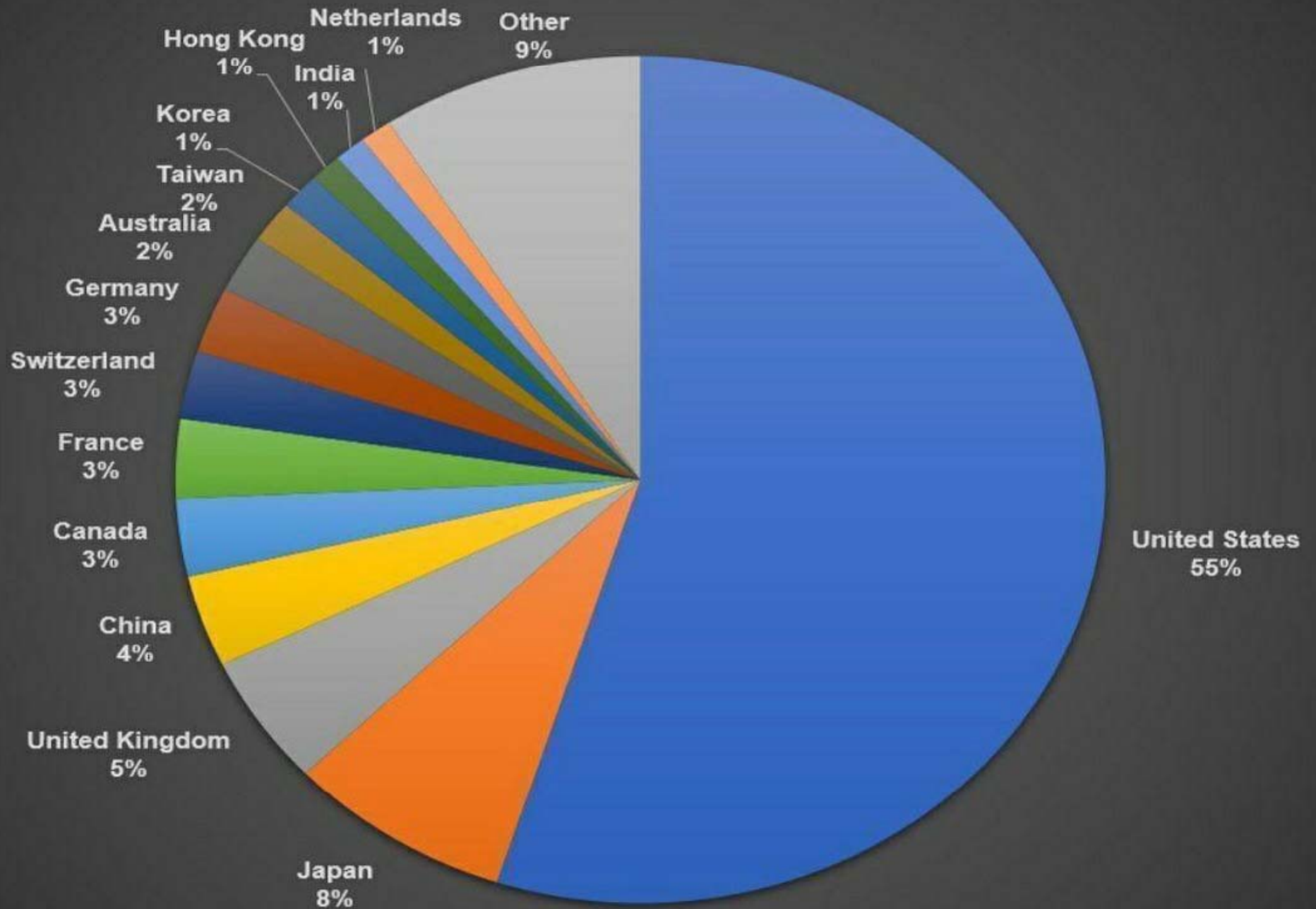
- Theoretically lower the interest higher the P/E multiples
- With zero interest regime adopted by many developed countries central banks, equities will be attractive even at elevated valuation levels provided company should survive and earn profits
- Markets forecasting zero rate regime to last longer
- Effectiveness of monetary policy is coming down

Global Central Banks Interest Rates

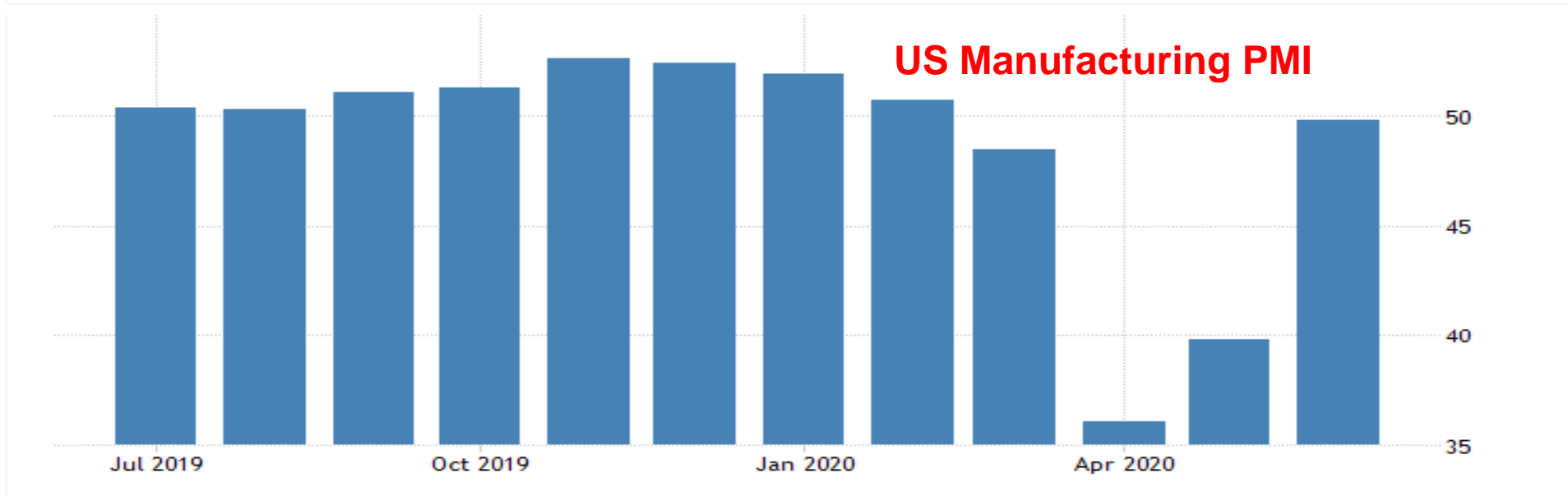
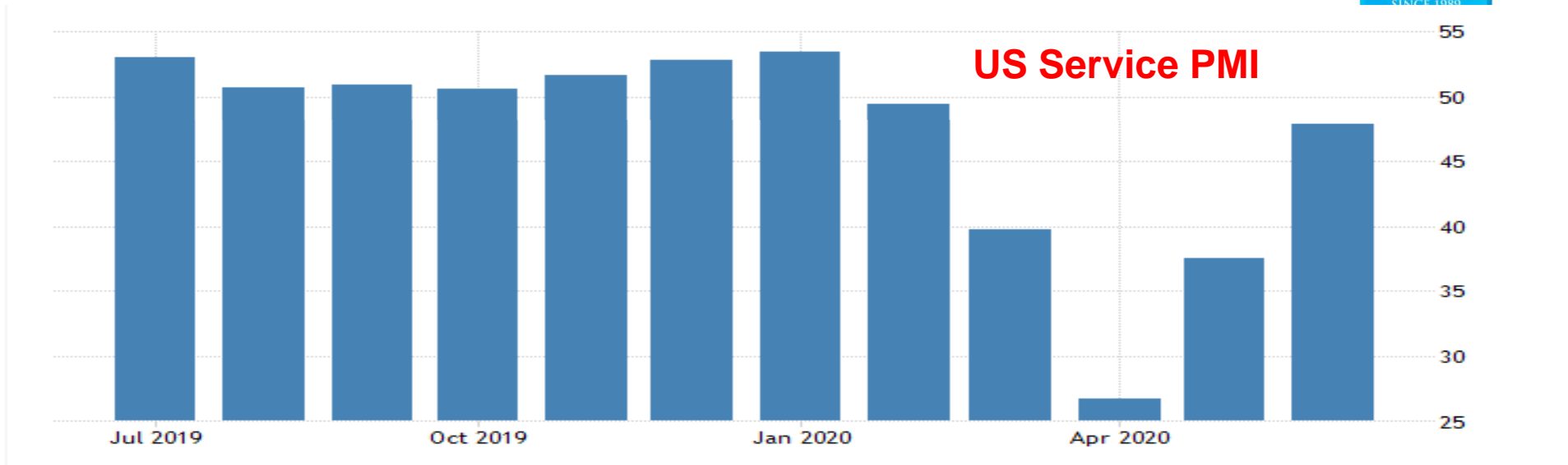


Country	Bank	Current Rate %
Switzerland	SNB	- 0.75
Japan	BoJ	- 0.1
European Central Bank	ECB	0
United States	FED	0.25
Australia	Australia	0.25
South Korea	Bank of Korea	0.5
Brazil	BACEN	2.25
China	PBC	3.85
India	RBI	4.0
Indonesia	BI	6.5

World Equity Market Cap



Strong Recovery in US Economy

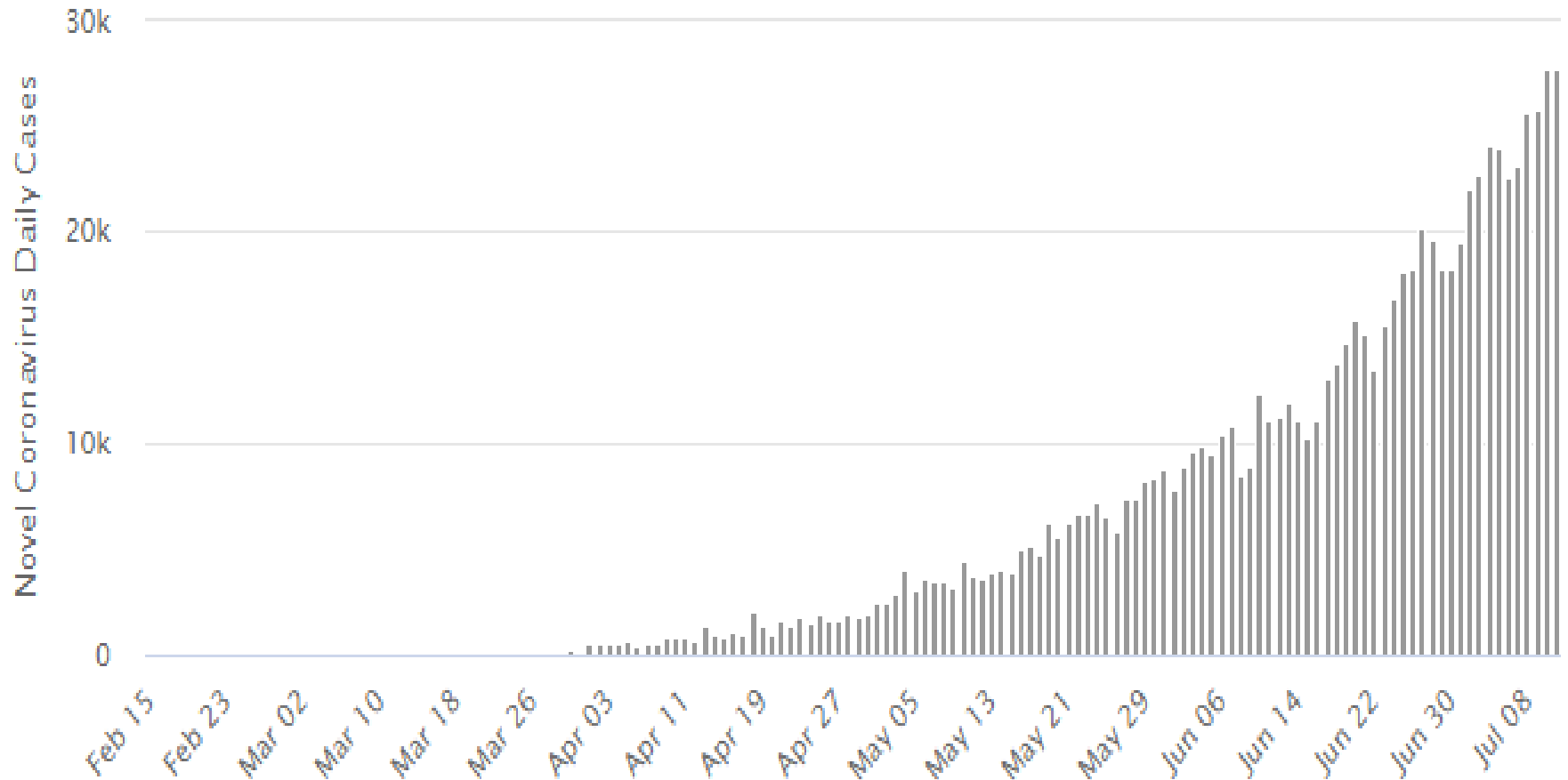


India Covid Daily Cases



Daily New Cases

Cases per Day
Data as of 0:00 GMT+0

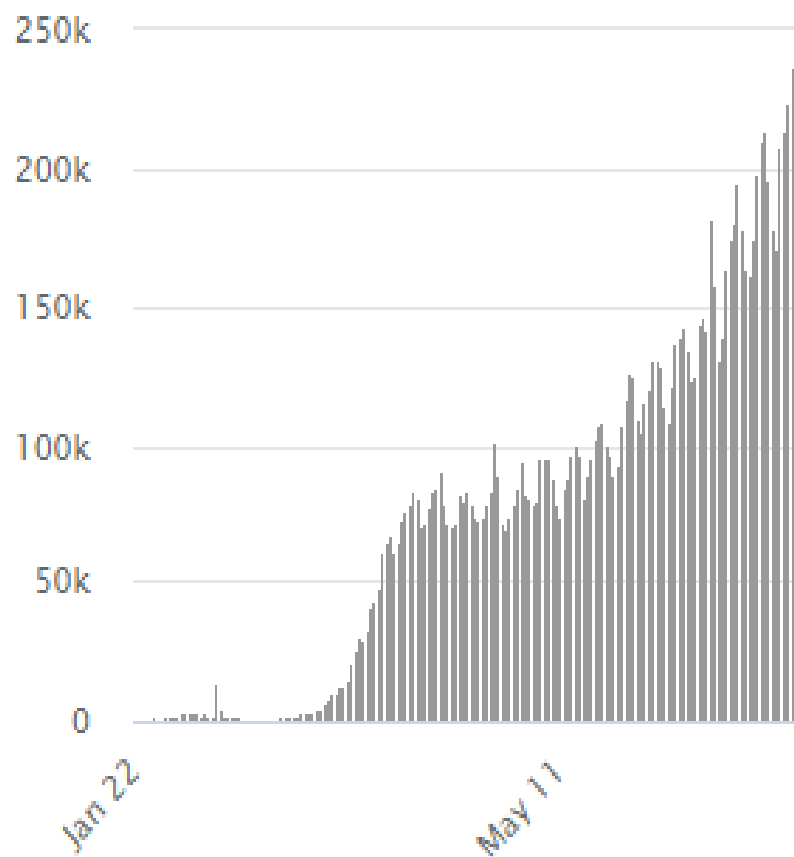


Global Covid Cases



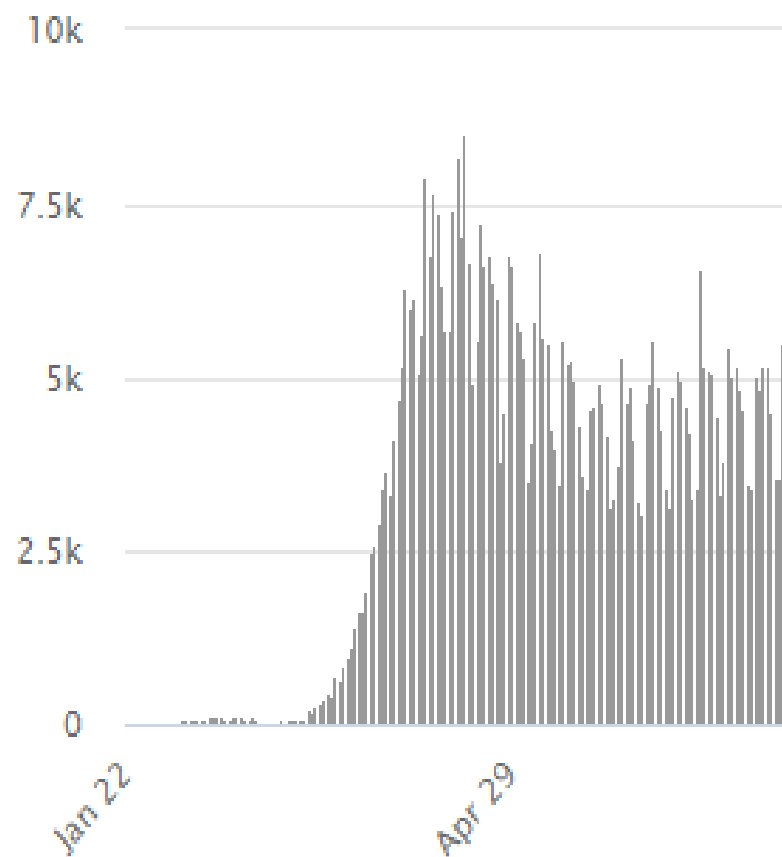
Daily New Cases

Cases per Day
Data as of 0:00 GMT+0



Daily Deaths

Deaths per Day
Data as of 0:00 GMT+0



Border Tension



- Indo China border tension led to loss of defence personal life
- First human loss since 1962 in Chinese border
- Border tension leading to trade war
- India should reduce dependence on China in mobile phone and chemicals

Domestic Manufacturing – Long Way To Go



Sustained growth

The quantum of readymade garment exports of India and Bangladesh were at a par in early 2000s. However, over the years, Bangladesh exports grew at a faster pace due to cheaper labour, flexibility in laws, and greater participation of women.



Source: Bangladesh garment manufacturers and exporters association, Centre for Monitoring Indian Economy and The Dhaka Tribune

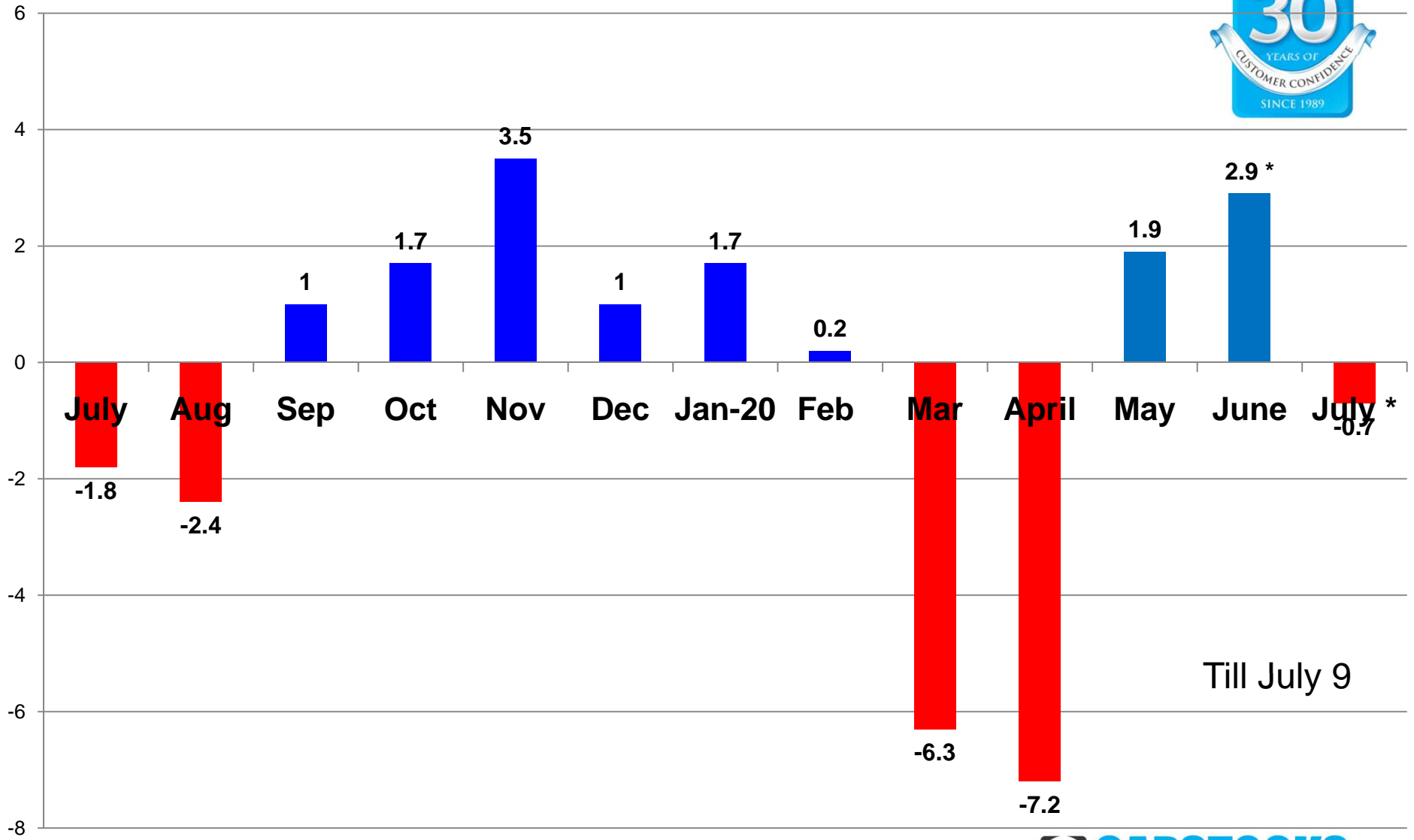
SARVESH KUMAR SHARMA/MINT

More Fund Raising To Come



Company	\$ Bn
Over	
Kotak Bank (QIP + Promoter)	1.9
Reliance Rights	1.7
Bharti Airtel (Promoter)	1.1
HDFC Life (Promoter)	0.4
In Queue	
ICICI Bank	
Axis Bank	

FII Flows in \$ Bn



Mutual Fund Flows



JUNE EQUITY INFLOWS AT MULTI-YEAR LOWS



Monsoon On A Good Start



- Kharif crop sowing up by 87%
- Water availability in 123 reservoirs at 154% higher than 10 Year average
- Fertilisers, agri inputs seeing good demand

Seasonal Rainfall (in mm) as on 11 July, 2020

<u>Region</u>	<u>Actual</u>	<u>Normal</u>	<u>% Departure from Long Period Average</u>
EAST & NORTHEAST INDIA	576.8	506.5	+14%
NORTHWEST INDIA	132.8	136.7	-3%
CENTRAL INDIA	334.3	277.6	+20%
SOUTH PENINSULA INDIA	268.4	231.9	+16%
COUNTRY AS A WHOLE	298.0	261.8	+14%

Financial Stocks See Good Rebound



- Many financial stocks see decent pullback from beaten down levels
- Moratorium % has come down which is positive
- Stick to quality companies in the NBFC sector

Online Annual General Meeting



- Due to Covid, AGM are held through video conferencing
- Opportunity for small investors to attend AGM from home
- Lot of information related to company can be gathered in AGM

Nymex Crude Chart



Events to Watch



- Q1 result
- Corona Virus status
- Monsoon



Thank You