



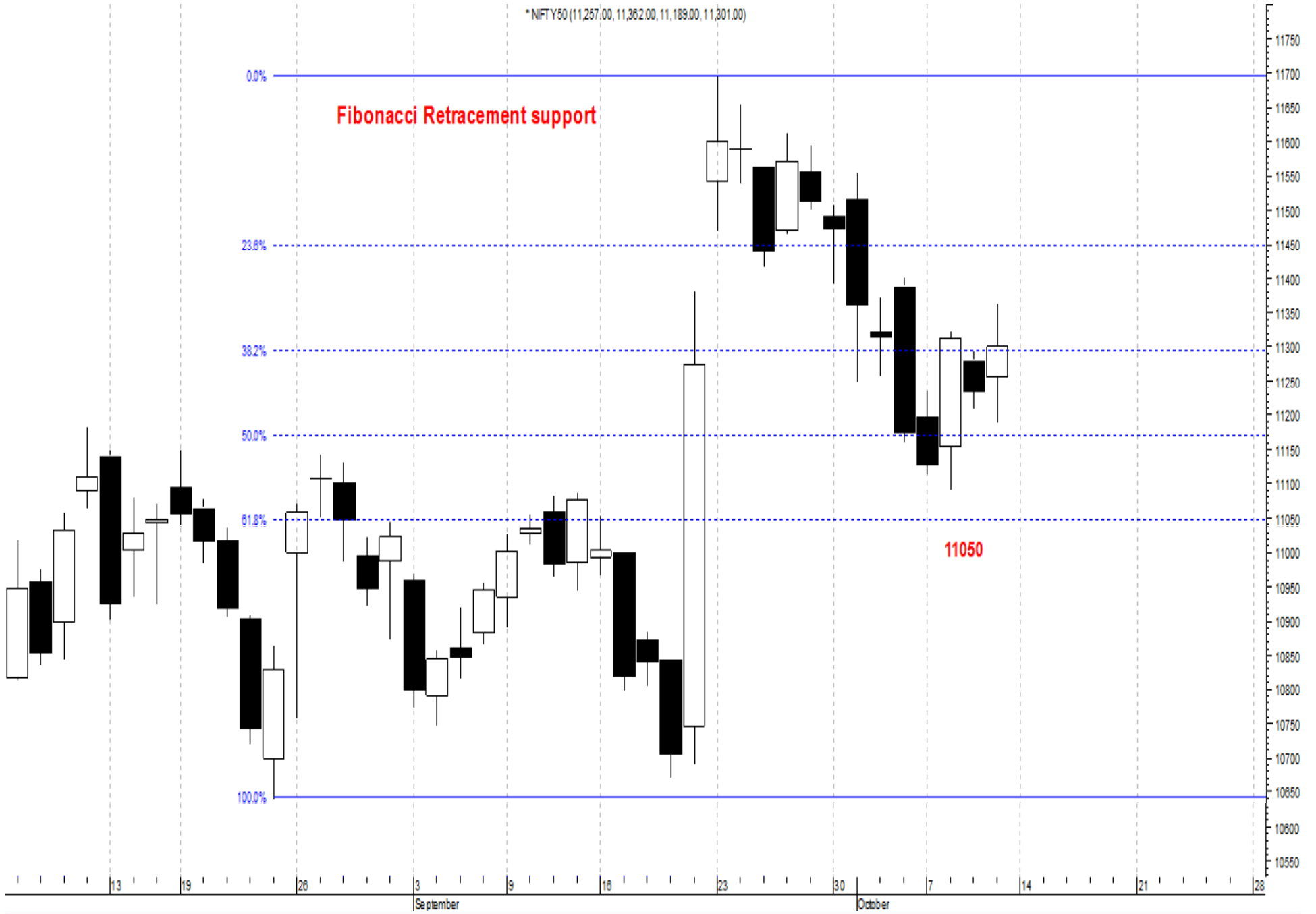
Current Market Scenario

*NIFTY50 (11,257.00, 11,382.00, 11,189.00, 11,301.00)

NIFTY Downward Channel

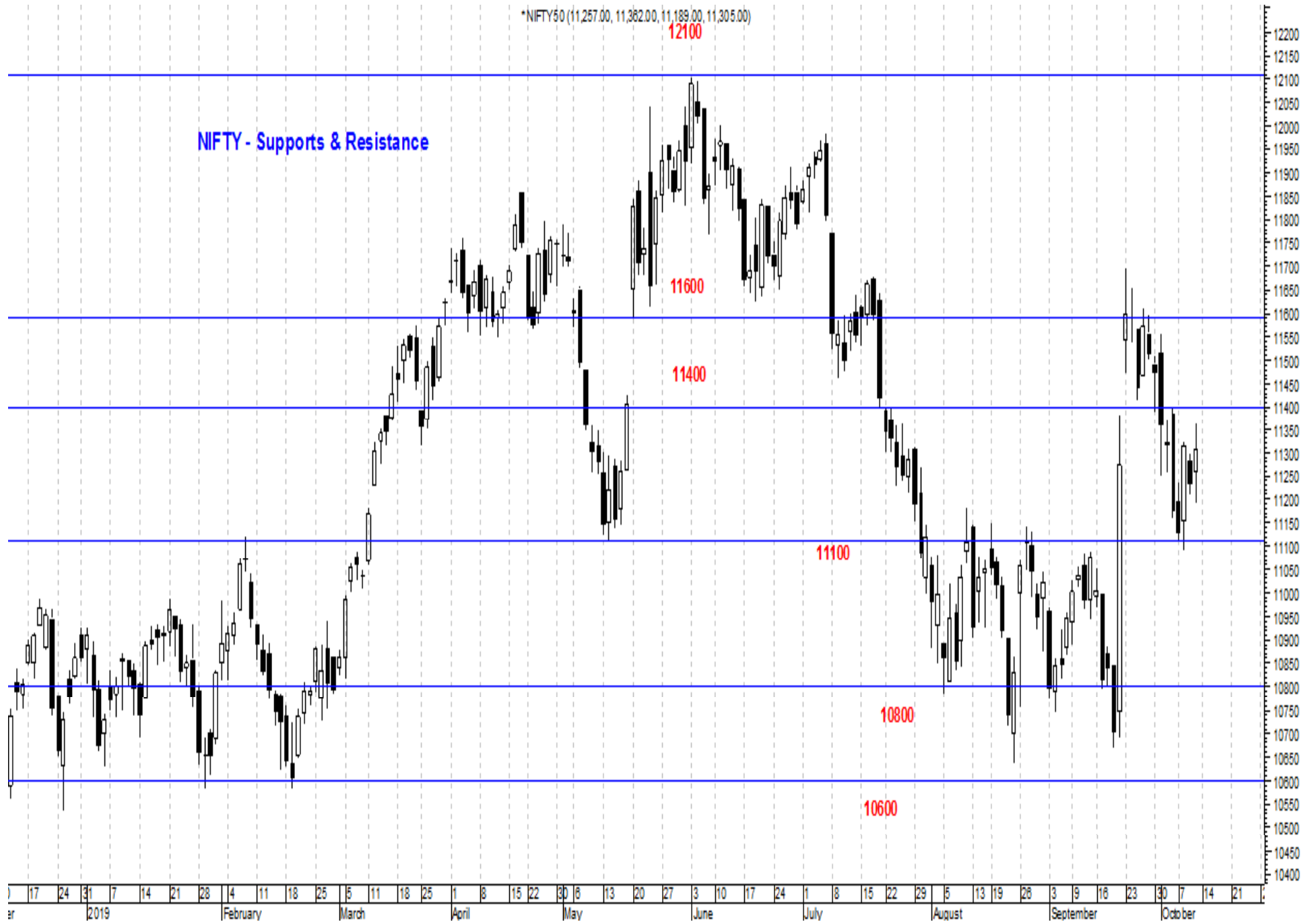


*NIFTY50 (11,257.00, 11,362.00, 11,189.00, 11,301.00)



*NIFTY50 (11,257.00, 11,382.00, 11,189.00, 11,305.00)

NIFTY - Supports & Resistance



17 24 31 7 14 21 28 4 11 18 25 5 11 18 25 1 8 15 22 30 6 13 20 27 3 10 17 24 1 8 15 22 29 5 13 19 26 3 9 16 23 30 7 14 21
ar 2019 February March April May June July August September October

Markets Volatile On Multiple Newsflow



- Govt. action continues to revive economy
- FII were sellers
- Weak domestic macro data
- Remain Narrow market

INDEX WATCH

| INDEX | 12, Oct | 13, Sep | % Change |
|---------------|---------|---------|----------|
| Nifty | 11,301 | 11,075 | +2.0 |
| Sensex | 38,127 | 37,384 | + 1.9 |
| Nifty Midcap | 15,558 | 15,967 | - 2.5 |
| BSE Small Cap | 12,772 | 13,013 | -1.8 |



CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.

Govt. Cut Corporate Tax

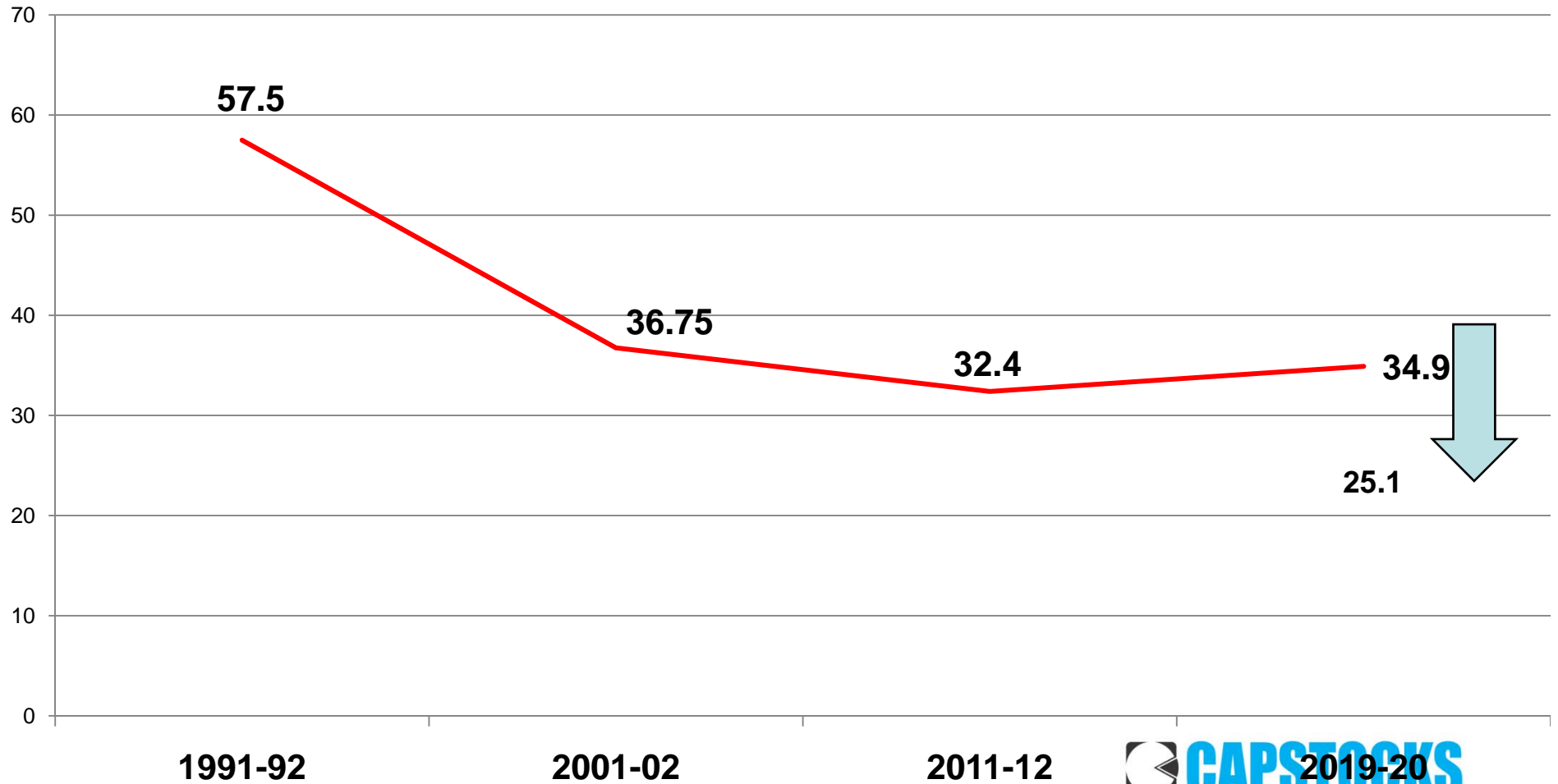


- Govt. Cut basic corporate tax rate from 30% to 22%. Effective tax rate from 34.9 % to 25.1%
- For new manufacturing companies Tax rate will be 15%
- Tax cut was done to attract foreign investments and revive sentiment
- Tax cut is a long term positive for economy

Historic Domestic Corporate Tax



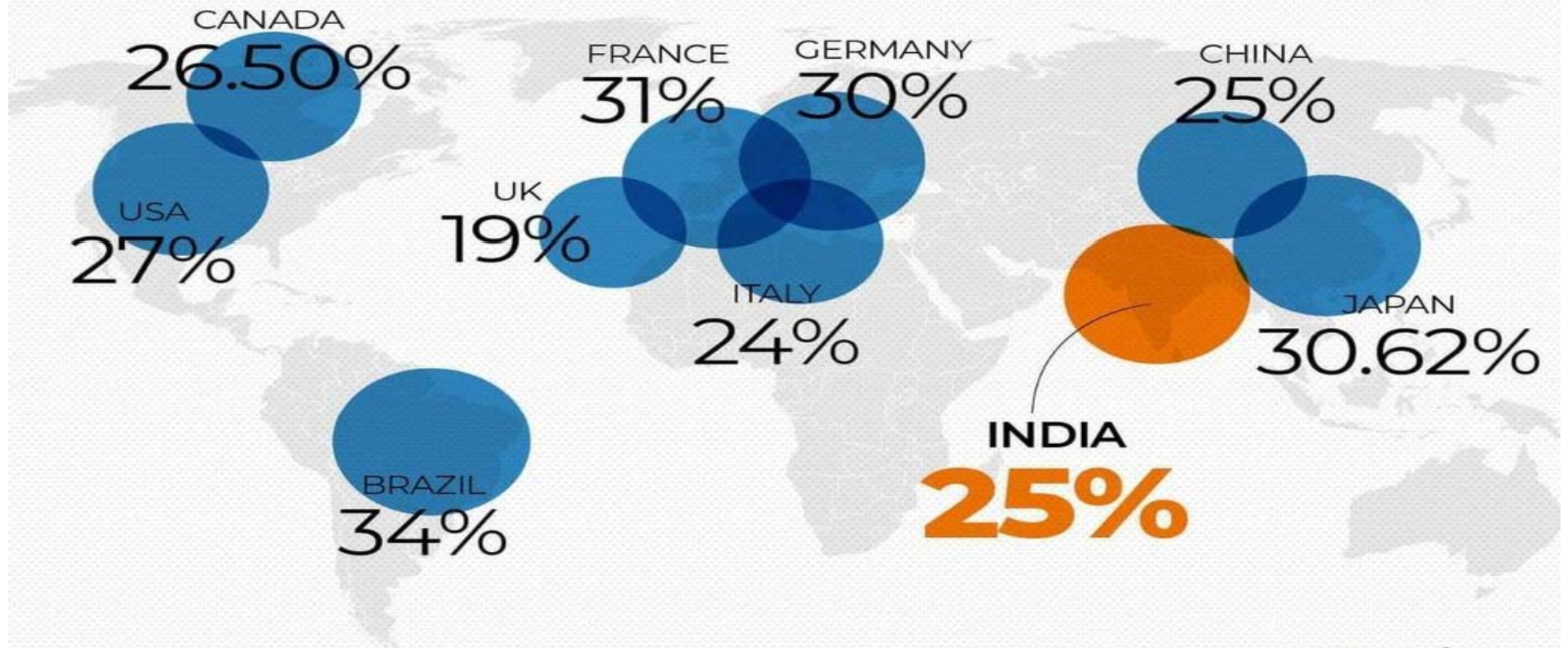
% Corporate Tax



CORPORATE TAX RATES



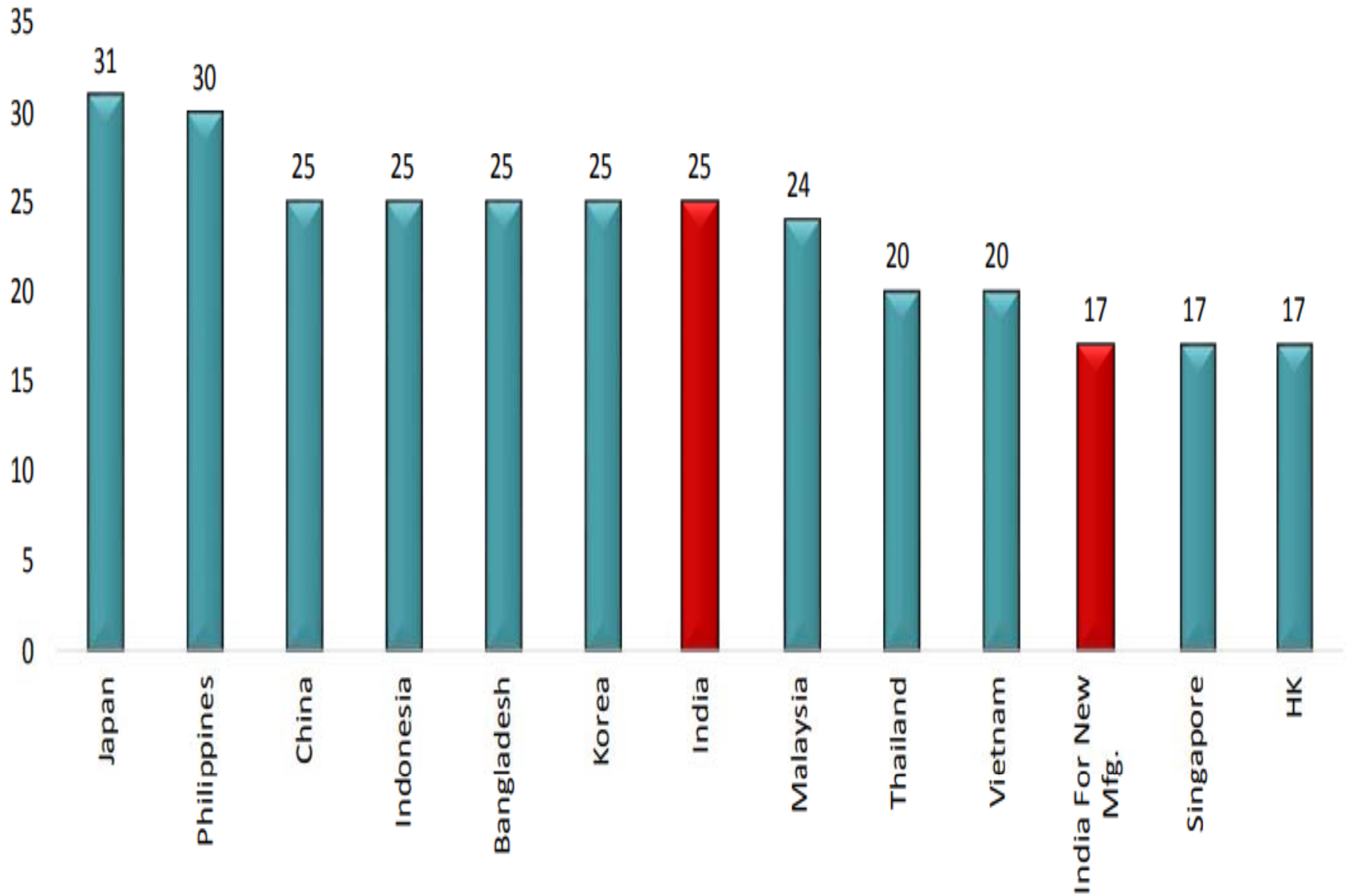
...in the world's biggest economies



Source: KPMG

NEWS creative

Corporate Tax Rate



Recent Steps Taken By Govt.



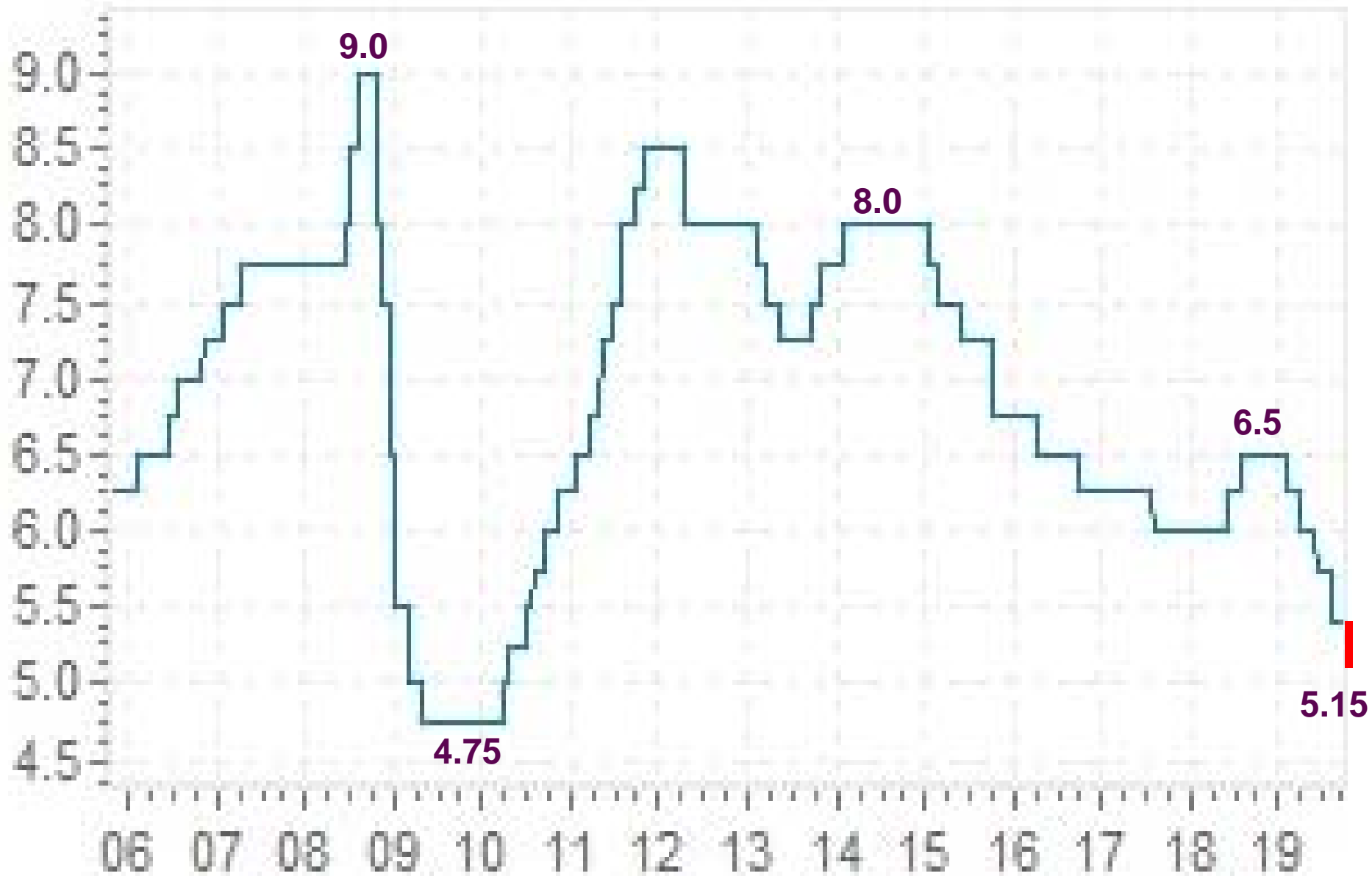
- Rollback of FPI Surcharge
- Faster GST refund and pending dues from Govt.
- Merger of PSU Banks
- Corporate Tax Cut

RBI Cuts Repo Rate Further



- Repo rate cut by further 25 basis points to 5.15%
- Fifth consecutive rate cut by RBI and 135 basis point cut in this year
- Maintains accommodative stance
- Repo rate at 10 Yr Low

Historic Repo Rate Chart

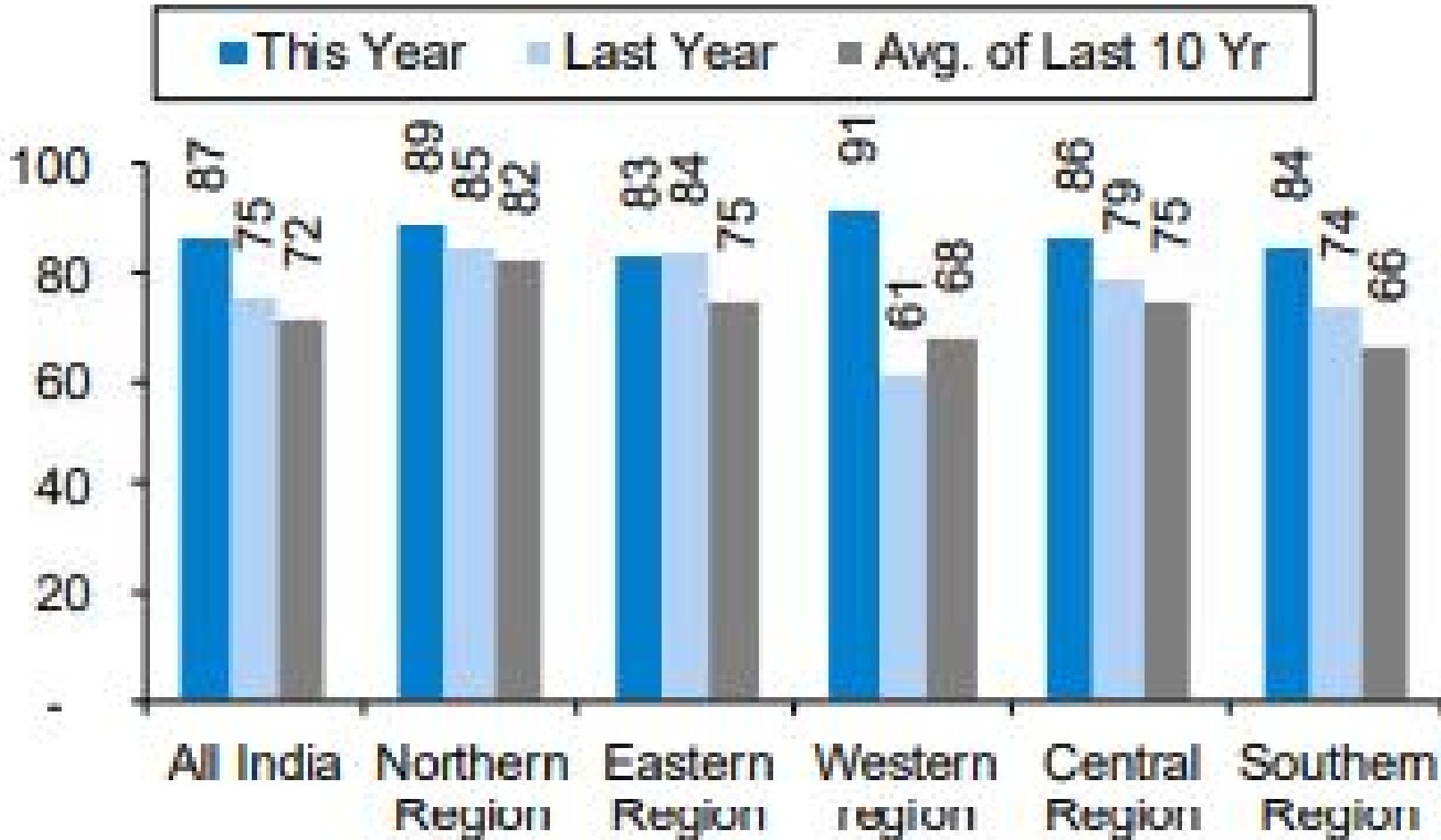


Good Monsoon After 5 Year Gap



| Monsoon year | Onset | Seasonal rainfall (% of LPA) |
|--------------|---------|------------------------------|
| 2011 | May 31 | 102 |
| 2012 | June 15 | 95 |
| 2013 | June 1 | 106 |
| 2014 | June 6 | 88 |
| 2015 | June 5 | 86 |
| 2016 | June 8 | 97 |
| 2017 | May 30 | 95 |
| 2018 | May 29 | 91 |
| 2019 | June 8 | 110 |

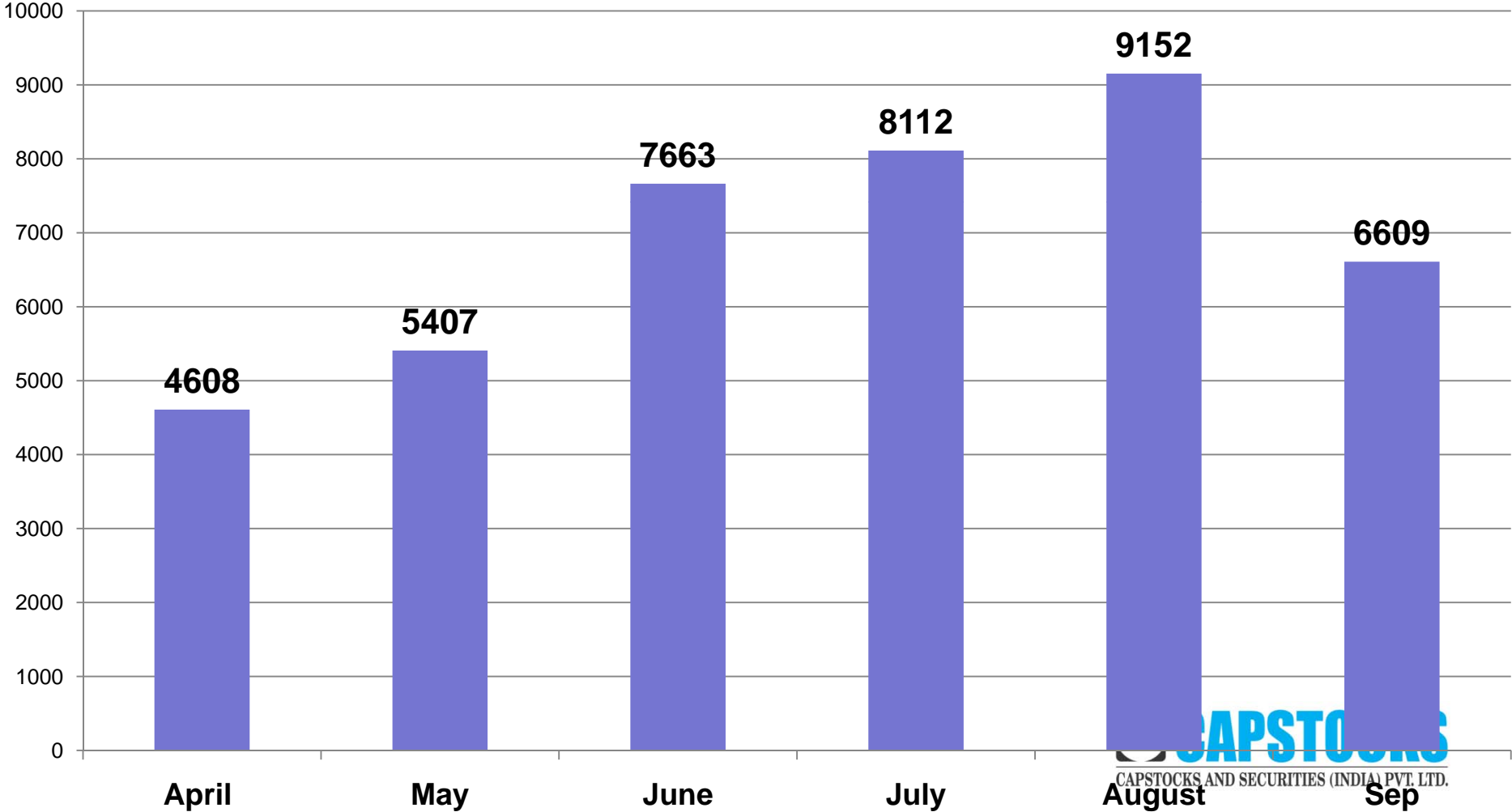
Good Reservoir Water Levels



Mutual Fund Inflows

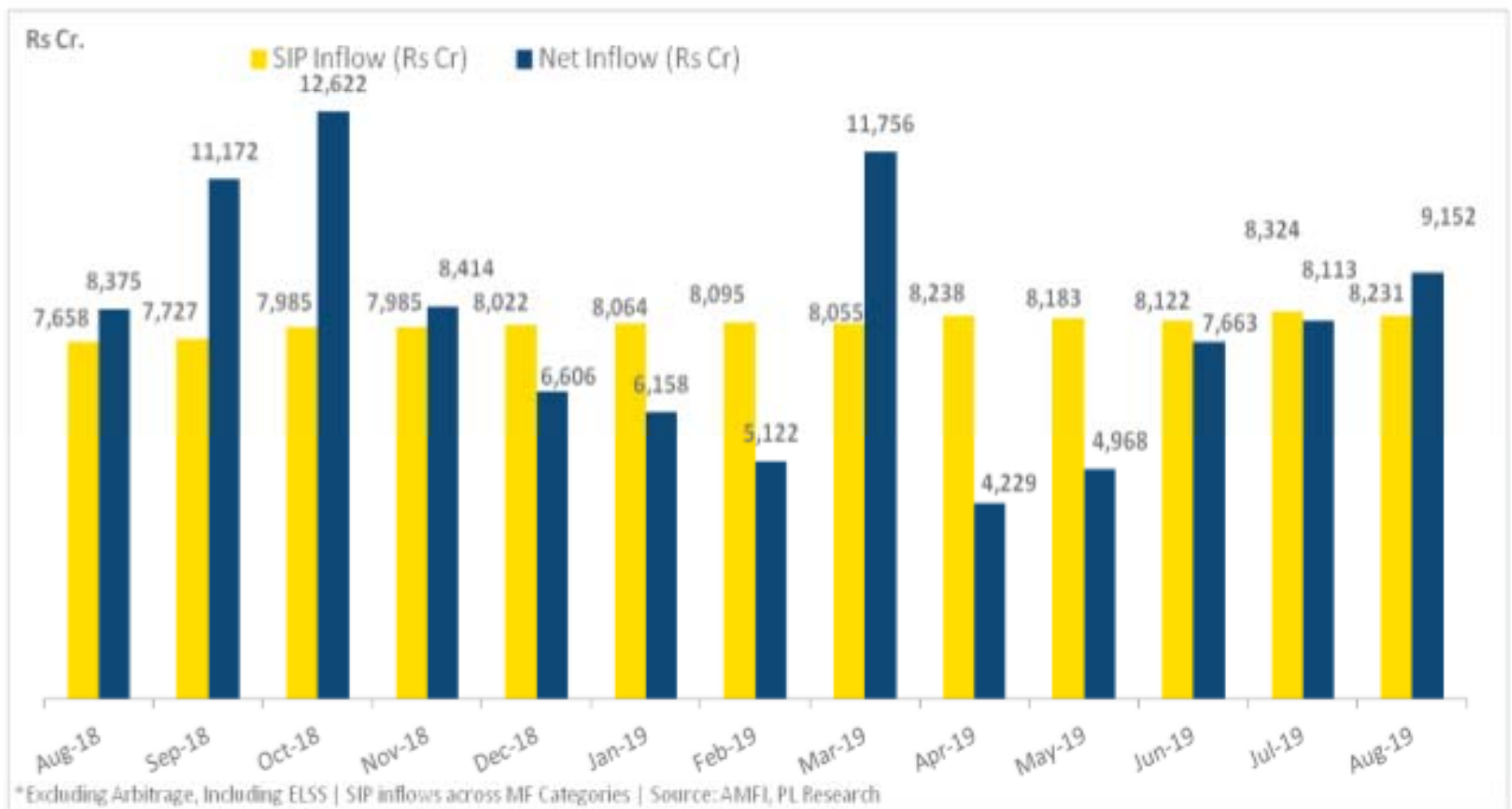


Cr.



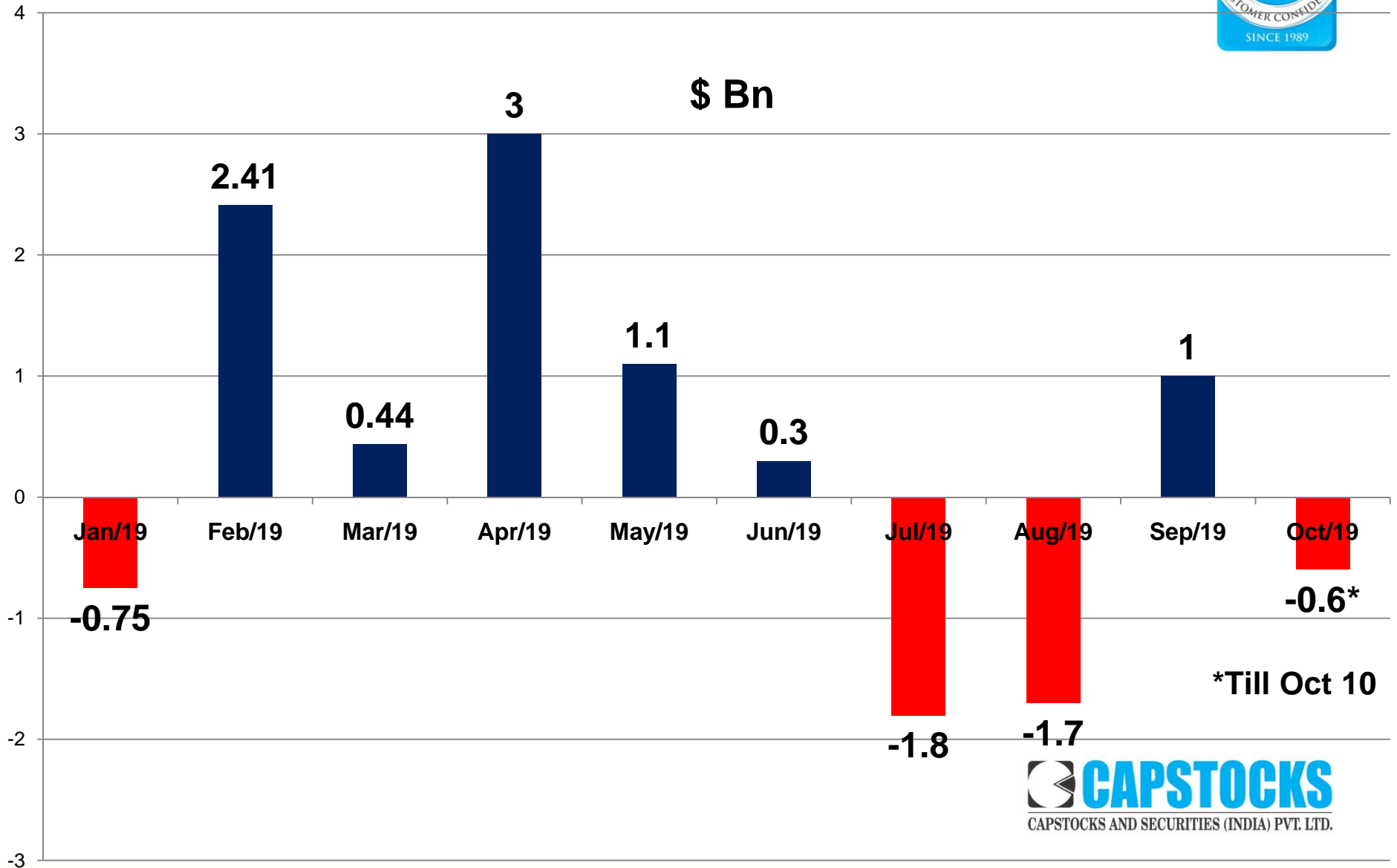
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Mutual Fund SIP Flows Steady



Data as on August 31, 2019 (Source ACE MF, PL Research)

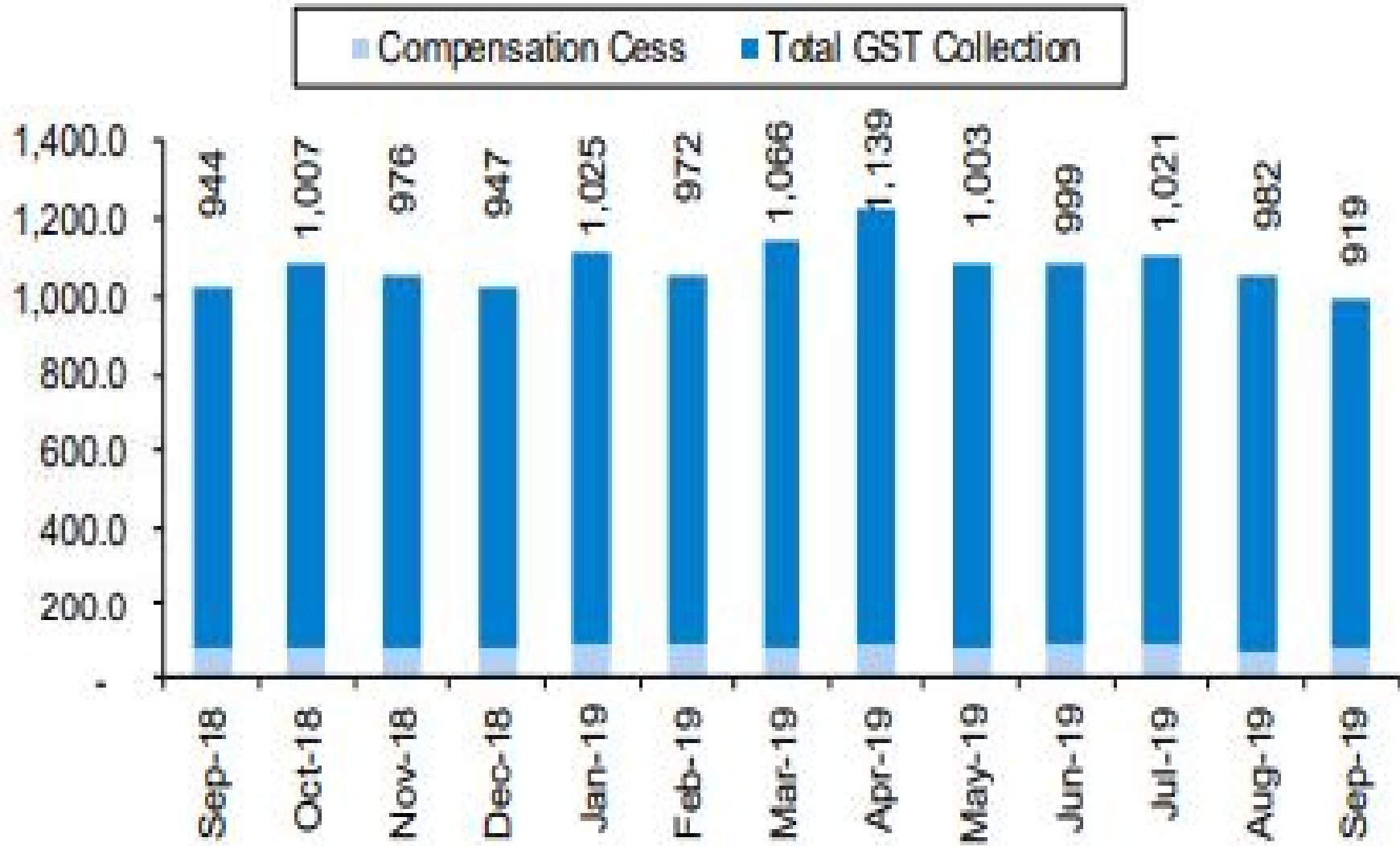
FII Flows



Auto Sales Mixed



Weak GST Collections



Why Our Economy Has Slowdown



Disruptions in Last 5 Years

| Year | Events |
|------|---------------------------------------------|
| 2014 | Monsoon Rainfall - 88% of Long Term Average |
| 2015 | Monsoon Rainfall - 86% of Long Term Average |
| 2016 | Demonitisation |
| 2017 | GST Implementation |
| 2018 | NBFC Crisis led by IL&FS Default |

Changing Consumption Pattern



- India net imported \$ 46 Bn of electronics products in FY19
- Mobile phones classified as electronics products
- With every family spending for imported mobile phone which would have otherwise gone to domestic consumption

What Will Revive Economy ?



- Higher Govt. spending by infra creation will have quick impact
- Govt. should not worry about fiscal deficit in short term instead spend more
- Monetary policy actions will have three to four quarter lag effect
- Leaving money in hands of people like loan waiver or steep tax cut will be inflationary

IRCTC IPO – Overwhelming Response



GOV'T'S **BIG HITS**

| PSU IPO | Year | Subscriptions |
|------------------------|---------|------------------------------------------------------------------------------------------|
| IRCTC | Oct '19 |  112 |
| HUDCO | May '17 |  80 |
| Cochin Shipyard | Aug '17 |  76 |
| RITES | Jun '18 |  67 |
| MOIL | Nov '10 |  56 |

Q2 Results Expectation



- Q2 results expected to be weak on slow underlying economy
- Nifty Revenue are expected to be flat while profit before tax expected to fall around - 4% to - 7%
- Auto, metals, oil & gas sector to report weak earnings

Are Bank Deposits Safe ?



- RBI ordered Punjab and Maharashtra Co Op Bank (PMC Bank) to stop business for 6 months
- Imposed restrictions on withdrawing money
- Out of 8880 Cr advances, exposure to HDIL group at 6500 Cr.

Foundations of Next Bull Market Laid



- Low interest rate
- Govt. Reforms
- Good monsoons
- Affordable crude oil price
- Benign corporate tax
- Low Base

Events to Watch



- Management commentary on festive sales
- Q2 Results
- FII Activities



Thank You