



Current Market Scenario

World Markets



* S&P CNX NIFTY (10,416.00, 10,480.00, 10,398.00, 10,455.00)

Nifty channels



* S&P CNX NIFTY (11,400.00, 11,400.00, 11,400.00, 11,400.00)



January Meeting

* S&P CNX NIFTY (10,416.00, 10,480.00, 10,398.00, 10,455.00)

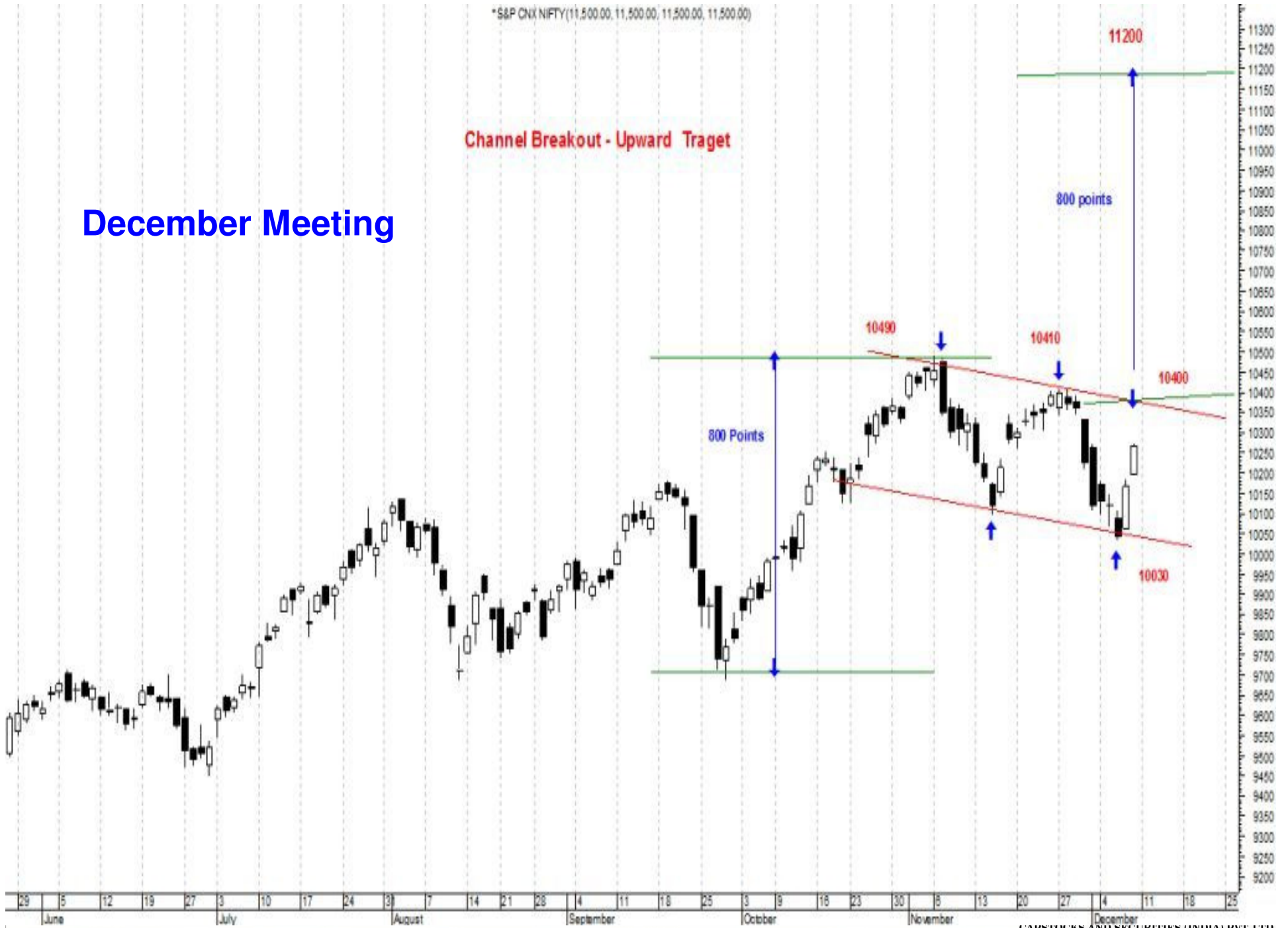
Channel Resistance & Support



December Meeting

*S&P CNX NIFTY(11,500.00, 11,500.00, 11,500.00, 11,500.00)

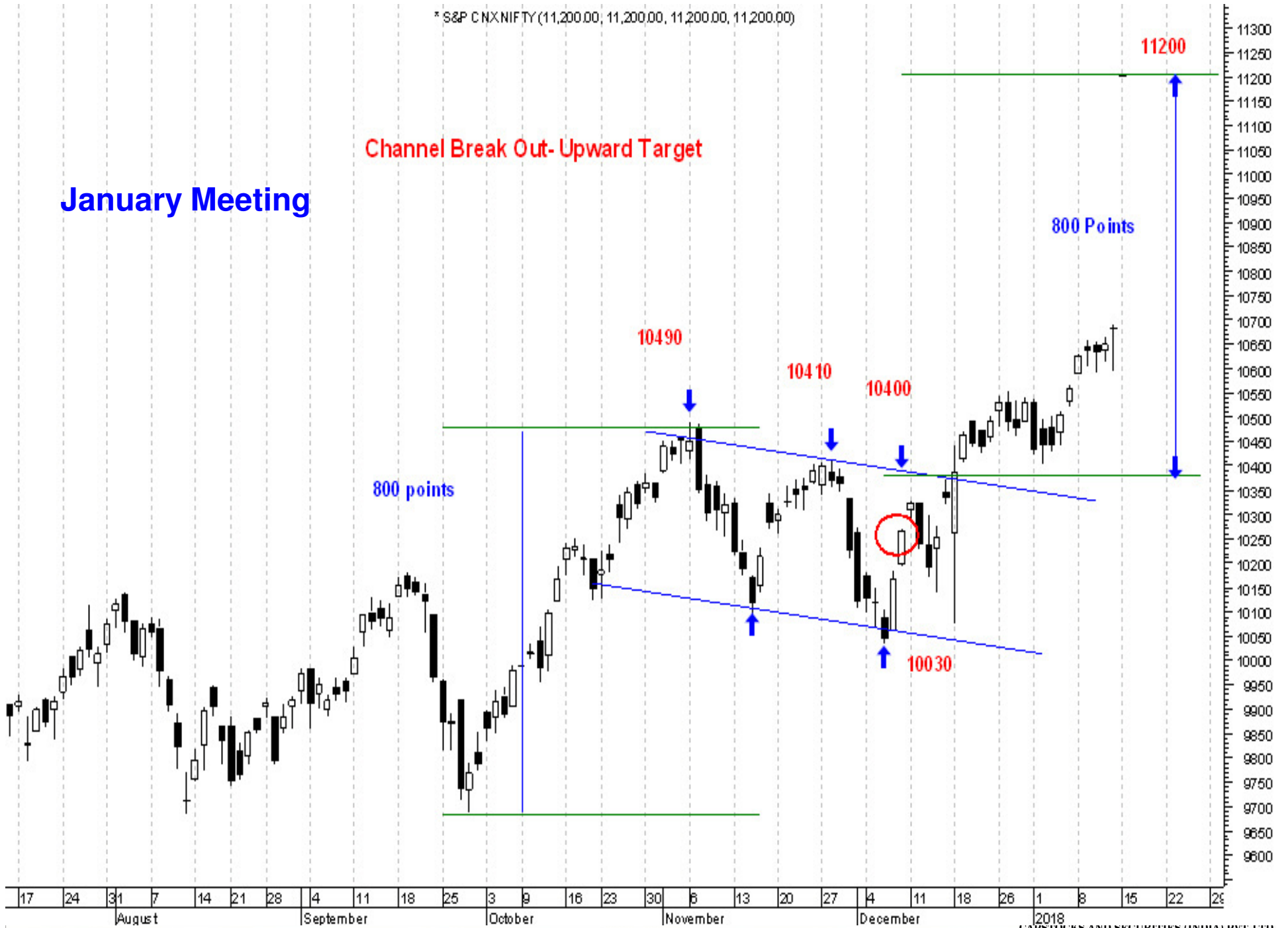
Channel Breakout - Upward Target



* S&P CNX NIFTY (11,200.00, 11,200.00, 11,200.00, 11,200.00)

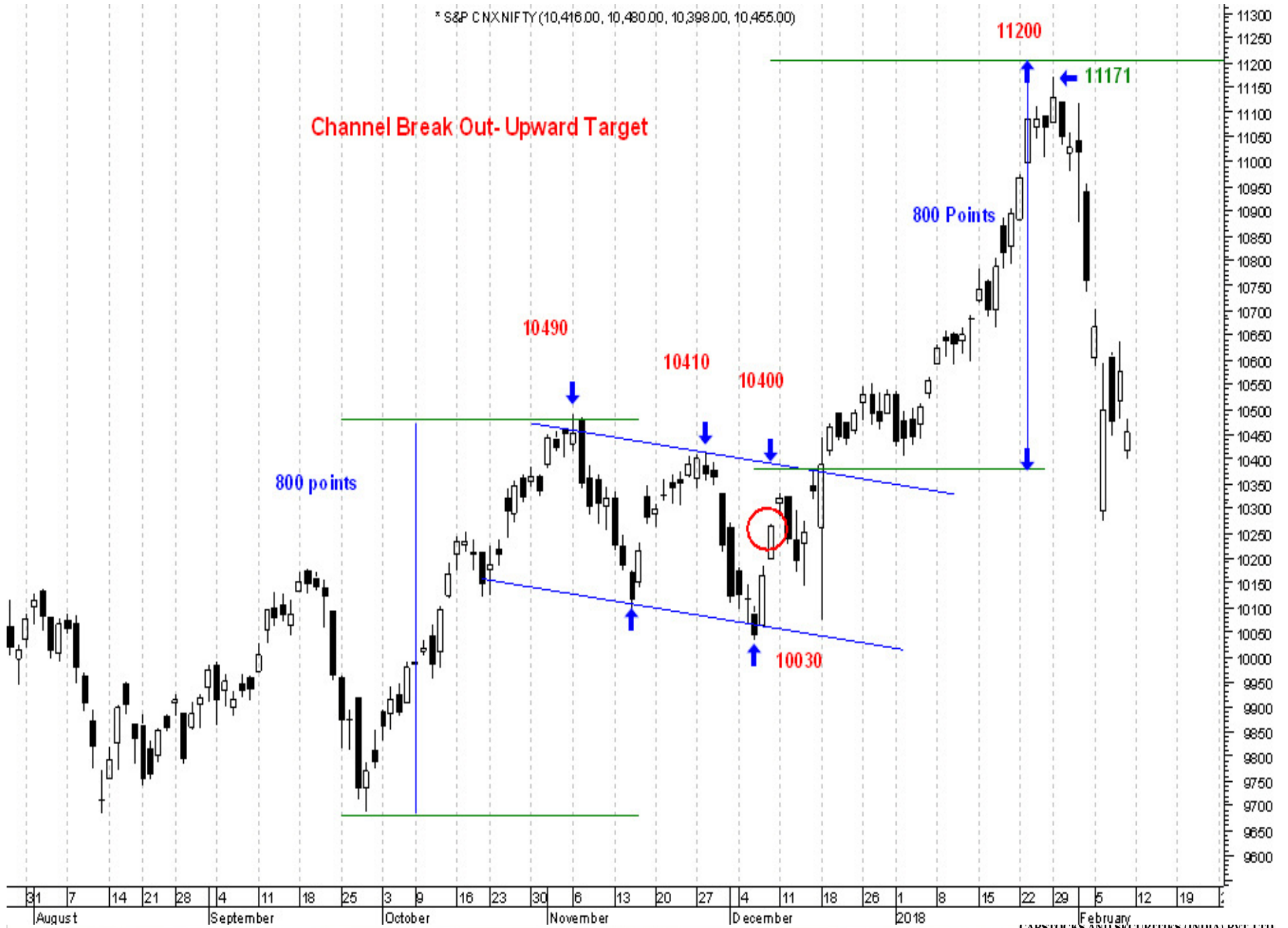
January Meeting

Channel Break Out- Upward Target



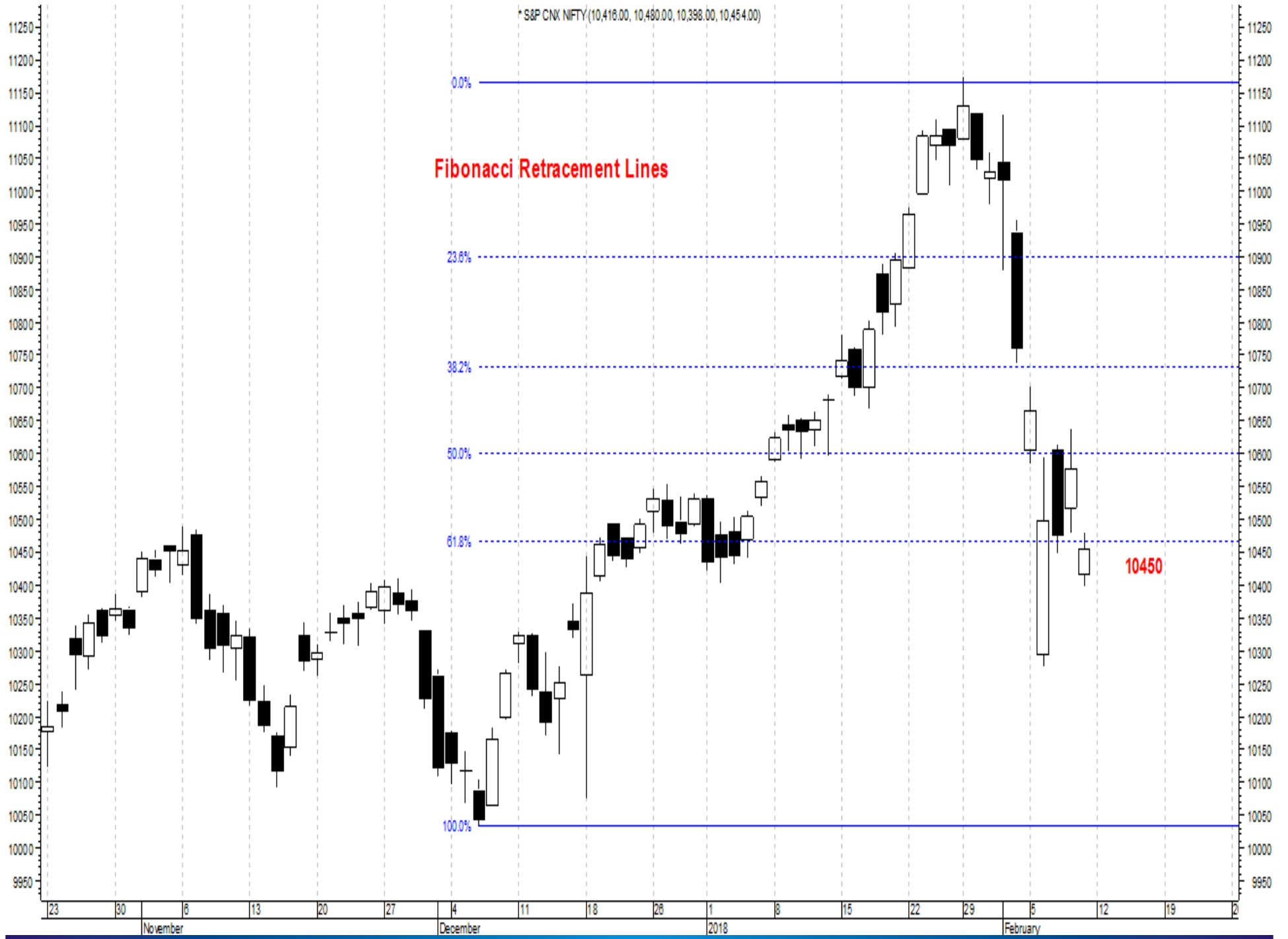
* S&P CNX NIFTY (10,416.00, 10,480.00, 10,398.00, 10,455.00)

Channel Break Out- Upward Target



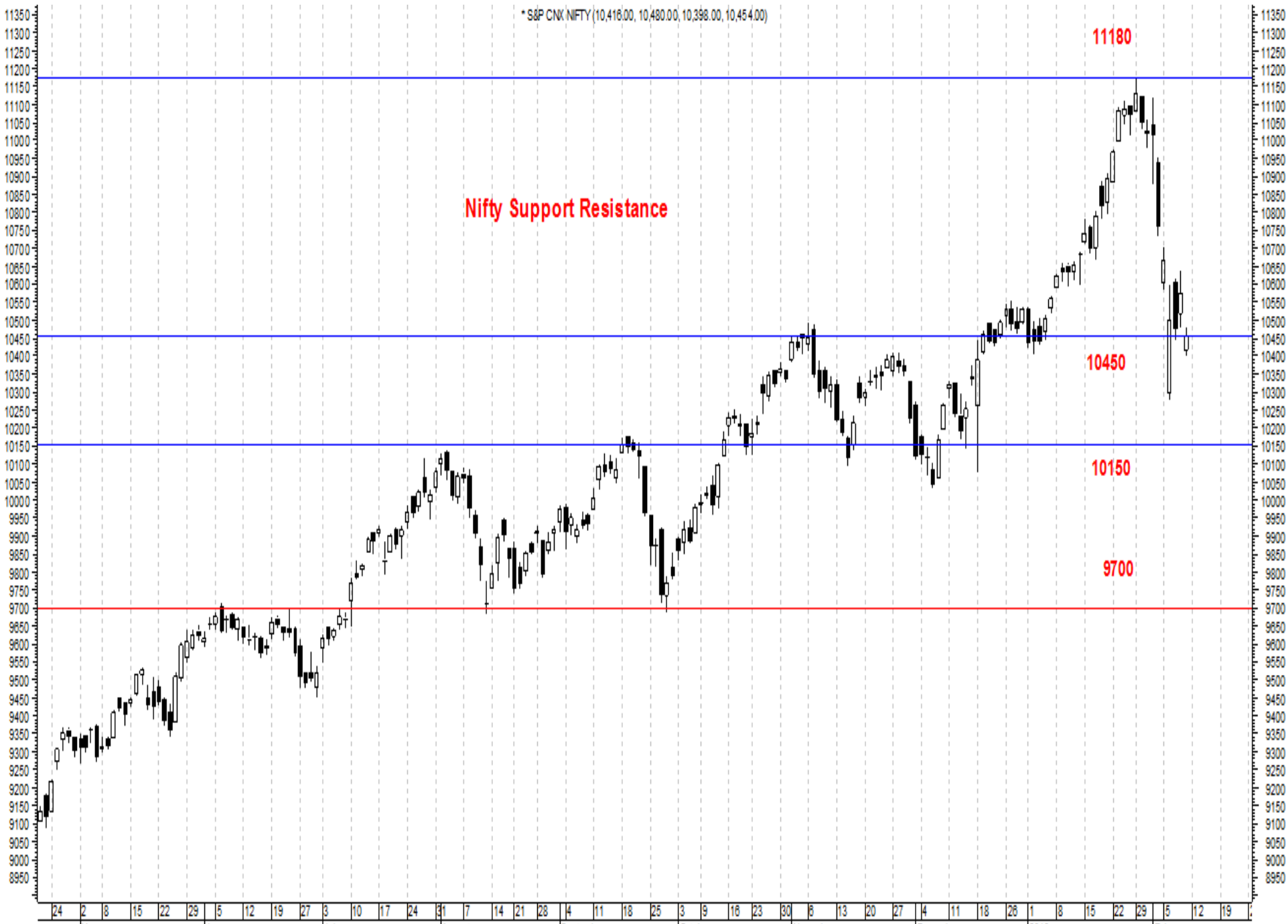
S&P CNX NIFTY (10,416.00, 10,480.00, 10,398.00, 10,454.00)

Fibonacci Retracement Lines



10450

* S&P CNX NIFTY (10,416.00, 10,480.00, 10,398.00, 10,454.00)



11180

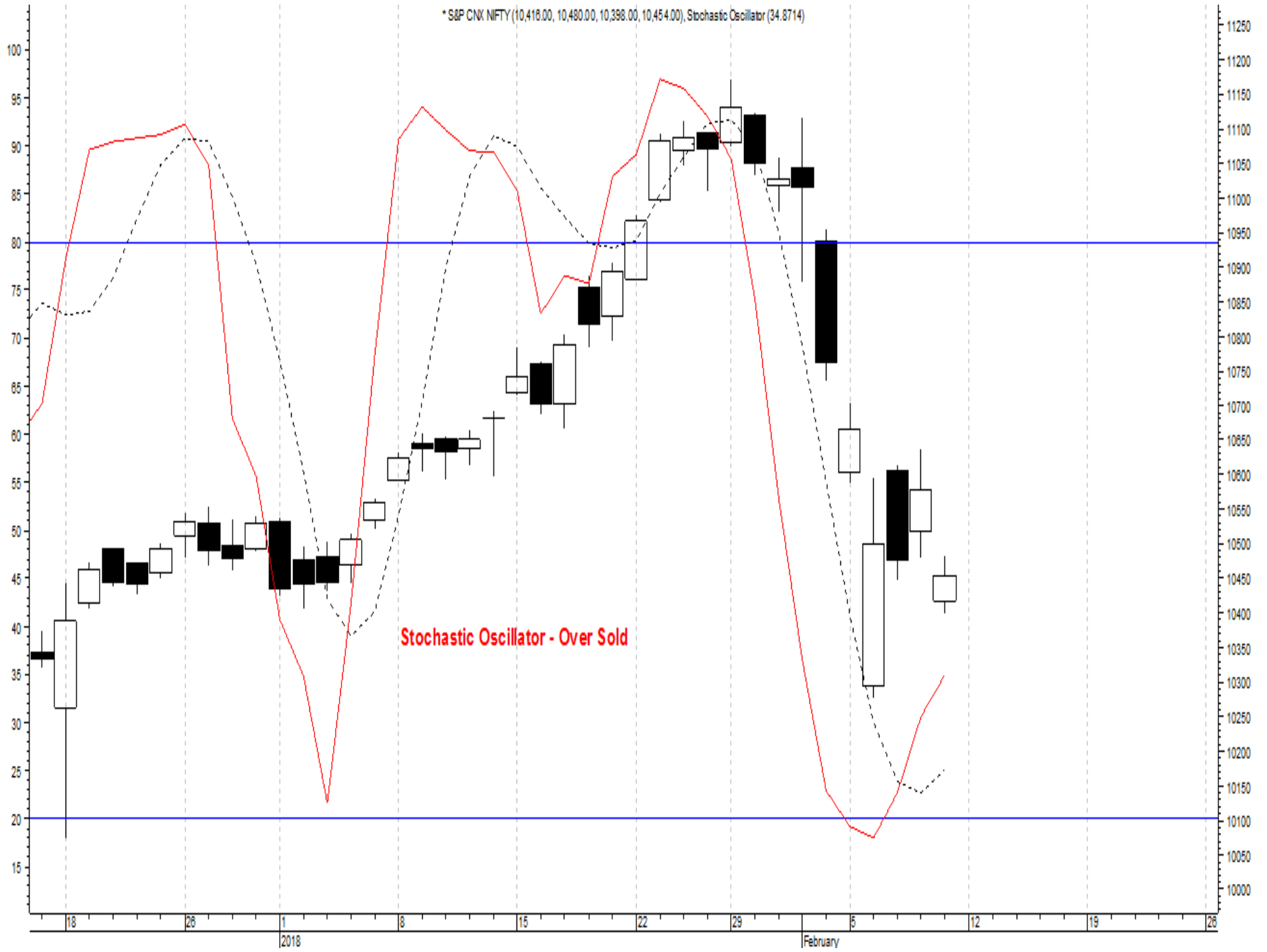
Nifty Support Resistance

10450

10150

9700

* S&P CNX NIFTY (10,416.00, 10,480.00, 10,398.00, 10,454.00), Stochastic Oscillator (34.8714)



Stochastic Oscillator - Over Sold



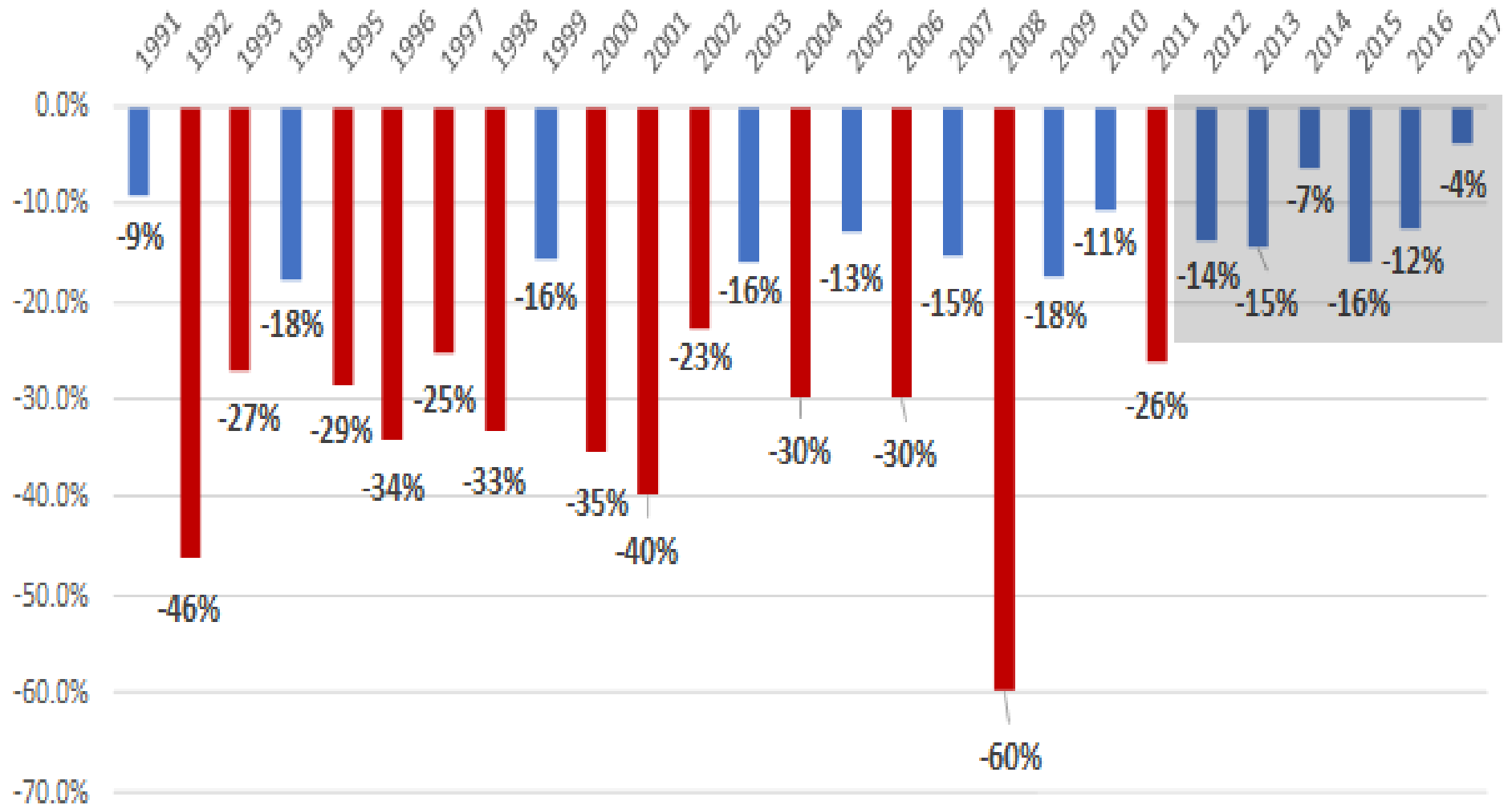
Finally, Market Corrects

- Mid and Small Cap underperforms
- US market in correction territory
- Volatility has returned
- Good Corporate earnings

INDEX WATCH

INDEX	10, Feb	13, Jan	% Change
Nifty	10,454	10,681	- 2.1
Sensex	34005	34,592	- 1.6
Nifty Midcap	19872	21,694	- 8.3
BSE Small Cap	18172	19,993	- 9.1

Maximum Intra Year Declines (Nifty)



www.eightytwentyinvestor.com

Market Falls On Multiple Reasons



- Correction over due
- Weak Global Markets
- Long Term Capital Gain
- Spike in Bond Yield

Test for Domestic Investors

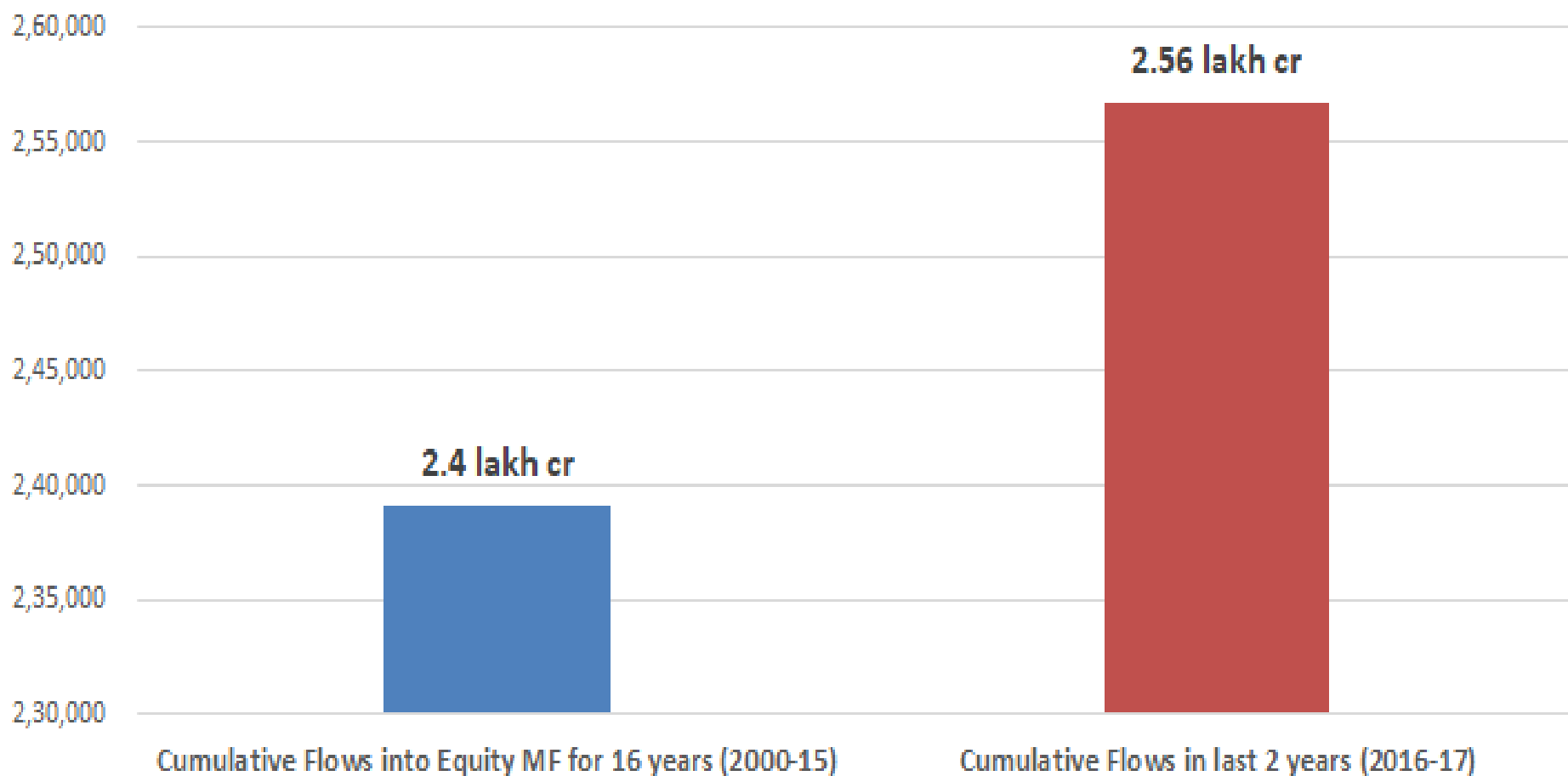


- Mutual Fund flows will be affected if domestic investors get panic on seeing volatility
- SIP unlikely to get affected in near term and accounts may go up



Unprecedented Inflows To Mutual Fund

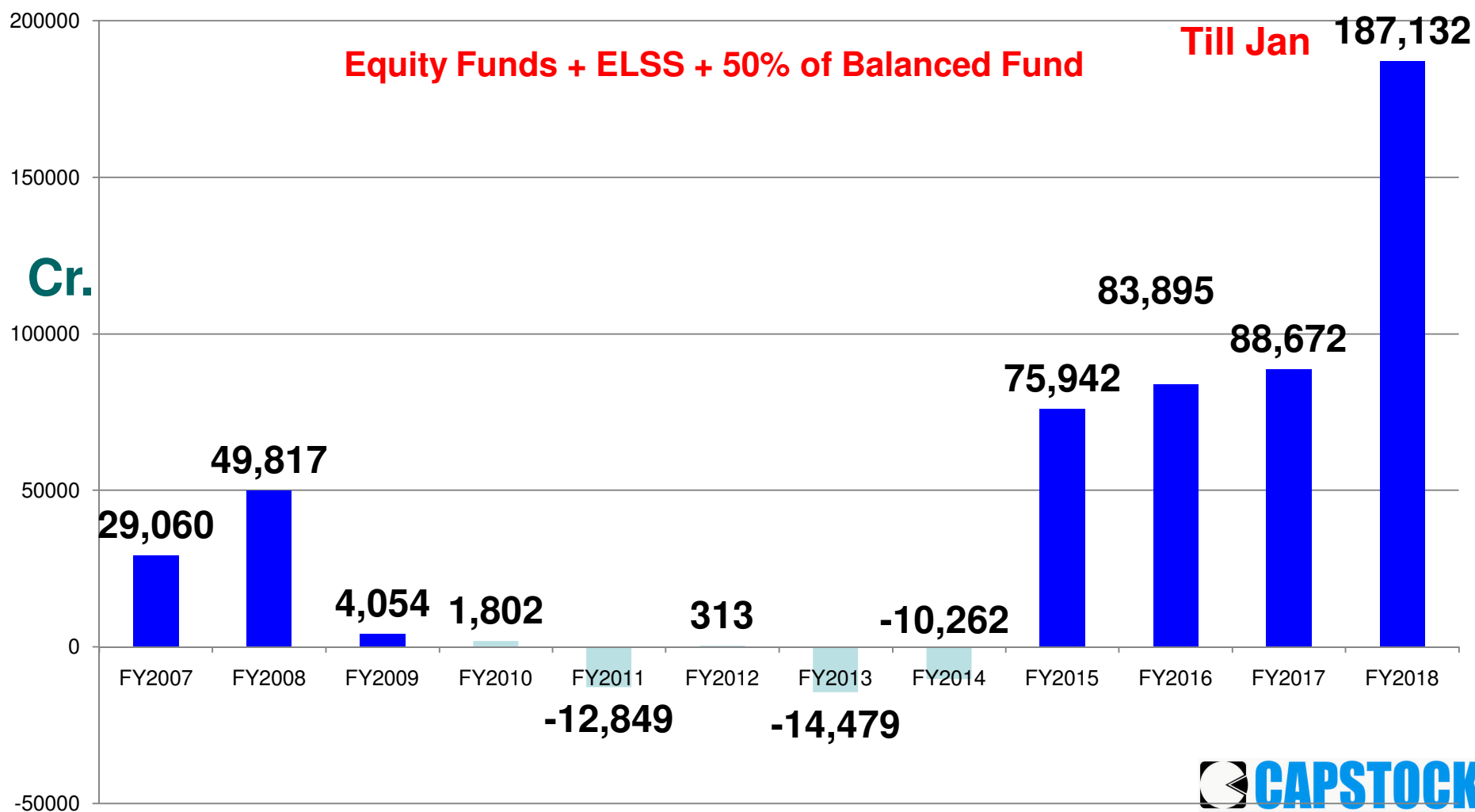
Last 2 year Equity MF inflows > Previous 16 years inflows put together!!



Source: AMFI, Equity Flows include Equity + ELSS

www.eightytwentyinvestor.com

Record Inflows in Mutual Fund



Retail Investors Psychology



- Retail Investors generally buyers on first sell
- Will get panic only when there is prolonged sell off

Indian Bond Yield Spikes



Interest Rate Bottomed Out



Implication of Higher Rates



- If economy is strong, higher interest rates will be a pass through
- NBFC will get affected as cost of borrowing will reduce their Net Interest Margin

Dow Jones Corrects



US Bond Yield Spikes





Budget Highlights

- Optimistic budget with higher revenue and lower expenditure forecast
- Focus on rural economy
- PSU divestment pegged at 80,000 Cr.
- No big favour for middle class and corporate
- Mildly populist

Budget Highlights



- MSP price for crops to be one and half times of production cost
- Agricultural market to be developed
- Funds for fisheries, aquaculture and animal husbandry
- Health protection scheme for 10 Cr. Poor and vulnerable families
- Customs duty hiked for 45 products

Long Term Capital Gain Comes Back



- Imposes 10% long term capital tax (shares held for more than 1 year)
- Not retrospective as old investments will be grandfathered on Jan 31
- STT levy will continue
- Govt. Expects 20,000 Cr. Capital gain tax collection



Long Term Capital Gains

- Long Term Capital gains will come to effect from 1st April, 2018
- Long Term Capital Losses can be carry forward from 1st April 2018
- 1 Lakh capital gain exempted in a financial year

Budget 2018-19



Budget Snapshot: Key Numbers



<i>Figures in ₹ crore</i>	2016-17 Actuals	2017-18 Budget Estimates	2017-18 Revised Estimates	2018-19 Budget Estimates
Revenue Receipts	13,74,203	15,15,771	15,05,428	17,25,738
Capital Receipts*	6,00,991	6,30,964	7,12,322	7,16,475
Total Receipts	19,75,194	21,46,735	22,17,750	24,42,213
Total Expenditure	19,75,194	21,46,735	22,17,750	24,42,213
Revenue Deficit	3,16,381	3,21,163	4,38,877	4,16,034
Effective Revenue Deficit	1,50,648	1,25,813	2,49,632	2,20,689
Fiscal Deficit	5,35,618	5,46,531	5,94,849	6,24,276
Primary Deficit	54,904	23,453	64,006	48,481

*Excluding receipts under Market Stabilisation Scheme

PIB/KBK

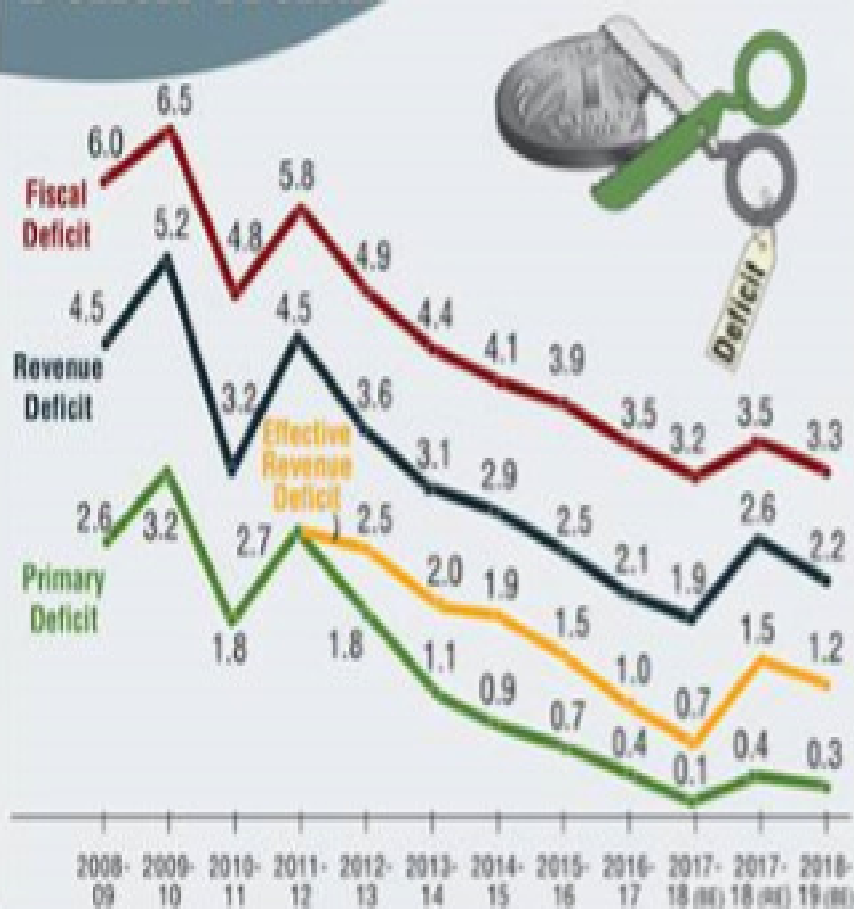
CKS

Budget 2018-19



Deficit Trends

Percentage of GDP



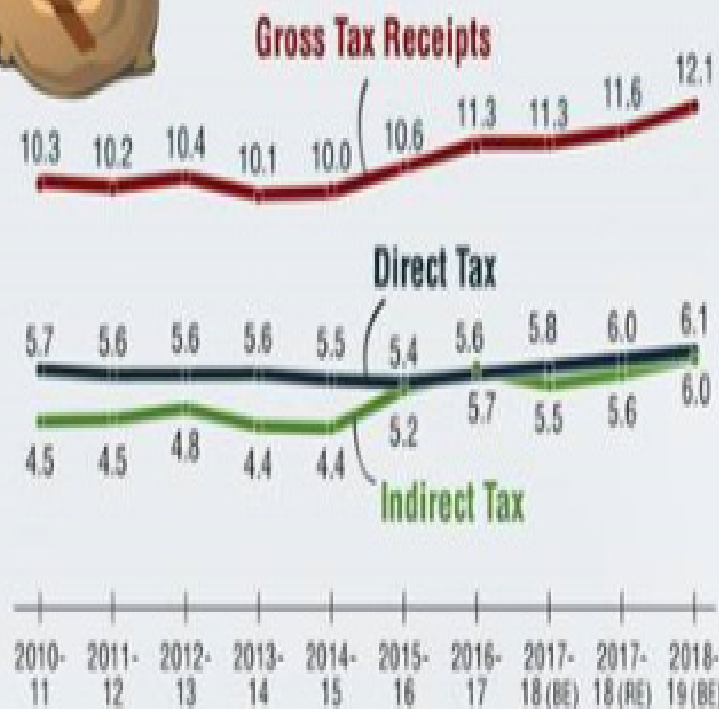
PIB/KBK

Budget 2018-19



Trend in Tax Receipts

Percentage of GDP



PIB/KBK

Brent Crude Oil





Events to Watch

- Global markets
- Crude oil prices



Thank You