



Current Market Scenario

Dow Jones & Nifty



* S&P CNX NIFTY (10,216.25, 10,270.35, 10,146.40, 10,242.65)

NIFTY Channels

5100 to 11200 in 4.5 years

6100 points



Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2016 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017 Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2018 Mar

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14 Month Channel Broken

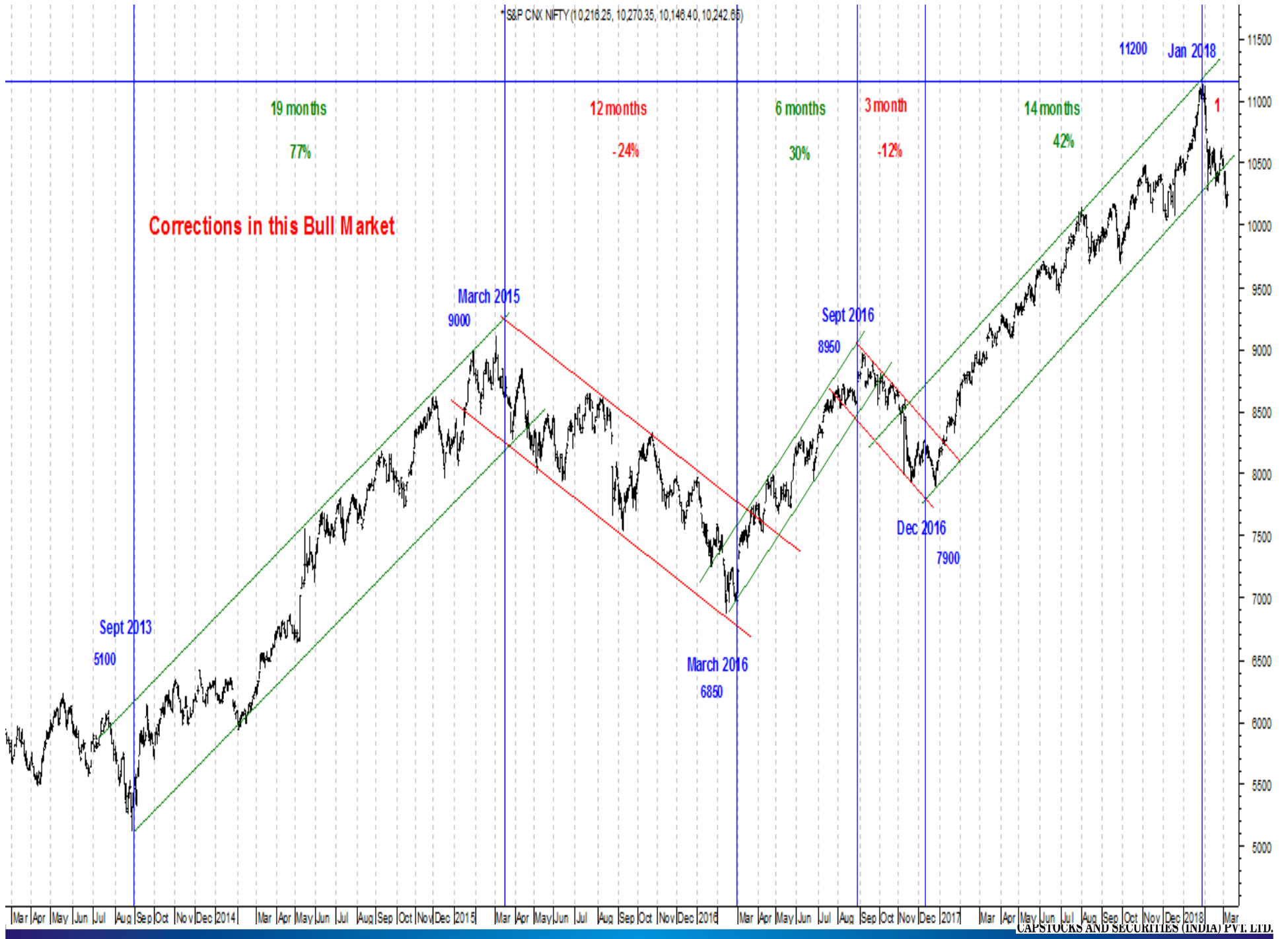


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14 Month Channel Broken



S&P CNX NIFTY (10,216.25, 10,270.35, 10,146.40, 10,242.65)



Corrections in this Bull Market

19 months
77%

12 months
-24%

6 months
30%

3 months
-12%

14 months
42%

11200 Jan 2018

1

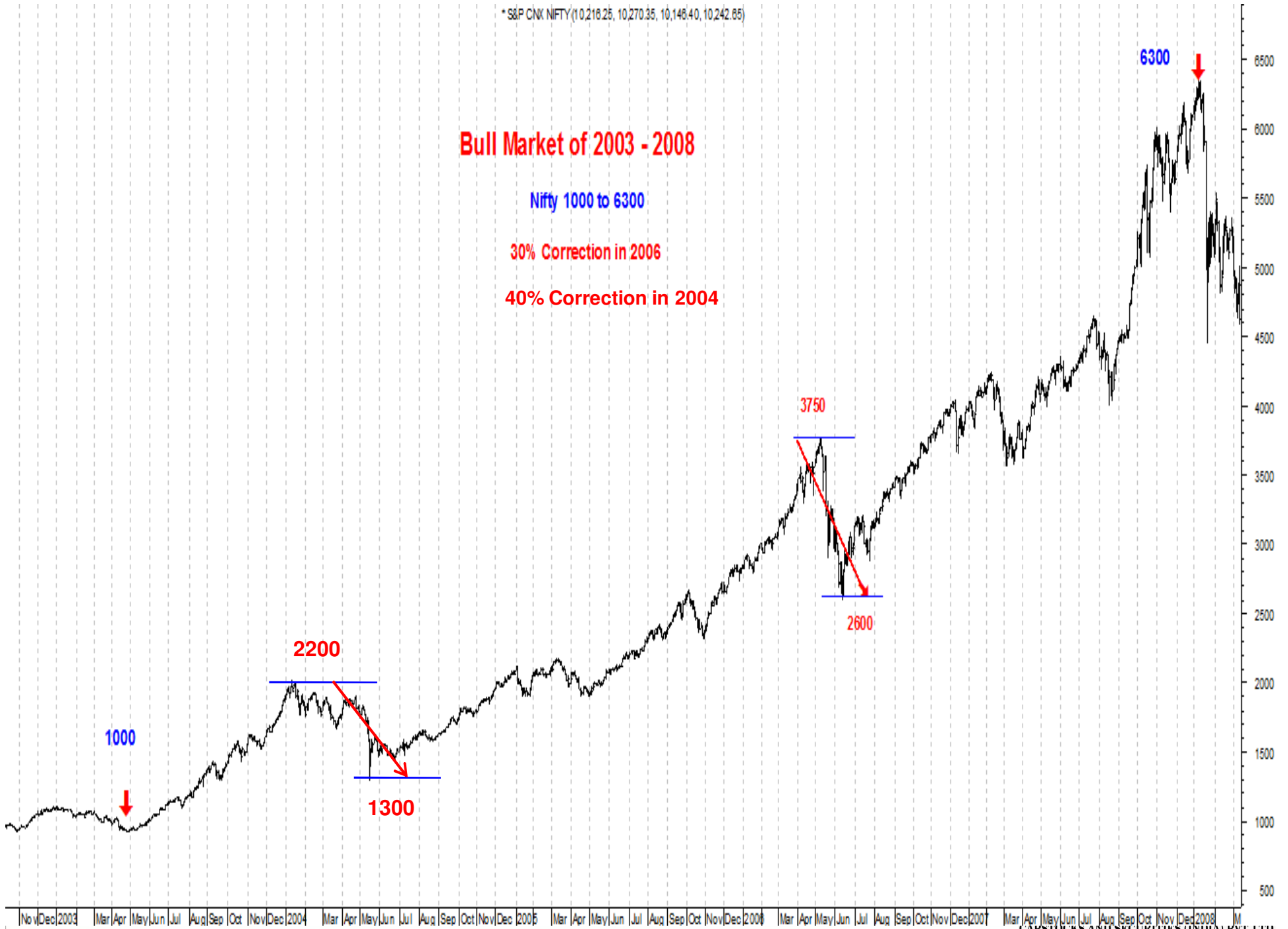
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Bull Market of 2003 - 2008

Nifty 1000 to 6300

30% Correction in 2006

40% Correction in 2004



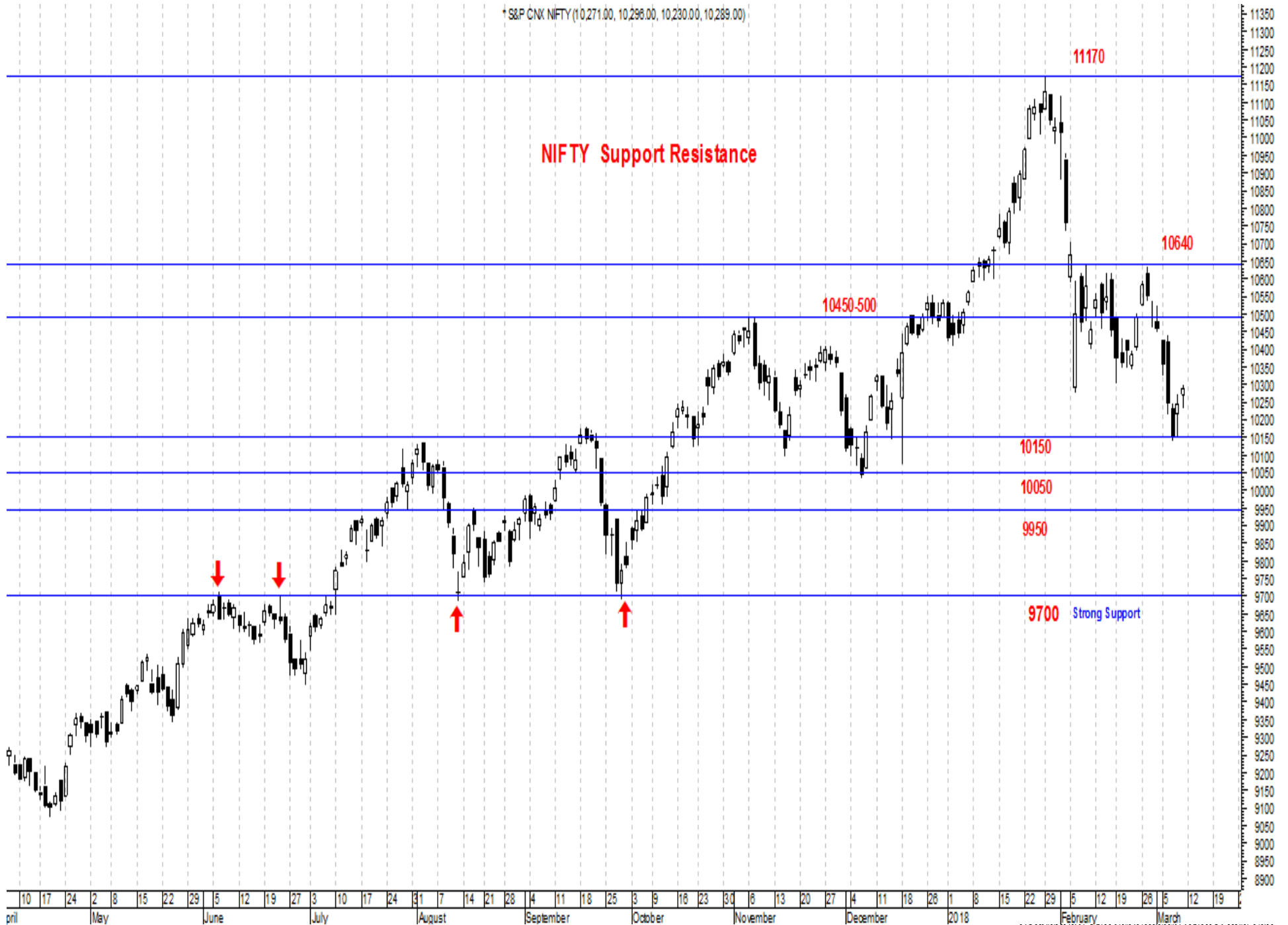
*S&P CNX NIFTY (10,271.00, 10,296.00, 10,230.00, 10,269.00)

New Down ward Channel ?



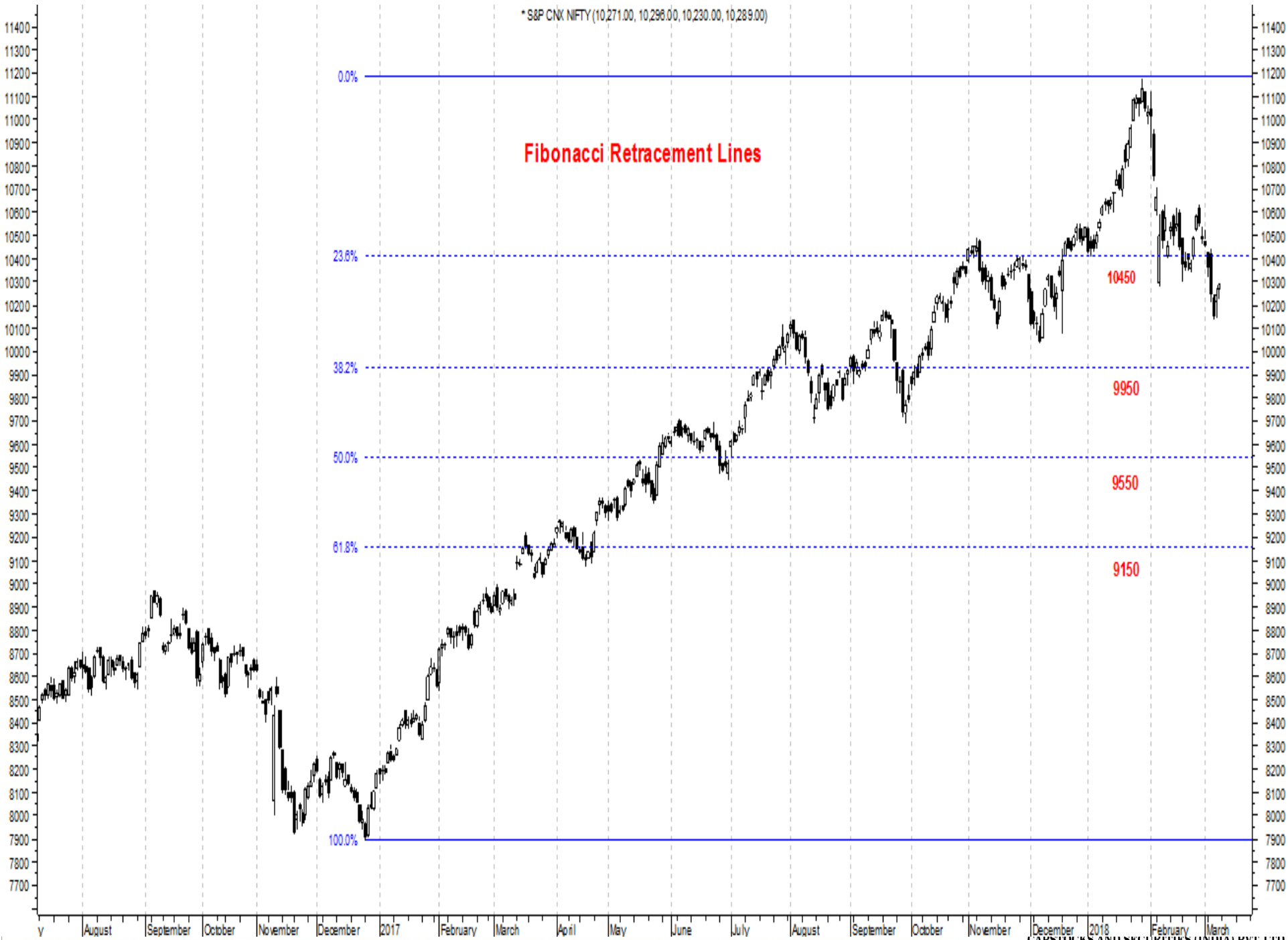
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NIFTY Support Resistance



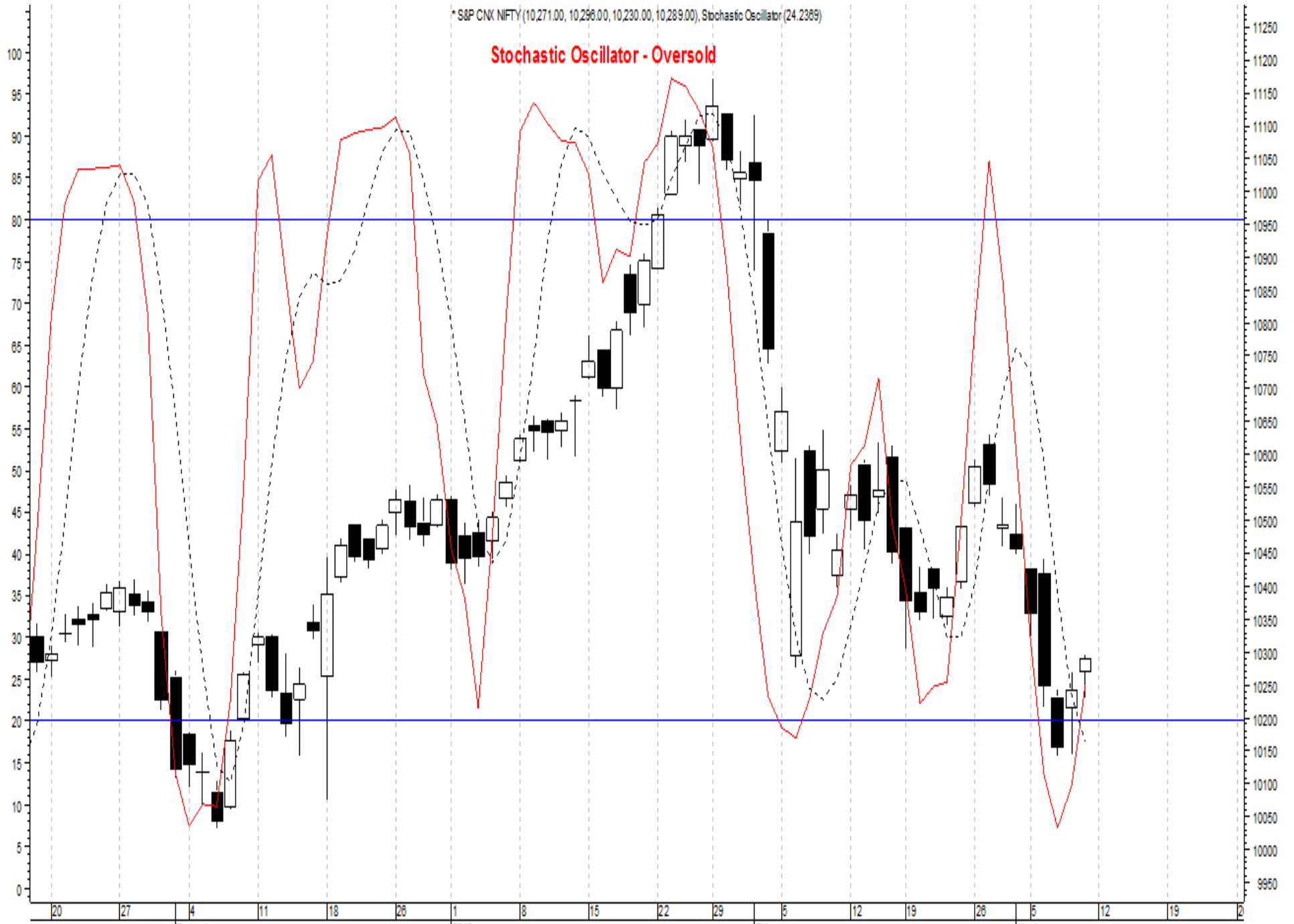
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Fibonacci Retracement Lines



S&P CNX NIFTY (10,271.00, 10,296.00, 10,230.00, 10,289.00), Stochastic Oscillator (24, 2389)

Stochastic Oscillator - Oversold



Market Correction Continues



- PNB Scam surfaces
- Weak Global Market
- FII Selling
- Not yet in panic stage

INDEX WATCH

INDEX	9, Mar	10, Feb	% Change
Nifty	10,226	10,454	- 2.1
Sensex	33,307	34005	- 2.0
Nifty Midcap	18,773	19872	- 5.5
BSE Small Cap	17,305	18172	- 5.0

Market Sees Good Correction



- Corrections are integral part of market movement
- 20 to 30% correction is healthy for midcaps
- Since many midcap run up sharply in last three years, time wise correction expected

Global Markets – 2018 Performance



Country	% Change
US – Nasdaq	7.6
Hong Kong – Hang Seng	3.3
US - Dow Jones	0.7
South Korea – Topix	0.0
India – Sensex	- 1.7
Germany – DAX	- 4.3
Japan – Nikkei	- 5.3
UK – FTSE	- 6.3

PNB Scam Shatters Sentiment



- Nirav Modi got over 12,000 Cr. of loan from various banks through forged LoU
- Since PNB has issued LoU, they are guarantor for loan
- Investigators takes action on mid and junior level employees for scam
- Scam news added fuel to fire in weak market

Impact of Scam on Markets



- Historically scams tend to surface at market peak or on correction after bull market
- Harshad Mehta Scam, Ketak Parikh scams are related to divert of bank fund to stock market
- Till now Nirav Modi relation to market is not established

Is Midcap Party Over ?



- Midcaps has seen significant P/E expansion in last three years
- Majority will underperform overall market
- Quality companies will continue to trade at premium valuations

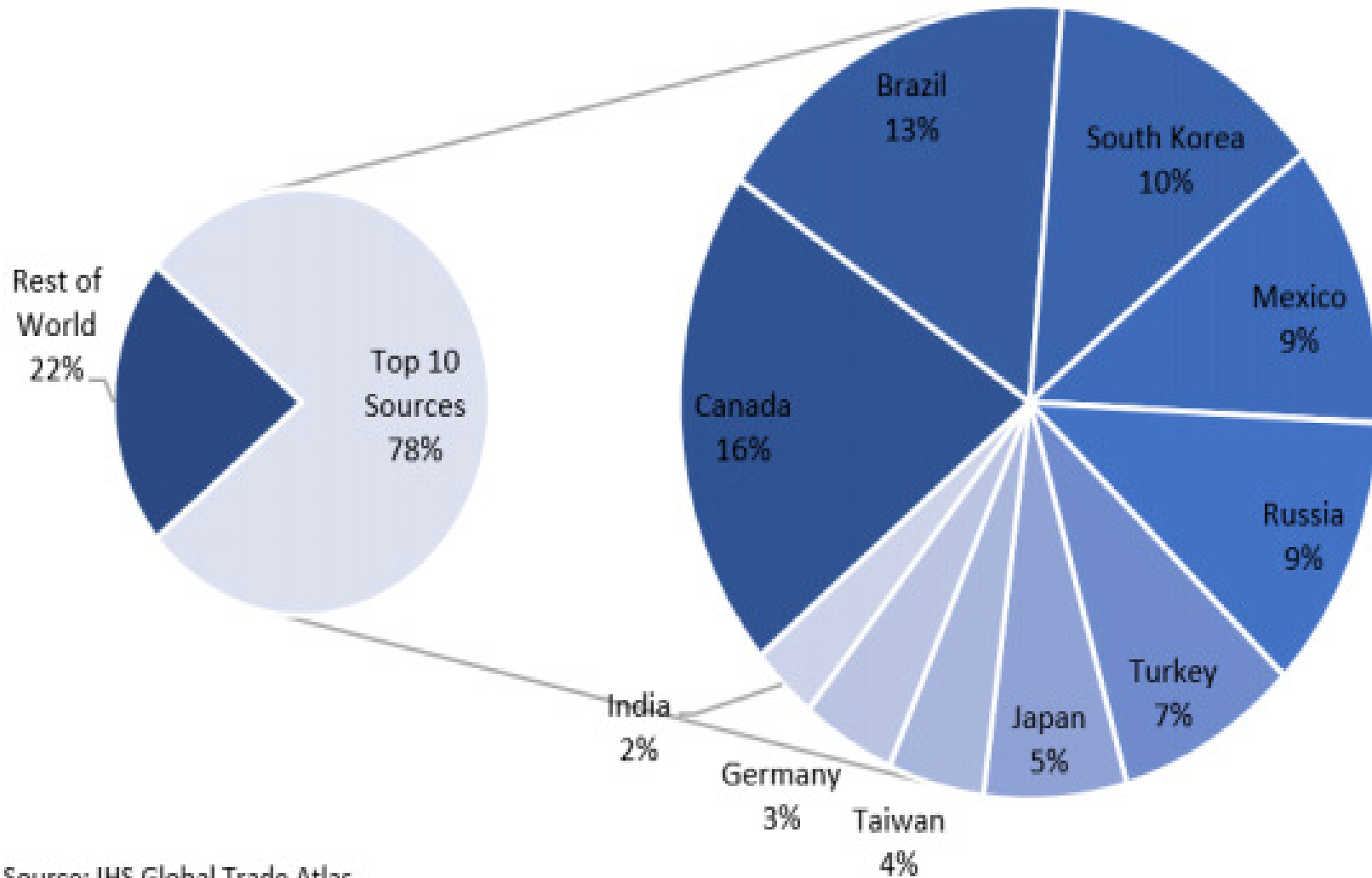
US to impose Import Tariff



- US Govt. puts 25% import duty on steel and 10% aluminium
- Affected countries will retaliate by putting import duty on US products
- Import tariff may kick start trade war

U.S. Steel Imports - Top 10 Sources

Percent of Volume



Source: IHS Global Trade Atlas



Interest Rate on Uptrend

- SBI hikes lending rates since April 2016
- Deposit rates too hiked
- Auto, Home loan EMI to go up

10 Yr Indian Bond Yield



NBFC to Underperform ?



- NBFC tend to do well on interest down cycle due to access of cheap money
- Now with interest rate cycle turning, asset liability mismatch may affect profitability
- To underperform in near term

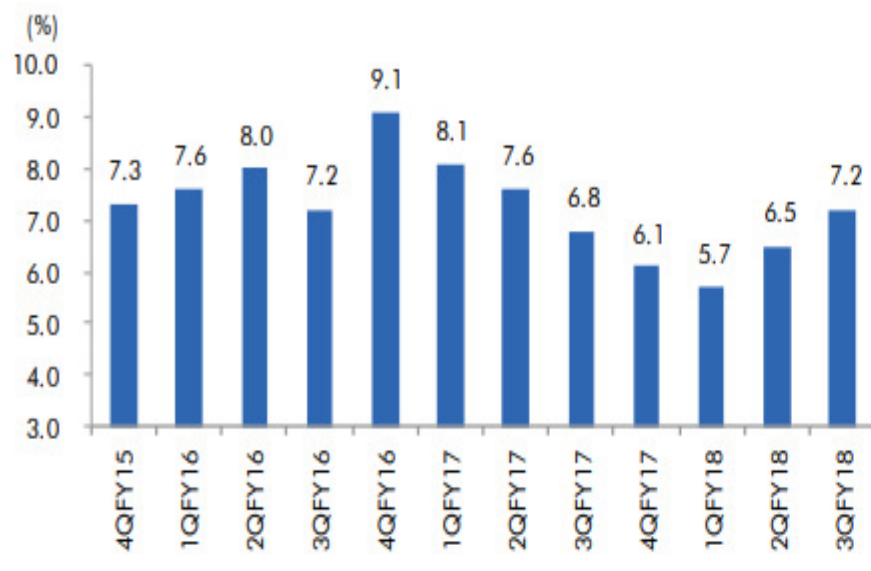
Sugar Stocks Turn Bitter



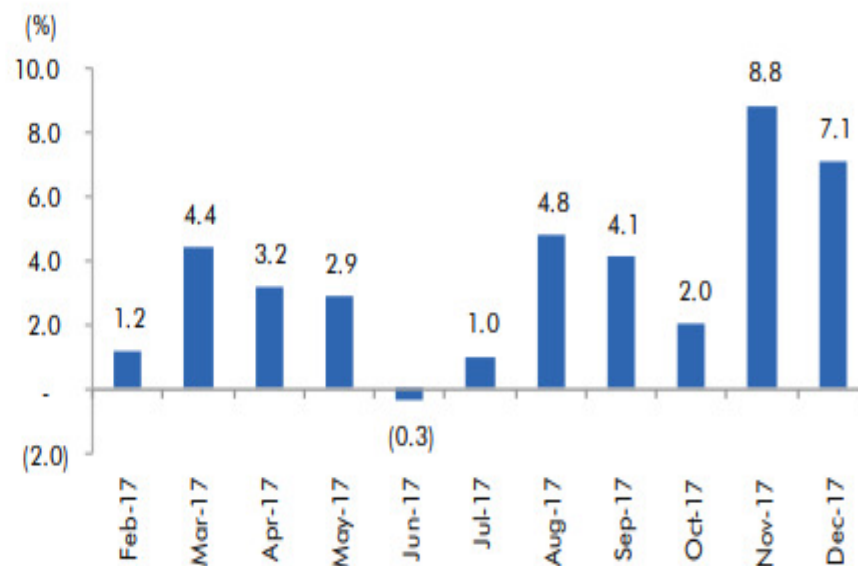
- Domestic sugar prices fell from Rs.36 to Rs.31 on higher production
- Mills selling desperately to give payment for farmers
- Spot prices are below cost of production
- Sugar stocks correct more than 50%
- Typical example of how a commodity stock behaves

Positives

- Strong two wheeler and commercial vehicle sales
- Crude Oil prices facing resistance on higher US production

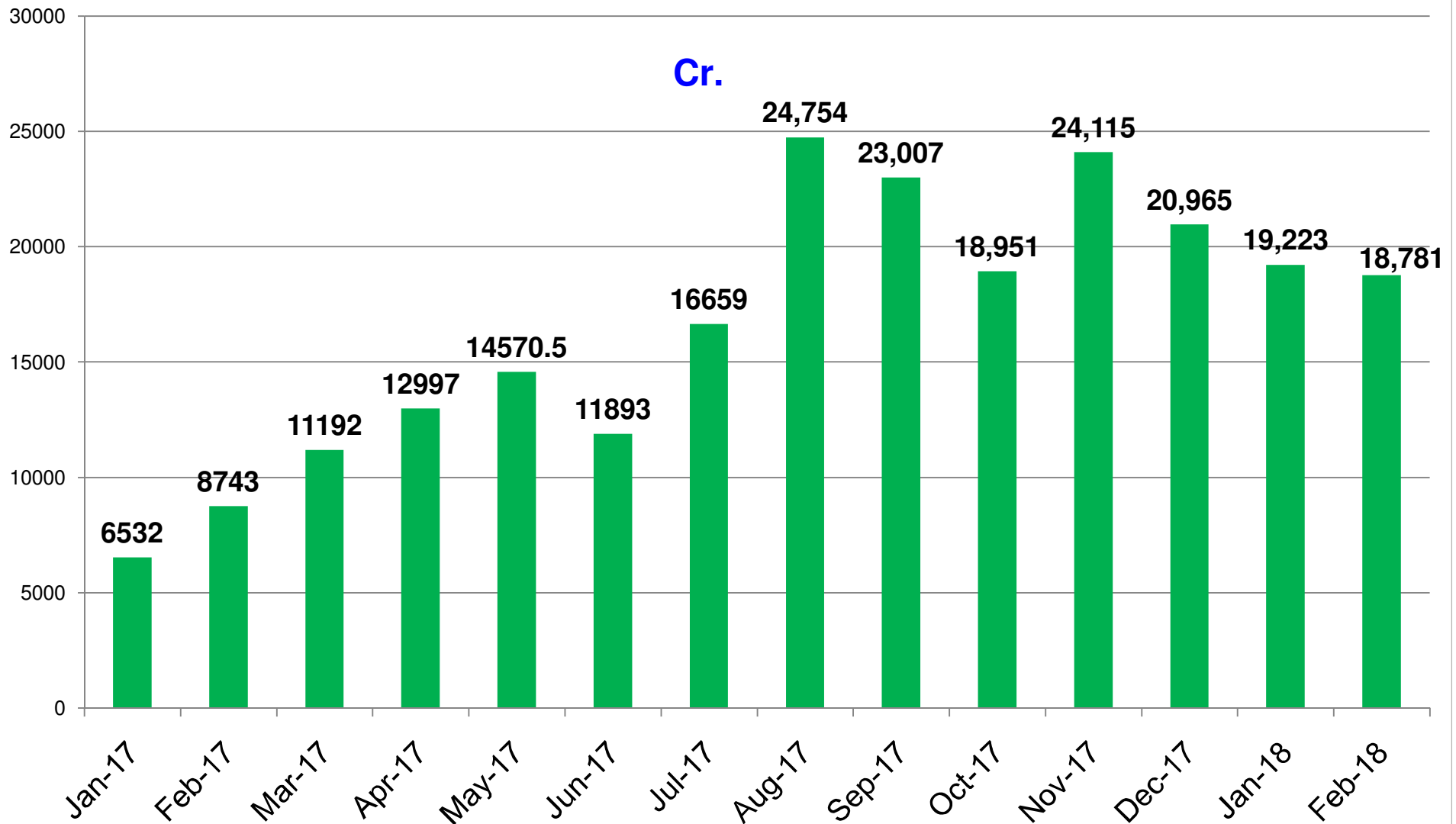


GDP Growth – Turning Around



IIP Growth – Showing Uptrend

Mutual Fund Inflows



North Korea Tension – Will Fizzle Out ?



- North Korea willing to hold talks on denuclearization
- Will expect loosening of sanction
- Will relieve geo political tension for time being if talks hold

Commercial Vehicle - Scrapping Policy



- Govt. Likely to announce scrapage policy for commercial vehicles to reduce pollution and help auto sector
- Older vehicles before March 2005 can be exchanged for new vehicles
- Govt. will give relief to buyers by way of tax incentive
- 28 Lakhs old vehicles are estimated plying the roads



BJP Gains in NE States

- BJP gets thumping victory in Tripura
- Opens tally in Meghalaya
- Though positive for market, results in NE States cannot be extrapolated for other states



Events to Watch

- News flow from banks
- Mutual Fund Inflows
- Global markets



Thank You