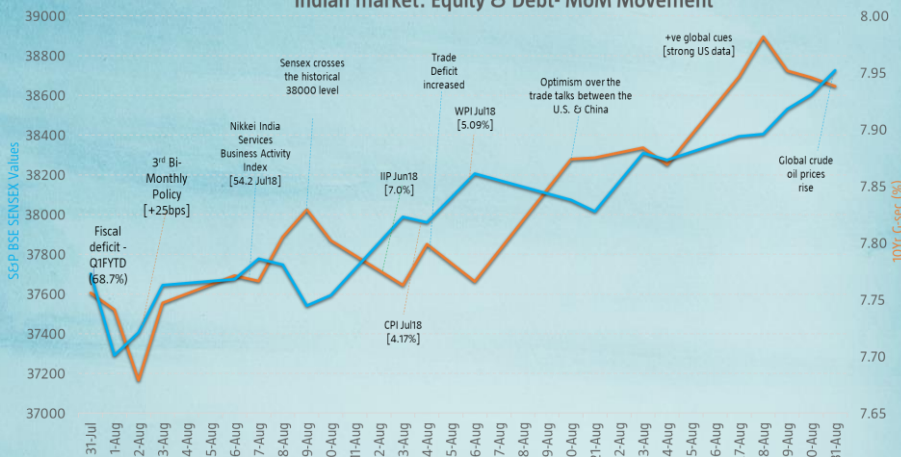


Indian market: Equity & Debt- MoM Movement



Source: Bloomberg, Data as on 31st Aug'18

Equities



Mr. Krishna Sanghavi
Head - Equities

India's growth outlook, remains bright and Indian economy seems set for a period of sustained growth phase over the medium term. The micro environment at economy as well as corporate level is quite resilient. The GST collections are on expected lines. The corporate earnings for Q1FY19 have been good and the earnings are likely to meet full year expectations for FY2019 unlike the case in last 2-3 years. While we remain positive on the overall long-term outlook for Indian economy and equities, the near term impact of global events and sentiments on equities as an asset class globally, may be volatile. The impact of crude prices on Indian rupee can also impact the near term moves for Indian equities.

Geo-political factors like the ongoing US China trade war, Turkey crisis, further interest rate hikes by the Fed, movement of crude oil prices and currency movements are likely to impact the flow of funds to Indian markets which could thereby impact the yields in the fixed income space. Domestically, inflation print, expanse of monsoon, increase in MSPs by government, fiscal deficit and current account deficit prints are likely to impact the yields in the shorter time frame. In short to medium term, the Indian fixed income market could remain cautious over factors such as the distribution of a normal monsoon, domestic currency movement and the trend in global crude oil prices which could result in the market being volatile. While in short term, yields may remain volatile, markets have discounted about 50-75bps rate hike and any sustained upward movement in yields looks unlikely in the longer term.

Fixed Income



Mr. Avnish Jain
Head - Fixed Income

Mutual Fund investments are subject to market risks, read all scheme related documents carefully

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