



Current Market Scenario

Fall in Indices & rises from recent lows



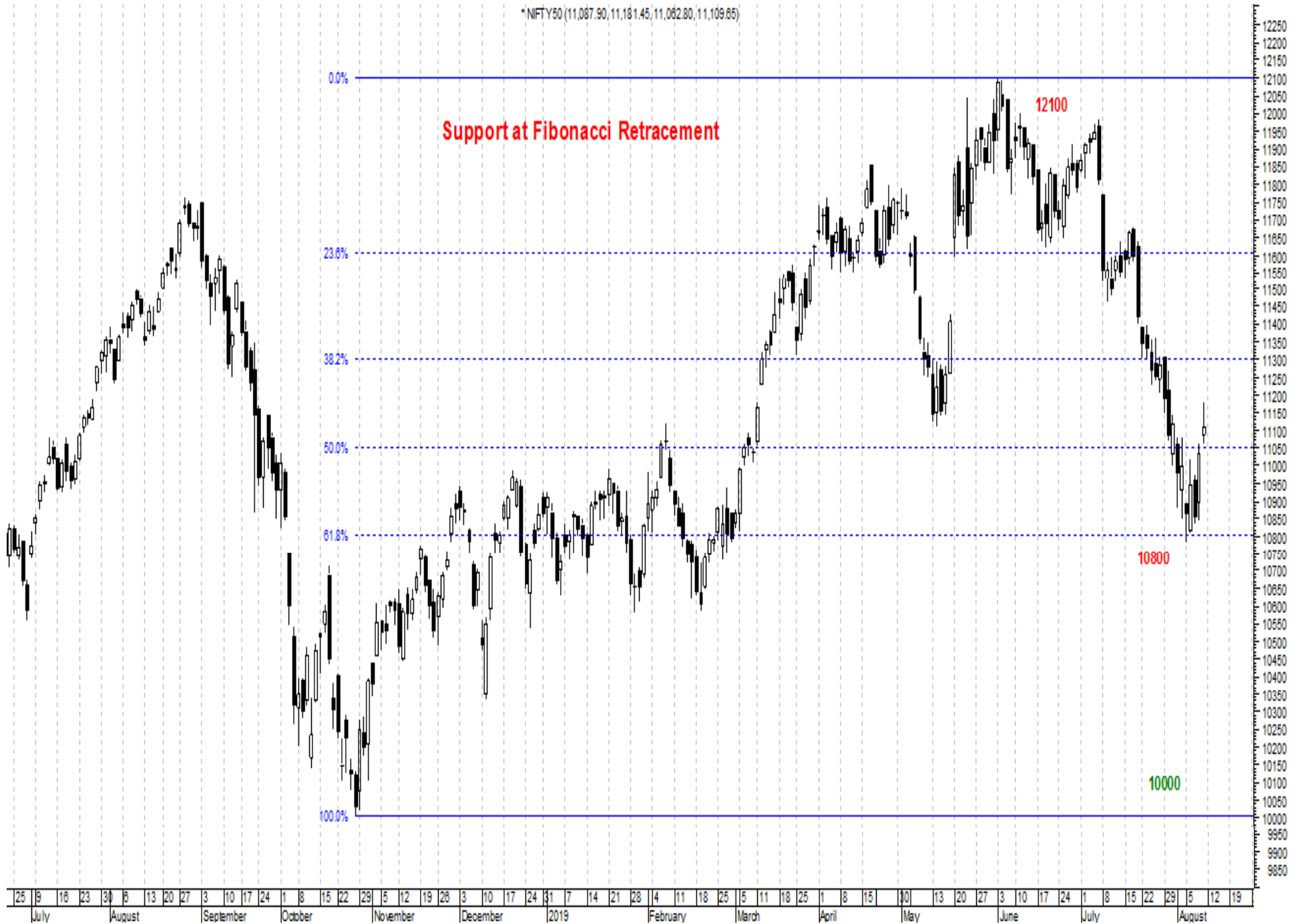
Index	Current Index	2018 high	Earlier fall from peak 2018	Recent fall from peak
Nifty	11109	11760	15%	8%
Nifty Midcap	15947	21841	28%	30%
Nifty small cap	5501	9656	41%	45%

*NIFTY50 (11,087.90, 11,181.45, 11,062.80, 11,109.65)

New Downward Channel

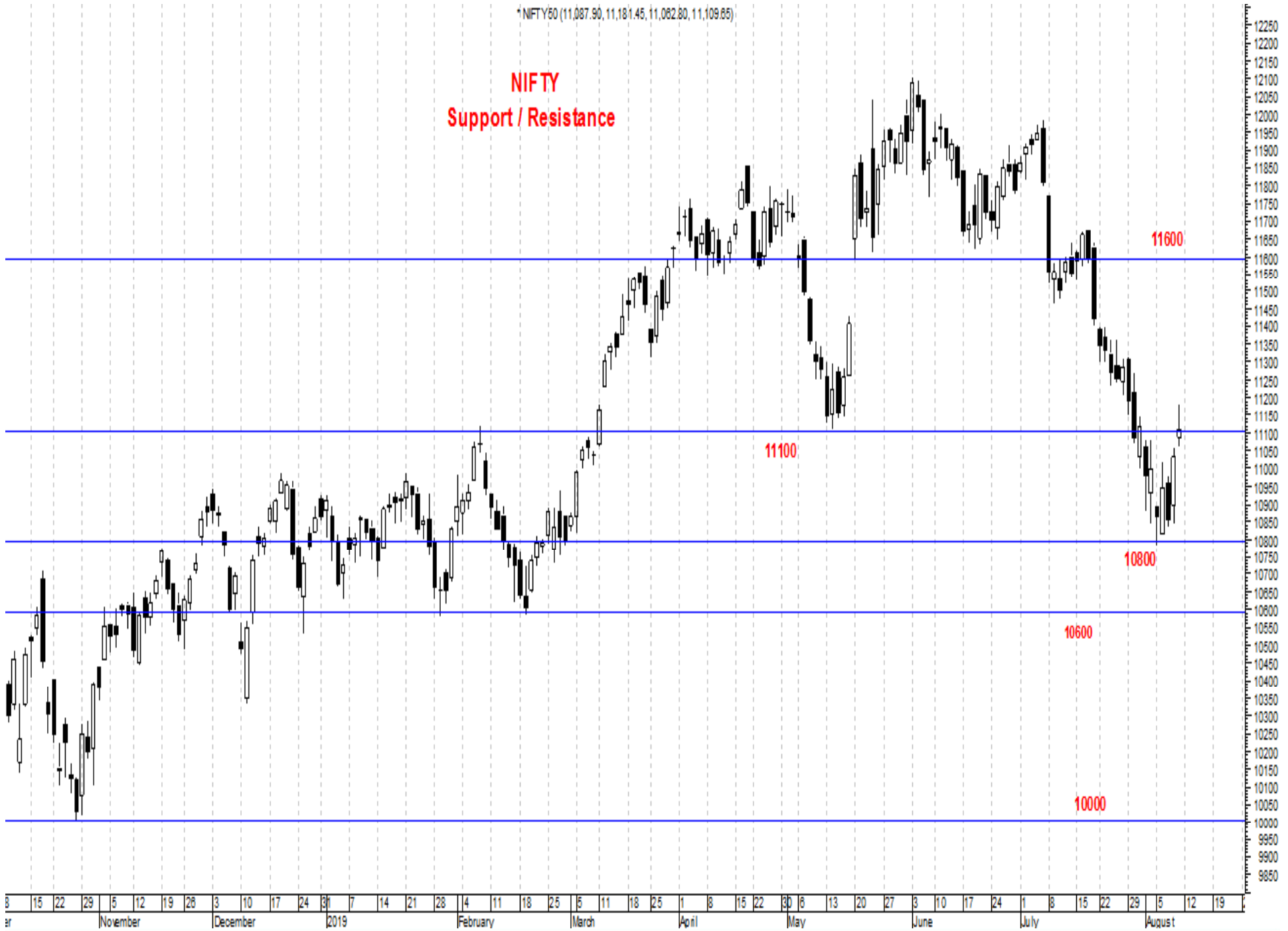


*NIFTY50 (11,087.90,11,181.45,11,062.80,11,109.65)



*NIFTY50 (11,087.90, 11,181.45, 11,082.80, 11,109.65)

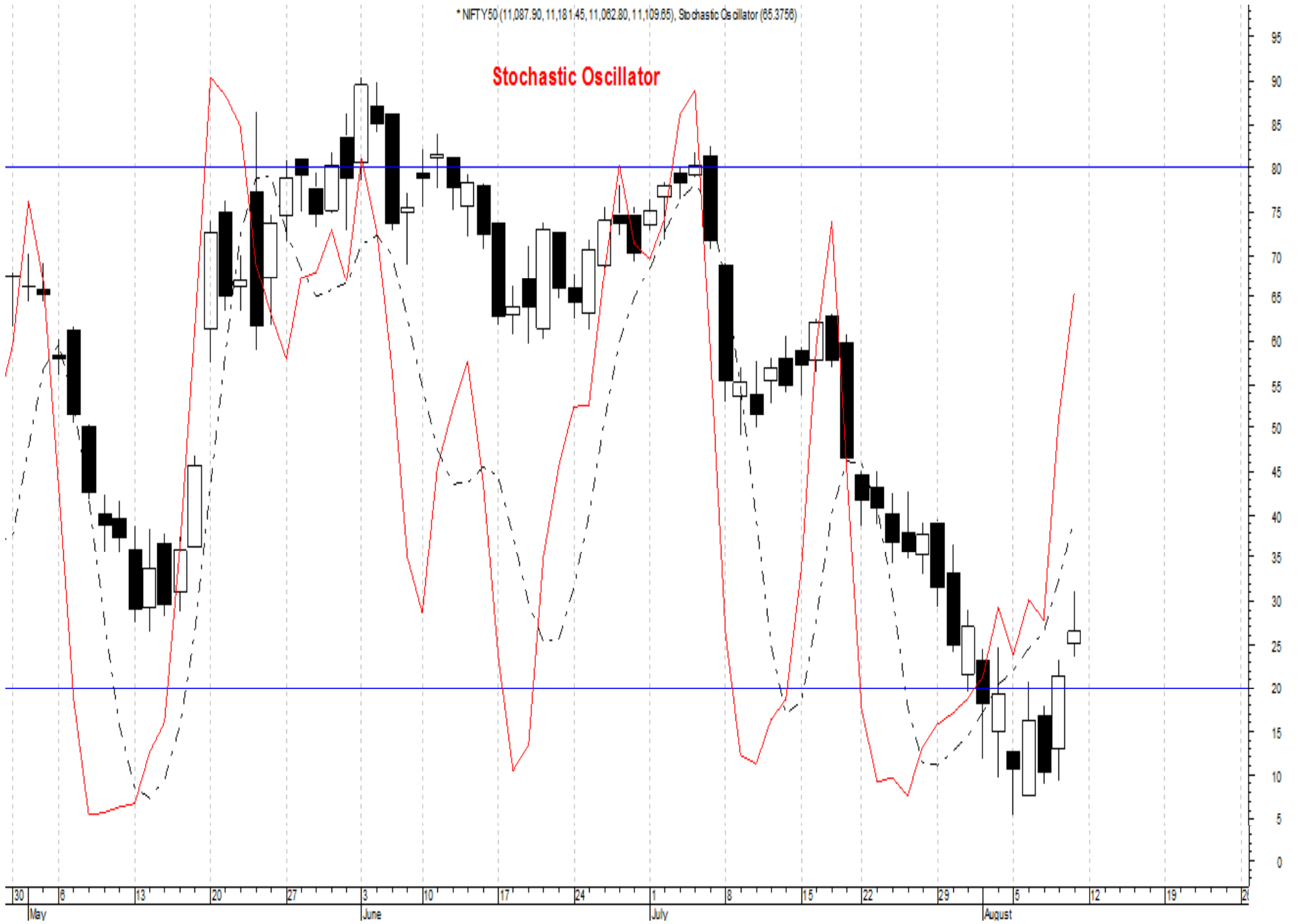
NIFTY Support / Resistance



8 ar 15 November 22 29 5 December 12 19 26 3 10 17 24 31 7 14 21 28 4 February 11 18 25 5 March 11 18 25 1 April 8 15 22 30 6 May 13 20 27 3 June 10 17 24 1 July 8 15 22 29 5 August 12 19

*NIFTY50(11,087.90, 11,181.45, 11,062.80, 11,109.65), Stochastic Oscillator (65.3756)

Stochastic Oscillator



*NIFTY50 (11,087.90, 11,181.45, 11,082.80, 11,109.85)

The Larger Picture

6 Year Old Bull Market

NIFTY 5100-12100



Nifty Midcap



Nifty Smallcap



Gold See Good Rally



Last Close: 1497.70

20 Year Gold Price in USD/oz

High: 1889.70 Low: 252.57 ▲1241.95 485.61%



Thursday, August 8, 2019

Gold - 31000 to 38000 in two & half months



Gold on Strong Wicket



- Gold looking fundamentally and technically strong
- Many countries led by China started adding gold reserves
- Retail can take exposure in gold through
 1. Gold ETF
 2. Gold Mining Companies (DSP World Gold Fund & Kotak world Gold Fund)
 3. Gold Derivatives (MCX)

Markets Slide on Multiple Concerns



- Global market volatile
- FPI selling continues
- Mid and Small Cap continue to remain weak
- Retail investors losing patience

INDEX WATCH

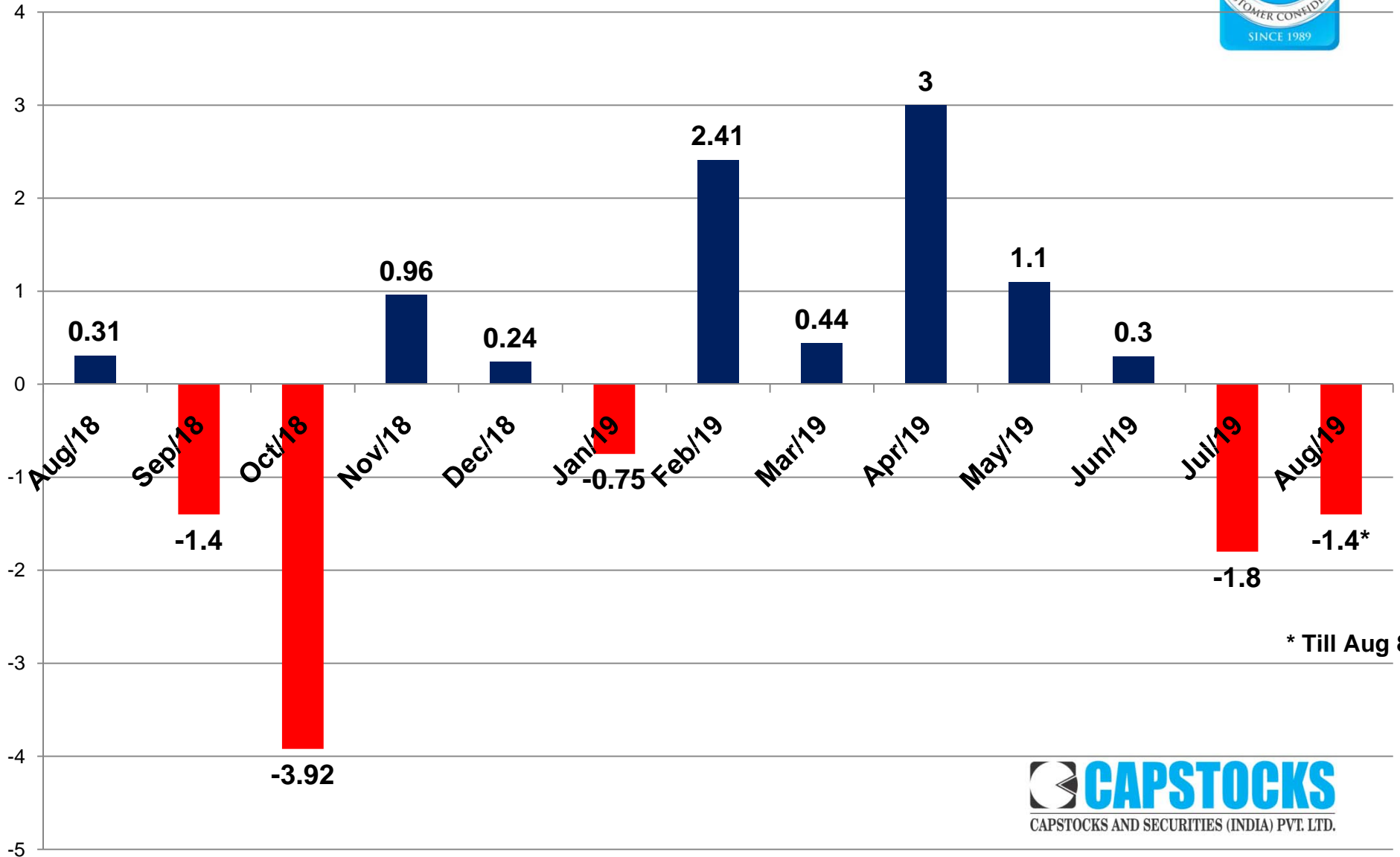
INDEX	9, Aug	13, July	% Change
Nifty	11,109	11,552	- 3.8
Sensex	37,581	38,736	- 2.9
Nifty Midcap	15,947	17,146	- 6.9
BSE Small Cap	12,699	13,776	- 7.8

2008 Vs 2018 Correction

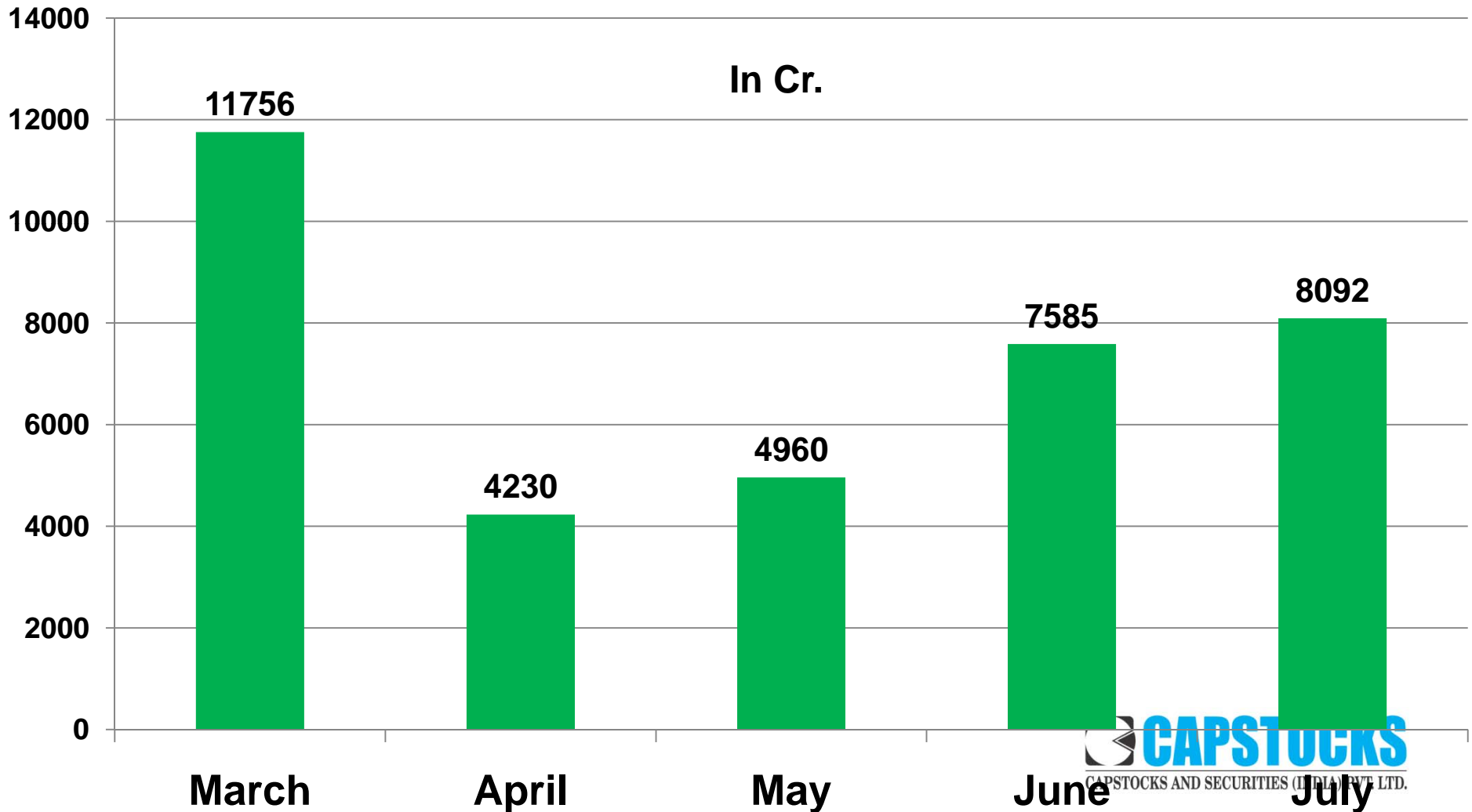


Year		Nifty	NSE Midcap	NSE Small Cap
Jan-08 to March-09	High	6357	9782	6048
(15 Months)	Low	2252(Oct 27 th , 08)	2931	1362
	% Fall	- 64	- 70	- 77
Jan-18 to July-19	High	12103(June 3 rd ,19)	21841	9657
(19 Months)	Low	10782 (Aug 5 th , 2019)	15495	5365
	% Fall	- 11	- 29	- 44

FPI Action



Mutual Fund Inflows Stable



Why FPI's are Selling ?



- Domestic economic slowdown
- Fear of global economic recession
- Surcharge on FII's

High Tax for Select FPI



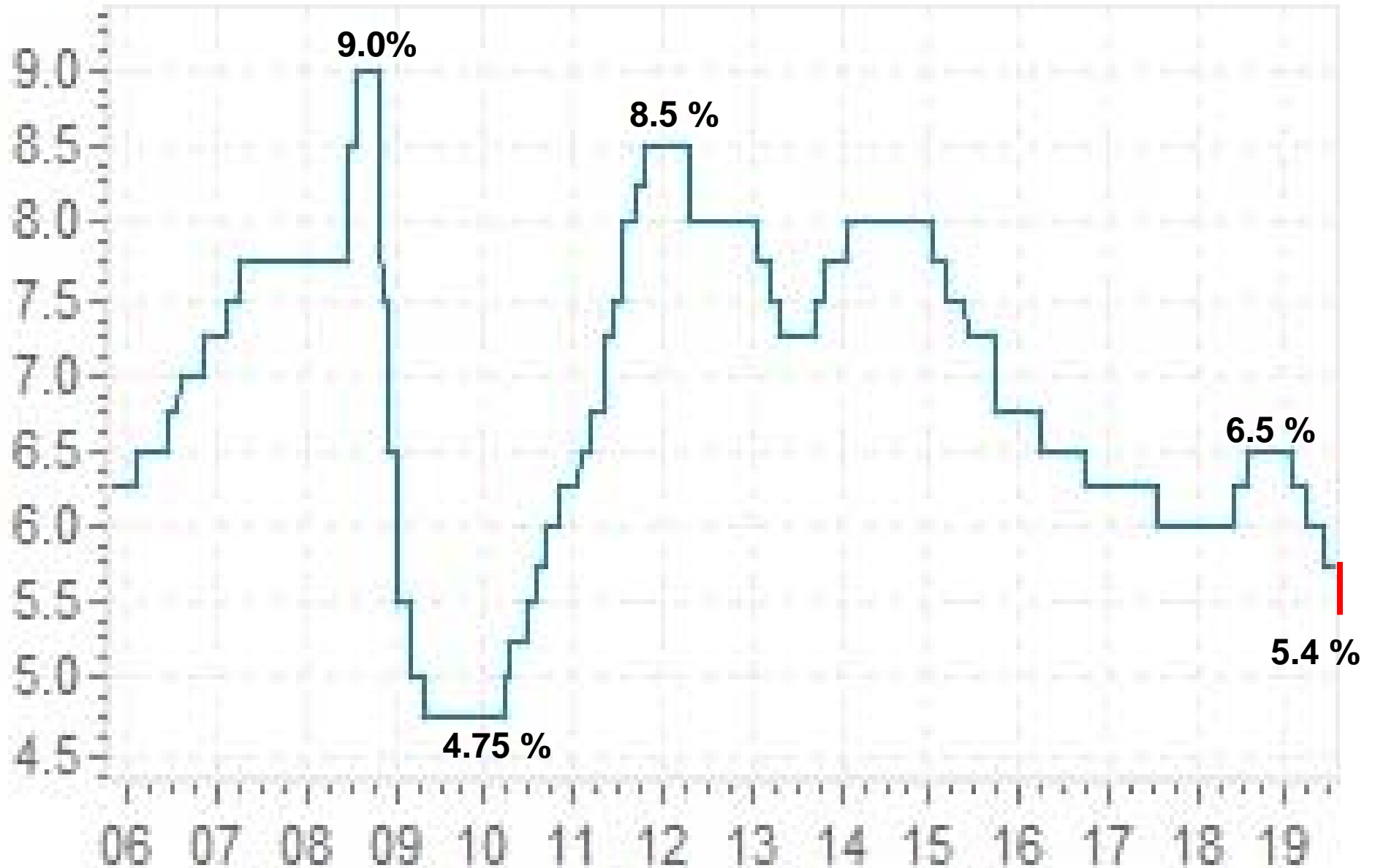
- Budget hiked surcharge for taxable income between 2 to 5 Cr. from 15% to 25% , for above 5 Cr. it is from 15% to 37%
- FPI registered as trust will get impacted
- Long term capital gain will be 14.25% Vs 11.96%, Short term capital gain will be 21.3 % Vs 17.9% currently
- Around 40% of FPI are registered as Trust

RBI Cut Repo Rate



- Repo rate cut by 35 basis points
- Fourth Rate cut in this year
- Another 50 basis point cut expected in current calendar year

Repo Rate At Nine Year Low



Brent Crude Oil Prices



Monsoon Update



Seasonal Rainfall (in mm) from 1 June 2019 till today,

Region	Actual	Normal	% Departure from Long Period Average
EAST & NORTHEAST INDIA	752.5	866.1	-13%
NORTHWEST INDIA	315.4	345.7	-9%
CENTRAL INDIA	633.8	583.9	9%
SOUTH PENINSULAR INDIA	415.9	428.8	-3%
COUNTRY AS A WHOLE	512.0	525.1	-2%

Stable Govt. Impact



- Govt. removes Article 370 and 35A with overwhelming support
- No international opposition for the move
- Big success for Modi Govt

Likely Govt. Action



- Rollback on cess for FPI which introduced in recent budget
- Package for auto, nbfc and real estate sector
- Confidence boosting measures like existing tax relaxation

Foundation Laid for Next Bull Market



- Low interest rate transmission to be fast
- Weak base
- Likely Govt. Action to revive economy
- Valuations reasonable

Trade War Intensifies



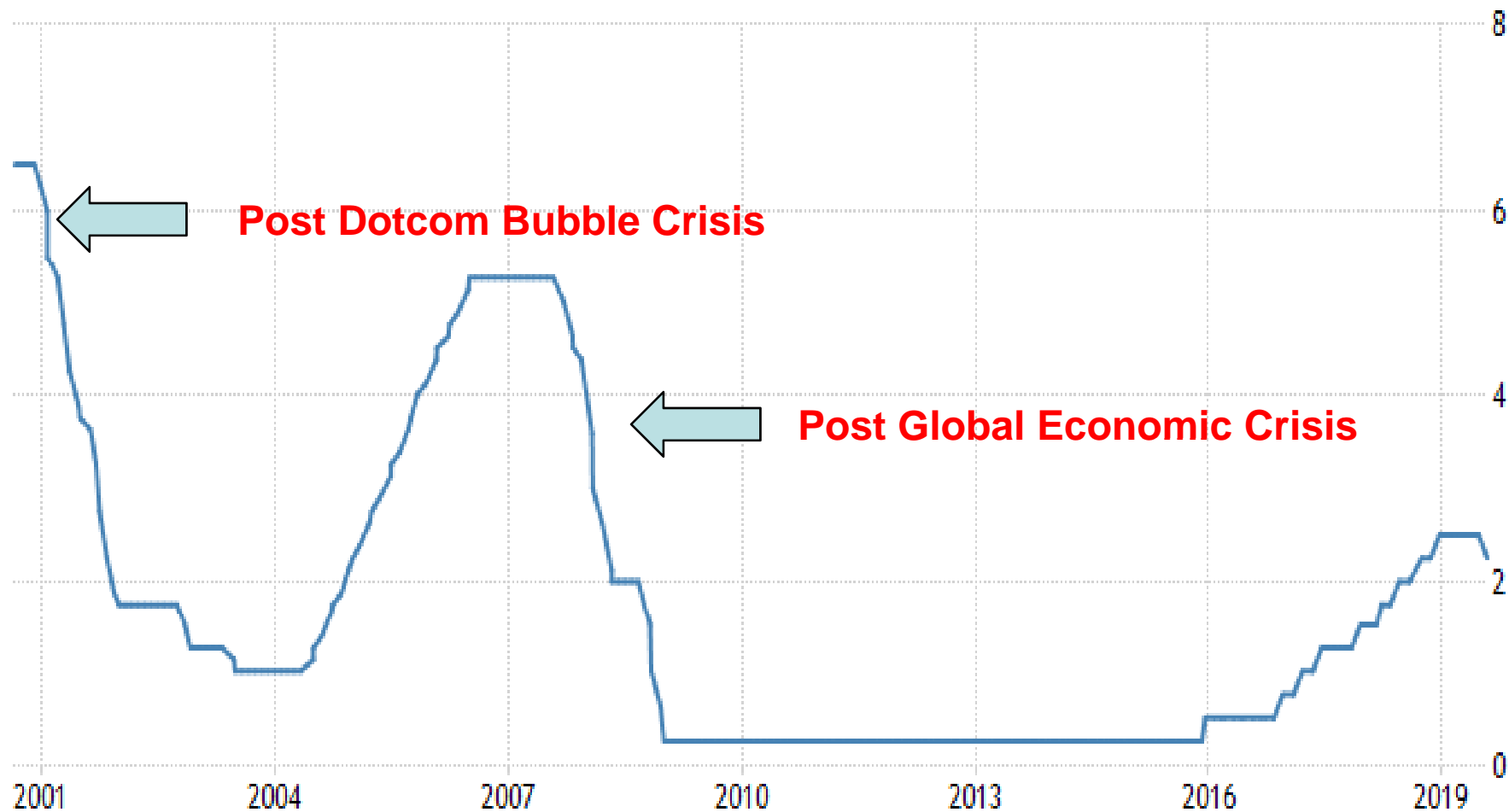
- Trump puts additional duty on Chinese product
- China weakens its currency to counter US tariffs
- US accuses China as currency manipulator

US Fed Cut Rates



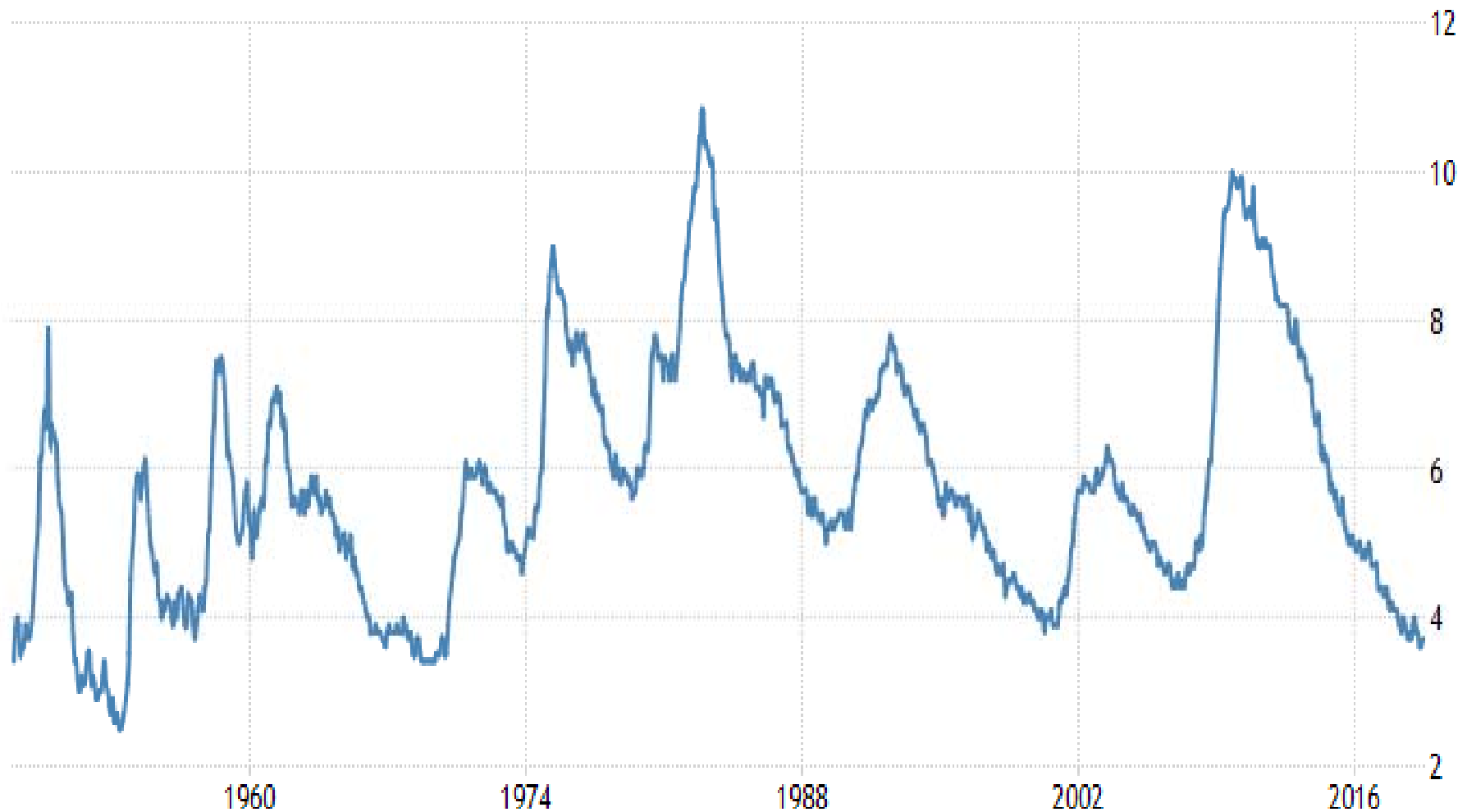
- US Fed cut rates after 10 years
- Low inflation and weak global economy cited for rate cut reason
- Fed will continue to monitor and will act accordingly

US Fed Rate Chart



SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

US Unemployment at Multiyear Low



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Bond Bubble



Country	Interest Rate
Switzerland, Denmark, Sweden, Japan	Negative
Spain , Slovakia, Portugal , Netherland, Italy , Ireland, Greece , Germany, France, Finland , Belgium, Austria	0
Israel, Australia, Norway, UK, Hungary	=<1

Why Gold Prices Are Going Up ?



- Fear of global recession
- Negative Bond Yields in many countries
- Safe Haven buying

Garden Reach Shipbuilder – Stock To Watch



- Huge Order Book
- Turnaround and profitability to multiply around 3 times in FY21-22
- Good Dividend Yield
- Margin of Safety is high
- Invest with 2 year view

Events to Watch



- Q1 results
- Monsoon Progress
- Trade War Actions



Thank You