



# Current Market Scenario

# Fall in Indices & rises from recent lows



Index	Current Index	2018 high	2018 Low	% fall from peak	Present fall from peak	% rise from low
Nifty	10794	11760	9951	15%	8%	57
Nifty Midcap	17655	21841	15802	28%	19%	38
Nifty small cap	6396	9656	5669	42%	34%	21



\*NIFTY50(10,834.75, 10,850.15, 10,739.40, 10,794.95)

**NIFTY - Channels**

**11300**



**10650**



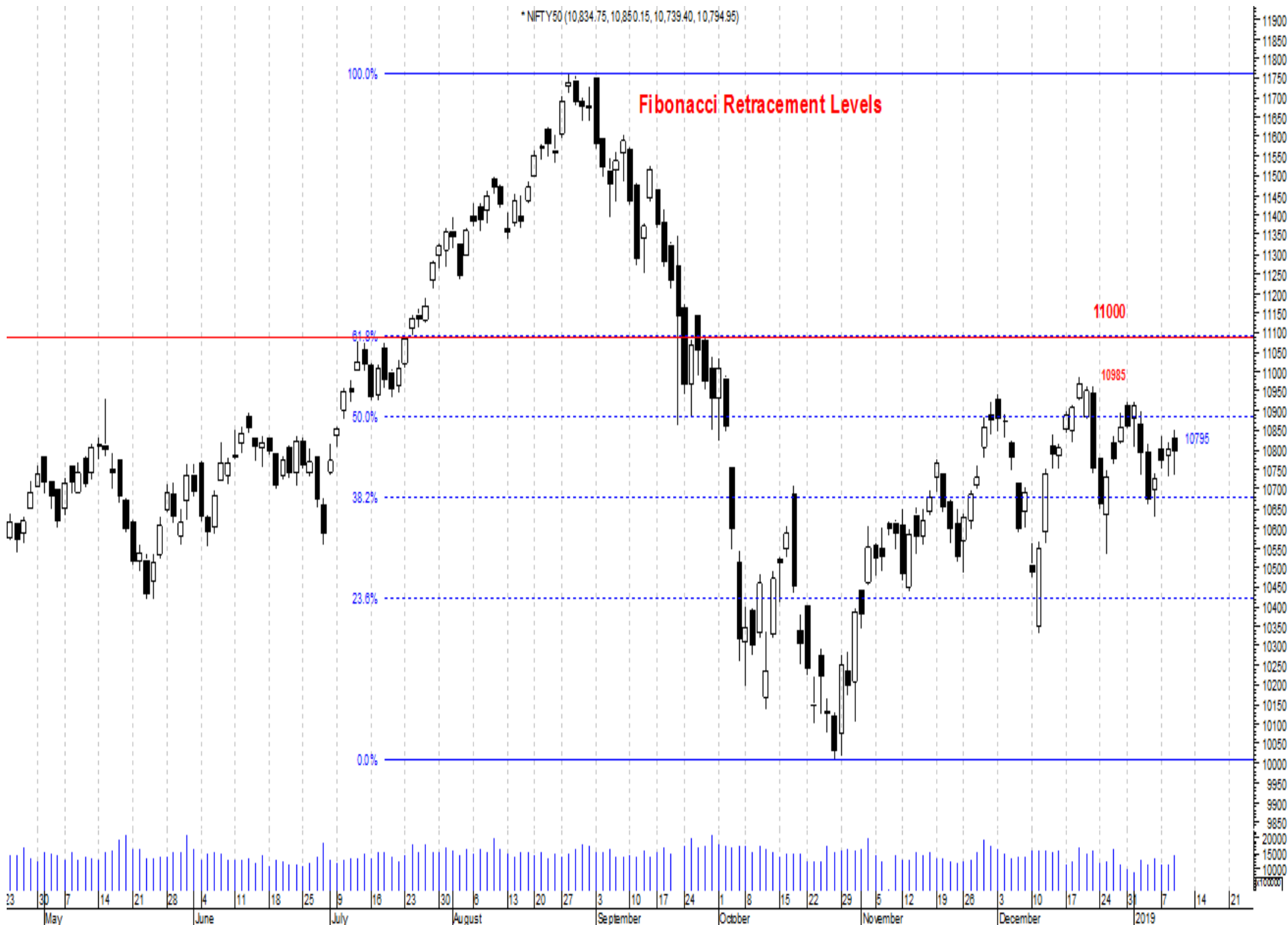
10795

January    February    March    April    May    June    July    August    September    October    November    December    2019

11900  
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\*NIFTY50 (10,834.75, 10,850.15, 10,739.40, 10,794.95)

### Fibonacci Retracement Levels



11000

10985

10795

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23 30 7 14 21 28 4 11 18 25 9 16 23 30 8 13 20 27 3 10 17 24 1 8 15 22 29 5 12 19 26 3 10 17 24 31 7 14 21

May June July August September October November December 2019

# Equities Range Bound



- Broader market remain lacklustre
- Muted Institutional Activity
- Volatile Global Markets

## INDEX WATCH

<b>INDEX</b>	<b>11, Jan</b>	<b>7, Nov</b>	<b>% Change</b>
Nifty	<b>10794</b>	<b>10,693</b>	<b>0.9</b>
Sensex	<b>36,009</b>	<b>35,673</b>	<b>0.9</b>
Nifty Midcap	<b>17,655</b>	<b>17,054</b>	<b>3.5</b>
BSE Small Cap	<b>14,600</b>	<b>14,104</b>	<b>3.5</b>



# 2018 -Not a Good Year for Investors

- Large cap indices held by few stocks
- Mid and small cap battered
- FII were sellers and DII were buyers

# Will History Repeat ?



Year	Return Sensex	Return Midcap	Return Smallcap
2018	5.9	-13.4	-23.5
2017	27.9	48.1	59.6
2016	1.9	8.0	1.8
2015	-5.0	7.4	6.8
2014	29.9	54.7	69.2
2013	9.0	-5.7	-11.2
2012	25.7	38.5	33.0
2011	-24.6	-34.2	-42.6
2010	17.4	16.1	15.7
2009	81.0	107.7	126.9
2008	-52.4	-67.0	-72.4
2007	47.1	68.6	93.7
2006	46.7	31.1	16.0

# 2019 Expectations



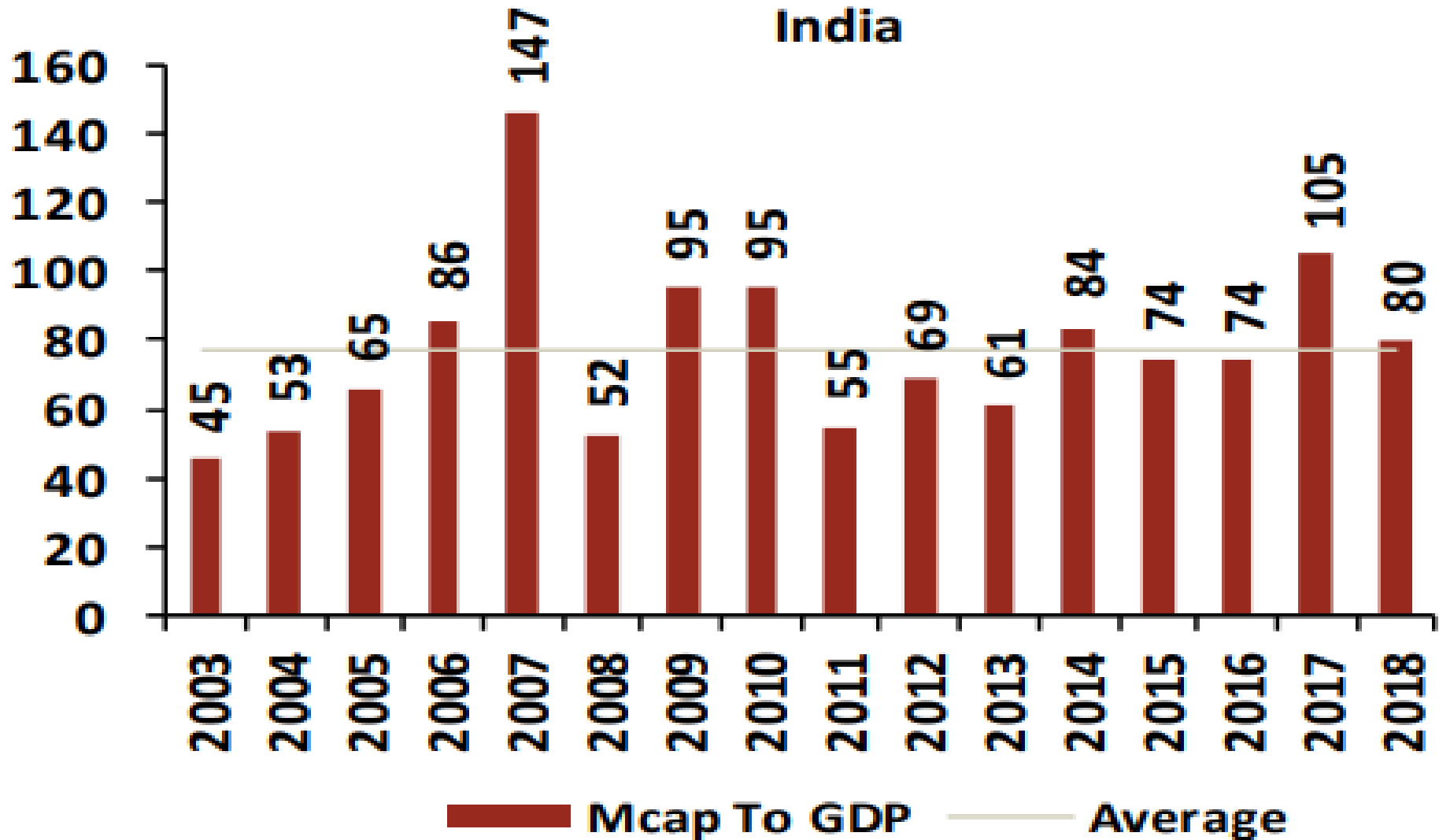
- Premium valuations for “Quality” companies will see moderation
- Decade old Underperforming sectors like capital goods, banks to see outperformance
- Second half of 2019 will see meaningful recovery in economy
- FII will turn to buyers



# Market Cap To GDP Ratio



India



# Credit Growth Finally Takes Off



SOURCE: TRADINGECONOMICS.COM | RESERVE BANK OF INDIA

# Brent Crude Oil Prices



# Q3 Results To Be Muted



- Disappointing auto sales during festive season indicates slow down in underlying economy
- NBFC liquidity crisis might have affected economy
- Lower agri product prices affecting rural economy

# Q3 Result Forecast



Sector	Expectation	
Banks	Positive	Higher Credit Growth
IT	Mixed	Forex Impact
Pharma	Mixed	Forex Impact
NBFC	Negative	Higher Borrowing Cost
Auto	Negative	Lower Sales Volume
Auto Ancillaries	Negative	Lower Sales Volume
Commodities	Negative	Volatile Prices
Oil & Gas	Negative	Volatile Crude oil

# Auto Sales Skids

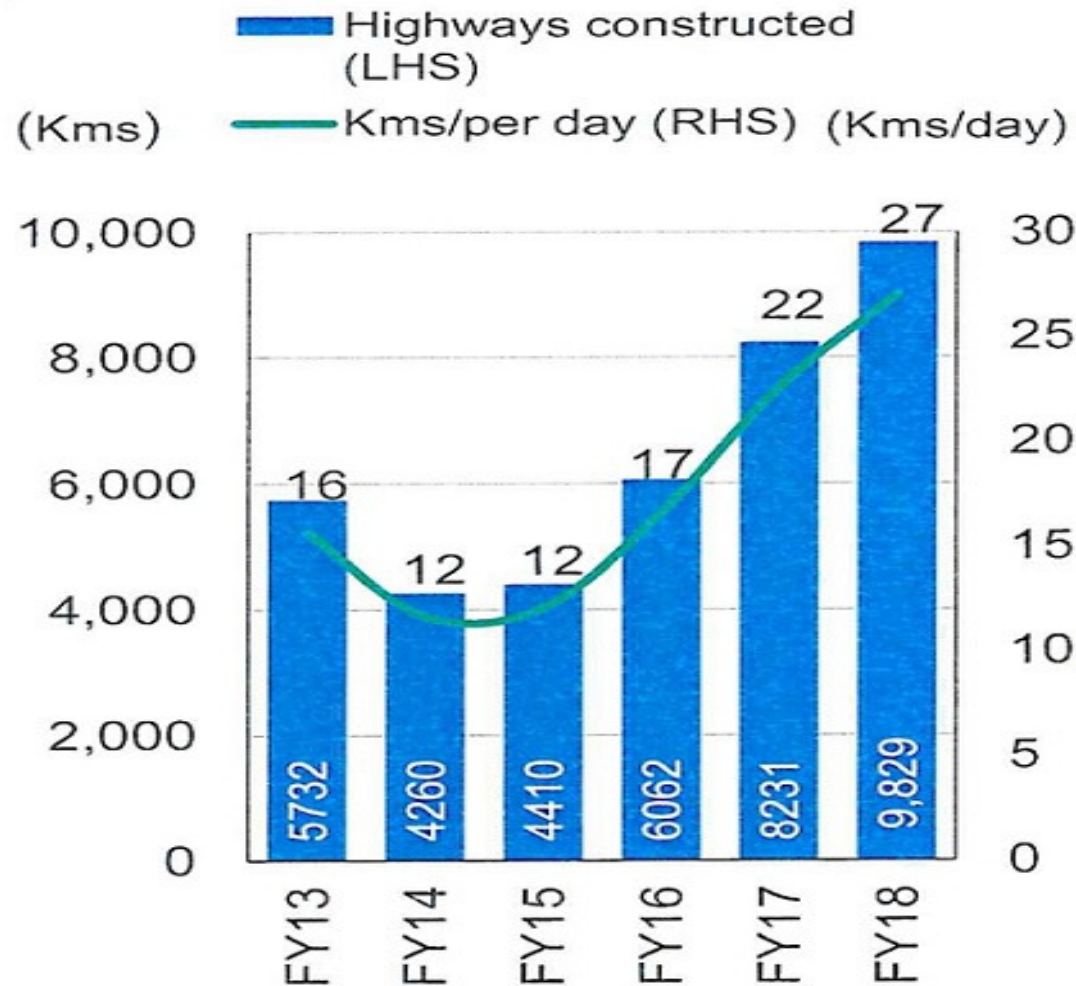


Company	Dec 2018	Dec 2017	% Change
M&M	39,755	39,200	1
Maruti	1,28,338	1,30,066	-1
Tata Motor	50,440	54,627	-8
Ashok Leyland	15,493	19,251	-20
Bajaj Auto	3,46,199	2,92,547	18
TVS Motor	2,71,395	2,56,870	6
Hero Moto	4,53,985	4,72,731	-4
Eicher Motors (2W)	58,278	66,968	-12

# Sector Where Activity is There



## Yearly Graph of Construction per Day



Source: MoRTH, Ind-Ra

# Govt. Appoints New RBI Governor



- Former Economic Affairs Secretary Shaktikanda Das appointed as RBI Governor
- Urjit Patel resigned as RBI Governor
- Market reaction not negative on RBI Governor resignation
- New Governor expected to have cordial relationship with Govt.



# RBI Dividend To Govt



## Dividend Windfall

RBI has been sharing its surplus capital with the government as dividend

■ Amount transferred to the government (billion rupees)



Source: Parliament of India

Bloomberg

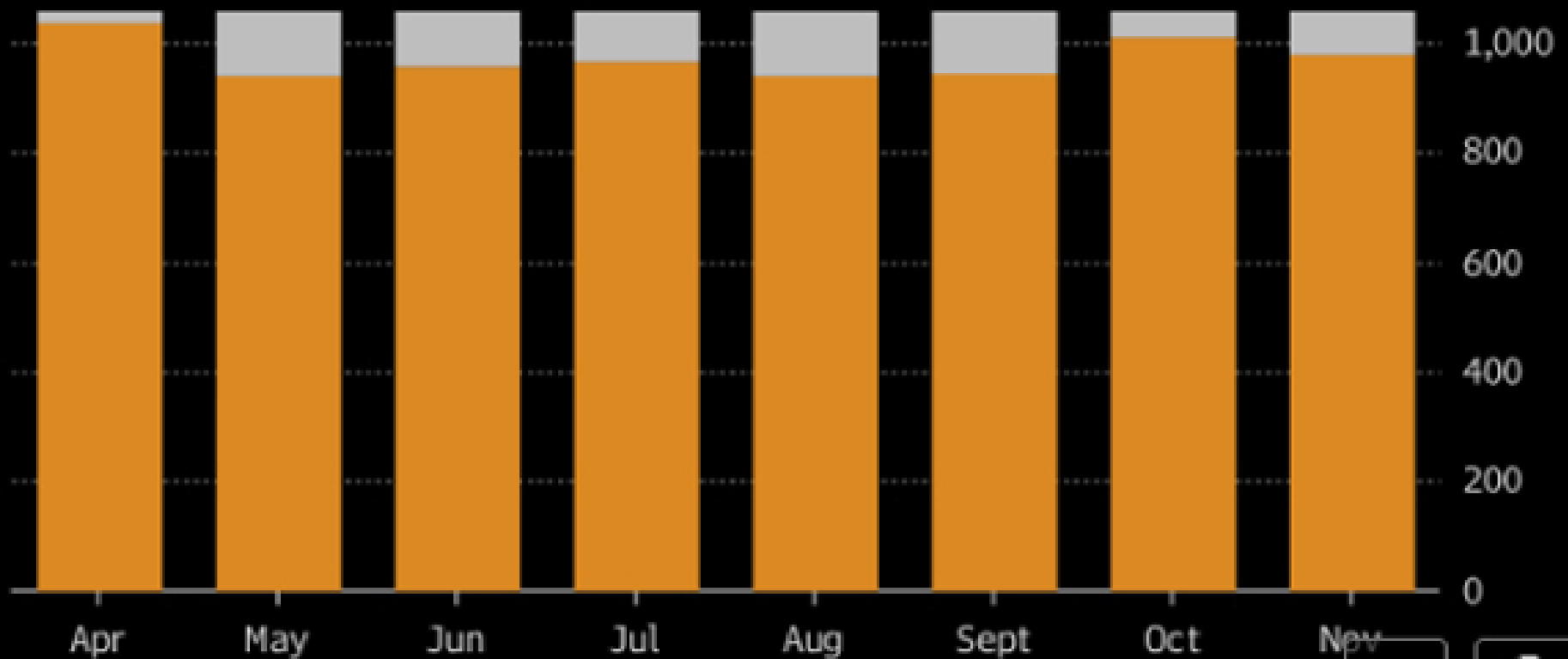
# No more GST Rate Cut



## Herculean Task

Goods and services tax collections are falling short of their aim

■ Monthly GST revenue (billion rupees) ■ Shortfall vs target of 1.1 trillion rupees



Source: Ministry of Finance



# Agri Package On Cards



- Govt. Likely to announce a mega package for farmers before election
- Farmers income got affected due to low agri product prices
- Govt. is considering various options
- Farm loan waiver across board unlikely

# US Markets See Extreme Volatility



- US markets see extreme volatility on fears of higher interest rates and slowdown in economy
- 500 points movement in Dow Jones has become normal

# Budget



- Interim budget will be presented on Feb 1
- Direct Tax changes will not be announced in interim budget
- Post central election, final budget will be presented by New Govt.

# Events to Watch



- Q3 results
- Global market



**Thank You**