



Current Market Scenario

Market Extremely Volatile



- Covid-19 uncertainty continues
- Central Banks taking action
- Crude oil under pressure
- FPI stopped selling

INDEX WATCH

INDEX	10, Apr	14, Mar	% Change
Nifty	9,111	9,955	- 8.4
Sensex	31,159	34,103	- 8.6
Nifty Midcap	12,553	14,608	- 14.0
BSE Small Cap	10,293	11,761	- 14.2



CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.

Journey of Sensex in Financial Years

S. No	Date	Sensex	Date	Sensex	Gain/Loss
1	1-Apr-03	3,081	31-Mar-04	5,591	81.47%
2	1-Apr-04	5,741	31-Mar-05	6,493	13.10%
3	1-Apr-05	6,605	31-Mar-06	11,280	70.78%
4	3-Apr-06	11,564	30-Mar-07	13,072	13.04%
5	2-Apr-07	12,455	31-Mar-08	15,644	25.60%
6	1-Apr-08	15,627	31-Mar-09	9,709	-37.87%
7	1-Apr-09	9,902	31-Mar-10	17,528	77.01%
8	1-Apr-10	17,693	31-Mar-11	19,445	9.90%
9	1-Apr-11	19,420	30-Mar-12	17,404	-10.38%
10	2-Apr-12	17,478	28-Mar-13	18,836	7.77%
11	1-Apr-13	18,865	31-Mar-14	22,386	18.66%
12	1-Apr-14	22,446	31-Mar-15	27,957	24.55%
13	1-Apr-15	28,260	31-Mar-16	25,342	-10.33%
14	1-Apr-16	25,270	31-Mar-17	29,621	17.22%
15	3-Apr-17	29,910	28-Mar-18	32,968	10.22%
16	2-Apr-18	33,255	29-Mar-19	38,672	16.29%
17	1-Apr-19	38,872	31-Mar-20	29,468	-24.19%

What Investors Should Not Do



- In panic situation it is not advisable to exit completely from market instead can increase cash level
- Once exited completely means it will be difficult to re enter

Covid – 19 Impact



- India in complete lock down for 21 days. Further extension in many states
- US and Europe worst affected
- Global economy in recession
- China has opened Wuhan city after 76 days of lock down

Lock Down Impact



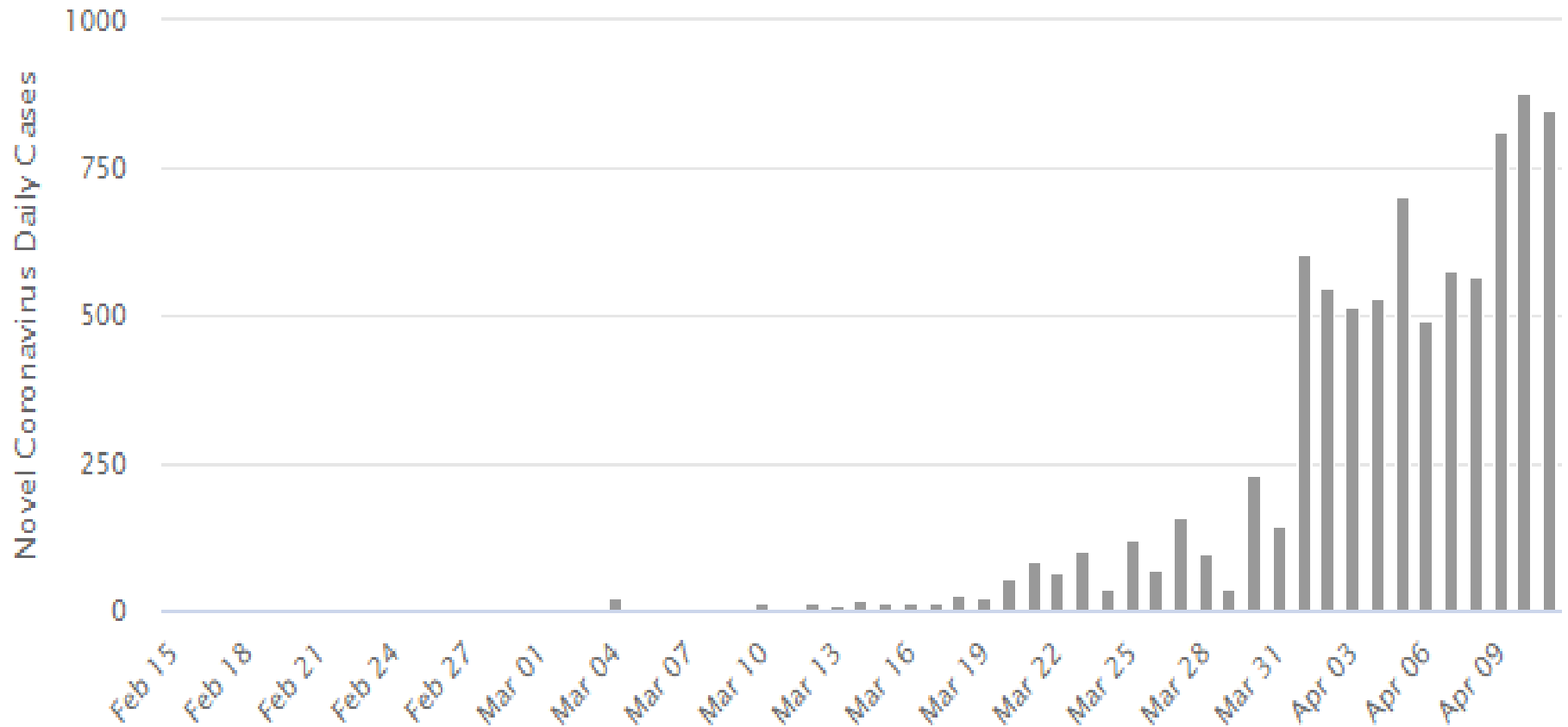
- Domestic economy are in standstill
- Govt. revenue will be under stress due to lower tax collection. Expenses will go up to contain covid-19 spread
- Money circulation will be impacted
- Lock down impact on economy to be felt completely in Q1 and partially in Q2 of '21

India – Daily New Cases



Daily New Cases

Cases per Day
Data as of 0:00 GMT+0

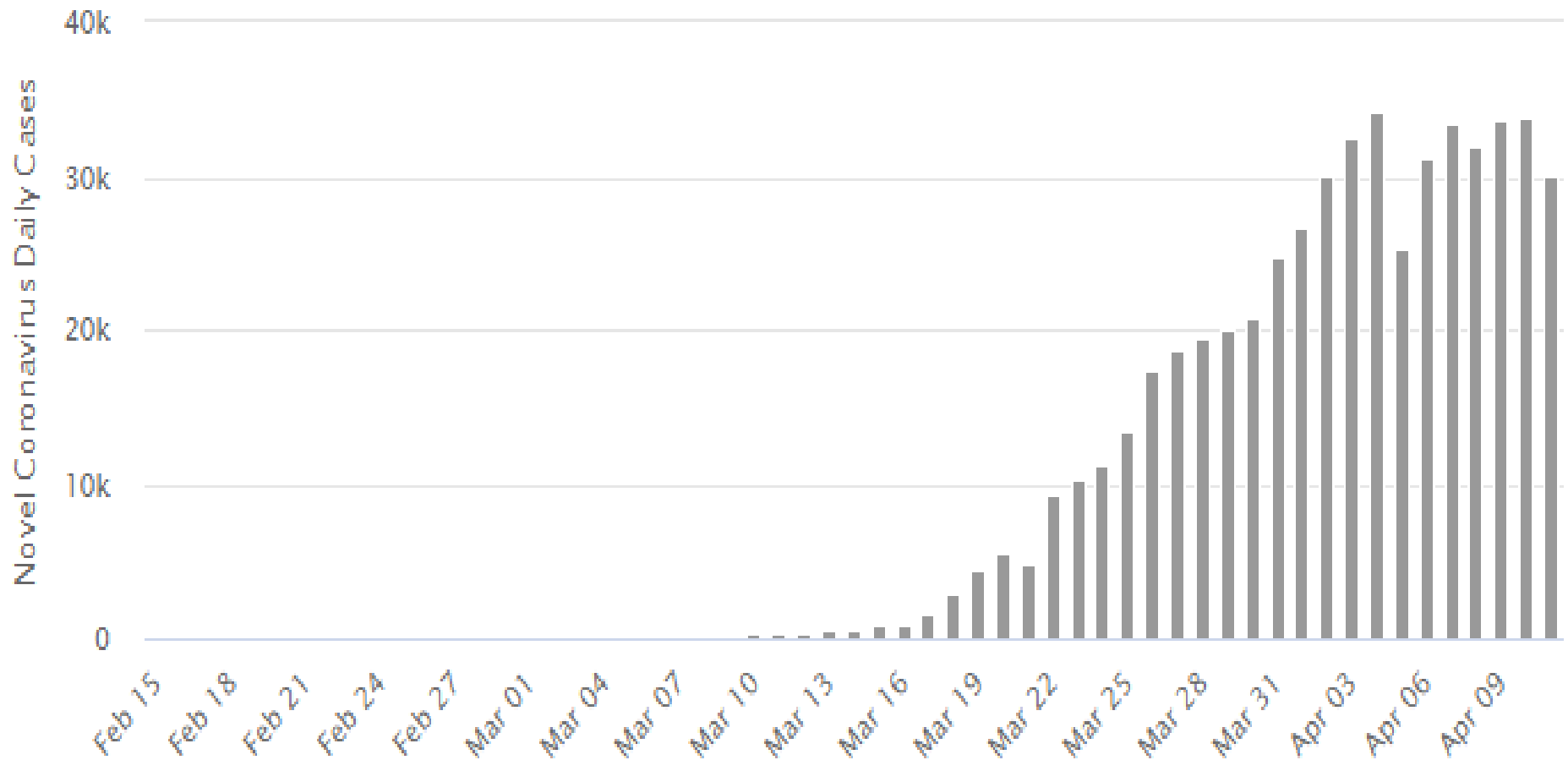


US



Daily New Cases

Cases per Day
Data as of 0:00 GMT+0

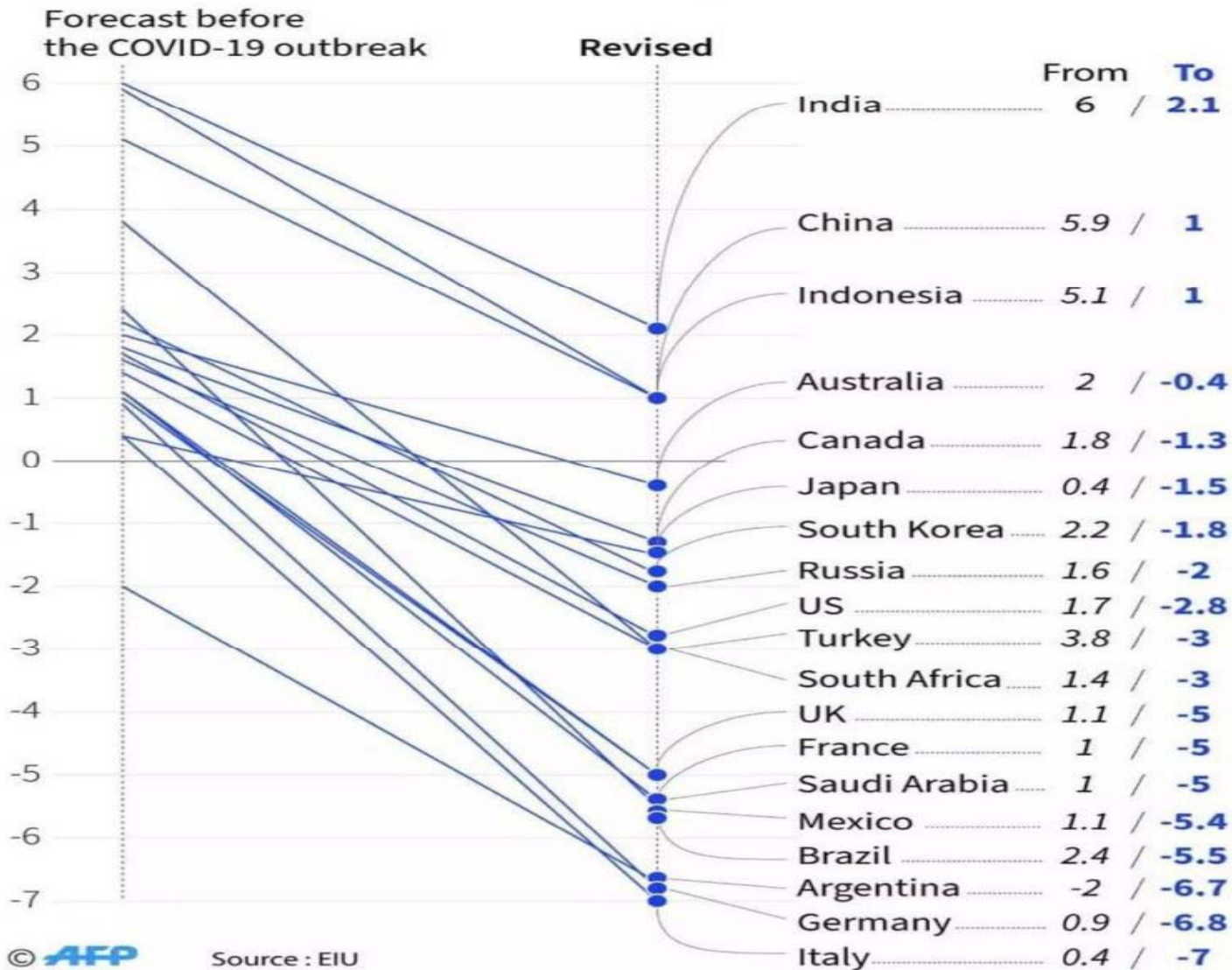


2020 – Tough Year for Economy



Revised growth forecasts

Data published by the Economist Intelligence Unit for 2020



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Source : EIU

CKS
DIA PVT. LTD.

Global Markets YTD Return



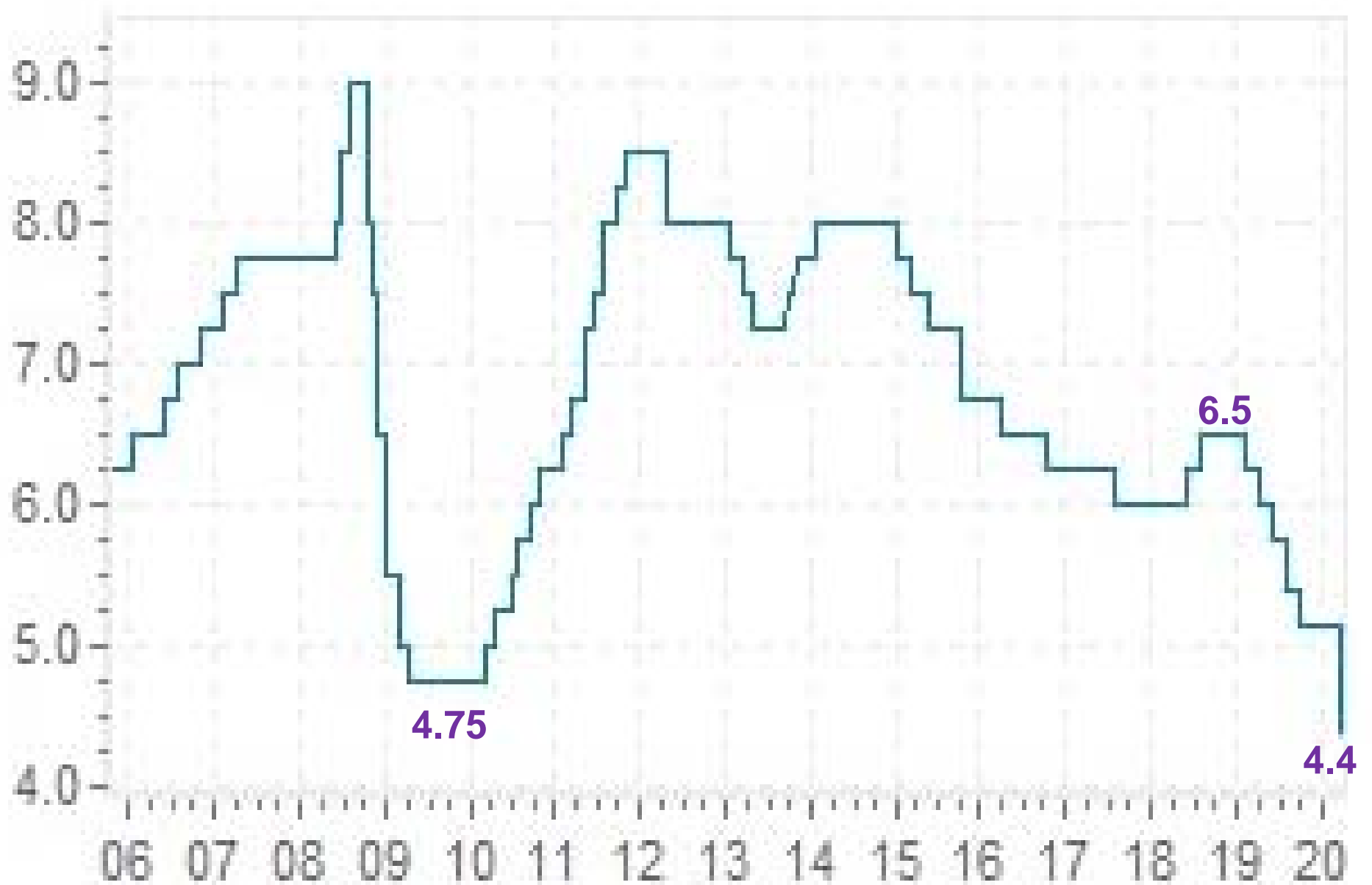
Country	%
Shanghai	- 8
US – Nasdaq	- 9
Hong Kong	- 14
Korea	- 15
US – Dow	- 17
Japan – Nikkei	- 18
Germany	- 20
UK	- 22
France	- 24
India	- 24
Brazil	- 32

RBI announces measures to counter slowdown



- Cuts Repo Rate by 75 basis points to 4.4%
- Cash reserve ratio cut by 100 basis points from 4 to 3%
- Three months moratorium for loan repayment
- Assurers bank deposits are safe

Historical Repo Rate Chart



Is Deficit Financing a Solution ?



- Many are suggesting to print money and distribute to people as a solution to current economic problem
- Printing and Distributing money beyond certain level will lead to uncontrollable high inflation, weak rupee and economic consequence will be huge
- Govt. should prefer giving essential items to needy people instead of giving cash

Financial Stocks Worst Affected



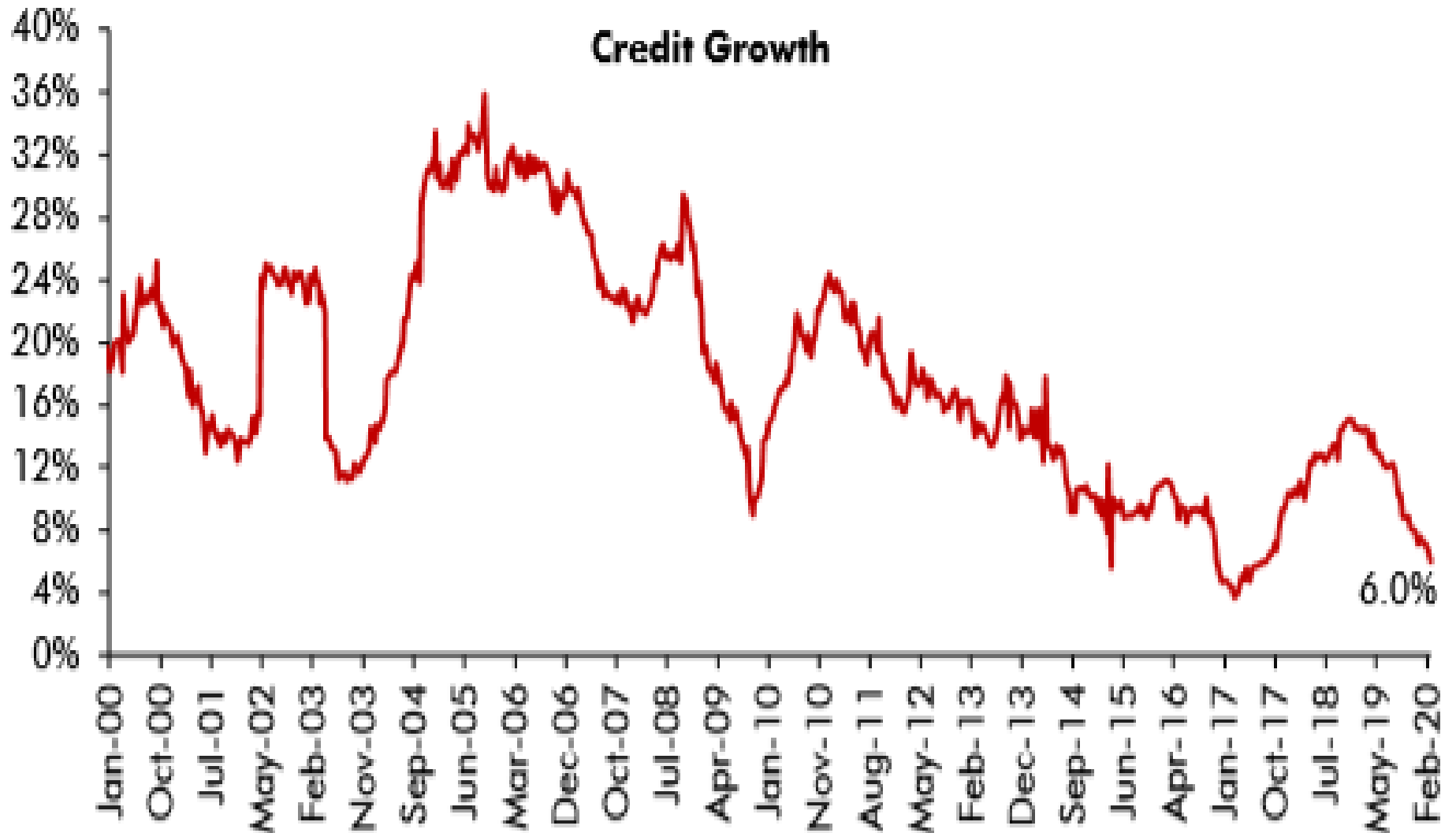
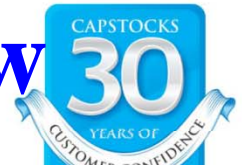
- Financial stocks across the board worst affected in current correction
- Fear of higher delinquencies in coming days
- Weak economy will put further pressure on banks
- Micro finance, Consumer Finance, MSME/SME will be worst affected segments

Will Financials Loose its Leadership



- Financials has highest weightage in Nifty
- Most portfolios are loaded with financial stocks
- With financials expected to under perform, near term change in leadership possible

Credit Growth At Multi Year Low



Near Term Outperforming Sector



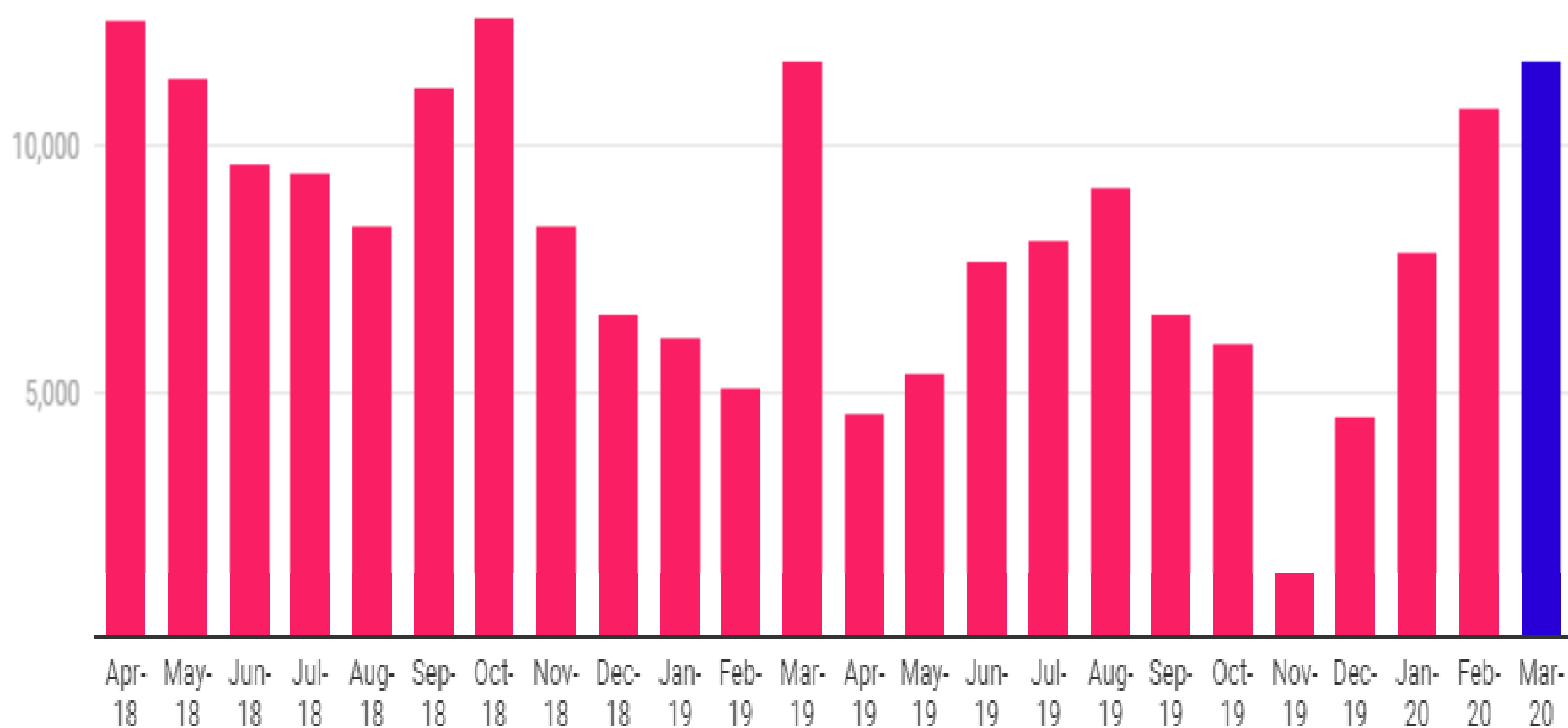
- FMCG and Pharma will outperform in near term
- Good monsoon expected for 2020 will make agri related sector like seeds, pesticides attractive
- Pharma stocks rallied recently to 52 Week High, but still far below their All Time High

Strong Equity MF Inflows



Net Equity Inflows

(Rs crore)



Crude Oil Prices Will Remain Weak



- Crude oil prices will be under stress despite cut in production by OPEC + countries
- Excess inventory and sharp drop in global demand will negate support given by production cut

Brent Crude Chart



Small Caps Performance



- Small caps has become a hated segment
- Reverse of what seen during late 2017
- Zero return in a decade for Small Cap Index
- Most small cap stocks are sold by frustration at throw away prices
- Market giving once a decade opportunity for stock pickers

Events to Watch



- Corona Virus status
- Q4 Result
- FII Activity



Thank You