

# CAPITAL MARKET

APRIL - 2018



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# EVENTS IN 2018 THAT ARE EXPECTED TO IMPACT STOCK MARKET

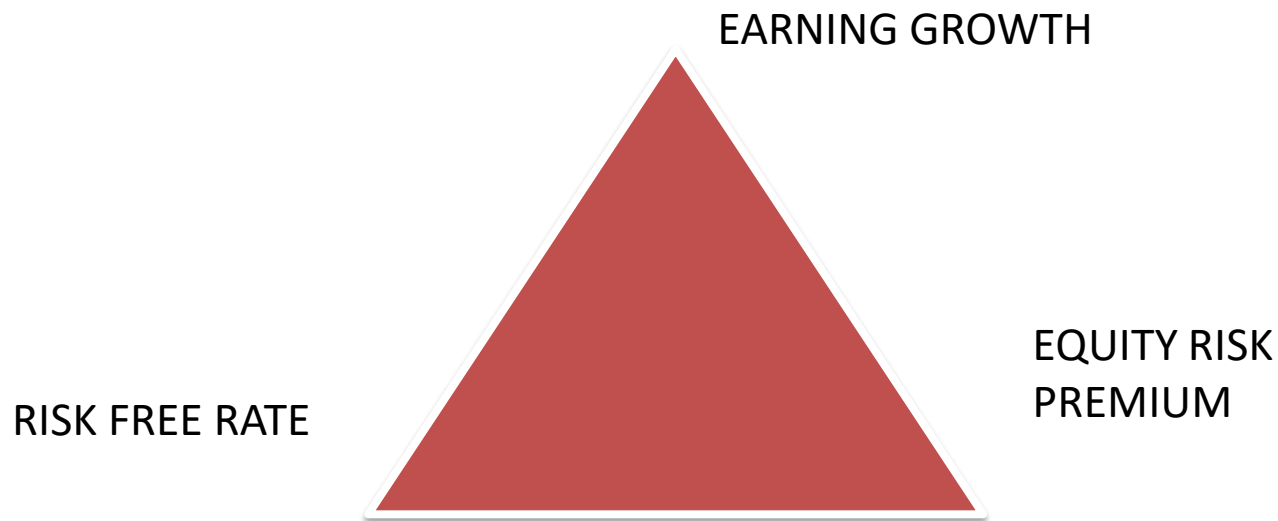
**India's GDP** for the third quarter of 2017-18 grew at 7.2%

**Inflation:** A rising inflation because of crude oil would mean that the Reserve Bank of India will have to act to either increase interest rates or control liquidity in the economy.

**Elections:** While all eyes are focused on the general election of 2019 any shocks, especially in BJP ruled states will make markets nervous.

Many on Wall Street are wondering if the once-leading FAANG stocks – **Facebook (FB)**, **Apple**, **Amazon (AMZN)**, **Netflix (NFLX)** and Google parent **Alphabet (GOOGL)** – are out of favour. Given these top tech stocks' outsized influence on the S&P 500, there could be cause for investor concern.





BESTS CASE SCENARIO THAT NEVER OCCURS -

- High Earning Growth
- Low Risk Free Rate
- Low Risk Premium

FOR LAST DECADE THIS HAS BEEN A DRIVING FORCE FOR DEVELOPED MARKETS

- Low Risk Free Rate
- Low Growth

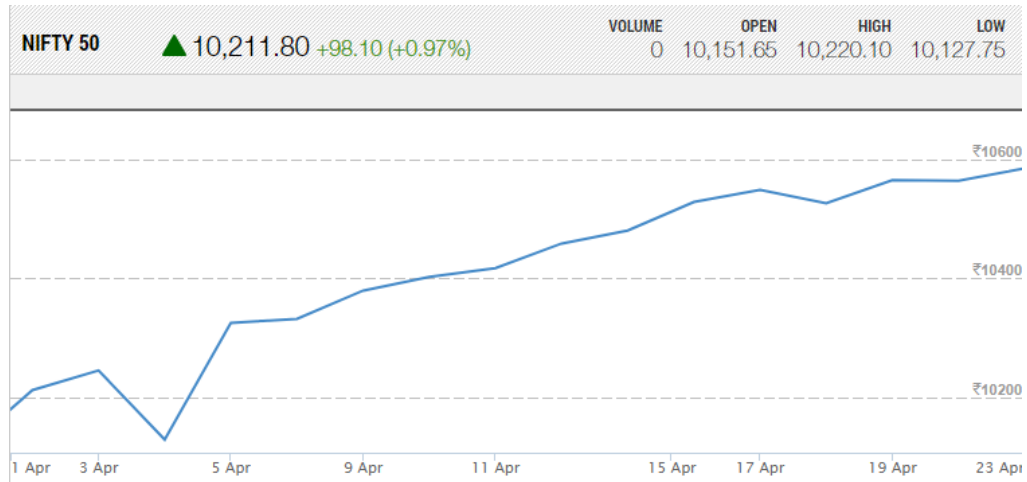
U.S. IS APPROACHING A MOMENT OF TRANSITION AND IS LEAVING WHAT HAS DOMINATED FOR LAST DECADE INFLATION COMING TO 2%; REAL GROWTH OF 2% WHICH WILL MAKE THE RISK FREE RATES TO RISE AND RISK PREMIUMS WILL HAVE TO ADJUST AND EARNING GROWTH WILL HAVE TO REFLECT IT.



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# SENSEX & NIFTY FOR APRIL '18



# ALL SECTORAL INDICES 2017-18

BSE IT	13197.79	+3476.53	+35.76%
BSE FMCG	11031.48	+1779.92	+19.24%
BSE Cap Goods	19320.89	+1593.59	+8.99%
BSE Cons Durbl	22639.42	+7111.62	+45.80%
BSE Healthcare	14064.03	-1031.27	-6.83%
BSE Teck	6959.99	+1475.99	+26.91%
BSE PSU	7843.49	-1032.14	-11.63%
BSE Bankex	28034.09	+3285.89	+13.28%
BSE Auto	25619.13	+3438.83	+15.50%



SOURCE – Bloomberg Quint



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# UPCOMING ASSEMBLY ELECTION

S.No	State	Term Completing on	Election Proposed in month	No. of Seats
1	KARNATAKA	28.05.2018	April-May 2018	223
2	MIZORAM	15.12.2018	Oct-Nov-2018	40
3	RAJASTHAN	20.01.2019	Dec 2018-Jan2019	200
4	CHHATTISGARH	05.01.2019	Dec 2018-Jan2019	90
5	MADHYA PRADESH	07.01.2019	Dec 2018-Jan2019	230

SOURCE - oneindia



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# MONTHLY FLOWS INTO MUTUAL FUNDS THROUGH SIP

Month	SIP Contribution ₹ core	
	FY 2017-18	FY 2016-17
<b>Total during FY</b>	<b>67,190</b>	<b>43,921</b>
March	7,119	4,335
February	6,425	4,050
January	6,644	4,095
December	6,222	3,973
November	5,893	3,884
October	5,621	3,434
September	5,516	3,698
August	5,206	3,497
July	4,947	3,334
Jun	4,744	3,310
May	4,584	3,189
April	4,269	3,122

SOURCE – AMFI INDIA



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# MUTUAL FUNDS

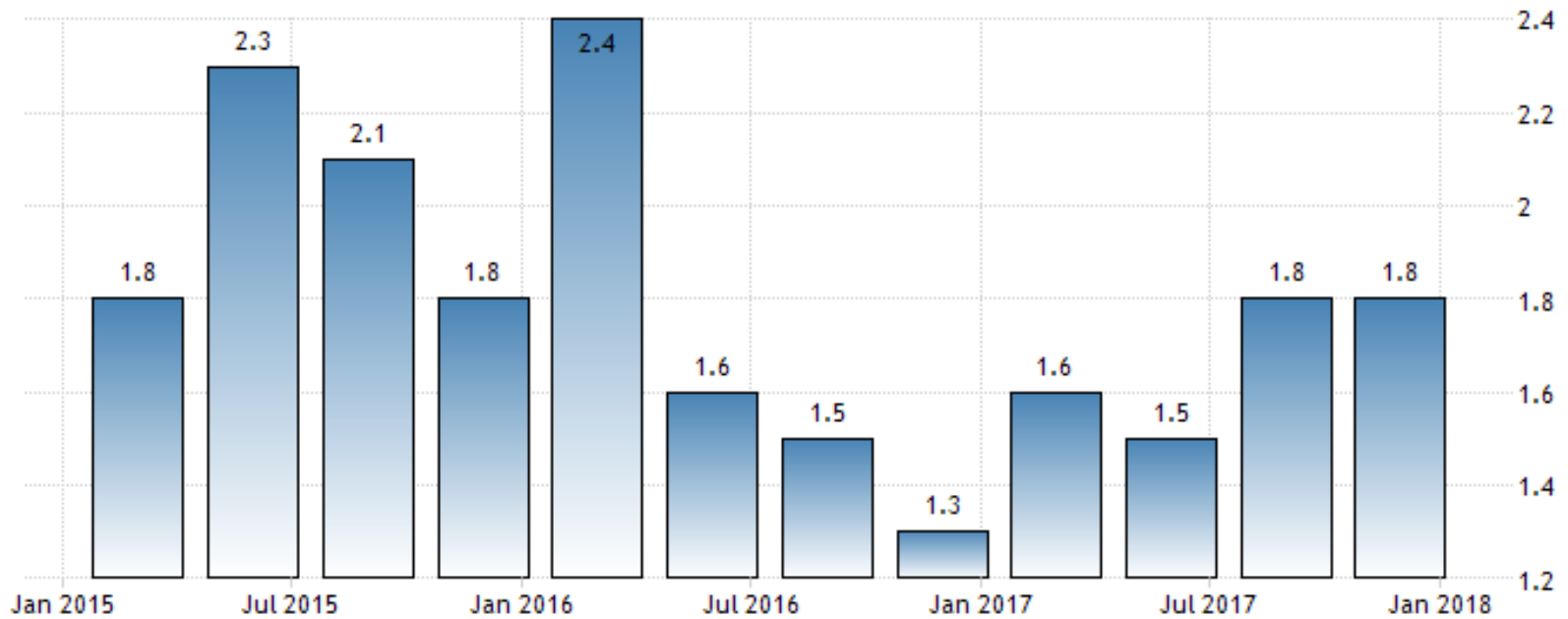
- Average Assets Under Management (AAUM) of Indian Mutual Fund Industry for the month of March 2018 stood at ₹ 22.71 lakh crore.
- The AUM of the Indian MF Industry has grown from ₹ 5.05 trillion as on 31st March 2008 to ₹21.36 trillion as on 31st March 2018, more than four fold increase in a span of 10 years.
- The MF Industry's AUM has grown from ₹7.01 trillion as on 31st March, 2013 to ₹21.36 trillion as on 31st March 2018, more than three fold increase in a span of 5 years.
- The total number of accounts (folios) as on March 31, 2018 crossed 7 cr and stood at 7.13 cr, while the number of folios under Equity, ELSS and Balanced schemes, wherein the maximum investment is from retail segment stood at 5.94 cr (59.4 million).





# GDP GROWTH

INDIA GDP GROWTH RATE



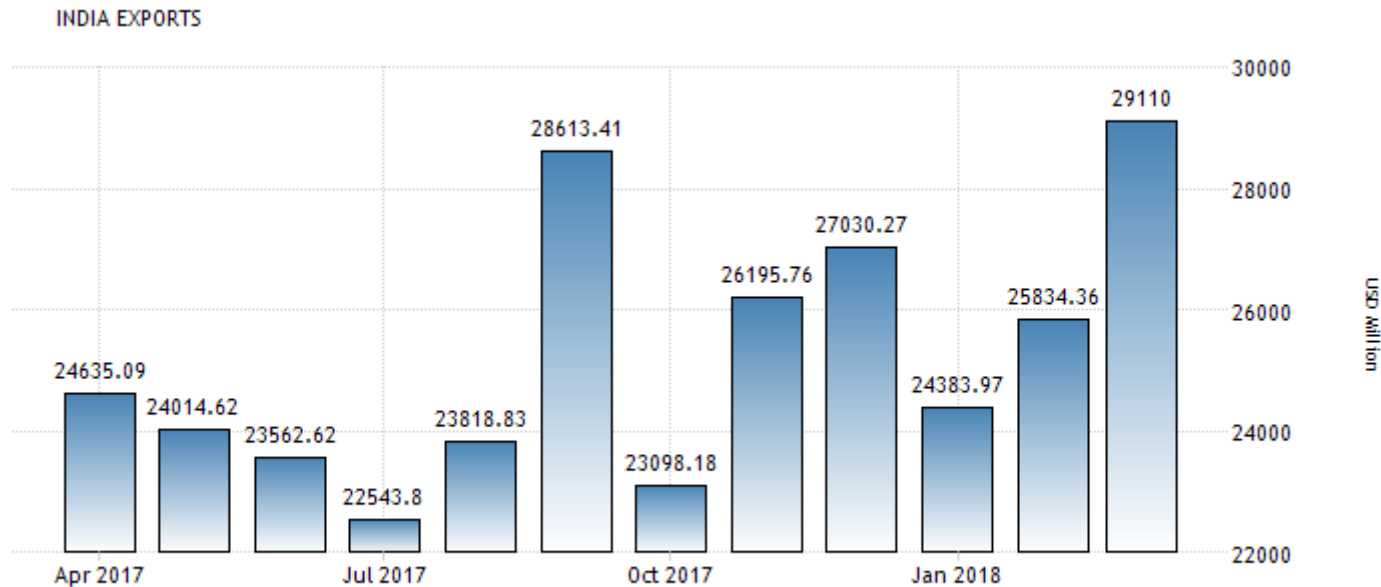
SOURCE: TRADINGECONOMICS.COM | OECD



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# INDIAN EXPORTS FY 2017-18



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF COMMERCE AND INDUSTRY, INDIA

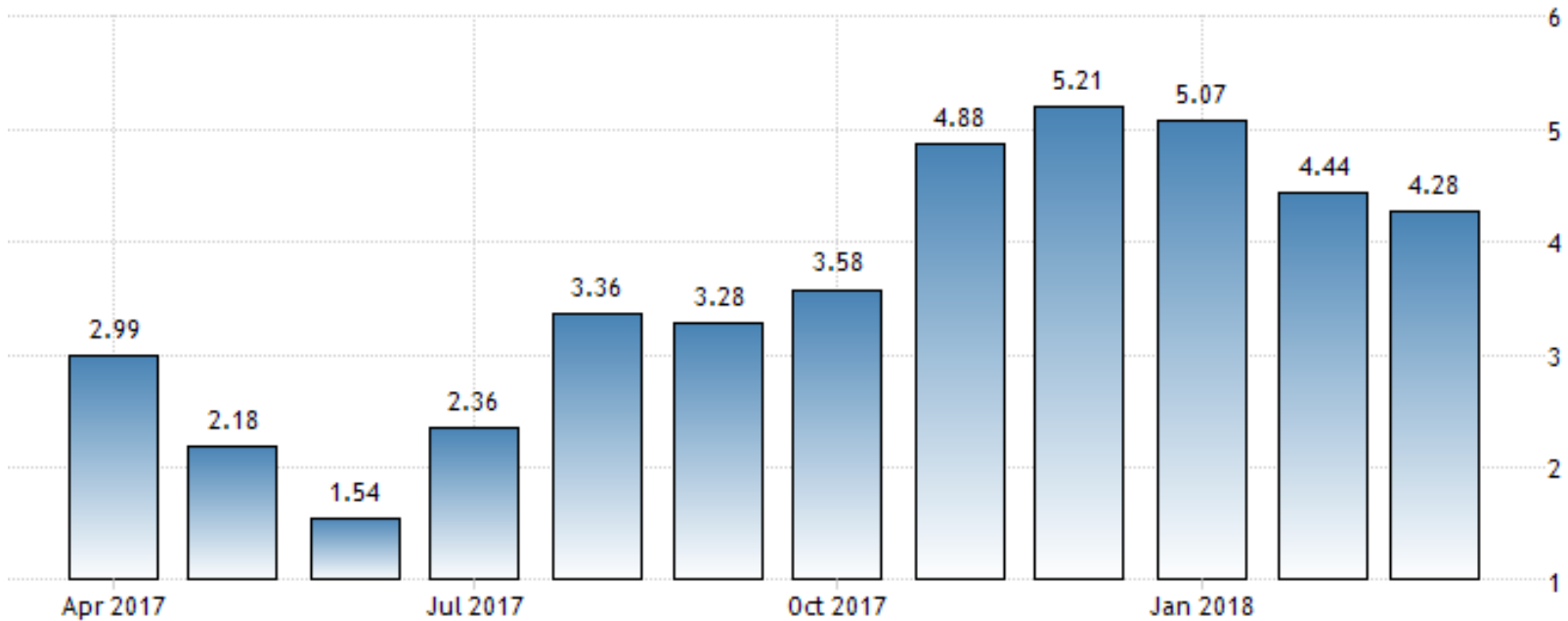


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# INFLATION RATE (CPI)

INDIA INFLATION RATE



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)



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# India Consumer Price Index (CPI)



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

# HISTORICAL PE RATIO

Monthly Average - Nifty50 P/E Heat Map (Since 1999)												
Year/Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	12.4	12.6	14.2	15.3	17.3	17.8	19.6	20.4	21.4	22.3	21.3	23.2
2000	26.2	27.1	25.7	22.8	20.3	23.7	22.3	20.5	20.8	18.2	18.8	19.6
2001	20.7	21.3	18.2	16.1	15.7	15.4	15.3	15.2	13.6	13.8	14.9	15.6
2002	16.4	18.1	18.6	18.0	17.4	16.3	15.4	14.5	14.7	14.2	14.6	14.6
2003	14.6	14.3	13.9	13.2	11.2	12.2	12.5	13.9	15.1	16.6	17.4	19.2
2004	21.0	20.3	20.8	19.9	14.9	12.2	13.1	13.5	14.1	15.0	15.7	16.0
2005	14.4	14.4	15.0	14.2	13.8	14.0	14.3	14.6	15.6	15.3	15.5	16.7
2006	17.3	18.0	19.3	20.6	19.5	16.6	17.9	18.6	20.1	20.9	20.7	20.9
2007	21.2	19.6	17.9	19.3	19.7	20.1	21.3	19.5	21.1	24.6	25.2	26.5
2008	25.3	22.2	20.6	21.3	21.5	19.0	17.6	18.6	18.0	13.8	12.4	12.7
2009	12.7	13.4	13.3	15.9	18.7	20.2	19.8	20.5	21.9	22.3	21.9	22.7
2010	22.8	20.7	22.0	22.8	21.2	21.7	22.4	22.9	24.5	25.2	24.4	23.8
2011	22.8	20.7	21.2	22.0	20.4	20.2	20.5	18.3	18.1	18.1	18.1	17.3
2012	17.7	19.1	18.7	18.5	17.0	16.9	17.2	17.7	18.4	18.9	18.1	18.6
2013	18.9	18.3	17.9	17.4	18.1	17.5	17.9	16.1	16.8	17.7	17.8	18.6
2014	18.3	17.4	18.3	19.0	19.6	20.6	20.7	20.4	21.2	20.7	21.5	21.2
2015	21.7	23.1	23.2	22.9	22.4	22.7	23.5	23.0	21.7	22.5	21.4	21.1
2016	20.3	19.3	20.4	21.3	21.5	22.5	23.3	23.6	24.1	23.4	22.0	21.5
2017	22.4	23.2	23.5	23.4	24.3	24.3	25.1	25.4	26.0	26.3	26.3	26.4
2018	27.2	25.6										

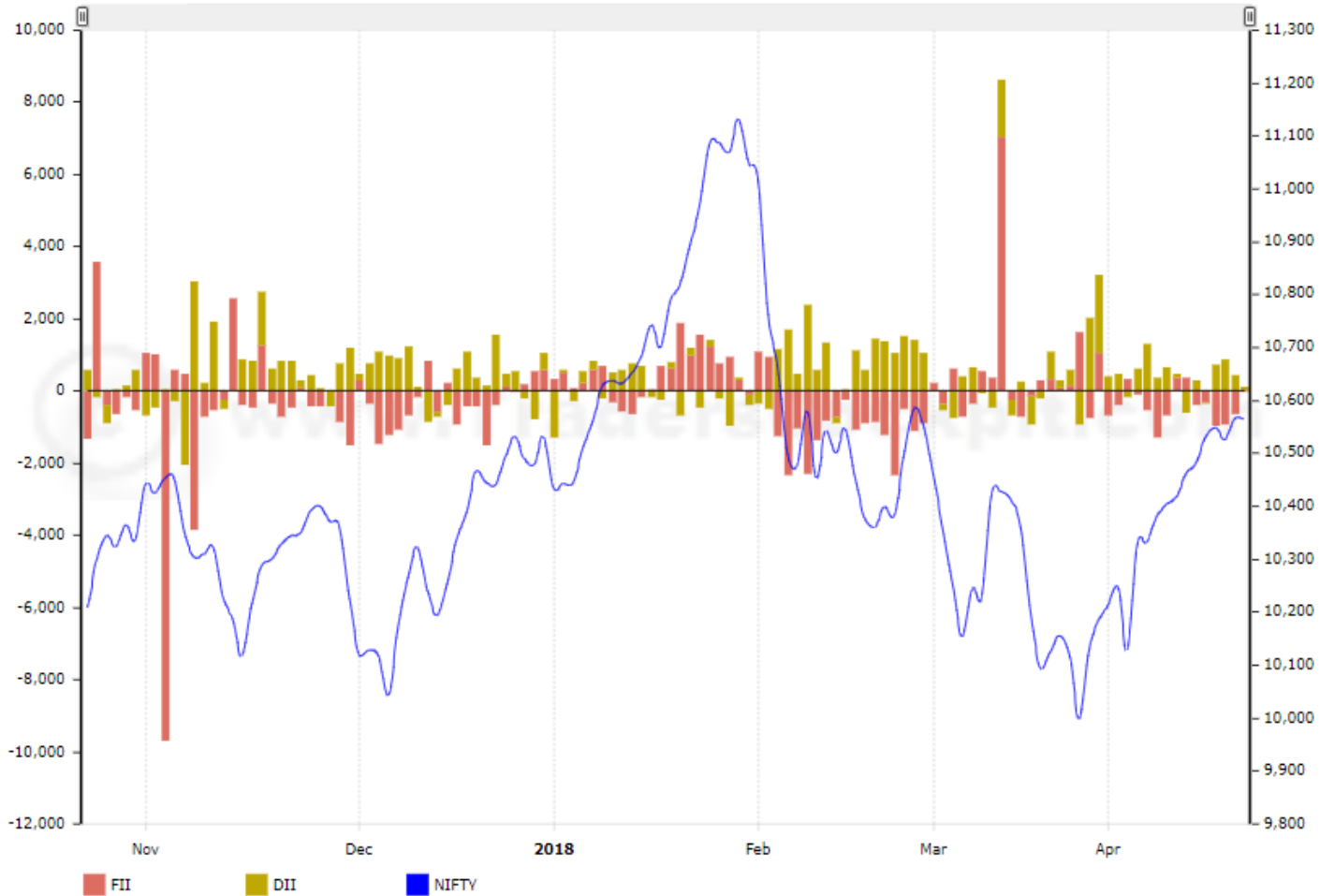
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# FII & DII vs. NIFTY



SOURCE - traders cockpit



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# GLOBAL MARKET CURRENCY

Australian Dollar	0.76	+0.0003	+0.04%
Canadian Dollar	0.78	+0.0007	+0.09%
Euro	1.22	+0.0006	+0.05%
Hong Kong Dollar	0.13	-0.0001	-0.06%
Pound	1.39	+0.0009	+0.06%
Swiss Franc	1.02	+0.0001	+0.01%
USD - Indian Rupee	66.37	-0.1112	-0.17%
Yen	0.01	-0.0000	-0.10%

SOURCE - Bloomberg Quint



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# ASIA PACIFIC MARKET BONDS

## Asia Pacific 10-Year Government Bond

Japan	100.49	+0.0580	-0.0090
Hong Kong	94.39	+2.2190	+0.0060
India	96.44	+7.6970	-0.0430
Australia	94.88	+2.8380	-0.0270
South Korea	97.99	+2.7047	-0.0134

SOURCE - Bloomberg Quint



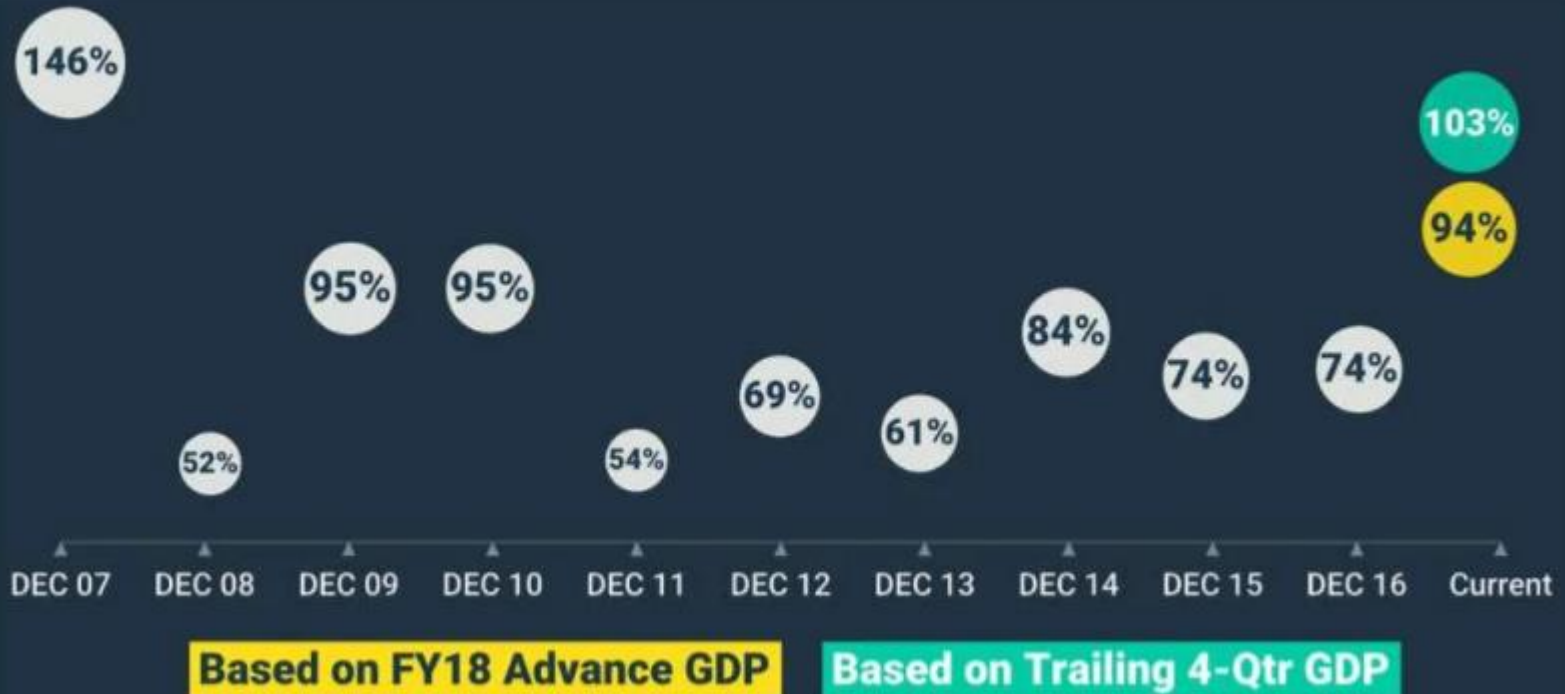
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# MARKET CAP TO GDP

## INDIA'S MARKET CAP TO GDP



Source: Bloomberg / BloombergQuint

Bloomberg | Quint

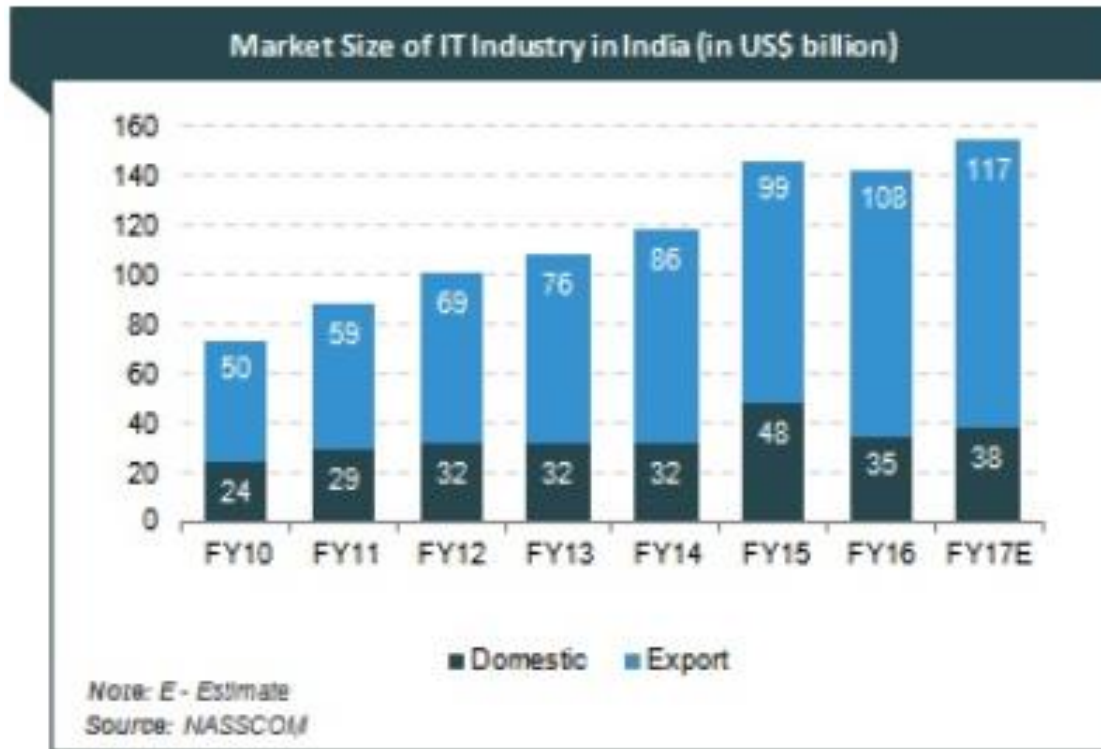


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Global 10-Year Yields (%)			
Country	10-year Yield (Today)	CPI (YoY)	Real Yield
JAPAN	0.05%	1.10%	-1.05%
SWITZERLAND	0.14%	0.80%	-0.66%
GERMANY	0.64%	1.60%	-0.96%
DENMARK	0.64%	0.50%	0.14%
FINLAND	0.78%	0.80%	-0.02%
NETHERLANDS	0.78%	1.00%	-0.22%
SWEDEN	0.79%	1.90%	-1.11%
AUSTRIA	0.85%	1.90%	-1.06%
FRANCE	0.86%	1.60%	-0.74%
BELGIUM	0.88%	1.39%	-0.51%
IRELAND	1.03%	0.20%	0.83%
SPAIN	1.31%	1.20%	0.11%
UK	1.54%	2.50%	-0.96%
PORTUGAL	1.68%	0.70%	0.98%
ITALY	1.79%	0.80%	0.99%
HONG KONG	2.20%	2.60%	-0.40%
CANADA	2.35%	2.30%	0.05%
SINGAPORE	2.50%	0.20%	2.30%
SOUTH KOREA	2.73%	1.30%	1.43%
AUSTRALIA	2.87%	1.90%	0.97%
NEW ZEALAND	2.91%	1.10%	1.81%
US	3.00%	2.40%	0.60%
POLAND	3.10%	1.30%	1.80%
CHINA	3.60%	2.10%	1.50%
PHILIPPINES	6.69%	4.30%	2.39%
RUSSIA	7.24%	2.40%	4.84%
MEXICO	7.56%	5.04%	2.52%
INDIA	7.68%	4.28%	3.40%
BRAZIL	9.74%	2.68%	7.06%

# IT COMPANIES AGEING



IT Companies are still profitable but are showing slow growth. Growth rate in single digit rather than then double digits.





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