

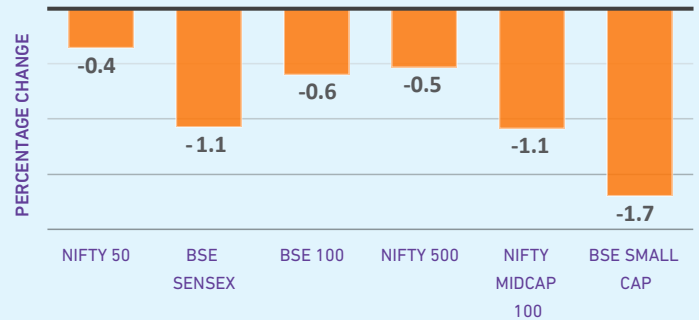
MONTHLY MARKET INSIGHT

FEBRUARY 2019

Market Indicators	Returns (%)			
	6M	1Y	3Y	5Y
Nifty 50	-8.1	2.9	15.3	11.4
BSE Sensex	-7.8	4.9	15.7	11.2
BSE 100	-8.7	1.1	15.6	12.0
Nifty 500	-10.3	-3.3	15.2	13.0
Nifty Midcap 100	-15.2	-15.0	13.2	16.5
BSE Small Cap	-19.7	-24.5	12.7	16.3
Prices of Gold	10.5	9.4	4.4	1.7
CRISIL Aggressive	-4.4	3.1	14.0	12.7
CRISIL Conservative	2.4	6.3	9.3	10.0

Performance as on Feb 28, 2019
Returns over one year are annualised

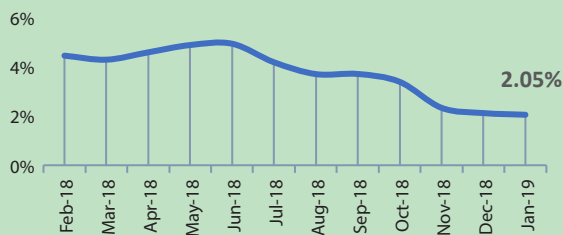
MARKETS LAST MONTH



THE NEWSMAKERS

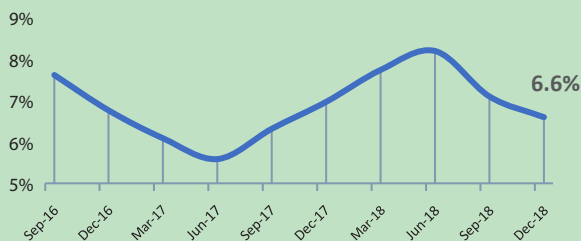
MACRO TRENDS

Consumer Inflation



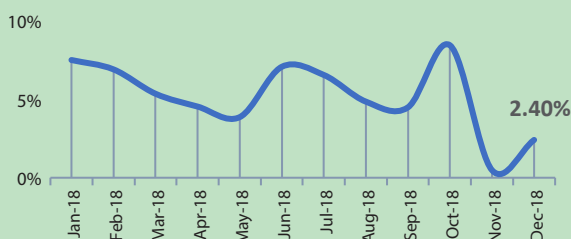
Source: MOSPI and Markit Economics

GDP Growth



Source: MOSPI and Markit Economics

Index of Industrial Production Growth



Source: MOSPI and Markit Economics

- Broad markets mostly traded in the negative during the month, over multiple geopolitical developments. Tensions between India and Pakistan hurt market sentiments during the second half of the month.
- India's GDP grew by 6.6% for Q3 FY-19. This is the slowest in five quarters. Forecast for the full year was revised down to 7% from the earlier 7.2%.
- RBI cut repo rate by 25 basis points in its bi-monthly monetary policy review. The stance was also changed to 'neutral'.
- The Nikkei India Manufacturing PMI registered positive growth for the nineteenth month straight, coming in at 54.3 during February. The Nikkei India Services Business Activity was also positive, but the growth fell for the second straight month as the index stood at 52.2 in January as compared to 53.2 in December.
- RBI transferred an interim surplus of Rs. 28,000 crore to the central government for the half-year that ended on 31st December 2018. This is the second successive year that RBI has transferred an interim surplus.
- Brent crude gained 9% in February. Prices moved up over optimism regarding US-China talks, supply cuts from OPEC, and US sanctions on Venezuela.
- US President Donald Trump declared the southern border of the United States to be a national emergency. He made the declaration in an attempt to redirect taxpayer money from other accounts and use it to erect more than 230 miles of barriers along the U.S.-Mexico border.

HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)

	1Y	3Y	5Y
Large-Cap	-1.4	13.9	13.0
Large & Mid	-6.8	15.2	15.6
Multicap*	-5.7	15.2	15.3
ELSS	-5.9	14.9	15.1
Mid-cap	-11.0	14.3	18.4
Small-cap	-20.7	14.3	19.9
Hybrid Aggressive	-3.0	12.7	12.8

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)

	6M	1Y	3Y
Hybrid Conservative	-0.3	2.6	8.2
Medium duration	2.7	5.8	7.7
Dynamic Bond	3.8	6.5	7.6
Credit Risk	2.1	5.3	7.4
Short term [#]	3.6	6.7	7.4
Ultra-short term ^{\$}	3.6	7.2	7.4
Liquid	3.3	6.9	6.9

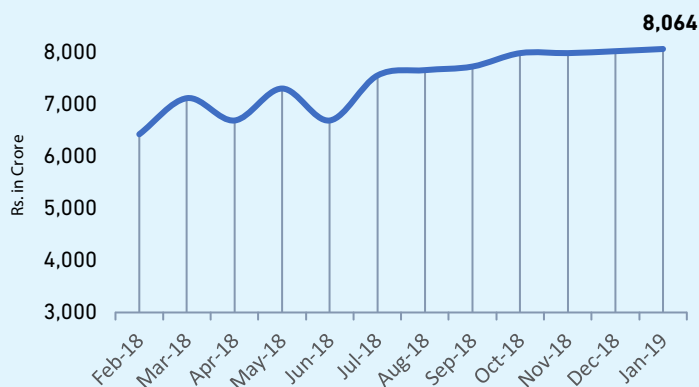
[#] includes short duration and banking & PSU funds

^{\$} includes low duration, ultra-short duration, money market and floater funds

Average returns for each category as of Feb 28, 2019.

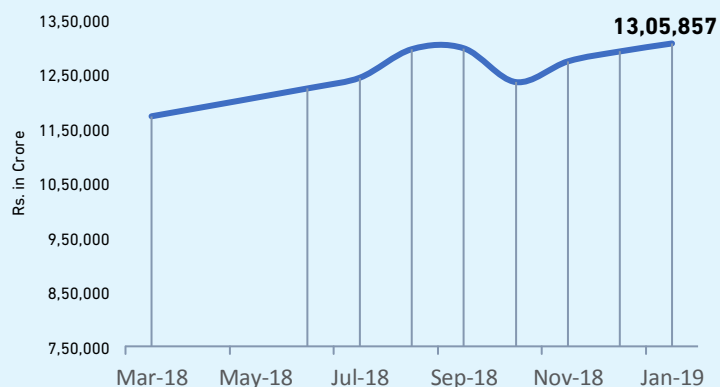
Returns over 1 year are annualised.

Industry SIP Inflows over the last 12 months



Source: AMFI

Total Retail and HNI AUM



Source: AMFI

WHAT OUR RESEARCH TEAM IS SAYING



The debt fund spook and what it means

The debt fund landscape is undergoing a change. And change seldom happens without disruptions. Debt paper downgrades and write-offs have led to NAV erosion and losses. In this article, we explain:

- What form risks take in debt funds
- What the impact of these risks are, and how serious they are
- Our approach to debt funds in our recommendations and how we deal with risks materialising

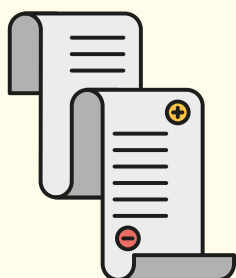
[Read the detailed report and our recommendations here](#)

Your Investment Options

This one is for the newbie investor. We give you a rundown of all available investment product options and tell you how to approach your investments. In a nutshell, split these instruments into asset classes – equity, debt, gold, and real estate. Then make your choices based on:

- Risk appetite
- Time frame
- Nature of your financial goals

[Read the full article here](#)



Past returns are not indicative of future performance.

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