

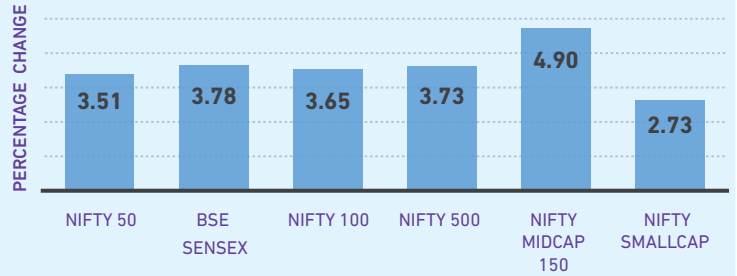
MONTHLY MARKET INSIGHT

OCTOBER 2019

Market Indicators	Returns (%)			
	6M	1Y	3Y	5Y
Nifty 100 TRI	2.4	15.0	12.1	9.3
Nifty 50 TRI	2.1	15.9	12.7	8.8
Nifty 500 TRI	1.2	12.1	10.3	9.0
Nifty Midcap 150 TRI	-0.7	3.4	6.2	11.0
Nifty Smallcap 100 TRI	-10.4	-4.3	-3.1	3.2
S&P BSE Sensex TRI	3.8	18.0	14.2	9.0

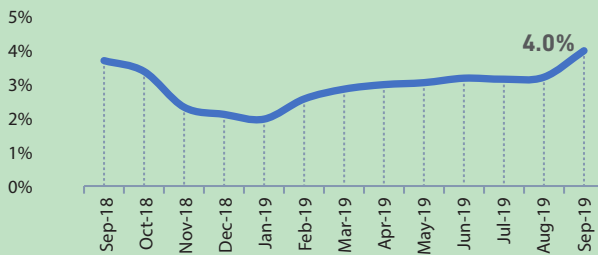
All indices are TRI
Performance as on Oct 31, 2019
Returns over one year are annualised

MARKETS LAST MONTH

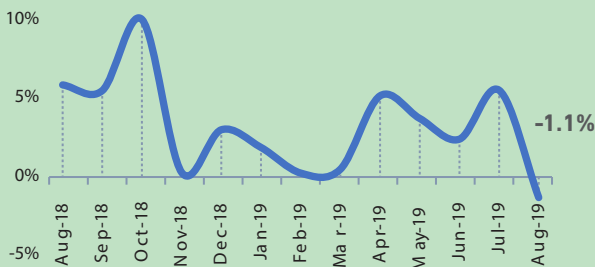


MACRO TRENDS

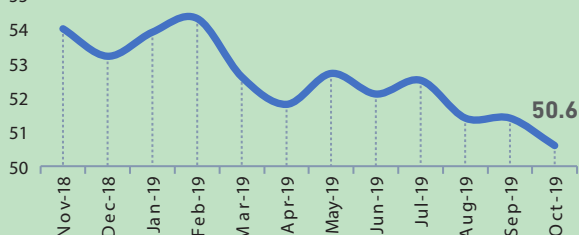
Consumer Inflation



Index of Industrial Production Growth



Nikkei Manufacturing PMI



THE NEWSMAKERS

- Indian market indices rallied sharply supported by another 25 bps repo rate cut by RBI while maintaining accommodative stance and positive Q2 earnings. The current repo rate stands at 5.15%, a 135 bps reduction since Feb-19.
- India's factory production (Manufacturing PMI) slipped to a two-year low at 50.6 led by weak demand and subdued growth.
- GST collection falls 5.3% y-o-y in Oct-19 to Rs. 95,380 Cr. However, it has increased from Sep-19 levels by 3.8%.
- CPI inflation stood at 4.0% in Sep-19 compared to 3.2% in Aug-19, showing signs of improvement of demand in the economy.
- Index of Industrial Production (IIP) growth stood at -1.1% in Aug-19, lowest since Nov-12. This is mainly due to decreased output in manufacturing, electricity and mining sectors led by US-China trade war concerns, weak domestic consumption, and NBFC funding constraints.
- Global markets returns were positive in Oct-19 as authorities of the US and China have agreed to the first phase of a trade deal. US Federal Reserve has cut the interest rates for the third time this year.

HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)

	1Y	3Y	5Y
LargeCap	14.7	9.4	8.5
Large & Mid	11.0	8.0	9.4
Multicap*	10.5	7.9	8.8
ELSS	11.4	8.2	9.0
Midcap	6.1	4.9	9.0
Smallcap	0.2	2.6	8.5
Hybrid Aggressive	9.8	6.9	7.5

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)

	6M	1Y	3Y
Hybrid Conservative	2.2	6.7	5.0
Medium duration	-1.1	2.6	4.4
Dynamic Bond	5.0	9.6	6.0
Credit Risk	-1.8	1.3	3.9
Debt Short term [#]	3.4	7.9	6.4
Debt Ultra-short term ^{\$}	1.5	5.4	6.0
Liquid	3.1	6.9	6.7

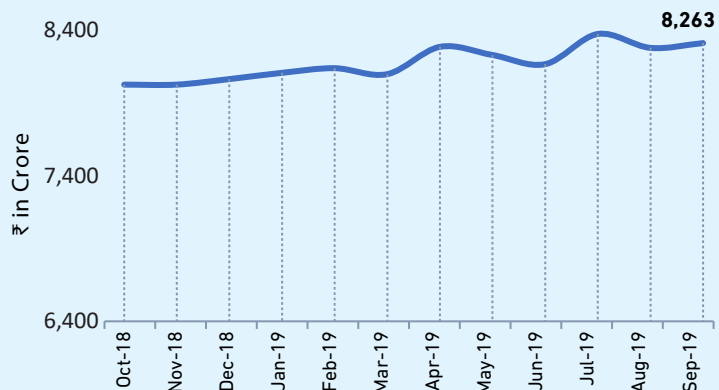
[#] includes short duration and banking & PSU funds

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

Average returns for each category as of Oct 31, 2019.

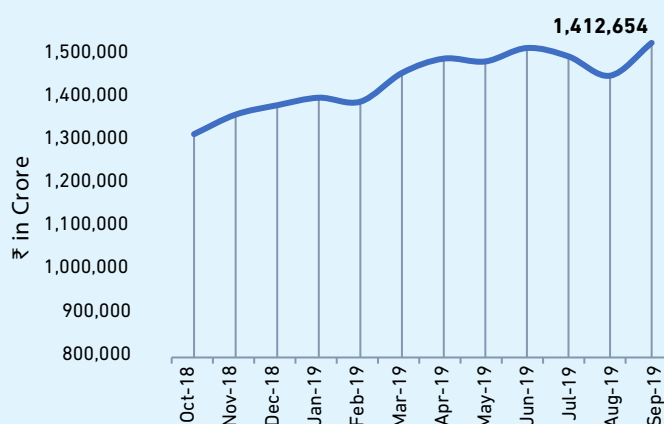
Returns over 1 year are annualised.

Industry SIP Inflows over the last 12 months



Source: AMFI

Total Retail and HNI AUM



Source: AMFI

WHAT OUR RESEARCH TEAM IS SAYING

What is bad news and when to sell your fund

The recent spate of negative news in the debt space, with the downgrading of debt papers of some banks and NBFCs, may have caused you to panic.

What's more, for the first time, the media is covering a lot about debt downgrades as opposed to simply stock price falls. This deluge of information may have left many of you confused on which event is significant enough to act on and which is not.

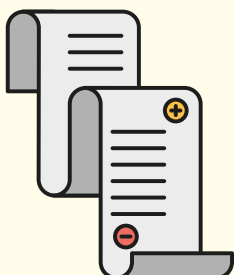
[Read more](#)

Experiencing long term investing, one short term period at a time

Imagine there are three bowls of water in front of you – one cold, one hot, and another at room temperature. Assume you put one hand in the bowl with the cold water, and the other in the hot water for about a minute. Now put both hands in the bowl containing room temperature water. The water will feel cold to the hand that originally was in the hot water, and warm to the hand that was in the cold water.

While the actual water temperature remains the same in an absolute sense, you can trick yourself to experience it as either hot or cold based on how it is relative to recent experience.

[Read more](#)



Past returns are not indicative of future performance.

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