

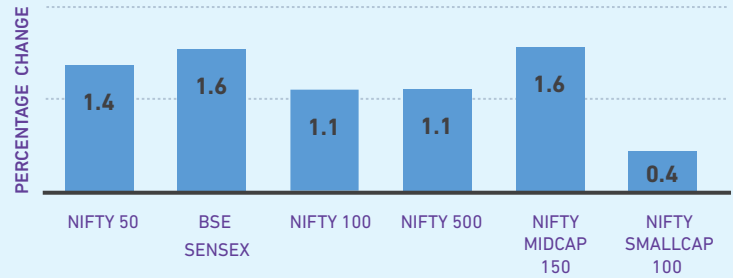
MONTHLY MARKET INSIGHT

NOVEMBER 2019

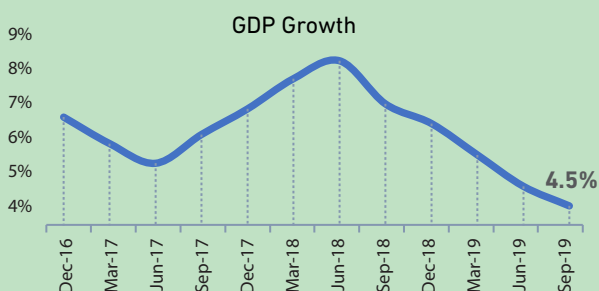
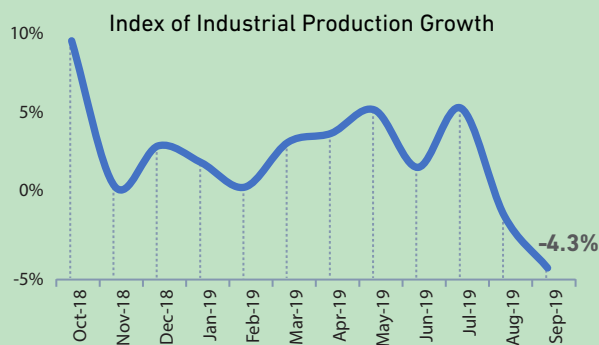
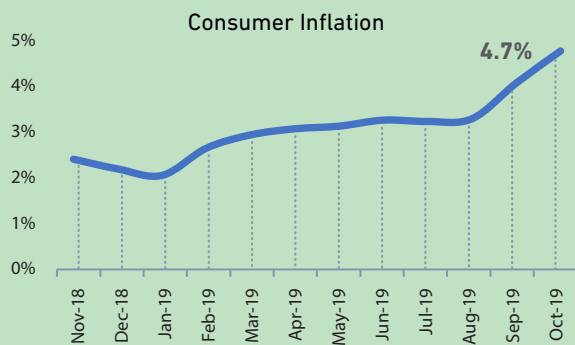
Market Indicators	Returns (%)			
	6M	1Y	3Y	5Y
Nifty 100	2.2	11.3	14.6	8.9
Nifty 50	2.0	12.4	15.3	8.5
Nifty 500	1.0	9.1	13.1	8.6
Nifty Midcap 150	-1.2	3.0	10.3	10.3
Nifty Smallcap 100	-10.4	-5.4	1.0	3.5
S&P BSE Sensex	3.5	14.1	16.8	8.8

All indices are TRI
Performance as on Nov 30, 2019
Returns over one year are annualised

MARKETS LAST MONTH



MACRO TRENDS



THE NEWSMAKERS

- India's GDP growth rate for the July-Sep '19 quarter fell to 4.5%, the lowest since March 2013, as manufacturing output contracted. The core sector had shrunk by 5.1%. Contractions in the output of coal (-17.6%) and electricity (-12.4%) were the steepest.
- GST collection rose 6% YoY to 1.03 lakh crore in Nov-19, after two months of negative growth.
- CPI inflation stood at 4.7% in Oct-19 compared to 4.0% in Sep-19. The increase in food prices is the main reason.
- India's factory production marginally increased in Nov-19 as the Manufacturing PMI rose to 51.2 compared to 50.6 in Oct-19.
- Index of Industrial Production (IIP) growth stood at -4.3% in Sep-19, lowest since Nov-12 due to low manufacturing output.
- The recent developments suggest that a trade deal between the US and China may not happen until after the U.S. election next year. Failing to reach a deal, the passage of the second China bill by the US might add to the extreme trade worries.

HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)

	1Y	3Y	5Y
LargeCap	11.2	12.2	7.9
Large & Mid	9.1	10.9	8.7
Multicap*	8.2	10.6	7.9
ELSS	8.4	11.2	8.3
Midcap	5.0	8.2	8.2
Smallcap	-0.5	5.3	7.5
Hybrid Aggressive	8.7	8.3	7.1

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)

	6M	1Y	3Y
Hybrid Conservative	1.6	6.5	5.2
Medium duration*	1.6	6.1	5.1
Dynamic Bond	3.4	8.5	4.8
Credit Risk	-2.0	0.8	3.5
Debt Short term#	3.1	8.3	6.4
Debt Ultra-short term\$	3.2	6.0	6.5
Liquid	2.8	6.5	6.5

* Includes Medium duration and Corporate debt funds

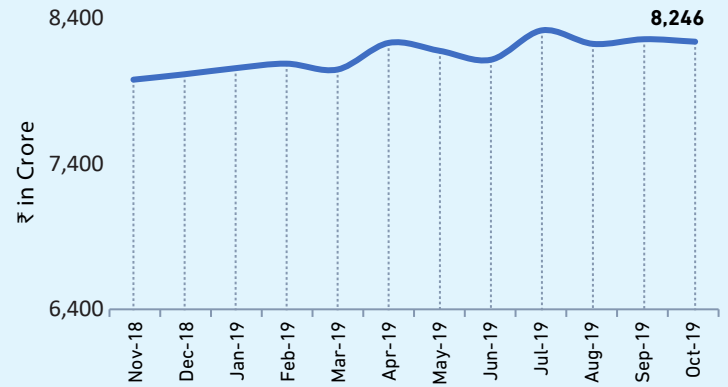
includes short duration and banking & PSU funds

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

Average returns for each category as of Nov 30, 2019.

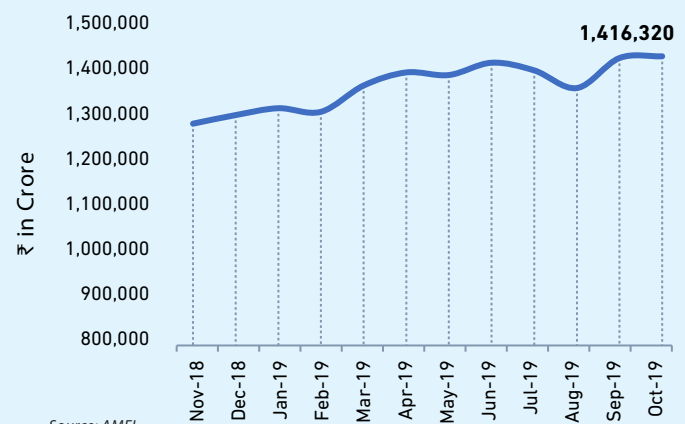
Returns over 1 year are annualised.

Industry SIP Inflows over the last 12 months



Source: AMFI

Total Retail and HNI AUM



Source: AMFI

WHAT OUR RESEARCH TEAM IS SAYING

Equity Markets near an all-time high. But why did Little Albert cry?



In the 1980's Russian psychologist, Ivan Pavlov was researching salivation in dogs in response to being fed. He predicted that the dogs would salivate in response to the food placed in front of them. But to his surprise, he noticed that his dogs began to salivate whenever they heard the footsteps of his assistant who was bringing them the food.

Surprised by the observation, he designed an experiment where he rang a bell just before giving food to the dog. He repeated this several times and found that the dog had started to salivate at the sound of the bell. In fact, when he just rang the bell without giving them food, they still salivated. The dog had learned to associate the bell with food.

Now, what does this have to do with investing?

[Read on to find out more](#)

Taking Advantage of Volatility

The returns from equities for the last 1-2 years haven't been great. The mid and smallcap category has taken a larger hit compared to largecaps. The reasons range from US-China trade war, global slowdown, domestic slowdown, tight funding conditions, NBFC credit crunch, sharp decline in consumer sentiment etc.

[Read on to find out more](#)

