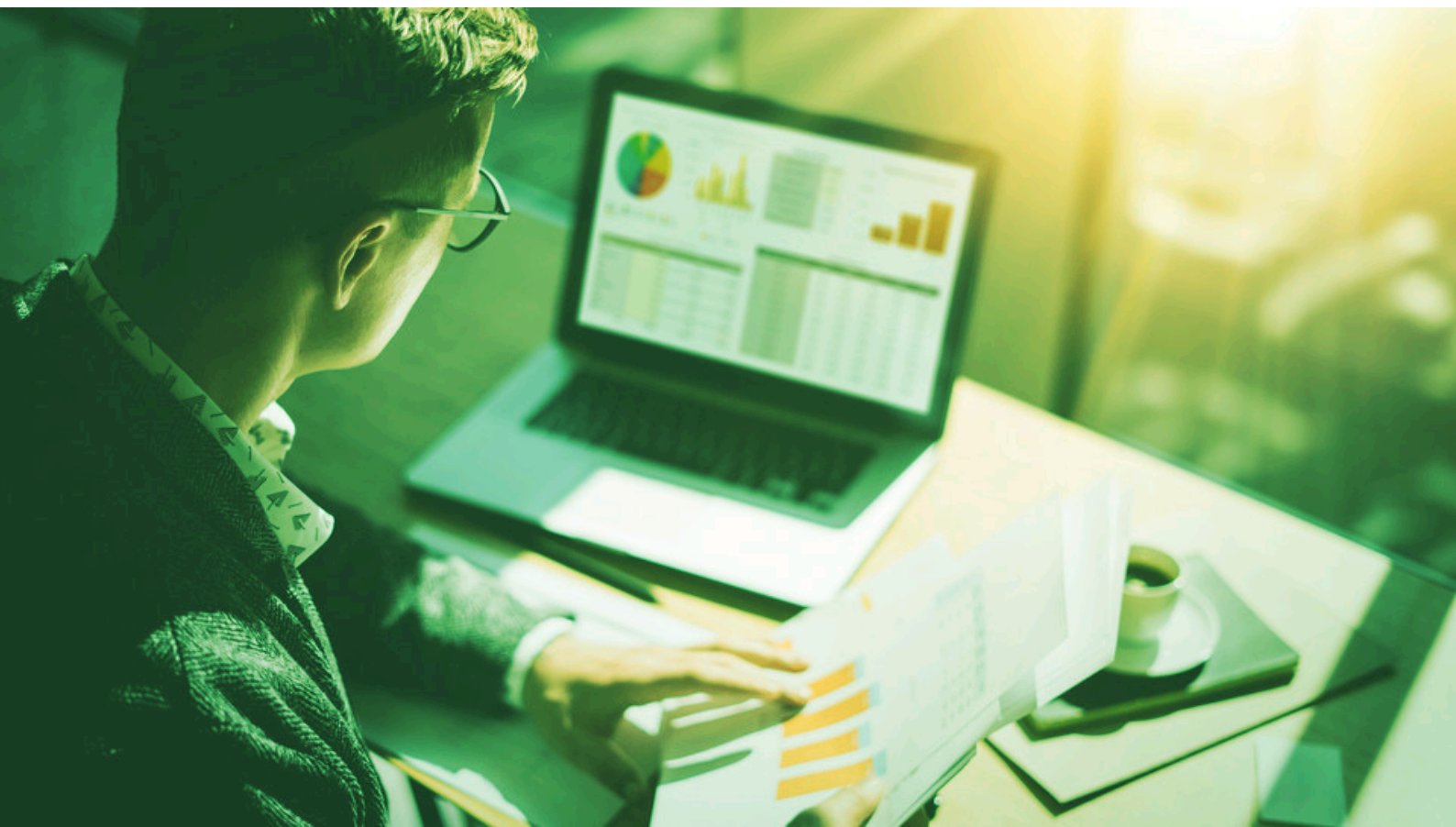


MONTHLY MARKET INSIGHT

JANUARY 2020

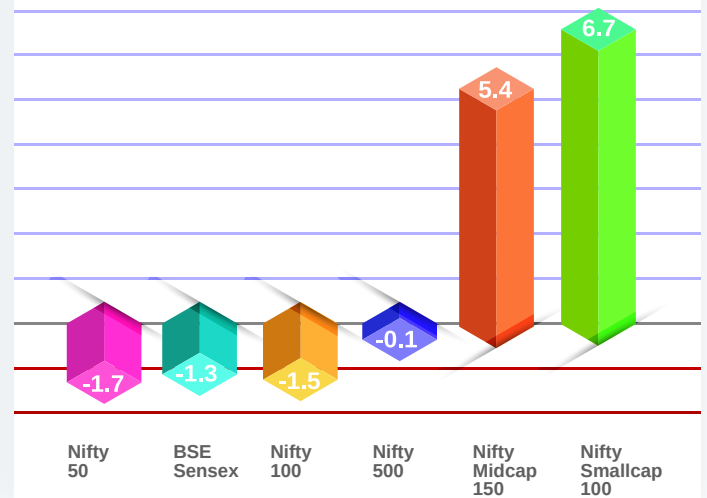




MARKET INDICATORS	RETURNS %			
	6M	1Y	3Y	5Y
Nifty 100	8.2	11.3	12.6	8.0
Nifty 50	8.1	11.8	13.3	7.7
Nifty 500	9.5	10.8	11.5	7.9
Nifty Midcap 150	15.7	11.2	10.5	10.0
Nifty Smallcap 100	13.3	2.6	0.6	3.7
S&P BSE Sensex	9.0	13.6	15.2	8.3

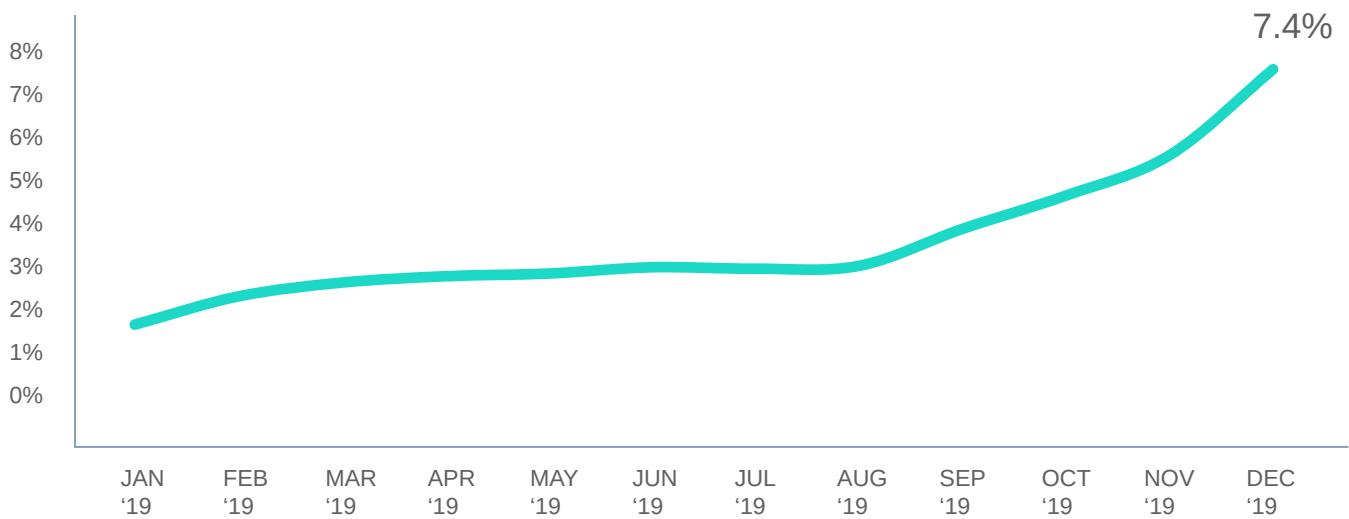
All indices are TRI. Performance as on Jan 31, 2020. Returns over one year are annualised. Returns less than 1 year are absolute.

MARKETS LAST MONTH



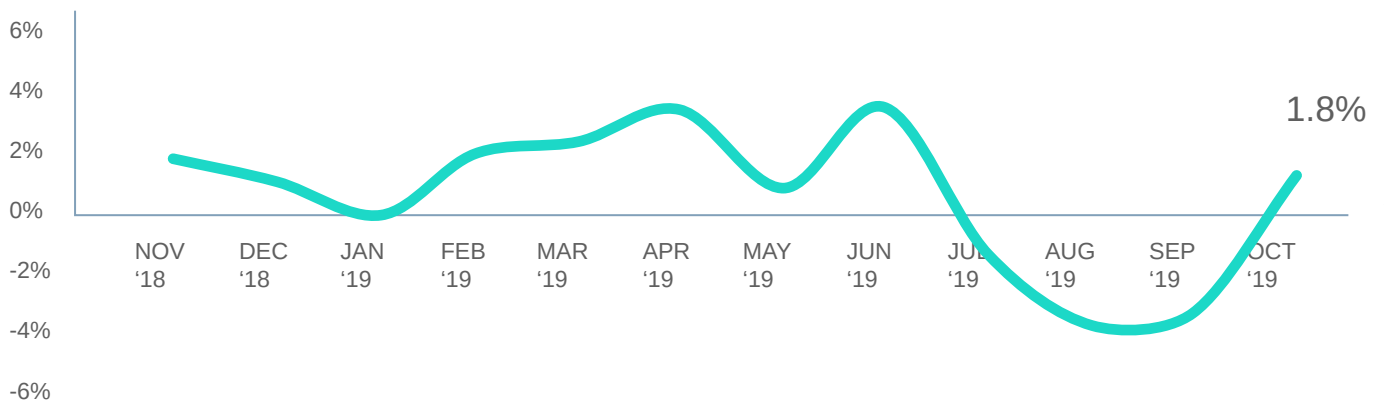
MACRO TRENDS

CONSUMER INFLATION



Source: RBI Database

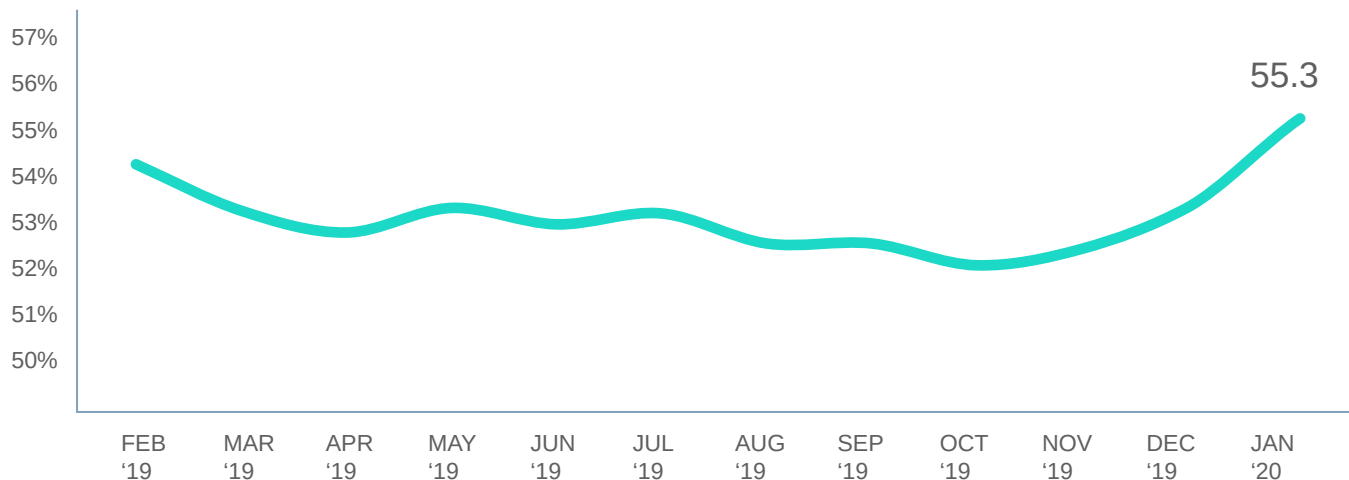
INDEX OF INDUSTRIAL PRODUCTION GROWTH



Source: RBI Database



MANUFACTURING PMI



Source: Markit Economics

The Newsmakers

- CPI inflation rose to 7.4% in Dec-19 compared to 5.5% in Nov-19. This is mainly due to increase in prices of food and beverages. Within food, the rise in vegetable prices and pulses resulted in higher inflation.
- The Index of Industrial Production (IIP) growth turned positive at 1.8% in Nov-19 compared to -3.8% in Oct-19. The lower base effect in the manufacturing and mining sector resulted in positive IIP growth rate.
- The Purchasers Manufacturers Index (PMI) in Jan-20 rose to 55.3 while in Dec-19 it was 52.7. This is the highest PMI in nearly eight years. The pick up in demand and increase in production resulted in higher PMI in Jan-20.
- GST collection in Jan-20 was 1.1 Lakh crore, while in Dec-19, it was 1.03 Lakh crore. This is the third month in a row to cross 1 Lakh crore mark and second-highest monthly collection since the implementation of GST.
- Union Budget was announced for the FY 20-21 on 1st February 2020. The changes in personal income tax rates, LIC IPO, removal of dividend distribution tax (DDT) and taxing dividends in the hands of investors are the key highlights.

HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS

	1Y	3Y	5Y
Large Cap	12.5	10.9	7.0
Large & Mid	14.1	10.2	8.0
Multicap*	11.4	9.7	7.2
ELSS	11.9	10.3	7.5
Mid cap	13.6	8.9	7.9
Small cap	10.4	6.4	7.5
Hybrid Aggressive	10.1	7.9	6.4

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS

	6M	1Y	3Y
Hybrid Conservative	4.1	6.3	5.2
Medium duration*	2.6	6.6	5.8
Dynamic Bond	2.0	7.7	5.2
Credit Risk	1.4	0.2	3.3
Debt Short term#	3.4	6.7	6.1
Debt Ultra - short term\$	2.8	5.2	6.1
Liquid	2.6	6.1	6.5

* Includes Medium duration and Corporate debt funds

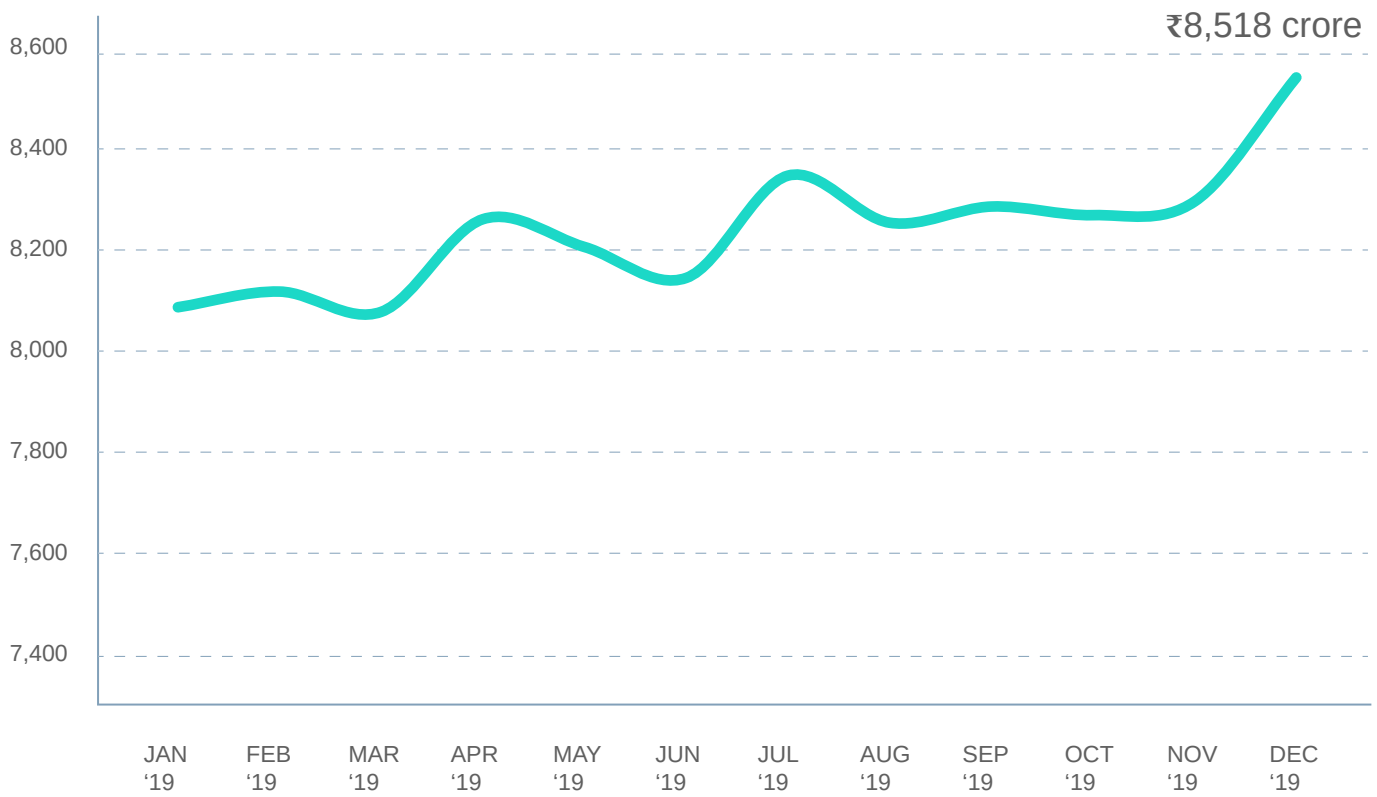
Includes short duration and banking & PSU funds

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

Average returns for each category as of Jan 31, 2020. Returns over 1 year are annualised. Returns less than 1 year are absolute.

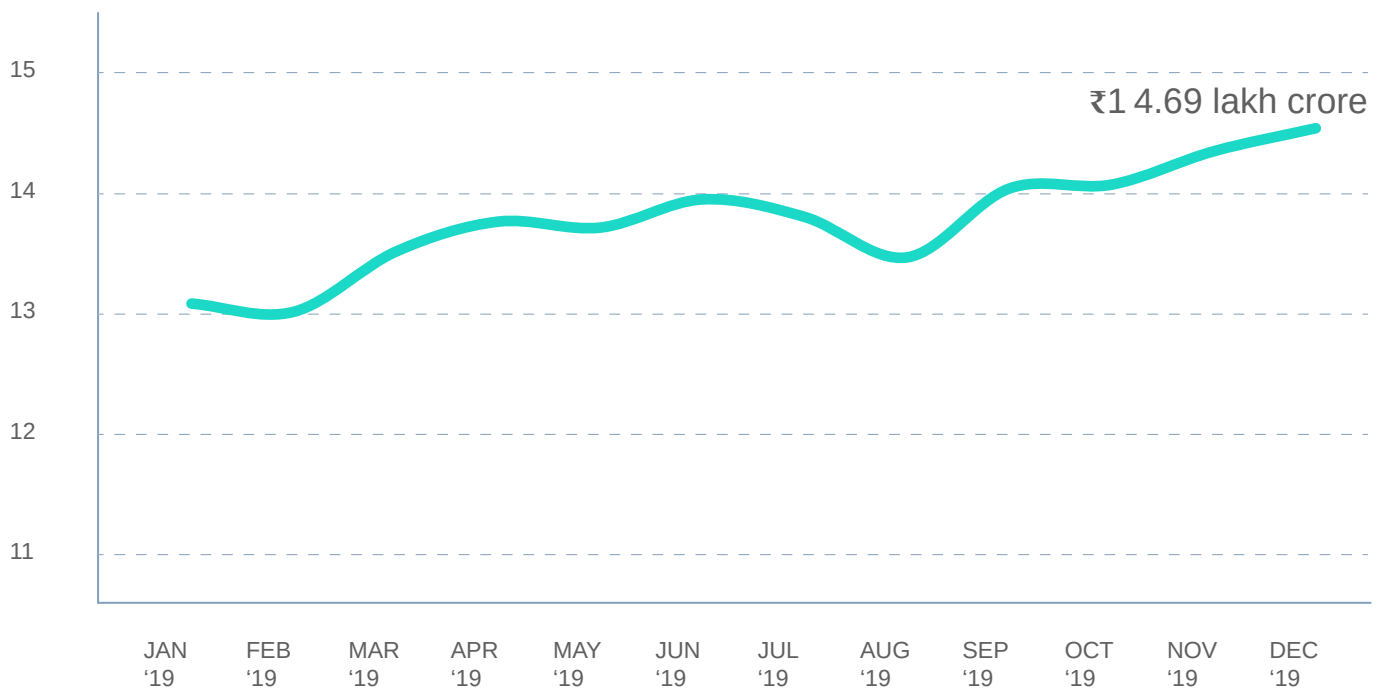


INDUSTRY SIP INFLOWS OVER THE LAST 12 MONTHS



Source: AMFI

TOTAL RETAIL AND HNI AUM



Source: AMFI



What our research team is saying

India Budget 2020-21 Conservative and Incremental

- Given the context of an economic slowdown, expectations were high for strong growth measures to revive the economy. The budget was predominantly 'incremental' in nature sticking to a fiscally conservative stance. However, it fell short on immediate measures to revive the economy.
- The shift in the burden of DDT to investors, a diluted personal tax cut, LIC IPO and incentives to attract foreign capital are some highlights.

[Click here to read more](#)

Are Mid Cap funds a must-have?

- Over the last two years, giving the go-by to the gloomy macroeconomic situation, large caps have continued to trend upwards. With investors flocking towards safety, inflows into the market have been chasing a select group of large-cap stocks.
- Mid-caps on the hand, have corrected sharply since their highs in Jan 2018. This has broadly mirrored the country's weakening macroeconomic growth. After declining for five quarters at a stretch, India's GDP growth rate came down to 4.5% in the Sep 2019 quarter. This was the weakest growth in over six years.

[Click here to read more](#)

