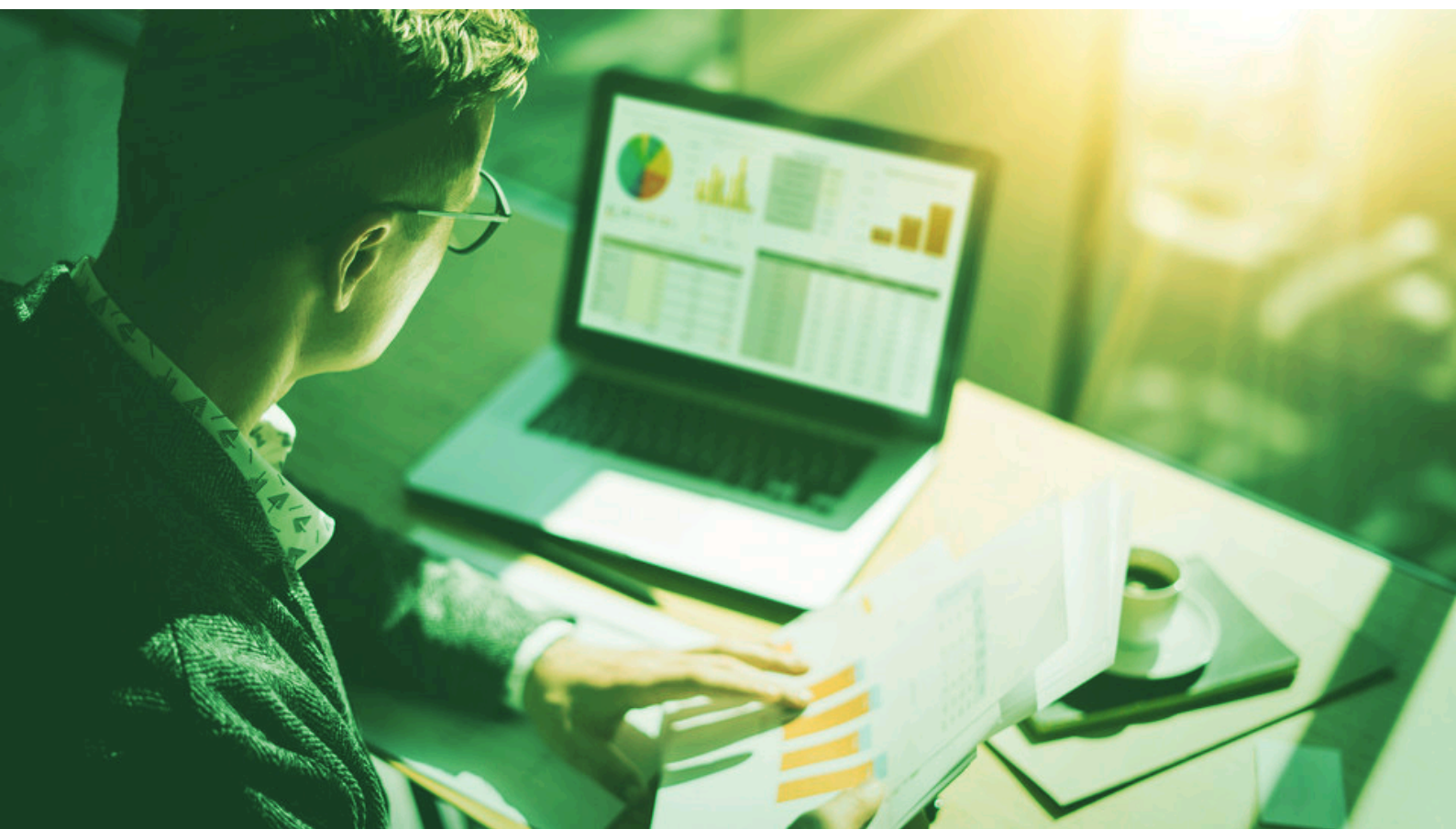


MONTHLY MARKET INSIGHT

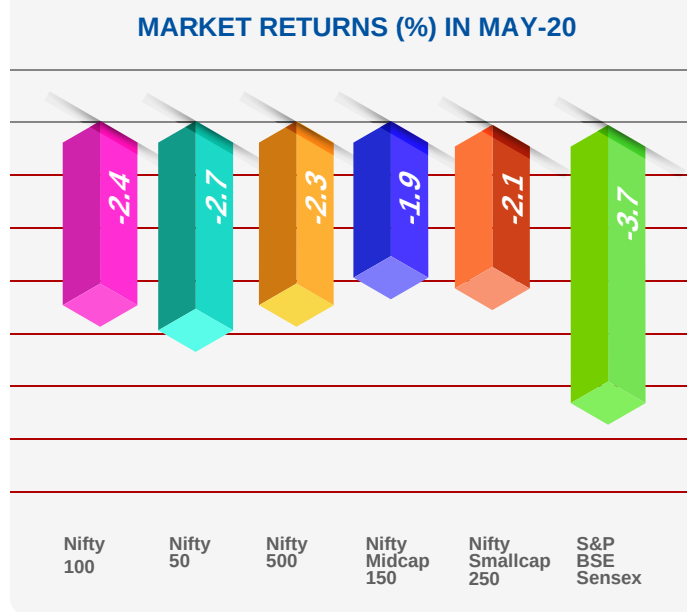
MAY 2020





MARKET INDICATORS	RETURNS (%)			
	6M	1Y	3Y	5Y
Nifty 100	-19.5	-17.8	0.8	4.2
Nifty 50	-20.2	-18.6	1.2	3.9
Nifty 500	-19.9	-19.2	-0.9	3.6
Nifty Midcap 150	-19.7	-20.7	-3.9	4.1
Nifty Smallcap 250	-26.3	-33.7	-14.8	-2.9
S&P BSE Sensex	-20.2	-17.4	2.6	4.5

All indices are TRI.



HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)			
CATEGORY	1Y	3Y	5Y
Large Cap	-16.4	-0.7	2.9
Large & Mid	-16.9	-2.6	3.2
Multicap*	-17.4	-2.2	2.9
ELSS	-17.8	-2.1	2.9
Mid cap	-17.1	-4.0	2.4
Small cap	-23.6	-8.8	0.7
Hybrid Aggressive	-13.0	-0.8	3.0

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)			
CATEGORY	6M	1Y	3Y
Hybrid Conservative	-2.7	-1.2	3.0
Medium duration*	2.9	5.5	5.8
Dynamic Bond	4.7	8.3	6.3
Credit Risk	-5.8	-5.6	0.8
Debt Short term [#]	3.7	6.4	6.5
Debt Ultra - short term ^{\$}	2.3	4.3	5.7
Liquid	2.5	5.5	6.4

* Includes Medium duration and Corporate debt funds

[#] Includes short duration and banking & PSU funds

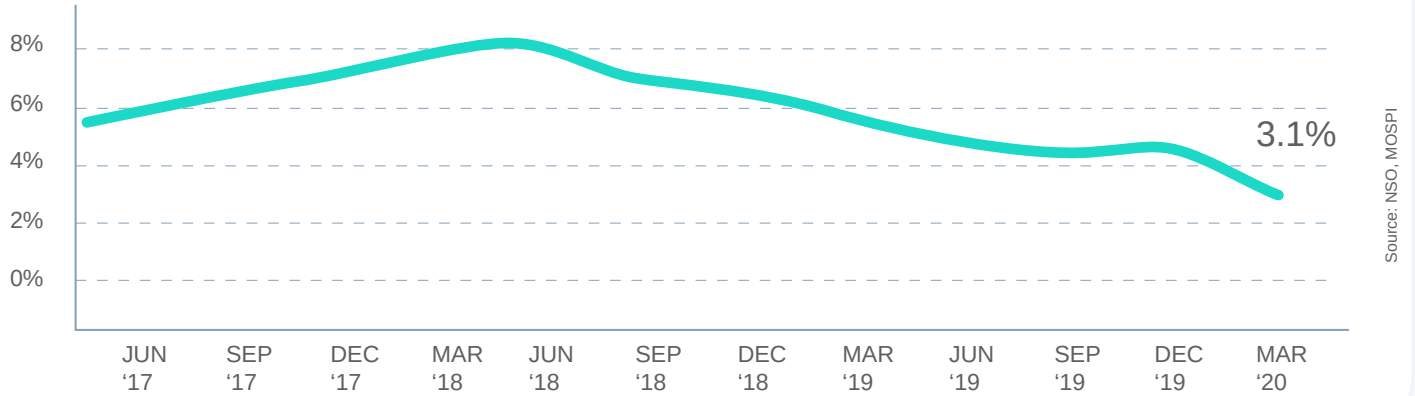
^{\$} Includes low duration, ultra-short duration, money market and floater funds

Source: MFI, FundsIndia Research. Average returns for each category as on May 31, 2020
Returns over 1 year are annualised.
Returns less than 1 year are absolute

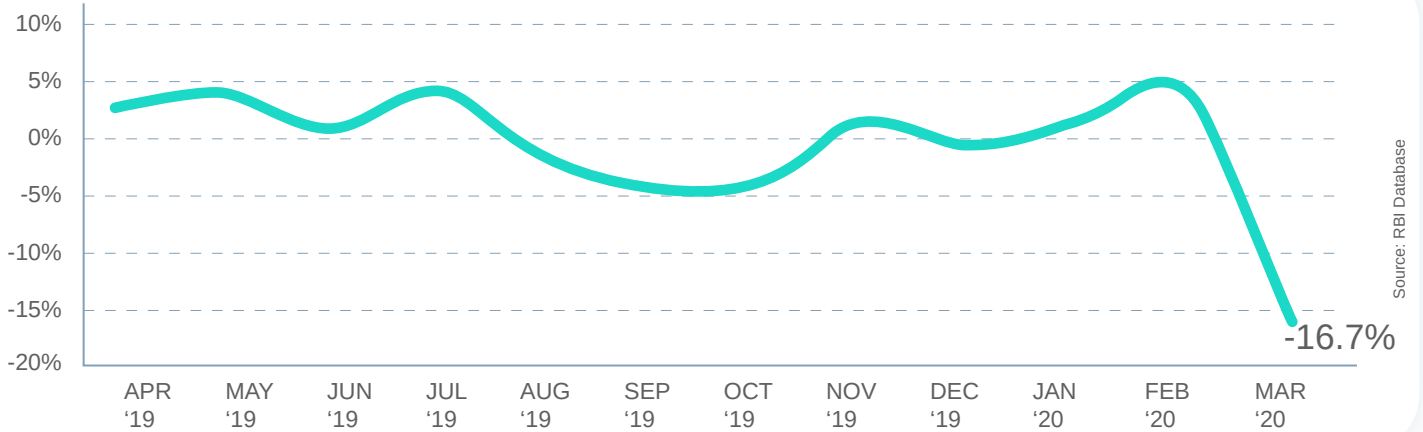


MACRO TRENDS

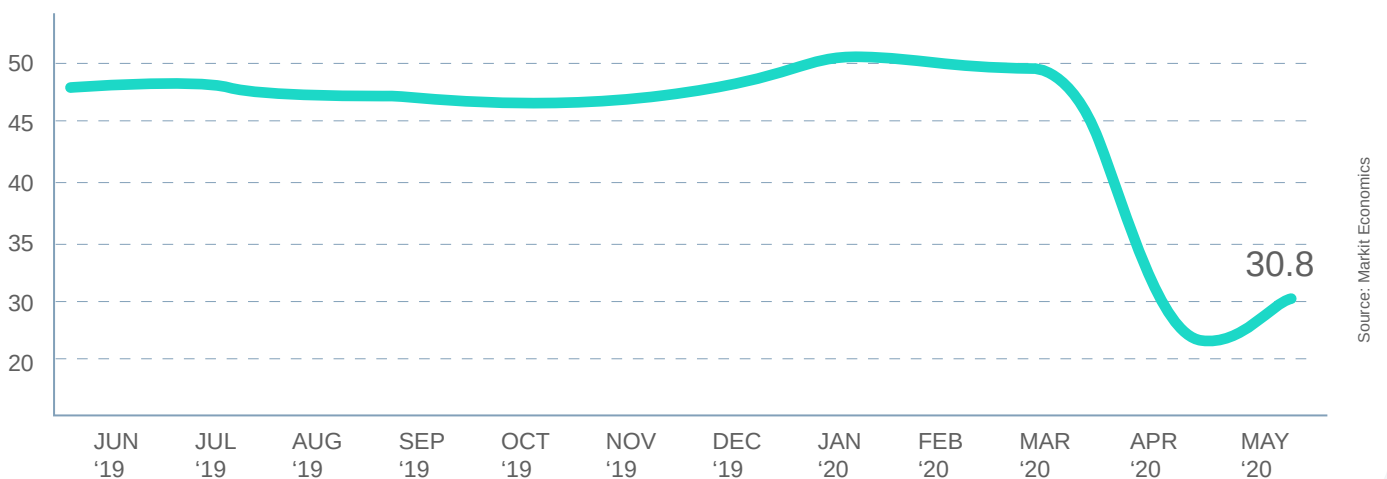
QUARTERLY GDP GROWTH RATE



INDEX OF INDUSTRIAL PRODUCTION - GROWTH



MANUFACTURING PMI

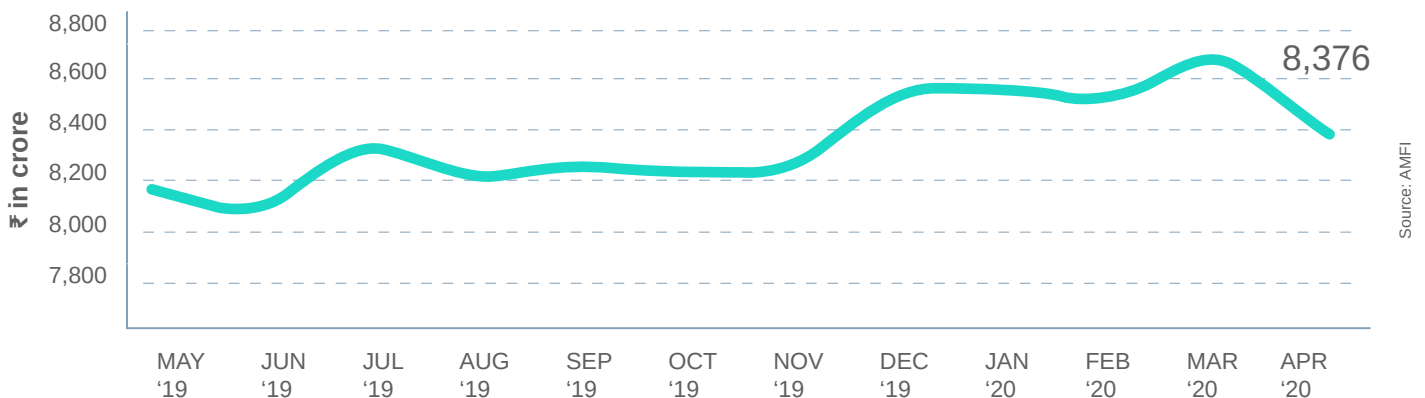




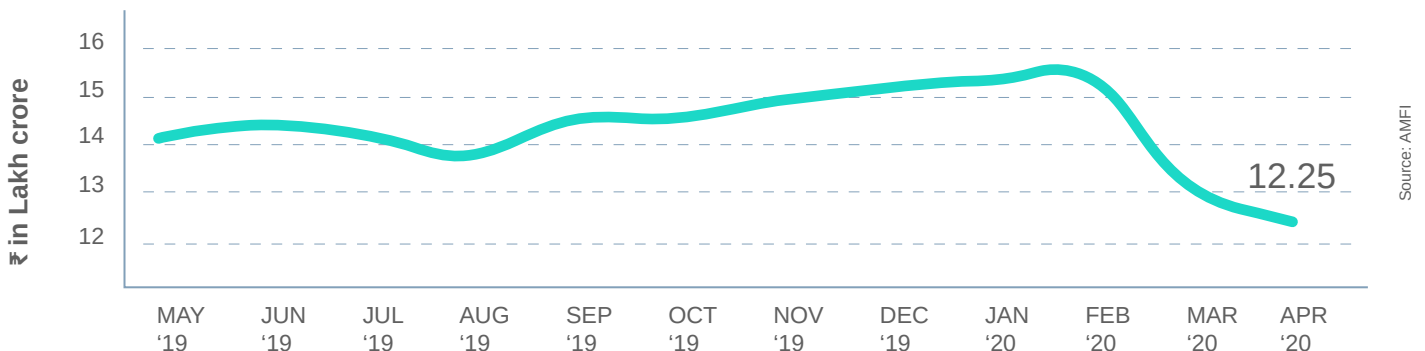
The Newsmakers

- Gross Domestic Product (GDP) rose by 3.1% for Q4 in FY-20 compared to 4.1% (revised growth data) for Q3 in FY-20. GDP growth rate of FY-20 stood at 4.2% compared to the growth rate of 6.1% in FY-19. Agriculture and mining sector registered strong growth at 5.9% and 5.2% in Q4 FY-20 compared to 3.6% and 2.2% in Q3 FY-20 respectively. Manufacturing, Construction and Trade sectors growth weakened and domestic demand grew by 0.7% in the last quarter, weakest growth since the global financial crisis.
- Index of Industrial Production (IIP) contracted by 16.7% in Mar-20, compared to 4.5% in Feb-20. Manufacturing output saw the steepest contraction by 20.6% in Mar-20 compared to a growth of 3.2% in Feb-20. Mining and Electricity output growth rate is 0% and -6.8% respectively. IIP for FY-20 contracted by 0.7% compared to a growth of 3.8% in FY-19.
- The Purchasing Managers' Index (PMI) for May-20 stood at 30.8 compared to 27.4 in Apr-20. Although the decline (PMI < 50 represents deterioration) is less in May-20, this is the second lowest figure since the inception of data in Mar-05. Weak demand from international markets, workforce contraction, prolonged closure of businesses are the key reasons for the deterioration.
- RBI announced another set of measures to address market concerns. Repo rate cut of 40 bps to 4.0% from 4.4%, Reverse repo rate cut of 40 bps to 3.35% from 3.75%, extended credit line of Rs. 15,000 to Export Import Bank of India are the key announcements.
- Outlook for FY 20-21 as announced by RBI:
 - Inflation:** All measures support medium-term target for consumer price index (CPI) inflation of 4% within a band of +/- 2%. CPI expected to fall below target level (4%) in Q3 and Q4 of FY20-21.
 - Growth:** GDP growth in 2020-21 is estimated to remain in negative territory, with some pick-up in growth impulses from the second half of 2020-21 onwards.
- The Prime Minister announced Rs. 20 Lakh Crore stimulus package in five tranches. The package is distributed in the economy majorly in the form of injecting liquidity and increasing borrowing limits of states to increase lending. Additionally, MSMEs, Power sector, Migrant workers, Agriculture and allied industries, Housing industry, PSEs, MGNERGA are among the major segments addressed in the stimulus package.

INDUSTRY SIP INFLOWS OVER THE LAST 12 MONTHS



TOTAL RETAIL AND HNI AUM





What our research team is saying

A stimulus for ‘Survival’ and not ‘Revival’!

Surpassing expectations, the Prime Minister announced a Rs. 20 lakh crore stimulus package this week. Then came the details.

While the package (two tranches so far) has offered relief to certain segments, there are others left asking for more. The coming days will reveal whether these expectations are met or belied.

Until then, we take a look at some of the key initiatives announced so far.

[Click here to read more](#)

Up, Up Goes the Market, All Else Goes Down

We live in difficult times.

What started as a medical crisis, spread to the real economy and the financial markets too. That hasn't happened before.

This is where we stand today...

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