FUNDSINDIA

MONTHLY MARKET INSIGHT

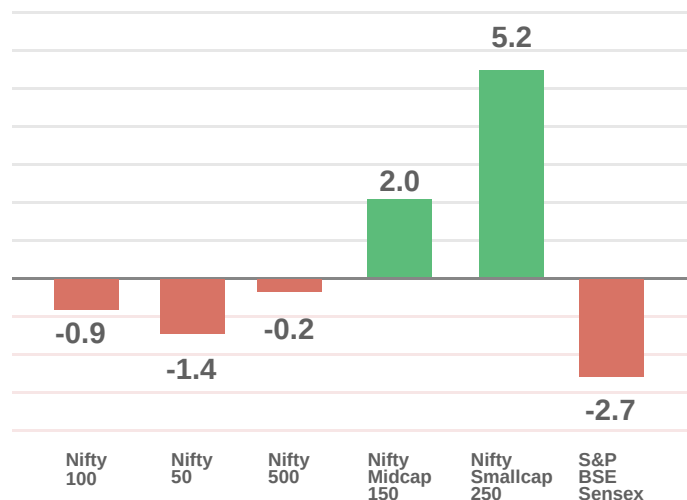## MAY 2021

MARKET INDICATORS	RETURNS (%)			
	6M	1Y	3Y	5Y
Nifty 100	26.3	49.2	11.2	14.6
Nifty 50	26.1	49.9	12.2	14.7
Nifty 500	29.5	55.7	10.5	14.8
Nifty Midcap 150	41.1	78.7	9.8	17.1
Nifty Smallcap 250	46.6	102.5	3.8	12.5
S&P BSE Sensex	23.4	46.3	12.9	15.2

All indices are TRI.

MARKET RETURNS (%) IN Apr-21

HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)			
CATEGORY	1Y	3Y	5Y
Large Cap	44.2	9.5	12.5
Large & Mid	54.2	8.9	13.8
Multicap*	52.7	8.9	13.4
ELSS	51.8	8.6	13.6
Mid cap	68.5	9.2	14.7
Small cap	91.4	8.2	15.2
Hybrid Aggressive	39.8	8.8	11.5

* Includes Flexicap, Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)			
CATEGORY	6M	1Y	3Y
Hybrid Conservative	5.9	13.9	6.1
Medium duration*	1.1	5.6	6.4
Dynamic Bond	0.8	5.4	7.4
Credit Risk	1.4	4.3	1.8
Debt Short term#	1.9	8.0	7.2
Debt Ultra - short term$	1.9	6.0	5.7
Liquid	1.5	3.3	5.4

* includes Medium duration and Corporate bond funds
# includes short duration and banking & PSU funds
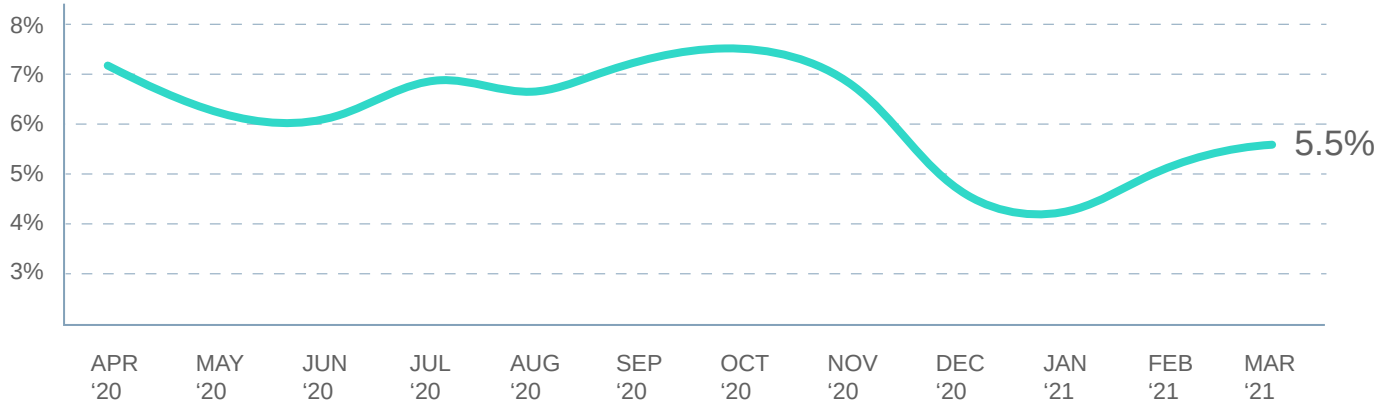$ includes low duration, ultra-short duration, money market and floater funds

Source: MFI, FundsIndia Research. Average returns for each category as on April 30, 2021.
Returns over 1 year are annualised.
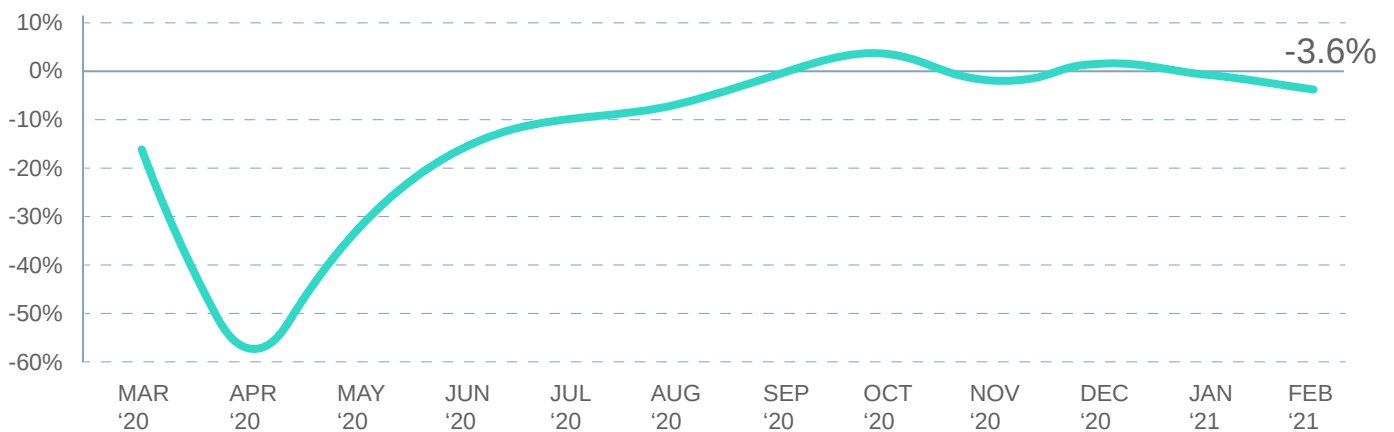Returns less than 1 year are absolute
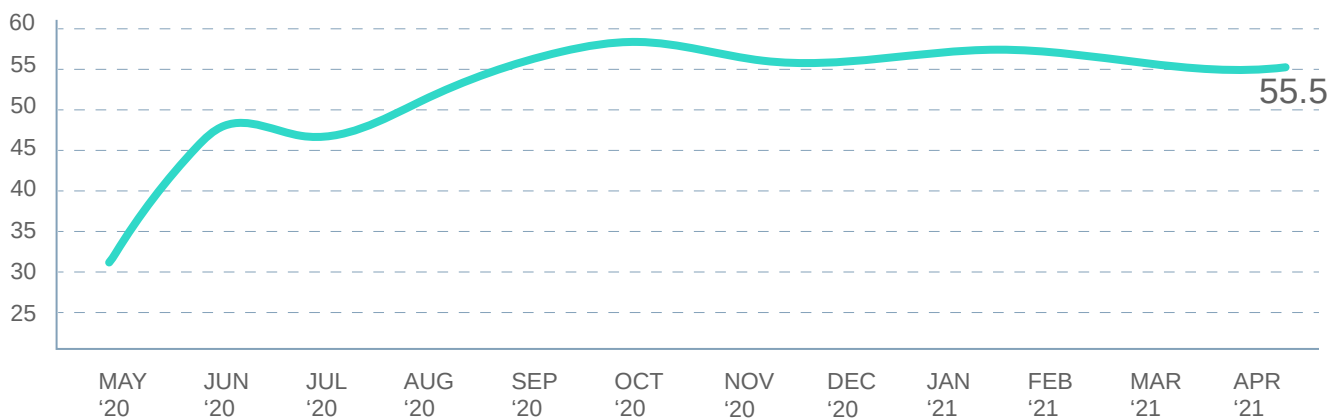
MACRO TRENDS

CONSUMER INFLATION

5.5%

Source: NSO, MOSPI

INDEX OF INDUSTRIAL PRODUCTION – GROWTH

-3.6%

Source: NSO, MOSPI

MANUFACTURING PMI


55.5

Source: Markit Economics

The Newsmakers

- Consumer Price Index (CPI) Inflation rate rose to 5.5% in Mar-21 from 5.0% in Feb-21. The increase in prices of the following three segments led the rising inflation rate in Feb-21:
  - Food and Beverages (Constitutes 54.2% of Inflation basket): 5.2%.
  - Transport and Communication (Constitutes 7.6% of Inflation basket): 12.6%
  - Health (Constitutes 6.8% of Inflation basket): 6.2%

- The Index of Industrial Production (IIP) growth rate dropped 3.6% in Feb-21 compared to a contraction of -1.6% in Jan-21. In Feb-21, the growth rates of key segments are as follows:
  - The IIP of Mining contracted by -5.5%.
  - The IIP of Manufacturing sector dropped 3.7%.
  - The IIP of Electricity sector is 0.1%

- The Manufacturing Purchasing Managers' Index (PMI) stood at 55.5 in Apr-21 compared to 55.4 in Mar-21. The report states that the latest reading is indicating a solid improvement in the health of the manufacturing sector. The expansion is mainly driven by Consumer goods, Capital goods and Intermediate goods.

- Gross GST Revenue collection recorded a new All-time high at 1.41 Lakh Cr in Apr-21, compared to 1.24 Lakh Cr in Mar-21, marking the seventh straight month of the collection above 1 Lakh Cr since Sep-20. The revenue collection in Apr-21 increased by 14% compared to the revenue collection in Mar-21.
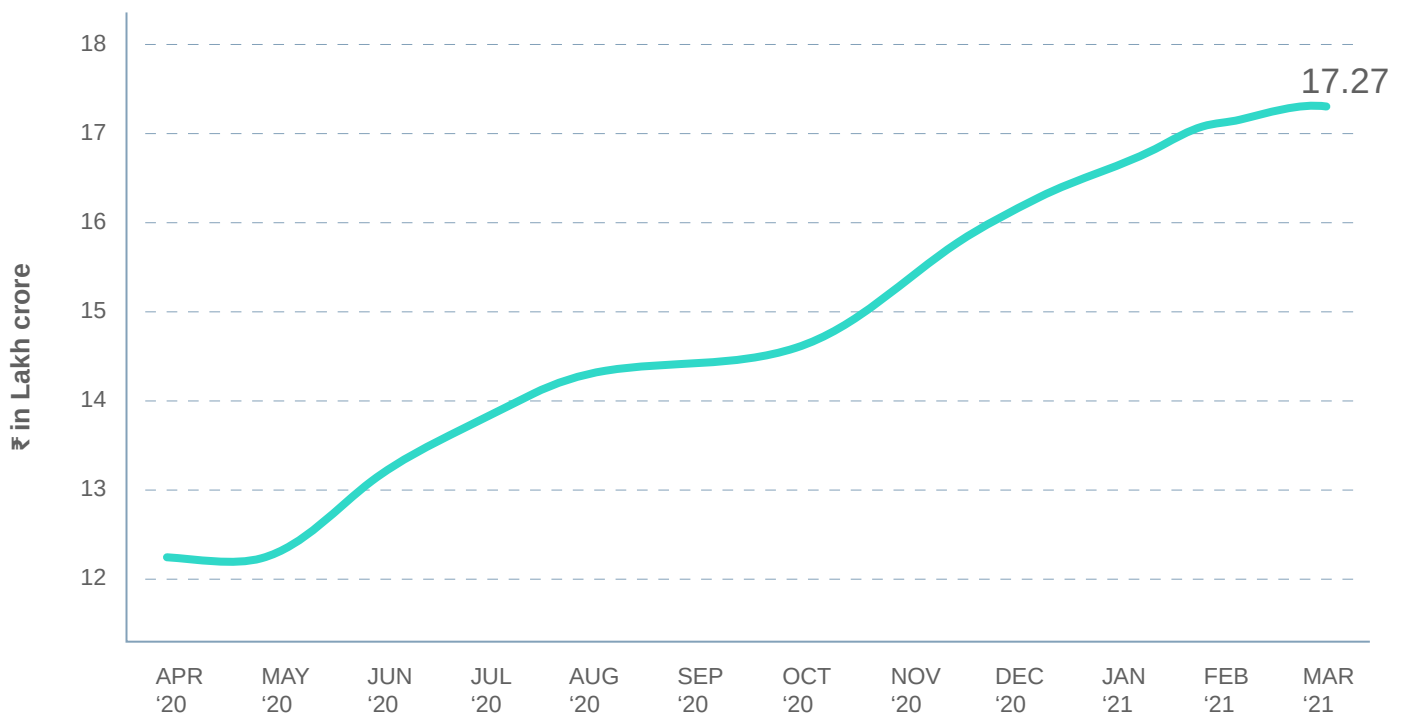
INDUSTRY SIP INFLOWS OVER THE LAST 12 MONTHS
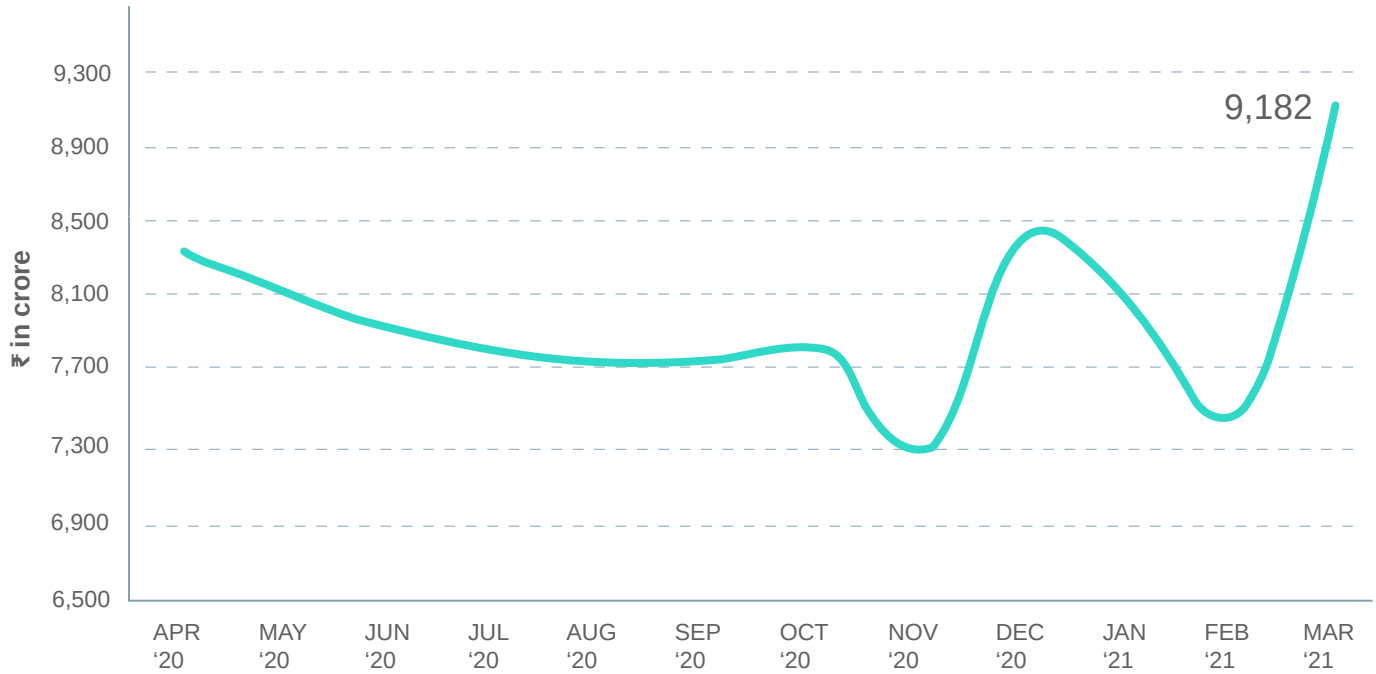
Source: AMFI

TOTAL RETAIL AND HNI AUM

Source: AMFI

What our Research Team is saying

How to Deploy Lumpsum into Equities?

The Dilemma!

Equity markets have had a significant rally in recent times. You have additional money to invest in Equities. But given the high valuations and sharp rally, you are a little anxious and confused on how to deploy this money.

Should you invest now or wait for a market correction?

What if you invest now and the market falls?

What if you don't invest now and the market continues to rally?

What if markets correct and you are not able to enter back at the right time?

OOPS!

So,

HOW DO YOU INVEST IN EQUITIES NOW?

Click here to read more

Is a Market Correction Coming?

The number of Covid cases in recent times has been on the rise…

Equity markets have become more volatile on concerns of the 2nd wave of Covid impacting India's economic recovery…

The media is busy fighting the who-makes-the-scariest-headlines competition…

Now, when all this happens in tandem, we get a nagging thought…

Is this the start of a market correction?

Get a cup of coffee and let us deep dive to figure out the answer…

Click here to read more

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