



FUNDSINDIA

MONTHLY MARKET INSIGHT

JUNE 2021

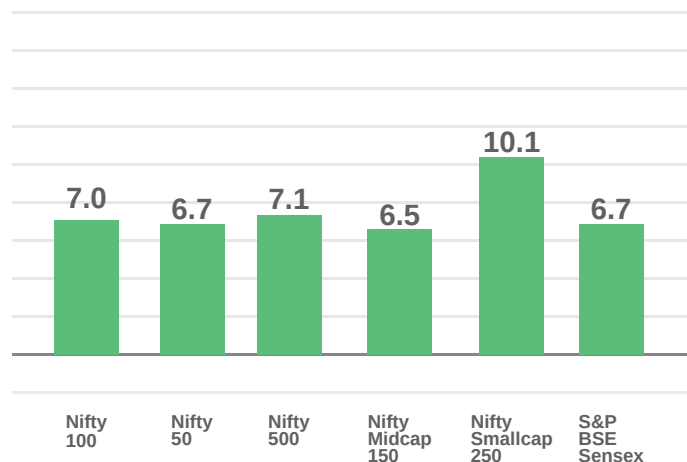




| MARKET INDICATORS | RETURNS (%) | | | |
|--------------------|-------------|-------|------|------|
| | 6M | 1Y | 3Y | 5Y |
| Nifty 100 | 21.3 | 63.1 | 13.9 | 15.3 |
| Nifty 50 | 20.7 | 64.0 | 14.6 | 15.3 |
| Nifty 500 | 23.9 | 70.3 | 13.7 | 15.6 |
| Nifty Midcap 150 | 30.7 | 93.2 | 14.4 | 18.1 |
| Nifty Smallcap 250 | 43.2 | 126.8 | 9.5 | 14.6 |
| S&P BSE Sensex | 18.1 | 61.7 | 15.0 | 15.7 |

All indices are TRI.

MARKET RETURNS (%) IN May-21



HOW FUNDS HAVE PERFORMED

| EQUITY-ORIENTED FUND RETURNS (%) | | | |
|----------------------------------|-------|------|------|
| CATEGORY | 1Y | 3Y | 5Y |
| Large Cap | 57.4 | 12.2 | 13.2 |
| Large & Mid | 67.4 | 12.3 | 14.6 |
| Multicap* | 65.8 | 12.1 | 14.3 |
| ELSS | 65.0 | 11.8 | 14.3 |
| Mid cap | 81.0 | 13.1 | 15.6 |
| Small cap | 112.3 | 13.1 | 16.6 |
| Hybrid Aggressive | 49.1 | 11.1 | 12.1 |

* Includes Flexicap, Value, Dividend Yield and Focused funds

| DEBT-ORIENTED FUND RETURNS (%) | | | |
|---------------------------------------|-----|------|-----|
| CATEGORY | 6M | 1Y | 3Y |
| Hybrid Conservative | 4.6 | 15.4 | 6.9 |
| Medium duration* | 0.8 | 5.1 | 6.8 |
| Dynamic Bond | 0.6 | 4.3 | 7.6 |
| Credit Risk | 1.3 | 4.1 | 2.0 |
| Debt Short term [#] | 1.6 | 6.5 | 7.3 |
| Debt Ultra - short term ^{\$} | 1.8 | 5.7 | 5.6 |
| Liquid | 1.5 | 3.1 | 5.3 |

* includes Medium duration and Corporate bond funds

[#] Includes short duration and banking & PSU funds

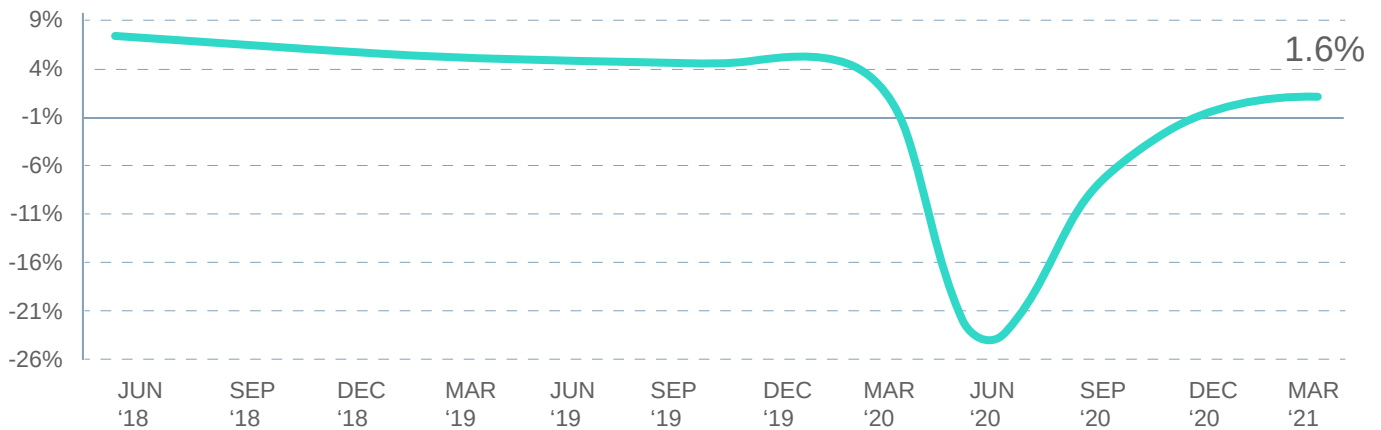
^{\$} Includes low duration, ultra-short duration, money market and floater funds

Source: MFI, FundsIndia Research. Average returns for each category as on May 31, 2021.
Returns over 1 year are annualised.
Returns less than 1 year are absolute.



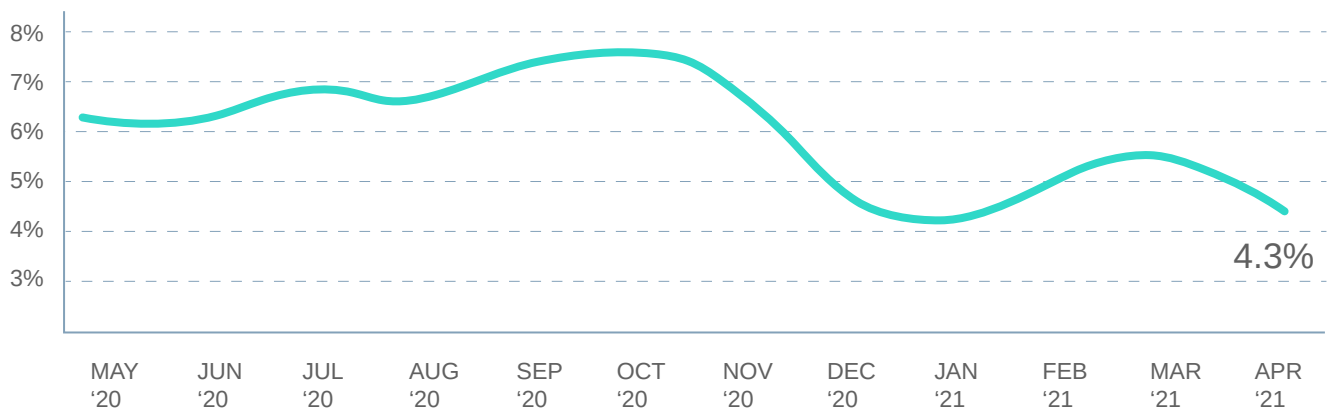
MACRO TRENDS

QUARTERLY GDP GROWTH RATE



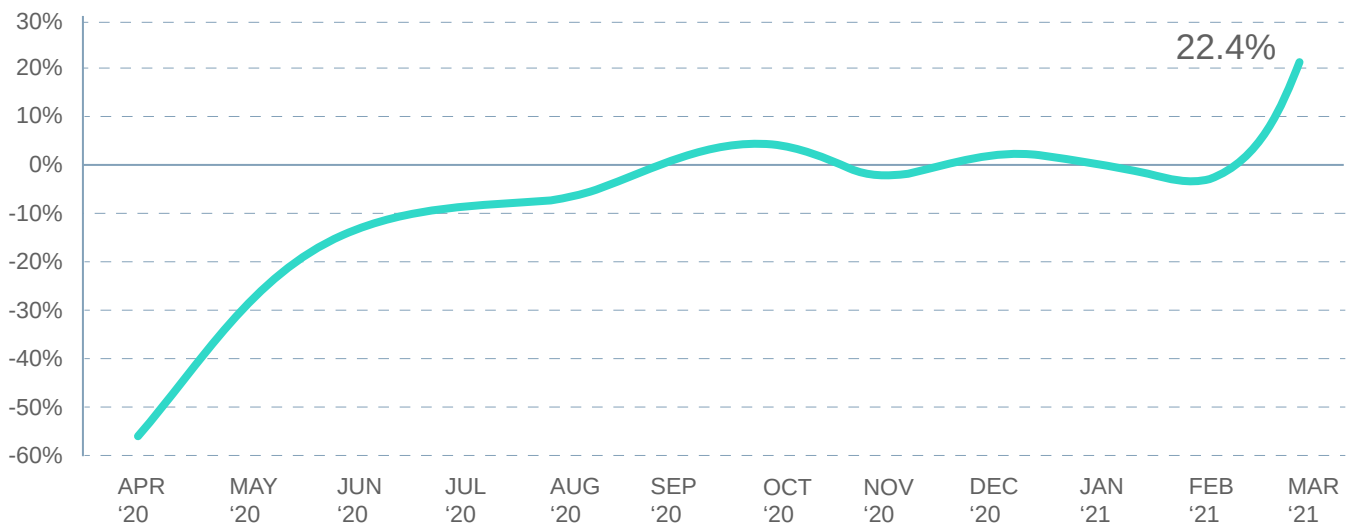
Source: NSO, MOSPI

CONSUMER INFLATION



Source: NSO, MOSPI

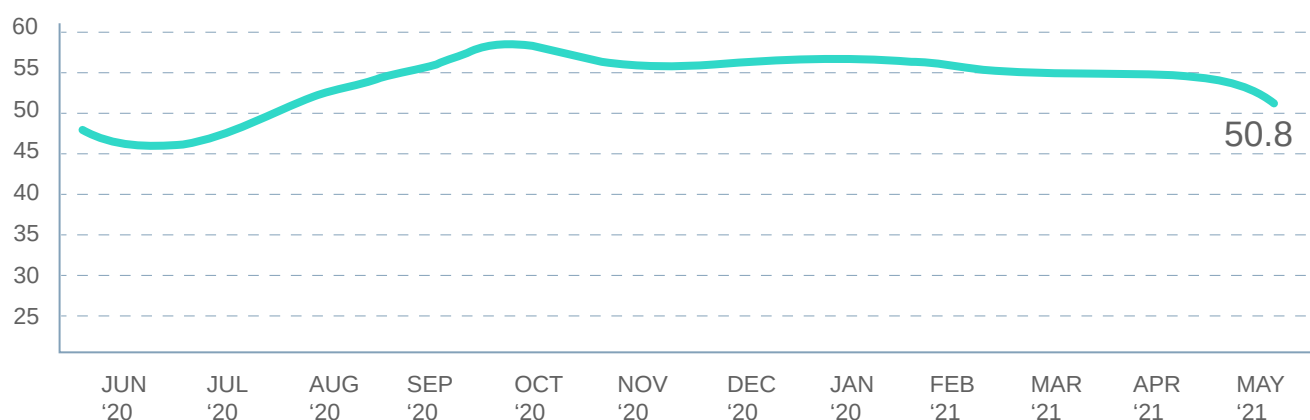
INDEX OF INDUSTRIAL PRODUCTION – GROWTH



Source: NSO, MOSPI



MANUFACTURING PMI



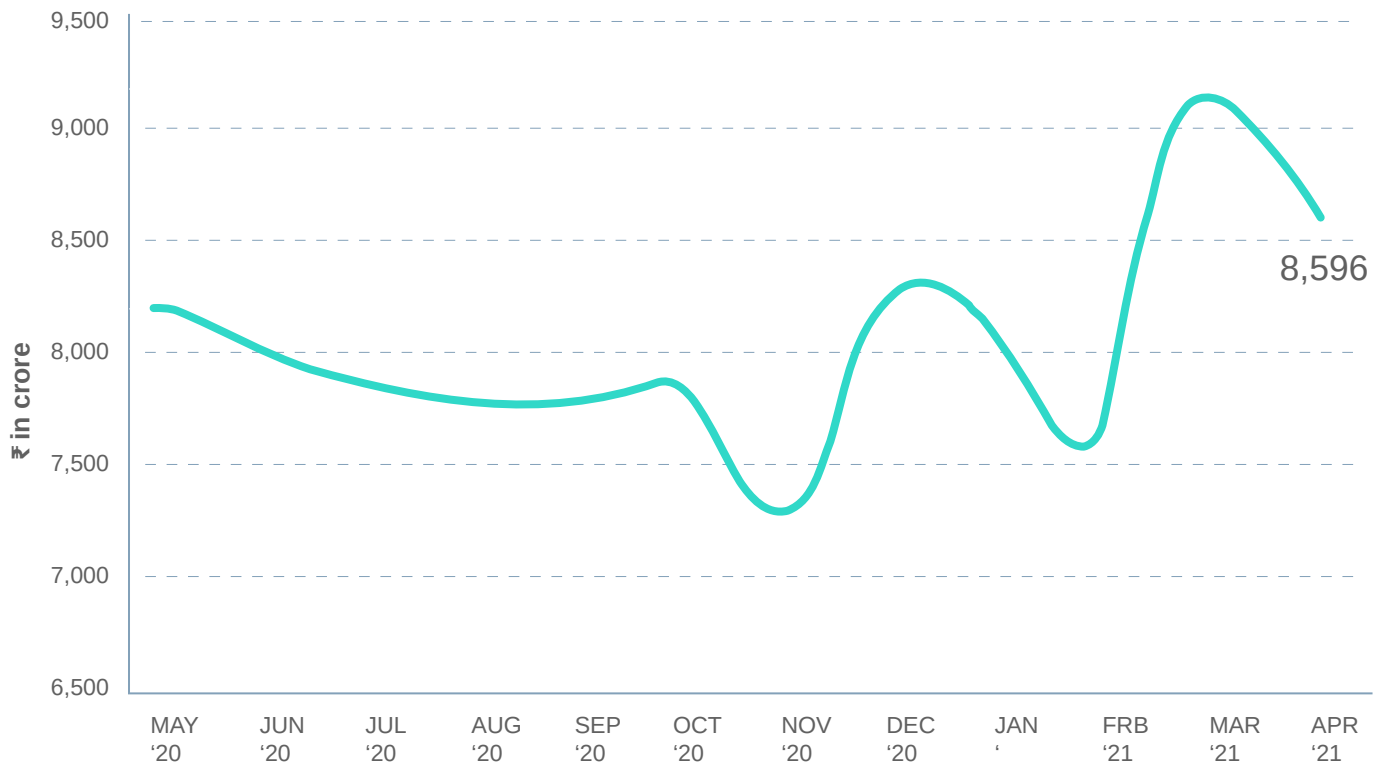
Source: Markit Economics

The Newsmakers

- Gross Domestic Product (GDP) in Real terms (read as GDP at constant prices) rose 1.6% YoY for Q4 in FY-21 compared to 0.4% for Q3 in FY-21.
Agriculture (3.1%), Manufacturing (6.9%), Construction (14.5%) and Financial Services (5.4%) registered growth in terms of 'Gross Value Added (GVA)' while Mining (-5.7%) and Trade, Hotel, Transport and Communication (-2.3%) contracted in Q4 FY-21 compared to Q4 FY-20.
For FY-21, The GDP for India contracted 7.3% compared to the growth rate of 4.0% in FY-20.
- Consumer Price Index (CPI) Inflation rate eased to 4.3% in Apr-21 from 5.5% in Mar-21. The price rise of the key sectors in Apr-21 are:
 - Food and Beverages (Constitutes 54.2% of Inflation basket): 2.7%.
 - Fuel and Light (Constitutes 7.9% of Inflation basket): 7.9%
 - Transport and Communication (Constitutes 7.6% of Inflation basket): 11.0%
 - Health (Constitutes 6.8% of Inflation basket): 7.8%
- The Index of Industrial Production (IIP) growth rate stood at 22.4% in Mar-21. The output grew on the base of IIP index a year ago i.e, in Mar-20, when the nationwide lockdown had a severe impact on industrial production in India.
 - The Mining output expanded 6.1% over last year.
 - The Manufacturing output is 25.8% higher than a year ago
 - The Electricity generation rose by 22.5% over last year.
- The Manufacturing Purchasing Managers' Index (PMI) slid to 50.8 in May-21. The PMI in Apr-21 was 55.5. Although it is lower, the index above 50 indicates improvement since the previous month. Slowdown in Input purchasing, accelerated job shedding, detrimental impact on demand due to rise in Covid cases are the key reasons for weakest expansion since Aug-20.

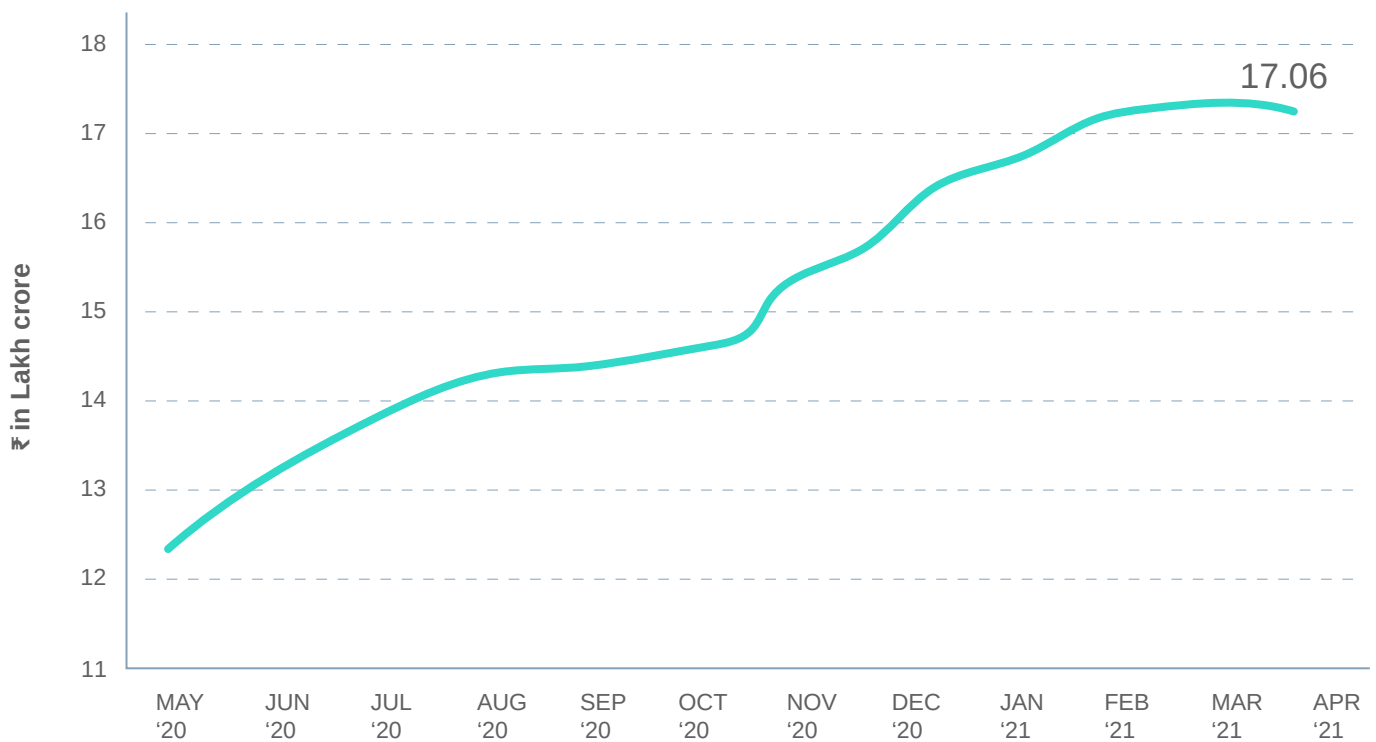


INDUSTRY SIP INFLOWS OVER THE LAST 12 MONTHS



Source: AMFI

TOTAL RETAIL AND HNI AUM



Source: AMFI



What our Research Team is saying

Rs 1000 = Rs 23 lakhs...But How?

There are essentially three key ingredients for building wealth,

- Savings rate – How much can you save and invest?
- Time – How long can you stay invested?
- Returns – How much returns can you get from the investment?

But, out of these three factors, most of us spend the maximum time & effort on improving the third ingredient – Returns.

Why?

[Click here to read more](#)

The Elusive Search for Goat Number 3

It all started one lazy Sunday afternoon in a small town near Toronto in Canada. Two school-going kids had a crazy idea.

They rounded up three goats from the neighbourhood and painted the number 1, 2 and 4 on their sides. That night they let the goats loose inside their school building.

The next morning, when the authorities entered the school, they could smell something was wrong. They soon saw goat droppings on the stairs and near the entrance and realized that some goats had entered the building.

[Click here to read more](#)



A Strategy That Pretends To Be Inferior But Ends Up Being Superior

We have always remained strong proponents of Systematic Investment Plans (SIPs) in Equities.

Equity SIPs align comfortably with our salary cycle and help us in automating your monthly savings. Most importantly, it eliminates the need to constantly monitor markets and take monthly decisions.

So behaviorally, SIPs make perfect sense but...

Have you ever wondered why an Equity SIP, which simply buys equities every month, provides decent returns in the long run?

[Click here to read more](#)

