



Current Market Scenario

Fall in Indices & rises from recent lows

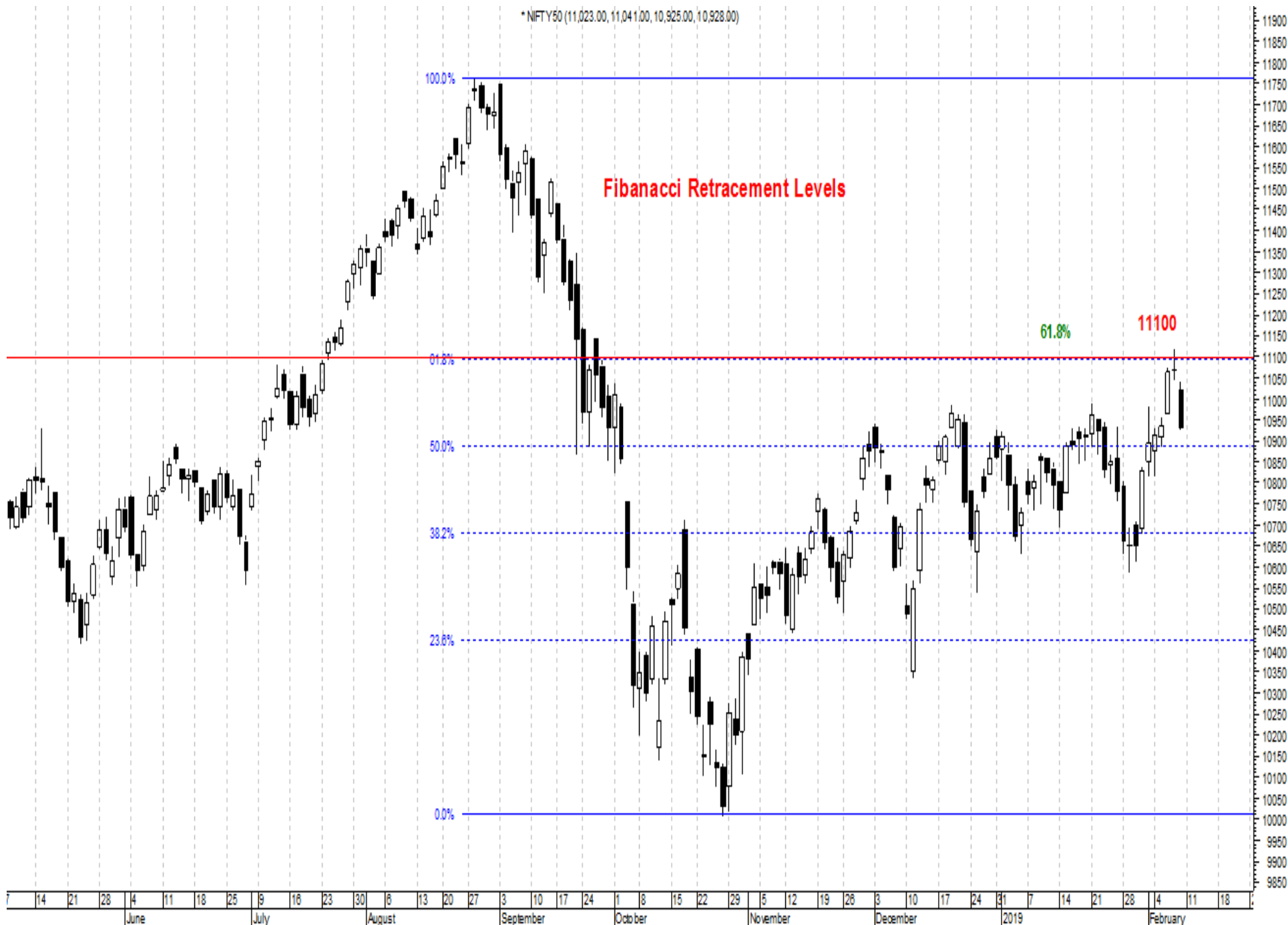


Index	Current Index	2018 high	2018 Low	% fall from peak	Present fall from peak	% rise from low
Nifty	10943	11760	9951	15%	7%	64
Nifty Midcap	16597	21841	15802	28%	24%	38
Nifty small cap	5931	9656	5669	42%	38%	21



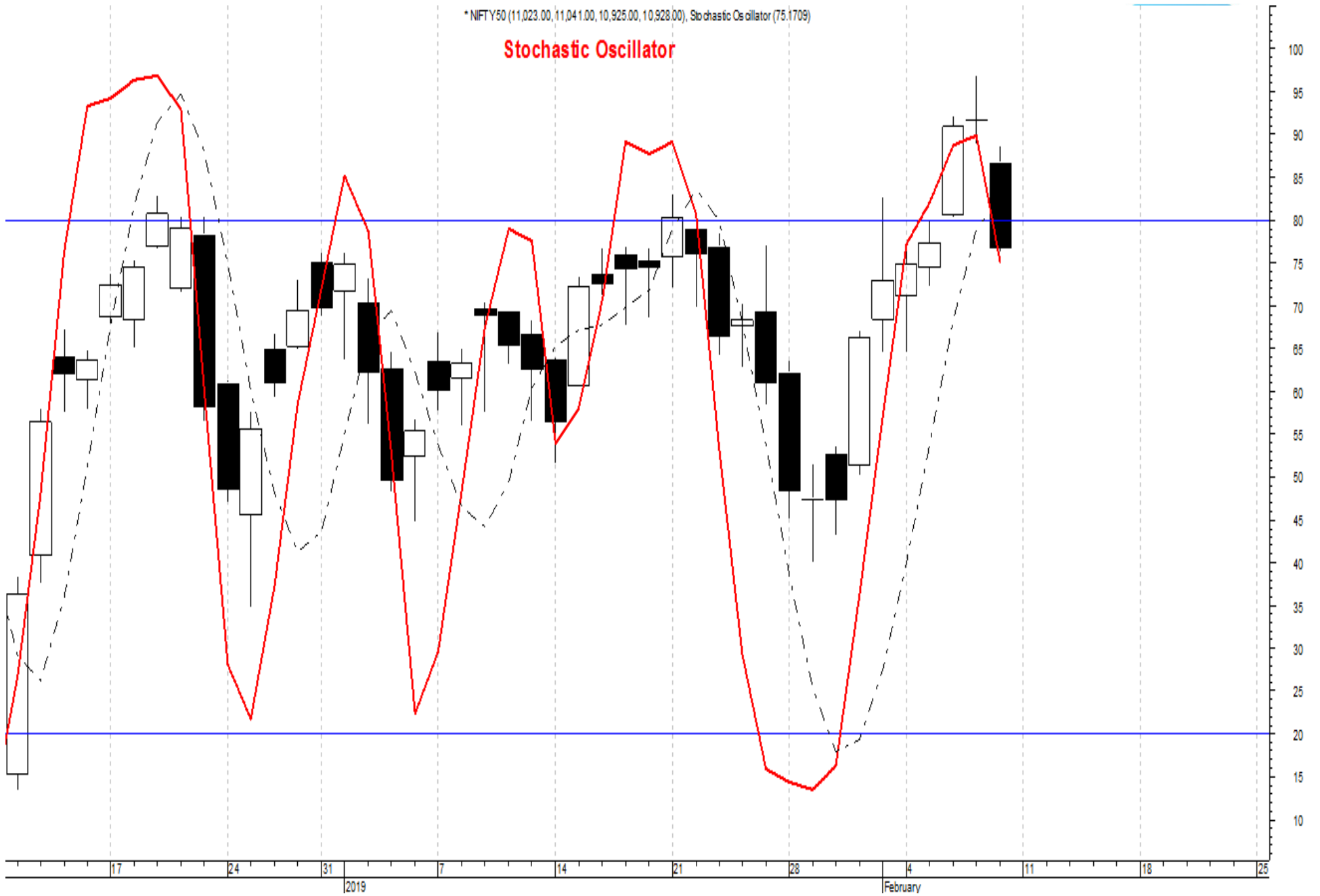
* NIFTY50 (11,023.00, 11,041.00, 10,925.00, 10,928.00)

Fibonacci Retracement Levels



* NIFTY50 (11,023.00, 11,041.00, 10,925.00, 10,928.00), Stochastic Oscillator (75,1709)

Stochastic Oscillator



Markets this year



Index Contribution	
Nifty	+50 points
Reliance	+163 points
Infosys	+106 points
Axis bank	+60 points
Other 47 Stocks	-279 points

Markets Optically Stable



- Mid and Small Caps continue to slide
- Index held by few stocks
- US markets recover
- Portfolio continue to see value erosion

INDEX WATCH

INDEX	8, Feb	11, Jan	% Change
Nifty	10,943	10,794	1.3
Sensex	36,546	36,009	1.4
Nifty Midcap	16,597	17,655	- 5.9
BSE Small Cap	13,656	14,600	- 6.4

Index Held by Few Stocks



- Large cap index held by few stocks like Reliance Ind, Infy, Axis bank
- Broader market remain weak with poor advance decline ratios

India Under Performs



Country	YTD Return %
Nasdaq (US)	9.8
Dow Jones (US)	7.9
MSCI EM	7.9
Hong Kong	8.1
Korea	6.7
FTSE	5.5
Germany	4.4
Indonesia	5.2
Nikkei	1.5
India (Sensex)	1.3
NSE Midcap	- 7
BSE Smallcap	- 7

Price Erosion in Many Stocks



- Stocks with high promoter pledging and huge debt witness steep price erosion
- Many stocks unlikely to bounce back to previous levels due to weak fundamentals
- Never try to average stocks having poor business prospects

ADAG Group Shares – End of Road ?



Company Name	All Time High Rs.	52 Week High/ Current Rs.	% Fall from Peak
R Com	844	31/5	99
R Power	331	49/11	96
Reliance Infra	2600	489/118	95
Rel Capital	2440	521/129	94

Cobrapost Accuses DHFL



- DHFL promoters accused of siphoning 31,000 Cr.
- Stock price see sharp correction
- Bonds trading at huge discount
- Retails investors are directly exposed to DHFL through equity share, bond and fixed deposits

Impact of Recent NBFC Crisis



- Debt mutual funds will take cautious view on disbursement
- Interest rate will be higher for companies with lower credit ratings
- Good NBFC's will continue to grow at healthy rate due to lower competition

Is It Time To Buy Mid and Small Cap Stocks ?



- Stock prices has corrected to reasonable valuations in many stocks
- Time to start accumulation
- One to two year from now might have given decent return

Budget Highlights



- Package for small farmers
- IT relief for those in lower slab
- Sops for Real estate sector
- Govt. to borrow more money

Budget Highlights



- Direct money transfer of Rs.6000/year to farmers holding land upto 2 hectares
- Higher allocations on rural schemes like MGNREGA
- Full rebate for individual tax payers with annual taxable income upto 5 Lakh
- Standard deduction increased from 40,000 to 50,000 per year

Fiscal Deficit Widens



Year	Fiscal Deficit Lakh Cr.	% of GDP
FY17	5.35	3.5
FY18	5.91	3.5
FY19 (RE)	6.34	3.4
FY20 (BE)	7.03	3.4

Top Five Govt. Spends



Segment	% Spend on Expenditure
Interest	23.8
Defence	10.9
Subsidy – Food	6.6
Pension	6.2
Transfer to States	5.9

Repo Rate Cut



- MPC cuts REPO rate by 25 basis points and changed policy stance to neutral
- Low inflation aided rate cut
- First Rate cut since 2017

Consumer Inflation remains Low



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

Q3 Result Performance



	% Change (YoY)	
	Dec 2018	Dec 2017
Sales	20.6	11.8
Net Profit	- 5.6	14.3

Results of 901 companies

Q3 Results Overview



- Sales were higher but profit growth muted
- Margins under pressure
- Corporate banks NPA were down QoQ basis
- IT results were better
- Due to steep fall in crude oil, many chemicals companies posted poor results

Events to Watch



- Q3 results
- Global market



Thank You