



Current Market Scenario

Fall in Indices & rises from recent lows

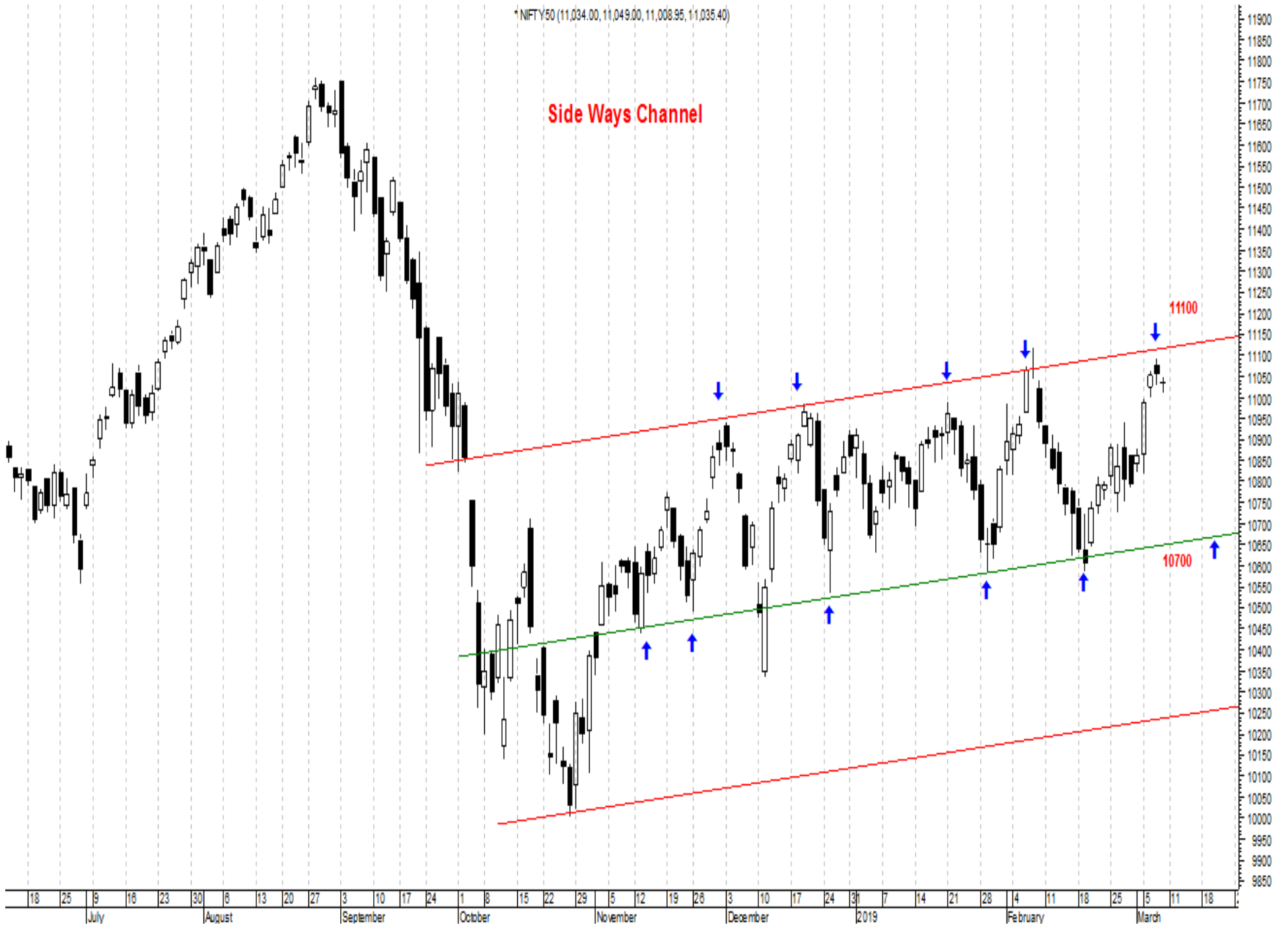


Index	Current Index	2018 high	% fall from peak	Present fall from peak
Nifty	11035	11760	15%	6%
Nifty Midcap	17379	21841	28%	20%
Nifty small cap	6350	9656	41%	34%



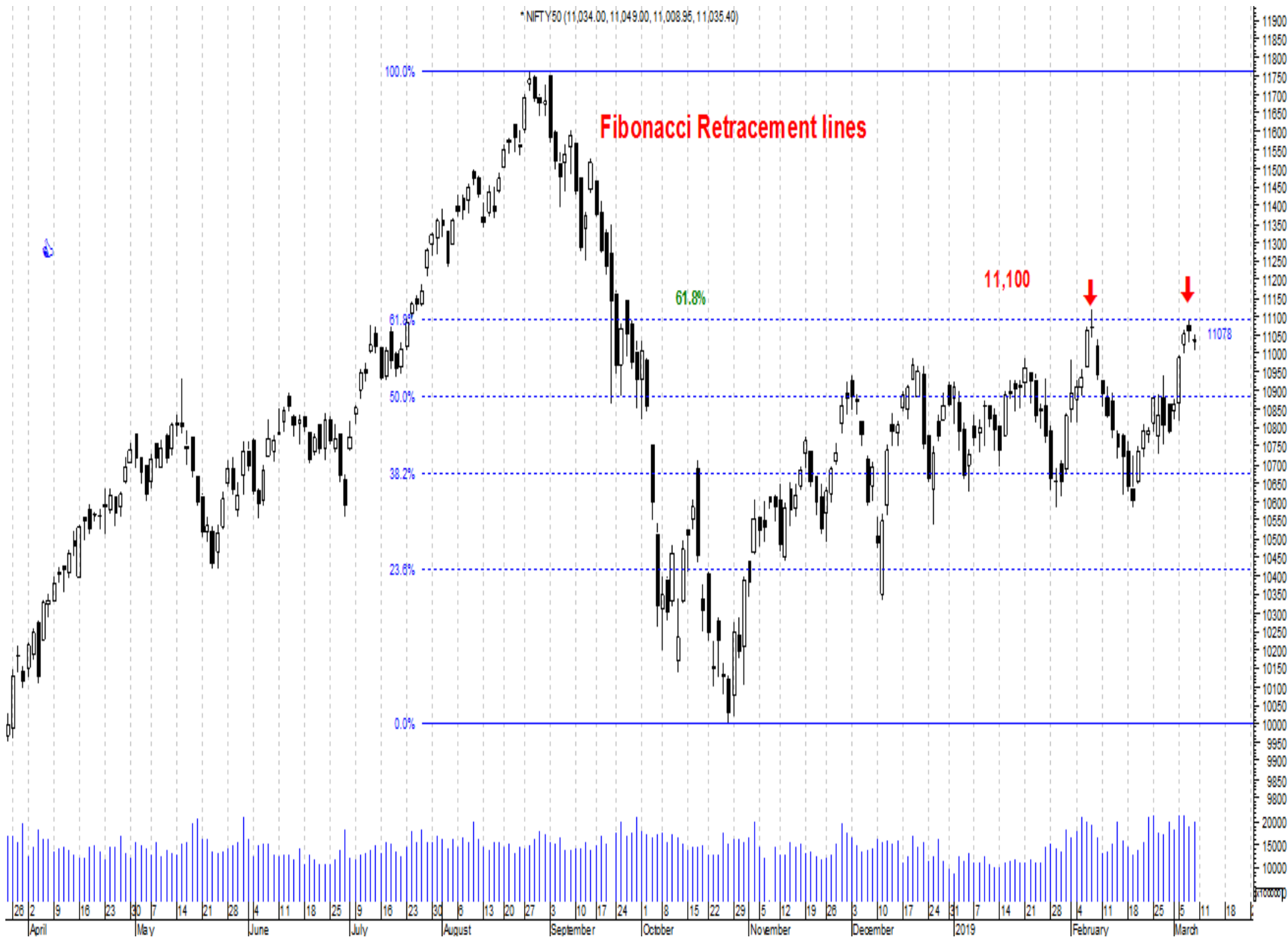
*NIFTY50 (11,034.00, 11,049.00, 11,008.95, 11,035.40)

Side Ways Channel



*NIFTY50 (11,034.00, 11,049.00, 11,008.95, 11,035.40)

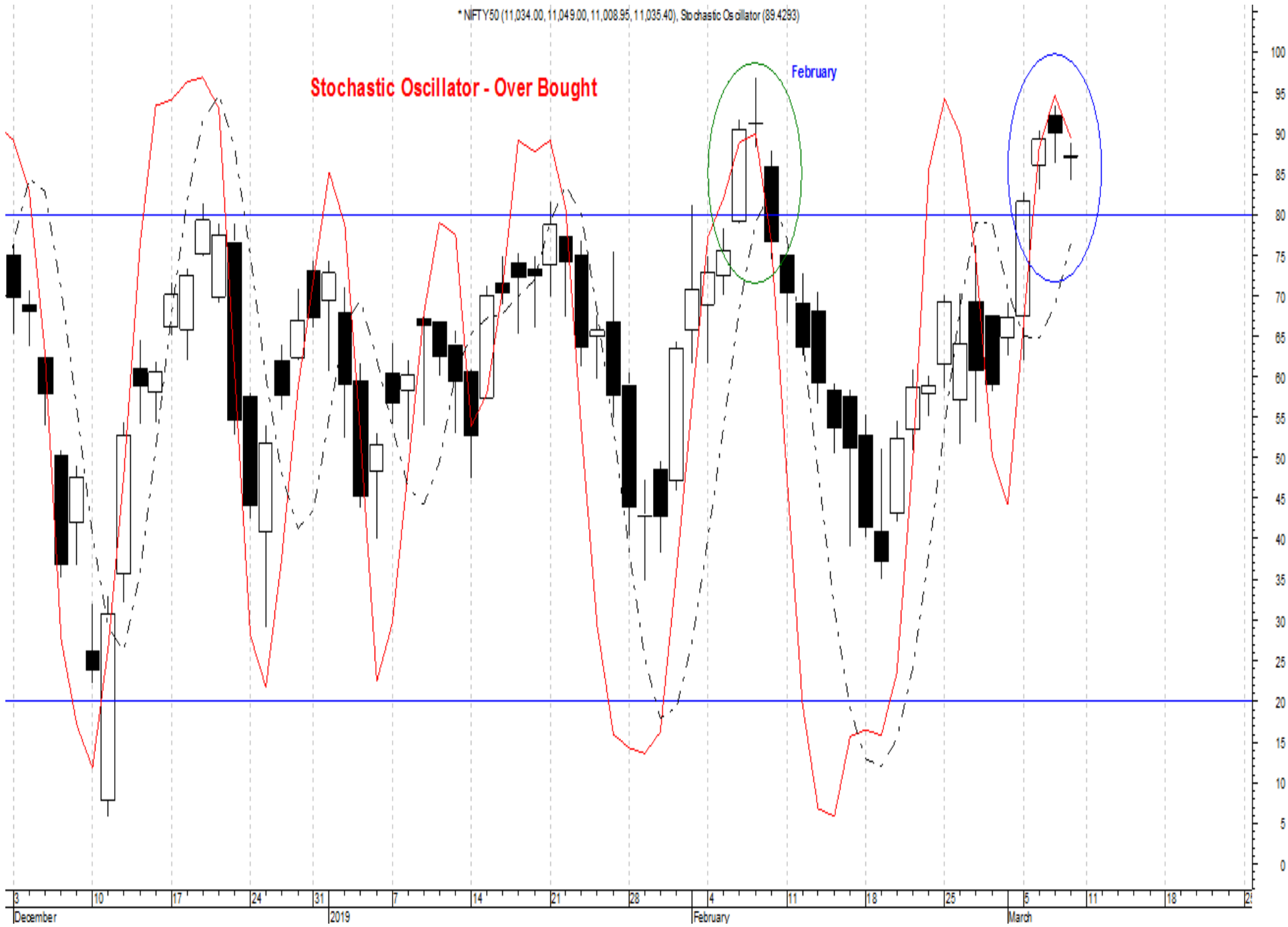
Fibonacci Retracement lines



*NIFTY50 (11,034.00, 11,049.00, 11,008.95, 11,035.40), Stochastic Oscillator (89.4283)

Stochastic Oscillator - Over Bought

February



Markets in Consolidation



- Large Cap indices range bound
- Pull back rally in mid and small cap stocks
- FII turns to buyers
- Tepid mutual fund flows

INDEX WATCH

INDEX	9, Mar	8, Feb	% Change
Nifty	11035	10,943	0.84
Sensex	36671	36,546	0.34
Nifty Midcap	17379	16,597	4.71
BSE Small Cap	14551	13,656	6.55

Sharp Rally in Mid and Small Caps



- Mid and Small cap stocks across the board see sharp rally
- Valuation comfort is there in many stocks

Time To Buy Mid and Small Cap Stocks ?

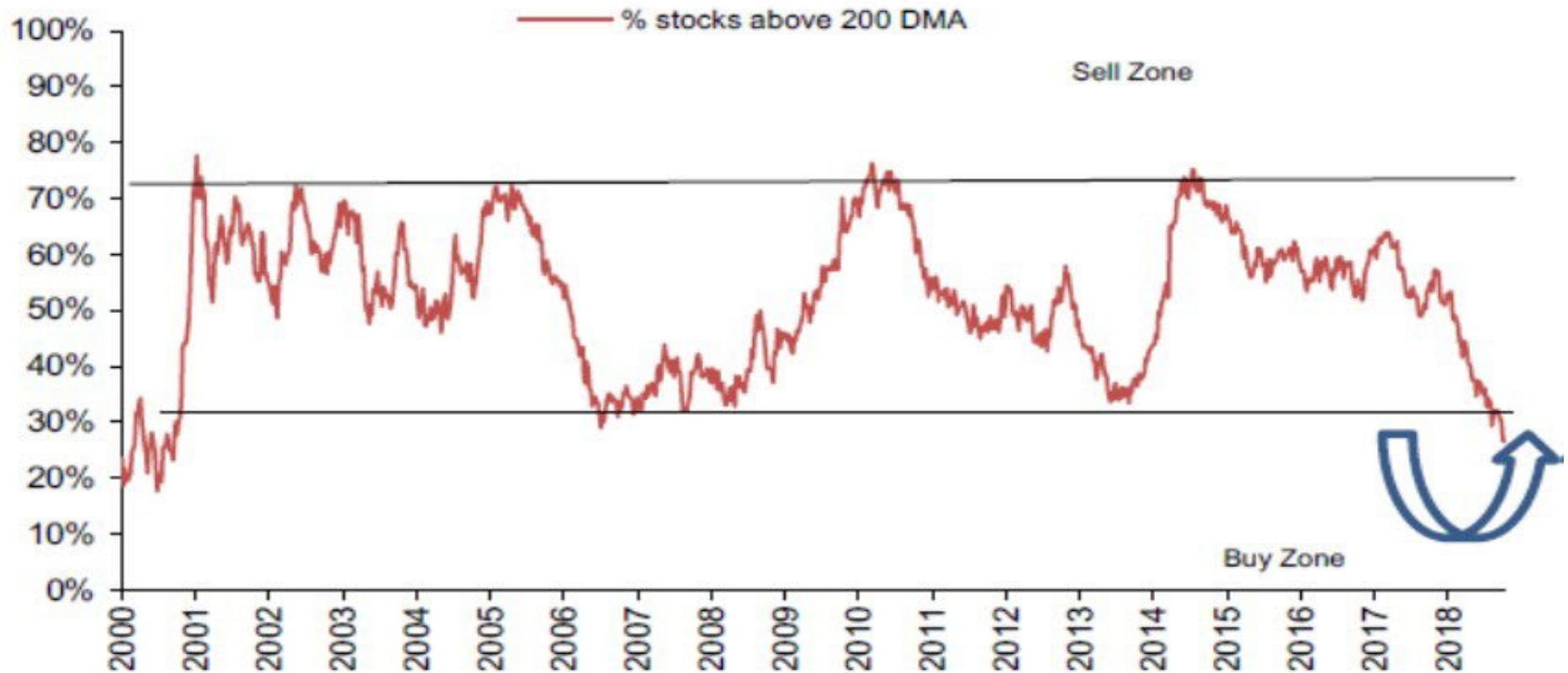


- Buying at the exact bottom is impossible
- If valuations are attractive one should start accumulating shares
- Equity investment is a long term story and one may have to undergo short term pain
- Currently Valuations are reasonable good

Weak Market Breath Worst than 2008 Fall

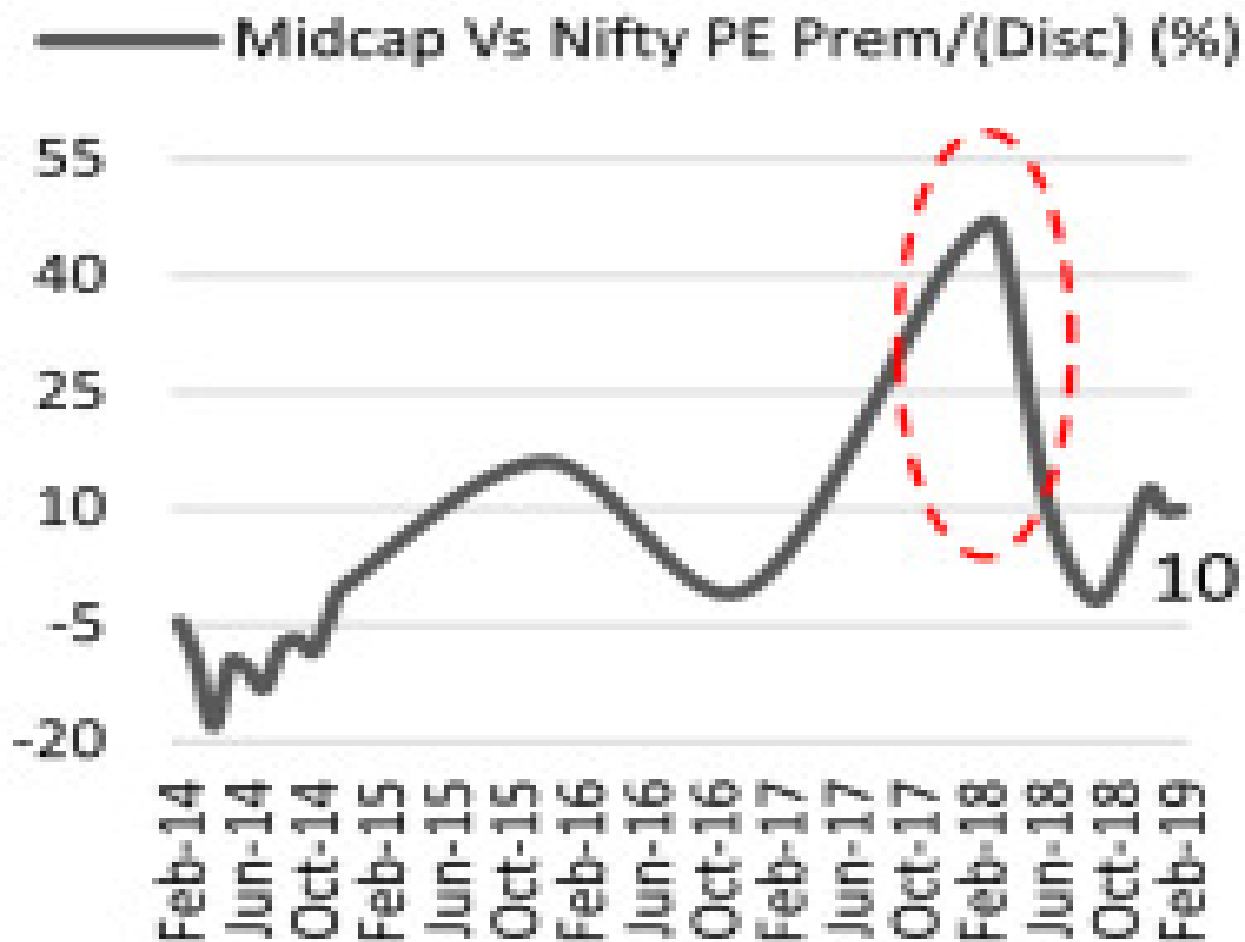


Exhibit 21: Market breadth - BSE500

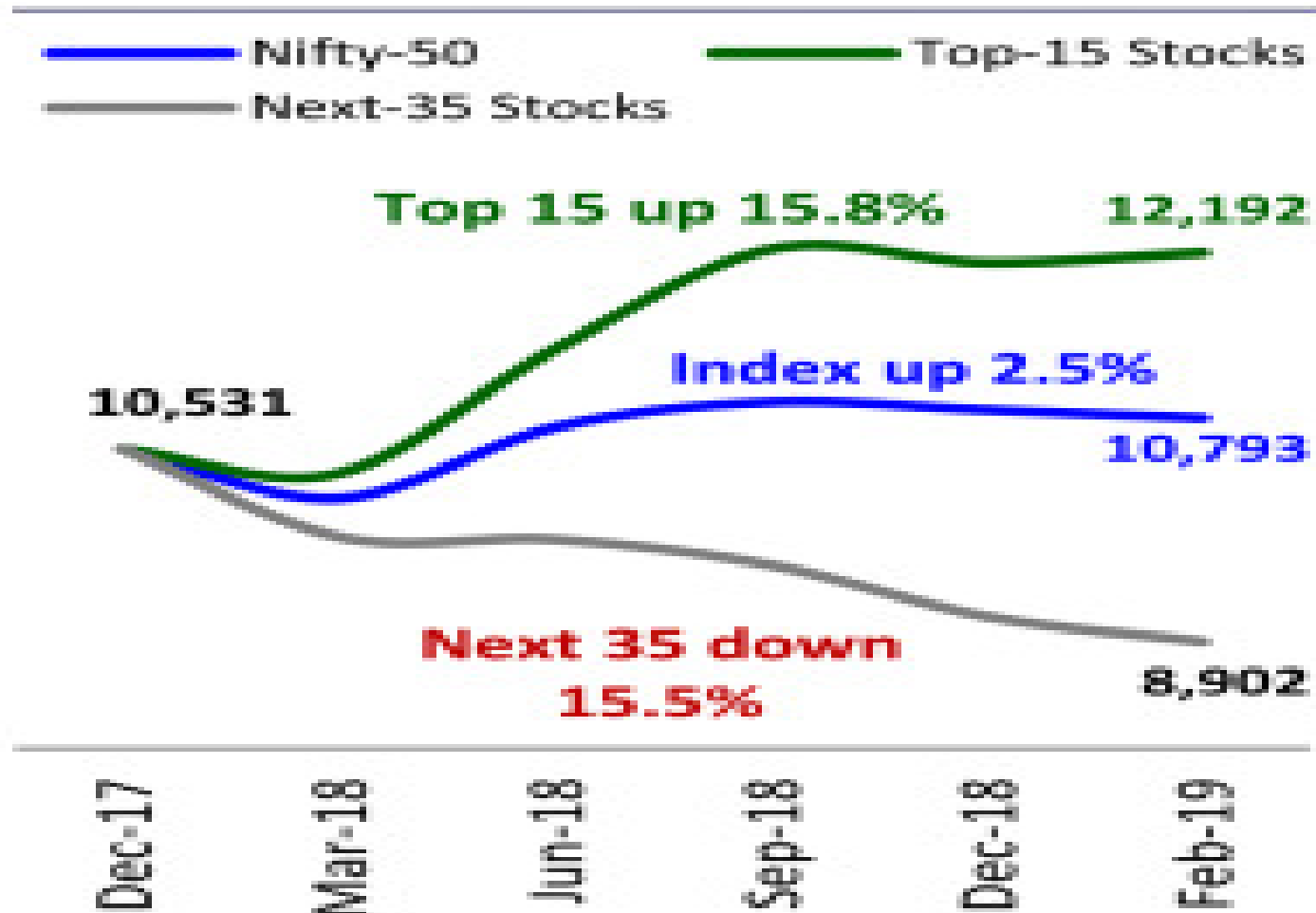


Source: RIMES, BSE, Morgan Stanley Research

Midcap Premium Wane Out



Nifty Outperformance By Top 15 Stocks



Geopolitical Tension



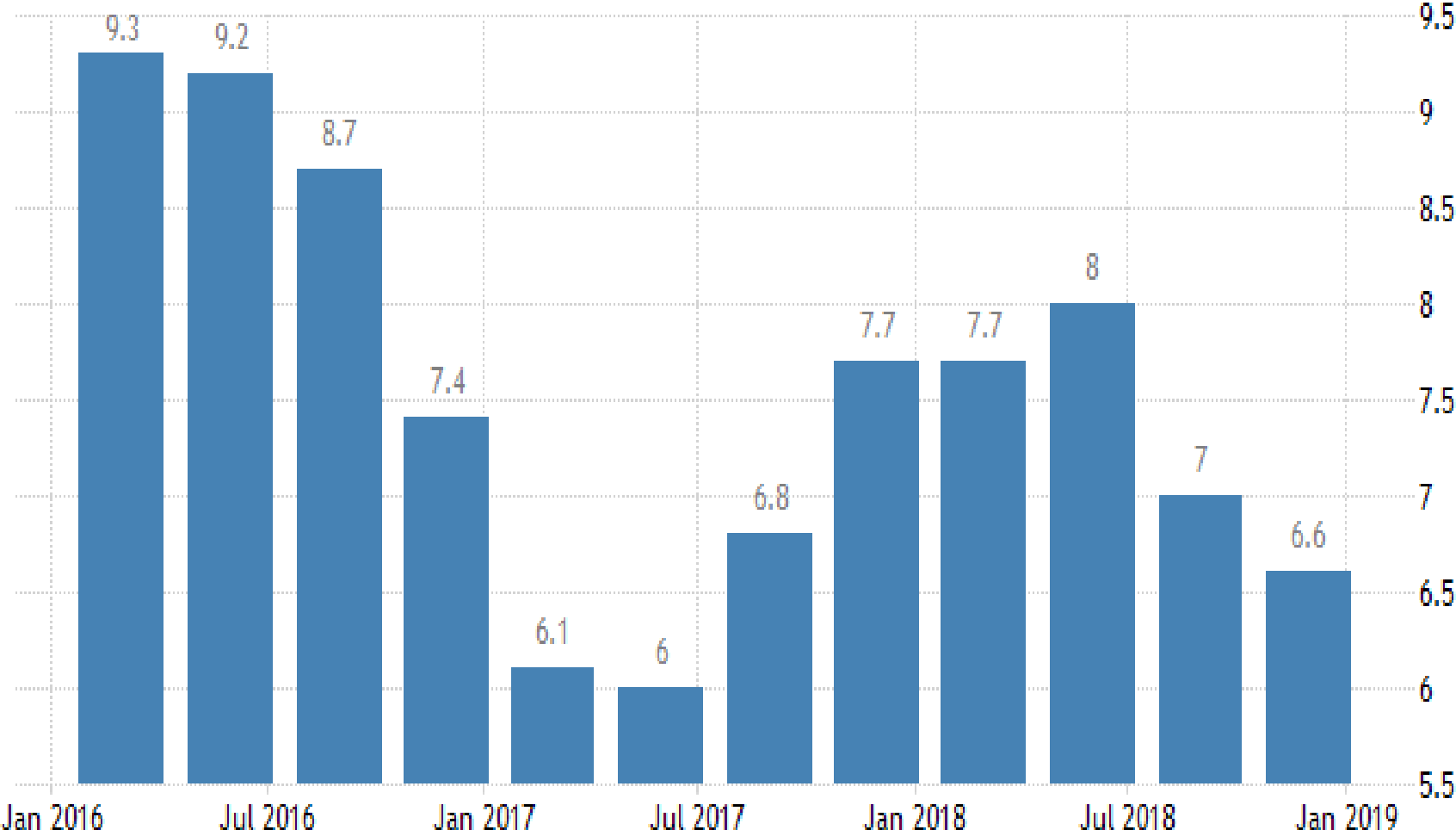
- Geopolitical tension between India and Pakistan post terrorist attack at Pulwama
- On retaliation India did air strike at terrorist camp in Pakistan
- Minor border tension will remain for time being

Economy Remain Sluggish



- IIP Data, Auto sales suggest economy growth is muted
- GDP growth expected to decline further in Q4
- Only in second half of CY2019 economy may revive

GDP Growth on Downward Trajectory



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

Auto Stocks See Decent Correction



- Domestic Auto sales for 4 wheeler and 2 wheelers are flat to negative
- High inventory at dealers end
- Auto stocks are trading at attractive valuations considering their strong balance sheet
- Time to accumulate auto stocks

MSCI increases China Weightage



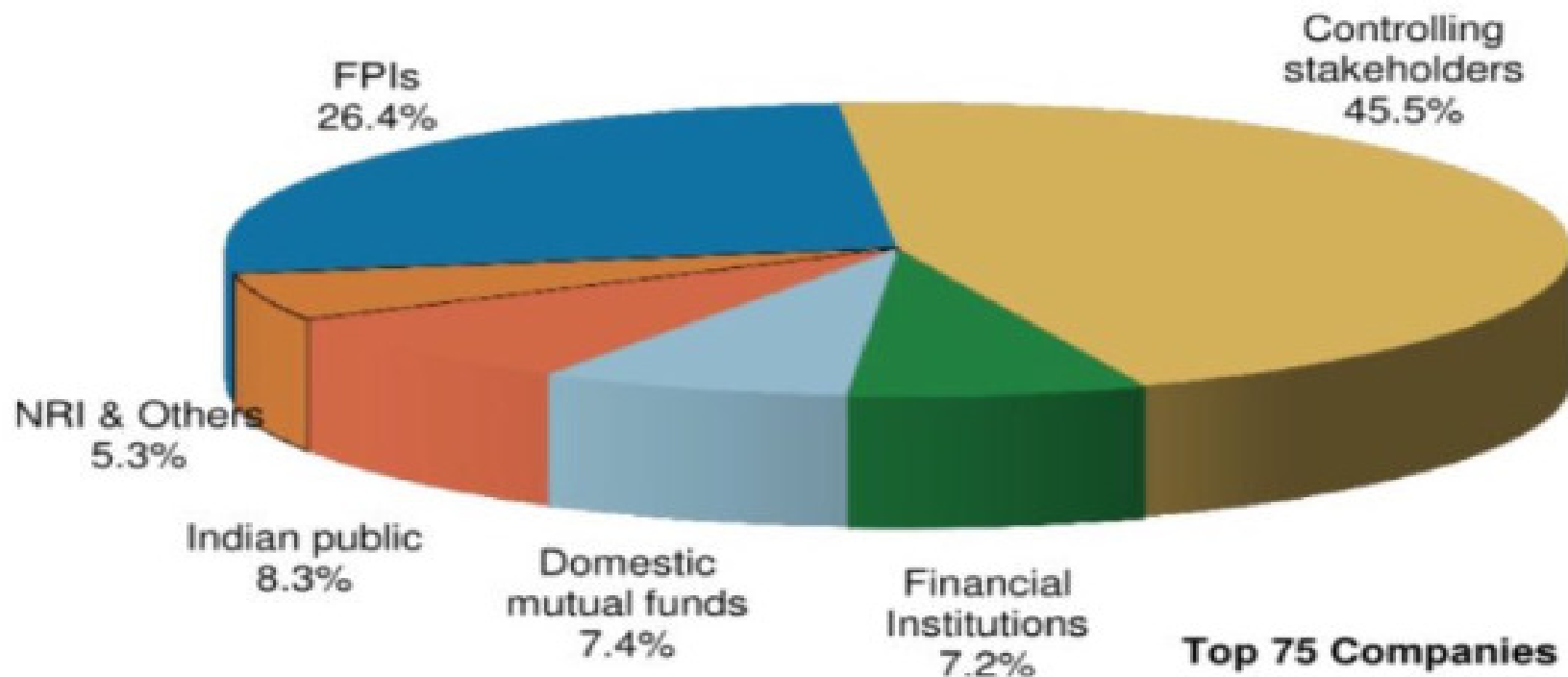
- China Weight age in MSCI Emerging Market Index to go up
- Increase will happen in three steps of May, August and November
- India's weightage is likely to fall by 20 basis point by end of November
- Potential outflow of US\$3.8 Billion from Indian market as per Goldman Sacs report

FII Still Dominant On Top Companies



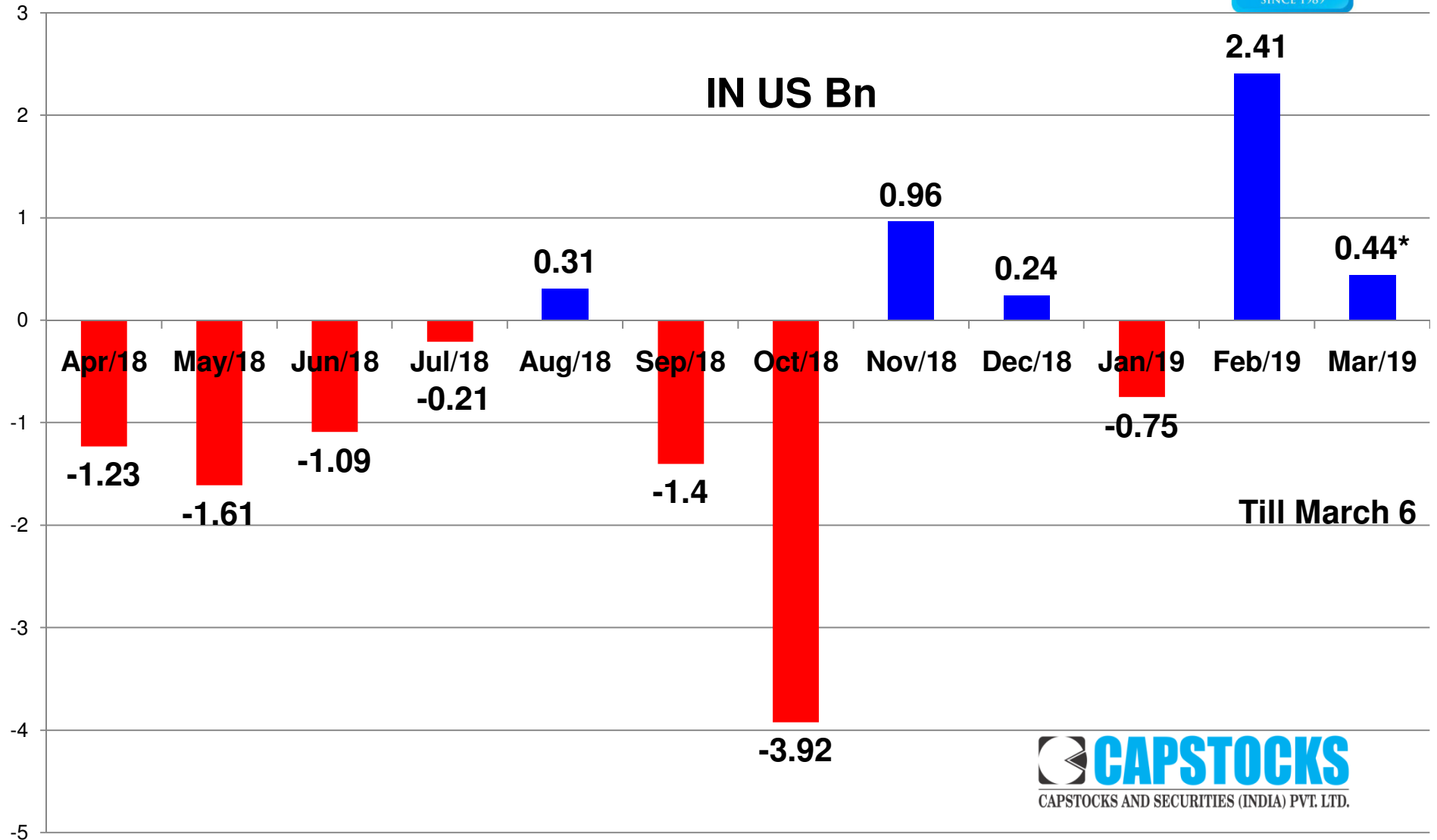
Ownership Pattern: A Snapshot

Exhibit 3: Ownership Pattern for Dec 2018



Source: BSE, Morgan Stanley Research

FII Flows



Rupee Recovers



SOURCE: TRADINGECONOMICS.COM | OTC INTERBANK

General Election Will Be in Focus



- Market will be focussing on general elections
- Political parties alliances and possible poll outcome forecast will have impact on market
- Market will see volatility ahead of elections

Events to Watch



- Election Trend
- FII and DII action



Thank You