



# Current Market Scenario

# Fibonacci Retracement Lines-Nifty





# Indices rise from recent fall

Index	Percentage rise
Nifty	63%
NSE Mid cap	21%
BSE Small cap	19%





S&P CNX NIFTY (10,736.00, 10,750.00, 10,717.00, 10,733.00)

**Pull Back to the Channel**



\* S&P CNX NIFTY (10,736.00, 10,750.00, 10,717.00, 10,733.00)

**New Downward Channel**



# Divergent Index Performance



- Bloodbath in Mid and Small cap segment
- Portfolio see significant damage
- FII selling continues

## INDEX WATCH

<b>INDEX</b>	<b>9, June</b>	<b>11, May</b>	<b>% Change</b>
Nifty	10,767	10,806	-0.3
Sensex	35,443	35535	-0.2
Nifty Midcap	18,830	19,507	-3.4
BSE Small Cap	16,887	17,818	-5.2





# Indices Fall From Recent High

Index	Current Index	Recent High	% fall
Nifty	10767	11171	4
Nifty Midcap	18830	21580	13
BSE Smallcap	16887	20183	16



# Mid and Small Cap Carnage

- Sharp fall in mid and small cap stocks led to significant erosion in portfolio values
- Majority of stocks unlikely to see recent high valuations
- Though selloff is attributed to churning of mutual fund schemes on SEBI circular but it is due to reality adjustment

# Auditors Resignations



- Recently auditors of Manpasand beverage, Vakrangee and Atlanta resigned
- Auditors resignation points to suspicious accounting practice
- Strict audit practice is positive for investors



# Additional Surveillance Mechanism

- Exchanges puts market fancied stocks under ASM
- 100% margin applicable with 5% price band. Exchanges will closely watch these companies
- Momentum and Volume will come down significantly
- HEG, Graphite, Rain Ind, Bombay Dying ,Dilip Buildcon are some stocks in ASM

# Criteria For ASM



- High Low Price Variation
- Client Concentration
- No. Of Price Band Hits
- SEBI and Exchanges will decide the stocks



# 2019 General Elections

- Recent bypoll outcome setback for BJP
- Uncertain on 2019 verdict
- Markets may dislike coalition Govt. with multiple parties

# FY18 Earnings



- Sensex companies profitability on aggregate basis up by 10%
- Banks led by SBI, ICICI Bank, Axis bank dragged overall earnings but Tata Steel extraordinary income boosted profitability
- Overall earnings were mixed

# Sensex Valuations Still High



## India (Sensex) v/s other markets

	PE (x)	
	CY17 / FY18	CY18 / FY19
India	25.8	19.2
US	22.0	17.0
Japan	16.3	16.2
Indonesia	21.2	15.3
Taiwan	15.4	14.0
UK	14.3	14.0
China	15.2	12.2
MSCI EM	14.6	12.1
Brazil	19.5	11.4
Korea	12.6	9.4
Russia	6.7	5.6

**CAPSTOCKS**

CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.



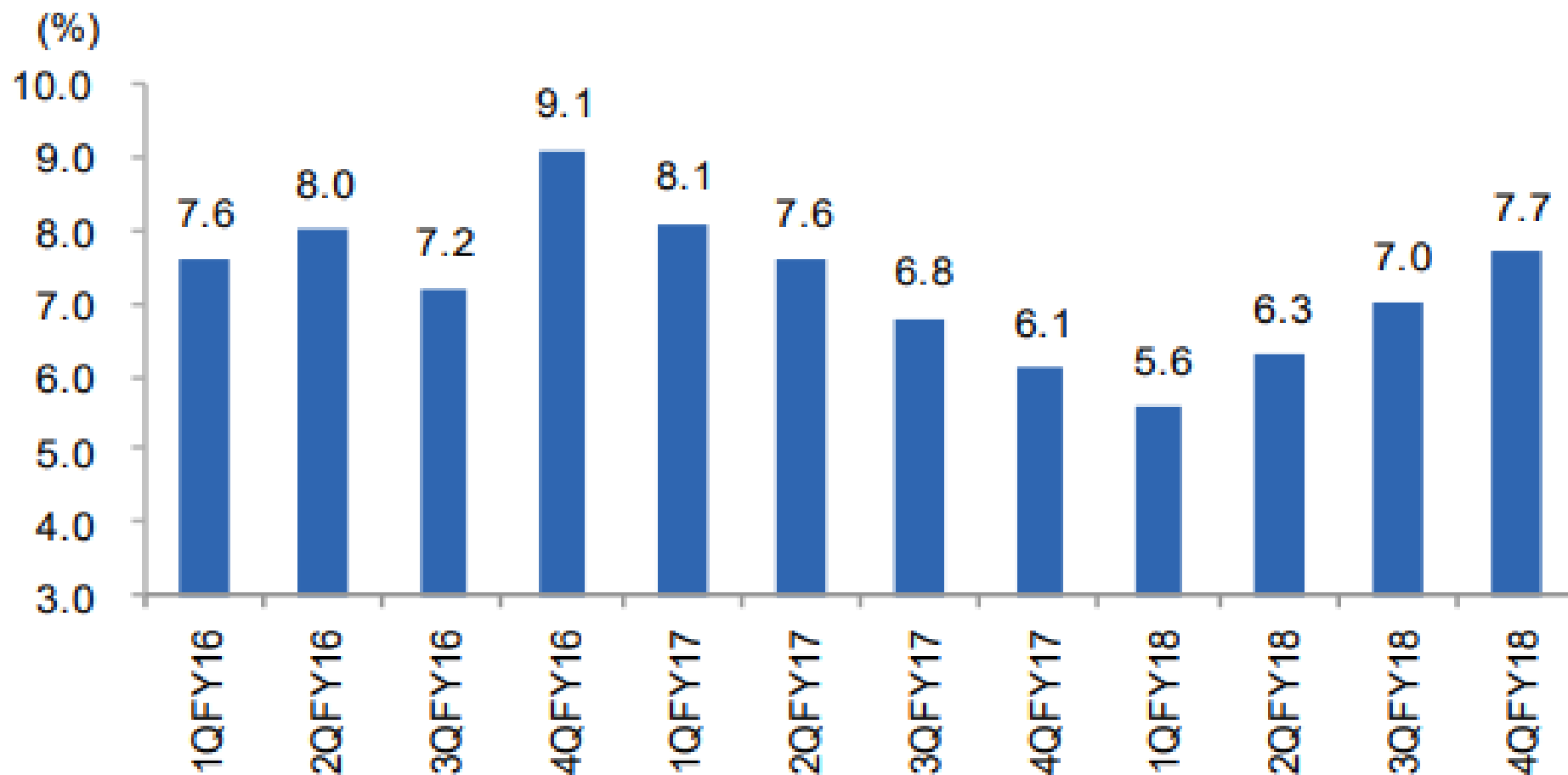
# RBI Hikes Repo Rate



- RBI hikes Repo rate by 25 bps to 6.25%
- First hike after four and half years
- Already bond and commercial paper are ahead of RBI action
- Next Monetary Policy Committee outcome on Aug 1



# Q4 GDP on UP Tick





# GDP Growth

- GDP Growth at 7 Quarter High
- Base effect and high spending by Govt. Led to higher GDP growth
- FY18 GDP growth at four year low of 6.7%
- Second half of FY19 growth to be lower on high base effect



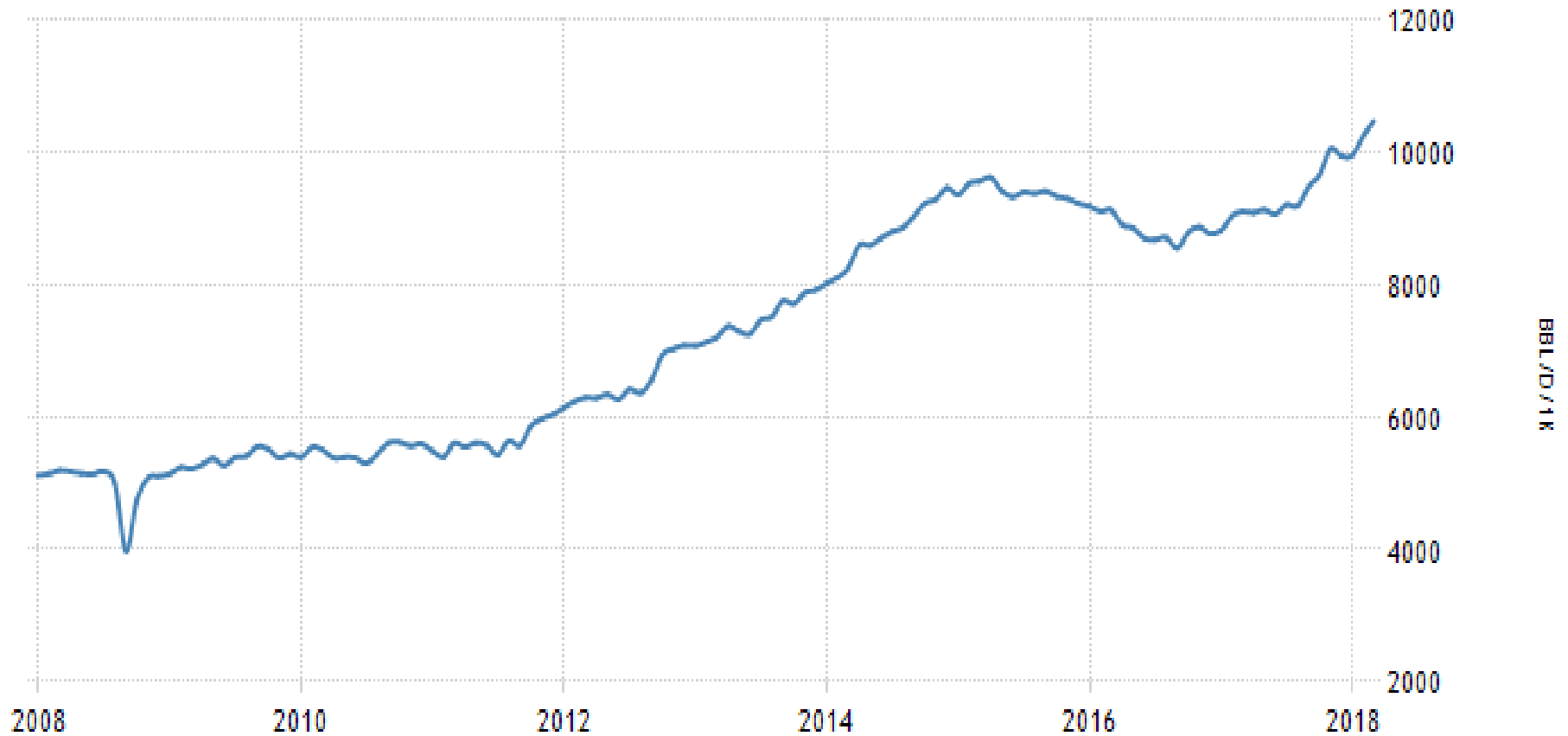
# Crude Oil Prices can turn Sentiment

- Any fall below \$65 in brent crude oil will turnaround market sentiment
- US production is increasing rapidly
- OPEC meeting on 22th June to discuss output hike

# US Oil Output At Record High



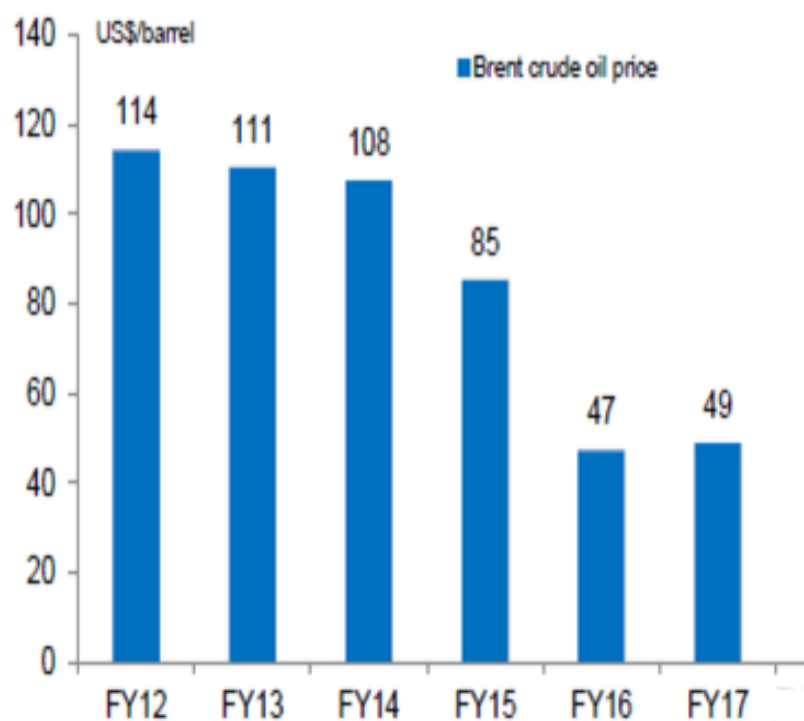
US CRUDE OIL PRODUCTION



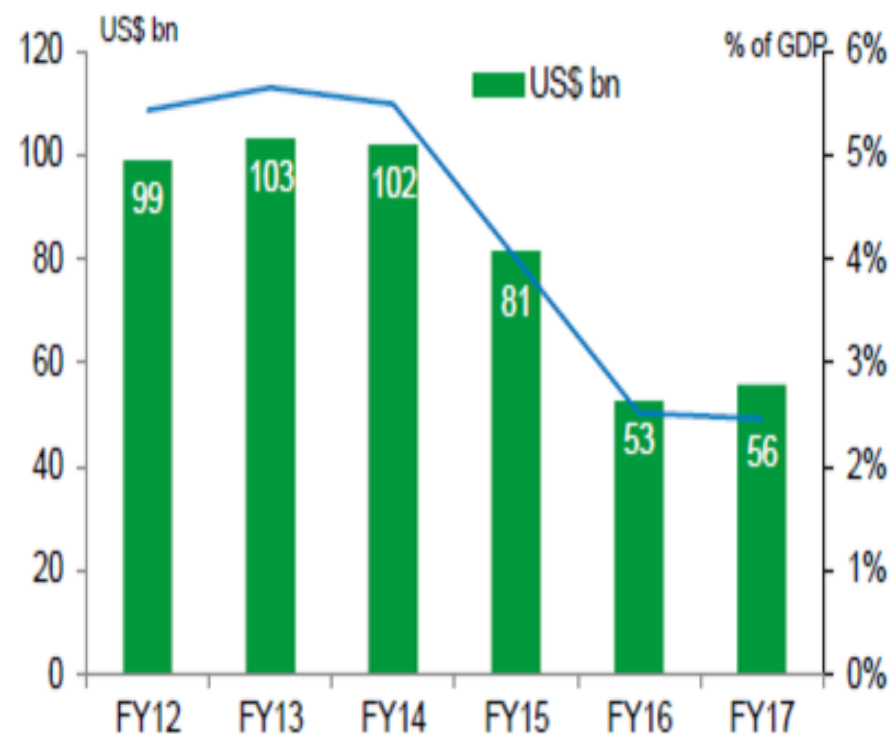
SOURCE: TRADINGECONOMICS.COM | U.S. ENERGY INFORMATION ADMINISTRATION

# Crude Oil Impact

Global crude oil prices (average)



Net oil imports



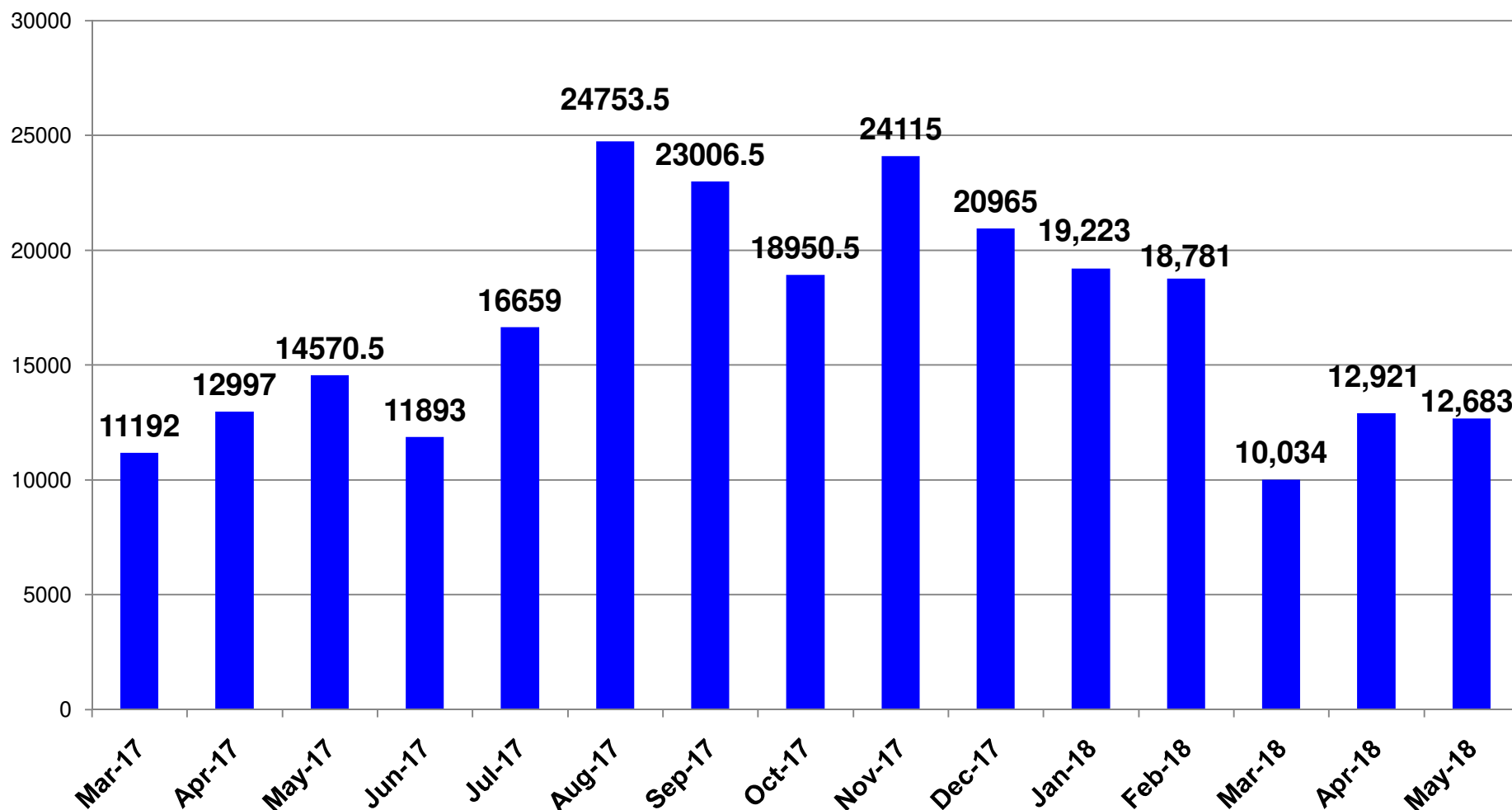
# Auto Sales Continue To Be Strong



Company	Segment	% Change (YoY)
Maruti Suzuki	Passenger Vehicle	24
Hero Moto	2 Wheeler	11
Bajaj Auto	2 Wheeler	23
TVS Motor	2 Wheeler	2
Tata Motor	Commercial Vehicle	56
Ashok Leyland	Commercial Vehicle	51



# Mutual Fund Inflows







# What Investors Should Do ?

- During market fall majority of stocks will come down irrespective of fundamentals
- Bottom will form sooner than expected
- Gradually accumulate good stocks



# Events to Watch

- OPEC Meeting on June 22
- Monsoon Progress



**Thank You**