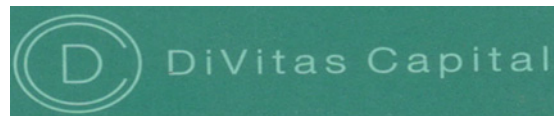


Investor Insights & Outlook



05-May-2015

Monthly Newsletter - April 2015

Market Update

Nifty	8332
Sensex	27490
10Y G-sec	7.86%
1Y CP	8.75%
CD	8.35%
USD	63.60
Gold	26868 (Rs/10gm)
Brent	65.32 \$/bbl

Product Recommendations

DEBT

- ◆ ICICI Long Term Gilt
- ◆ IDFC - GSF IP
- ◆ Axis Constant Maturity Fund
- ◆ UTI Gilt Advantage Fund - LTP

EQUITY

- ◆ HDFC Mid Cap Opportunities Fund
- ◆ ICICI Pru Banking & Financial Services Fund
- ◆ ICICI Value Discovery
- ◆ JP Morgan Small & Mid-cap Fund
- ◆ JP Morgan India Equity Fund

Contact

If you require any detailed information, please contact:

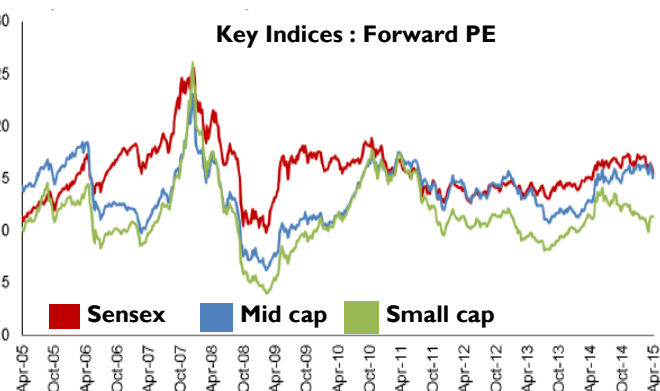
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Strategy

Equity

Indian equities continued their downward trajectory in April as the positive news flow during the month did not boost the market sentiment due to the larger concerns on retrospective taxation on FII's, weak monsoon, rise in crude and weak beginning to the earnings season. The focus has shifted to the successful enactment of Land Acquisition Bill as this would be the key catalyst for our market. Midcaps have started quoting at premium to large caps as the valuation differential between large caps and mid caps has narrowed down. We recommend investors to buy Indian equities as the recent correction has provided a great re-entry opportunity.



Debt

The yield on the 10Y benchmark rose 12 bps to close at 7.86% compared to the previous month's close of 7.74%. This spike in yields were mainly due to heavy selling pressure from DIIs and the fear of inflation spiking on account of rising crude prices. In our view, there is a case to be bullish on 10Y - yield for long term bond investors. The next few months will provide more confirmation on the Government's food policy. If this aids RBI's endeavour to take inflation (CPI) to 4% by 2018, then it is quite obvious that rates still have to be much lower. On the other hand, if the Government follows a populist policy by raising MSP, inflation management will be under pressure thus delaying rate cuts. Fortunately, the global environment remains soft giving the RBI enough leg-room to consider rate cuts. We remain bullish and continue to recommend duration.

Disclaimer: Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. Please read the Statement of Additional Information and Scheme Information Document carefully before investing. CIN : U74140DL2007PTC164346