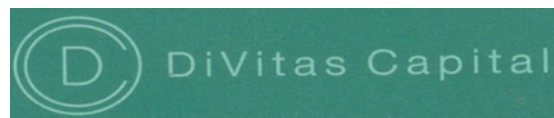


Investor Insights & Outlook



31-Mar-2015

Monthly Newsletter - March 2015

Market Update

Nifty	8491
Sensex	27957
10Y G-sec	7.74%
1Y CP	8.70%
CD	8.32%
USD	62.63
Gold	26204 (Rs/10gm)
Brent	54.81 \$/bbl

Strategy

Equity

Indian markets have corrected significantly after the budget euphoria. We have seen a near 9% correction in one month which is indeed a good opportunity to buy equities particularly for investors who missed out any previous buying opportunities. We are confident that the Modi Government is committed in reviving India's economic growth through a series of initiatives: coal auctions, mining bill, spectrum auction etc.

In the short-term, we expect the markets to consolidate. Barring global headwinds, we remain bullish on Indian markets with a long-term perspective supported by major factors such as global liquidity, low crude oil prices and expectation of growth oriented reforms relating to GST, Land acquisition bill, Railways and Defence etc.

Debt

Government bonds weakened due to lack of interest towards the end of the financial year. Global oil prices and the US treasury yields rose, providing gilts with additional negative clues though further losses were capped by the release of the Government borrowing calendar for first half of next fiscal year. Although the economy and inflation may face some pressure on account of the affect of rains on agricultural output, the trajectory is clearly lower. The possibility of the RBI front ending reductions though remote, cannot be ruled out.

We continue to recommend investors to add duration in their portfolio through Gilt funds which are currently very attractive.

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 Infrastructure Fund
- ◆ ICICI Value Discovery
- ◆ JP Morgan Small & Mid-cap Fund

Contact

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