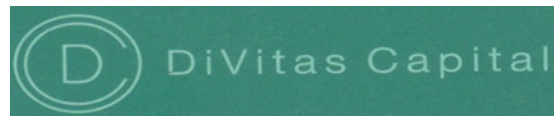


# Investor Insights & Outlook



31-Jul-2016

Monthly Newsletter - July 2016

## Market Update

Nifty	8638
Sensex	28052
10Y G-sec	7.13%
1Y CP	7.90%
CD	7.23%
USD	66.76
Gold	31549 (Rs/10gm)
Brent	43.66 \$/bbl

### Product

#### Recommendations

##### DEBT

- ◆ Tax free / Perpetual bonds
- ◆ HDFC Short Term
- ◆ IDFC - GSF IP
- ◆ ICICI Pru Income Opp.
- ◆ IDFC Corporate Bond

##### EQUITY

- ◆ ICICI Pru Banking & Financial Services Fund
- ◆ Kotak Select Focus Fund
- ◆ Franklin India Prima Plus Fund
- ◆ SBI Bluechip Fund
- ◆ ICICI Value Discovery

## Contact

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## Strategy

### Equity

The markets rose 4% during the month buoyed by optimism that the crucial Goods & Service Tax Bill (GST) will get passed in this session of the Parliament. Additionally, Government's plan to infuse capital in select state-owned banks and a widespread good monsoon further boosted sentiment. India also remains a bright spot among its peers on most of the parameters such as expected growth rate, macro stability and proactive government policies. The continuation of negative interest rates globally and loose monetary policy further added global liquidity. Consequently, FII's remained buyer in equity and debt in India.

The general turnaround in India will continue to boost equities in India until any global headwinds arise.

### Debt

The yield on 10-year benchmark bond (7.59% GS 2026) fell 26 bps to close at 7.19% compared to the previous month's close of 7.45% giving those with Gilt exposure significant gains. The fall in bond yields globally (with bond yields negative in many countries and at record lows in others) together with strong domestic cues primarily due to comfortable liquidity conditions in the banking system, hopes of adequate monsoon rainfall, and expectations of monetary easing by the Reserve Bank of India (RBI) were responsible for yields to fall. We recommend existing investors in long duration funds to stay invested and for incremental investments, recommend short to medium and dynamic duration funds. Perpetual bonds also offer attractive yields.



**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