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A Monthly Publication from Wiseinvest Advisors Private Limited

WEALTHWISE®

Wiseinvest®
With YOU, in meeting
FINANCIAL CHALLENGES

Inside	Pg No.
Kotak Equity Savings Fund	2
Market Outlook	3
Performance Of Select Funds	4
Equity Market Outlook	5-6

Wealthwise

“Wealthwise” is a monthly publication brought to you by Wiseinvest Advisors, which is a quality investment advisory firm that specializes in mutual funds. Our CEO, Hemant Rustagi, is a well known personal finance expert. He brings with him an experience of more than 25 years in this field. He regularly writes articles for major national dailies and business magazines as well as appears as a personal finance expert on many investments related TV shows. Besides, our team of advisors has professionals who have spent years in the mutual fund industry. In the last ten years, thousands of our clients have benefitted from our quality advice and have made mutual funds as the mainstay of their portfolio. You can benefit too from our expertise for your existing as well as new investments. All you need to do is to just call up any of the branches or email your requirements at information@wiseinvestadvisors.com and our professional advisors will do the rest.

Dear Investor,

After being shaky in the first half, the Indian stock market staged a recovery in the second half of June 2015. However, the sharp selloff in Chinese equities and deepening Greece's debt problems amid deadlock between the country and its creditors rattled the markets towards the end of the month. The uncertainty in global financial markets may continue for now as investors await the outcome of the referendum on July 5, 2015 when people of Greece decide whether they agree to the terms of their creditors. The opinion polls are suggesting that majority will vote for 'yes'.



The general consensus is that Greece crisis will not impact India much. India's foreign exchange reserves are at an all time high of \$355 billion and hence macro-economically the country is in a sound position and extremely well placed to tackle any situation that may arise of Greece crisis. However, any further weakness in China during the coming months could have detrimental effects on the emerging markets. In its bid to reduce borrowing costs and support the slowing economy, China's central bank cut its benchmark lending rate by 25 basis points to 4.85 percent, the fourth reduction since November 2014.

The positive for Indian markets is that domestic investors have turned buyers and look keen to buy at lower levels. Moreover, higher than average monsoon in the month of June augurs well for the economy and has also raised hope of interest rate cuts. On the inflation front, India's consumer price-indexed based inflation rose to a 3 month high of 5.01 percent in May as against 4.87 percent in April. However, retail food inflation eased a bit to 4.80 percent from 5.11 percent in April. The industrial output growth accelerated to a two month high at 4.1 percent in April. While the manufacturing output came in at 5.1 percent, the capital goods output came in at 11.1 percent.

As for the earnings growth, we expect it to be in the range of 10-12 percent in FY 16. Although the government has taken steps for economic recovery, the results will be visible from the Q3 FY 16. Surely, these are testing times for equity fund investors. However, the long-term prospects of investments made now look quite bright and our recommendation is that you should keep investing through these turbulent times.

Warm regards,

Hemant Rustagi
Editor

Address to be affixed here

The Stock Market Performance During June 2015.

Indices	1st June 2015	30th June 2015	Change in (%)
Sensex	27,848.99	27,780.83	-0.24
MIDCAP	10,712.43	10,679.99	-0.30
SMLCAP	11,279.78	11,075.35	-1.81
BSE-100	8,536.13	8,464.09	-0.84
BSE-200	3,527.98	3,499.51	-0.81
BSE-500	11,010.14	10,903.53	-0.97

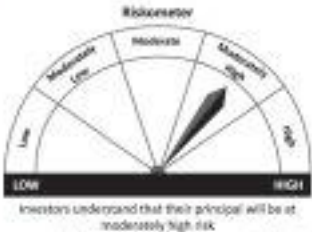
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Get a sharp focus on the most promising sectors

Kotak Select Focus carefully identifies the better-performing sectors and invests your money in the promising ones amongst them. The best part is, we closely monitor their performance and switch between sectors accordingly. Just so that the better performing ones power your portfolio and help you achieve your investment goal. Invest in Kotak Select Focus today and look forward to reaping the benefits of staying committed.

Kotak Select Focus - This product is suitable for investors who are seeking*

- Long term capital growth
- Investment in portfolio of predominantly equity & equity related securities generally focused on a few selected sectors



* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.



Kotak Equity Savings Fund

Investment Objective

The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and enhance returns with a moderate exposure in equity & equity related instruments.

The fund is managed by Mr. Deepak Gupta & Mr. Abhishek Bisen and has a corpus of Rs. 412.83 crore as on June 26, 2015.

Asset Allocation & Investment Strategy

Since the risk-return profile of equity arbitrage is that of a liquid fund, the arbitrage allocation (of around 40-45%) and debt component (of around 35%) put together, creates a risk-return profile of around 75% fixed income investments. The rest 25% of the corpus is invested in directional equities. This creates the risk-return profile of a typical monthly income plan. But there is a difference. The equity arbitrage and directional equities put together create an asset allocation of around 65% plus into equities.

The fund manager believes that there will be a good opportunity to enter into the Indian market, as it is expected that the market might be volatile due to global events. Events such as Greek debt crisis and an impending US interest rate hike may impact the market since FII holdings in the Indian companies are at an all-time high. However, given the pace and depth of economic reforms, the fund continues to remain positive on India's favorable macro-economic fundamentals. Sectorally, the fund manager remains positive on domestic cyclical sectors such as Banking, Auto, and Capital Goods. Based on the valuation and the earning visibility, the fund manager might change the exposure from time to time.

Current Fund Positioning

- The fund has currently deployed between 24%-25% in directional equities and around 35%-40% in arbitrage opportunities. Therefore, the total equity exposure is between 60%-65%.
- On the debt side, the fund has invested in AAA papers with a maximum residual maturity of 1 year. However, due to the rise in the yield recently, the fund has taken some duration call as well now. This will benefit once the market yields come down.

- On the directional equities side, positioning has not changed in the last 1 month. The fund is massively overweight in autos and pharma and slightly underweight in banking, oil and gas, and information technology.
- Under the Income Tax act, this scheme gets categorized as an “equity oriented fund”; thereby enjoying the benefits accorded to an equity scheme. Dividend in this scheme does not attract dividend distribution tax .

Performance as on June 26, 2015

Fund	AAUM (Rs Cr)	Launch	1-Month*	3-Month*	6-Month*
Kotak Equity Savings Fund	412.83	Oct-14	0.64	1.94	4.83
VR Balanced Index			0.58	0.71	2.48

*Absolute Returns. Past performance may or may not be sustained in future.

Asset Allocation as on May 31, 2015

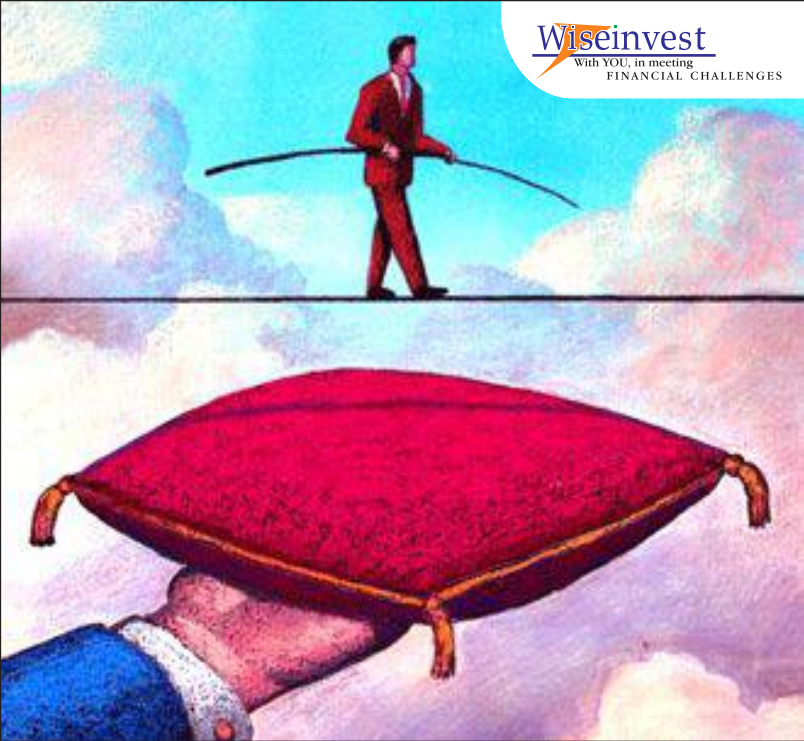
Equity	64.30%
Debt	18.99%
Cash	16.71%

Top 10 Holdings as on May 31, 2015

Company	% of Net Assets
CMC Ltd	6.81
Infosys Ltd	1.59
Axis Bank Ltd	1.43
IndusInd Bank Ltd	1.35
Maruti Suzuki India Limited	1.23
HDFC Ltd	1.06
HCL Technologies Ltd	1.04
ICICI Bank Ltd	0.98
Hindustan Unilever Ltd	0.96
Sun Pharmaceuticals Industries Ltd	0.95

Our Recommendation

Kotak Equity Savings Fund (KESF) is a good option to investors who intend to have a restricted exposure to equities and at the same time would like to get tax efficient returns. KESF is also a good option to those who may like to get regular income i.e. on a monthly or quarterly basis. Considering that for tax purposes, KESF is treated as an equity fund, dividend distribution tax is not applicable to it. Therefore, in terms of stability and taxation this fund scores over Monthly Income Plan (MIP). To sum it up, KSEF can be the starting point for those investors who may like to begin investing in equities without having to worry too much about the volatility that exists in the market place.



Managing risk and rewards is an art You can count on us to manage both for you

Relying on the past performance alone can be very tempting to invest in mutual funds. But for experts like us, it is just one of the parameters in the selection process. We go beyond performance and select funds that suit your needs and your risk profile. The key to mutual fund success is to invest in the right funds and in the right proportion. Besides, our research team is well equipped to track funds and ensure that your portfolio has the best funds at all times.

Wiseinvest Advisors an Investment Advisory firm that specializes in mutual funds. We follow a disciplined and transparent approach for building as well as monitoring your mutual fund portfolio. A monthly portfolio statement keeps you up-to-date. When you have a mutual fund expert just a phone call away, then why risk your life savings with someone who will learn how to invest with your money. Call any of our branches and you will experience a whole new world of mutual fund investing.

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Market Outlook



Healthy reset of expectations

Expectations in financial markets in terms of reforms and economic growth were running high, as reflected in high valuations v/s slow earning growth recovery. Over past one year there is a more visible presence of India on the global platform and a dramatic turnaround in investor sentiment. Government initiated some positive steps by way of improving financial inclusion, initiating the transformation of the railways and defense and attracting more FDI (foreign direct investment). There are also some early steps in labour market reform by some states, jump-starting roads projects, increased reliance on direct benefits transfer to better target subsidies, and pushing ahead with the potentially transformational goods and services tax (GST). The impact of these and impending steps by government will be slow but structural in nature – rather than instant gratification.

Earning recovery remains weak; limited visibility of turnaround in short term

4QFY15 adjusted net profits of the BSE-30 Index and Nifty-50 Index declined 11% and 14.4% yoy (Source Kotak Securities). PSU banks and cement disappointed the most once again and were joined by select consumer staples, energy, Healthcare and IT names. Asset quality issues, especially on infra and metals/mining space, is not sorted out yet. Poor asset quality has resulted because of sharp fall in commodity prices, ambitious assumption on availability of natural resources and global and domestic economic slowdown. Government can solve natural resources related asset quality issues however for the rest we need to wait for turn in business cycle both locally and globally. Hence we continue to prefer private sector banks which are more focused towards retail lending and thus have a superior asset quality.

RBI in for a pause

The policy easing on 2nd June 2015 was favored by (1) start of policy transmission, (2) limited impact of unseasonal rains so far on food inflation, (3) idle industrial capacity and sluggish growth, and (4) likely postponement of Fed policy normalization cycle. More important, the RBI cautioned against inflation risks over the next few months from a deficient monsoon and the nature of government's policy response, geo-political risks to oil price, and external volatility impacting the exchange rate. Assuming reasonable food management amidst weak monsoons and the impact of higher service tax, the RBI now sees January 2016 CPI inflation at 6% (5.8% in April policy), while downgrading FY2016 real GVA (Gross Value Add) growth to 7.6% (7.8% prior) with a further downward bias.

Maintain view – slow but steady returns

In view of the limited scope of earnings upgrades and monetary easing, a few measures are critical to sustain sentiment: (1) legislative reforms (passage of GST and land acquisition bills in the monsoon session of the parliament) and (2) specific executive actions (extension of direct benefit transfer schemes to more subsidized products, further auctions of coal blocks, auctions of other mineral ore mines by state governments, resolution of problems in the banking and power sectors). A step-up in government spending will also help revive a flagging investment cycle. We find valuations of the Indian market full with Nifty-50 trading at 18X FY2016E EPS. Valuations will look richer if we see material earnings cuts in FY2016.

Mr. Anand Shah
Chief Investment Officer
BNP Paribas Mutual Fund

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**BACK YOUR INVESTMENTS
WITH THE ADVANTAGE OF SIZE.**

A large-cap equity fund that invests in leading companies across sectors to give the advantage of size to your portfolio.

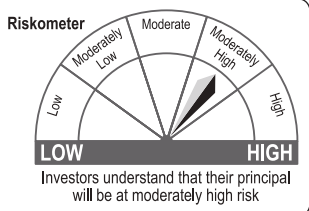
BNP Paribas Equity Fund
(An Open-Ended Equity Scheme)

**BNP PARIBAS
MUTUAL FUND**

This product is suitable for investors who are seeking*:

1. Wealth Creation in long term
2. Investments in diversified and actively managed portfolio of equity and equity related securities with bias to large cap and mid cap companies.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Performance Of Select Funds

Data as on June 26, 2015

EQUITY FUNDS

Diversified

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Axis Equity Fund	Jan-10	1.15	1.63	1.63	15.36	26.35	23.94	12.71
Birla Sun Life Frontline Equity Fund	Aug-02	1.16	1.84	5.86	20.78	32.20	26.21	14.77
Birla Sun Life Equity Fund	Aug-98	-0.98	0.29	4.81	17.27	39.81	27.91	13.32
BNP Paribas Equity Fund	Sep-04	1.49	-0.26	9.03	25.99	34.82	26.10	16.63
Canara Robeco Equity Diversified	Sep-03	0.25	-0.08	4.61	16.44	27.95	20.37	12.95
Franklin India Prima Plus Fund	Sep-94	0.82	2.07	8.11	32.59	37.87	28.04	17.23
HDFC Equity Fund	Jan-95	1.29	2.31	0.86	12.93	34.08	22.87	13.21
HDFC Top 200 Fund	Sep-96	0.56	1.24	-0.62	10.26	29.19	20.34	11.98
ICICI Prudential Dynamic Fund	Oct-02	-2.49	-1.21	0.91	10.98	32.00	21.54	13.29
ICICI Prudential Focused Bluechip	May-08	0.21	0.55	2.93	17.41	29.52	22.61	14.88
Kotak 50 Regular Plan	Dec-98	0.91	2.07	7.27	23.93	28.86	22.43	12.07
Kotak Select Focus Fund Regular Plan	Sep-09	1.05	2.21	5.03	28.52	37.38	27.61	15.59
L&T Equity Fund	May-05	0.29	0.42	5.62	23.54	34.13	23.96	13.65
Reliance Top 200 Fund - Retail Plan	Aug-07	0.69	0.93	4.79	23.89	36.50	25.46	14.69
Religare Invesco Contra Fund	Apr-07	1.02	0.10	5.88	26.69	42.70	27.80	14.48
SBI Bluechip Fund	Feb-06	1.53	2.66	10.11	29.30	34.85	27.93	15.03
UTI Opportunities Fund	Jul-05	-1.55	-0.93	0.99	15.15	26.73	19.87	14.57

Sector, Specialty & Tax Saving

Canara Robeco F.O.R.C.E Fund	Sep-09	1.42	3.74	5.61	31.33	31.27	25.83	16.22
ICICI Prudential Infrastructure Fund	Aug-05	1.39	2.06	4.15	11.24	35.32	20.13	7.74
Reliance Banking Fund	May-03	1.13	3.24	2.09	21.65	31.43	24.31	15.69
Reliance Pharma Fund	Jun-04	-1.22	-1.67	8.18	41.75	39.66	32.42	20.21
Axis Long Term Equity Fund	Dec-09	0.16	1.03	9.67	37.25	46.41	35.12	22.34
HDFC Tax saver Fund	Mar-96	0.00	0.39	-1.12	11.37	35.16	22.66	12.61
IDFC Tax Advantage (ELSS) Fund	Dec-08	1.61	3.43	15.19	35.01	41.35	30.70	17.34
IDBI Equity Advantage Fund	Sep-13	-0.25	-0.78	5.69	42.48	—	—	—
Reliance Tax Saver Fund	Sep-05	-1.59	-2.46	0.49	24.41	46.37	30.81	18.74

Midcap & Smallcap

DSP BlackRock Micro Cap Fund	Jun-07	0.33	5.49	11.44	50.23	64.37	38.78	21.09
Franklin India Smaller Companies Fund	Jan-06	-0.42	1.67	7.23	37.67	54.29	42.00	23.09
HDFC Mid-Cap Opportunities Fund	Jun-07	0.27	3.95	6.36	30.76	48.94	33.19	21.57
ICICI Prudential Value Discovery Fund	Aug-04	0.01	1.75	8.91	29.46	51.67	33.93	20.39
IDFC Premier Equity Fund	Sep-05	-1.48	-0.76	8.10	31.01	41.28	30.25	19.39
SBI Magnum Global Fund	Sep-94	-0.33	0.18	8.92	38.16	44.70	33.18	20.33
L&T India Value Fund	Jan-10	1.47	4.87	8.71	29.80	46.21	33.32	17.80
Reliance Equity Opportunities Fund	Mar-05	-0.42	0.25	1.54	23.87	37.57	26.67	17.79
Religare Invesco Mid N Small Cap	Mar-08	0.94	1.03	7.99	32.49	47.69	35.69	21.62
UTI Mid Cap Fund	Apr-04	0.13	2.64	6.76	38.64	58.56	37.95	20.83

HYBRID

Equity, Debt Oriented & Multi Asset Class

Birla Sun Life 95 Fund	Feb-95	0.53	0.81	3.70	21.37	30.05	23.07	14.27
Canara Robeco Balance Fund	Feb-93	-0.14	1.82	4.74	21.41	29.87	20.80	14.19
HDFC Balanced Fund	Sep-00	0.69	2.02	3.99	20.23	34.51	23.30	16.41
HDFC Prudence Fund	Feb-94	0.00	1.07	0.18	11.49	30.59	20.68	13.77
ICICI Prudential Balanced Advantage	Dec-06	0.12	1.71	5.09	16.45	24.42	20.37	14.80
ICICI Prudential Balanced Fund	Nov-99	-0.21	1.04	2.88	19.25	30.01	23.98	16.69
L&T India Prudence Fund	Jan-11	0.34	1.14	7.84	23.70	32.75	24.98	—
Reliance Regular Savings Fund	Jun-05	1.07	2.64	6.01	20.09	30.00	21.68	13.55
SBI Magnum Balanced Fund	Dec-95	-0.81	1.53	6.77	26.23	31.52	26.46	14.15
Tata Balanced Fund - Plan A	Oct-95	-0.83	-0.05	8.09	27.96	33.93	25.77	16.65
Axis Triple Advantage Fund	Aug-10	-0.24	-0.03	3.33	10.27	13.14	9.73	—
Franklin India Dynamic PE Ratio Fund	Oct-03	0.47	1.39	4.72	14.86	18.40	14.69	10.42
Kotak Equity Savings Fund	Oct-14	0.64	1.94	4.83	—	—	—	—

Arbitrage Funds

ICICI Prudential Equity Arbitrage Fund	Dec-06	0.72	2.44	4.56	8.58	8.93	9.32	9.07
IDFC Arbitrage Plus Fund - Regular	Jun-08	0.35	1.56	3.73	7.46	8.02	8.17	7.87
Kotak Equity Arbitrage Fund Regular	Sep-05	0.73	2.35	4.39	8.58	8.96	8.98	8.77

International Funds

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Franklin India Feeder Franklin US Opp.	Feb-12	0.70	4.39	7.92	19.42	22.66	23.53	—
ICICI Prudential US Bluechip Equity	Jul-12	-0.22	3.86	0.06	10.87	18.09	—	—
JP Morgan Europe Dynamic Equity	Feb-14	1.34	6.25	7.78	4.03	—	—	—

GOLD

Fund of Funds

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Kotak Gold Fund Regular Plan	Mar-11	-0.85	1.39	1.37	-2.31	-2.58	-4.36	—
Reliance Gold Savings Fund	Mar-11	-0.91	1.50	1.88	-2.42	-2.11	-4.17	—

*Absolute ** Annualised. Past performance may or may not be sustained in future.

Dividends declared by equity and equity-oriented funds during the month of June 2015

Scheme name	Date	Dividend declared in ₹ Per unit
Tata Balanced Fund (MD)	03/06/2015	0.46
Birla SL Infrastructure (D)	11/06/2015	1.60
Franklin India Prima Fund (D)	12/06/2015	5.50
Kotak Equity Savings Fund - Regular (MD)	12/06/2015	0.04
Sundaram SMILE Fund (D)	12/06/2015	1.00
Sundaram Select Midcap -RP (D)	12/06/2015	1.00
Religare Invesco Dynamic Equity (D)	15/06/2015	0.13
Birla SL India GenNext (D)	18/06/2015	2.60
JM Balanced Fund (QD)	18/06/2015	4.75
Birla SL Dividend Yield (D)	19/06/2015	0.40
ICICI Pru Blended Plan -A (D)	19/06/2015	0.07
ICICI Pru Equity-Arbitrage- RP (D)	19/06/2015	0.07
JPMorgan India Equity Income Fund-RP-D	19/06/2015	0.15
L&T India Value Fund (D)	19/06/2015	2.00
Sundaram Tax Saver (D)	19/06/2015	0.50
ICICI Pru Balanced Adv (MD)	19/06/2015	0.08
ICICI Pru Balanced Fund (D)	19/06/2015	0.15
Reliance Arbitrage Advantage (MD)	22/06/2015	0.10
Reliance RSF - Balanced (QD)	22/06/2015	0.40
Kotak Infrs. & Eco Reform -Standard (D)	23/06/2015	0.50
Principal Emerging Bluechip(D)	24/06/2015	1.92
Reliance Quant Plus - RP (D)	24/06/2015	4.20
UTI Dividend Yield Fund (D)	24/06/2015	0.55
UTI SPrEAD Fund (D)	24/06/2015	0.20
UTI Balanced Fund (D)	24/06/2015	0.50
Birla SL Enhanced Arbitrage-RP (D)	26/06/2015	0.07
BNP Paribas Dividend Yield (D)	26/06/2015	0.10
BNP Paribas Long Term Equity (D)	26/06/2015	0.25
DWS Alpha Equity Fund -RP (D)	26/06/2015	0.50
ICICI Pru Select Large Cap Fund - RP (D)	26/06/2015	1.50
JPMorgan India Equity Fund (D)	26/06/2015	0.26
L&T Arbitrage Oppor. - Regular (MD)	26/06/2015	0.06
SBI Arbitrage Oppor. Fund (D)	26/06/2015	0.07
SBI IT Fund (D)	26/06/2015	6.00
Baroda Pioneer Balance (D)	26/06/2015	4.00
Birla Sun Life 95 Fund (D)	26/06/2015	7.50
SBI Magnum Balanced Fund (D)	26/06/2015	0.90
Kotak 50 - Regular Plan (D)	29/06/2015	11.00
Reliance Tax Saver (ELSS) (D)	29/06/2015	0.45
L&T India Prudence Fund (D)	29/06/2015	0.11

Please check whether you have received dividend for the fund/s that you may have in your portfolio out of this list. In case, you do not maintain any portfolio statement, Wiseinvest Advisors can do that for you free of charge. Once we have the details, we would send your updated statement every month. You can contact our corporate office or any of the branches to avail of this free service.

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Invest regularly to achieve your dreams.

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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Equity Market Outlook



As at June end this year, the Indian Equity market has rallied close to 24% since the Elections last year, 64% since Aug 2013, when the Fed first indicated of a possibility of tapering its QE program and 85% since Dec 2011, when the Euro Crisis first raised its ugly head (As measured by CNX NIFTY). The Euro Crisis continues to manifest itself in the form of a possible GREXIT. With the QE program over, the US is now on course to raise interest rates. And in India, questions are being raised on the effectiveness of the New Government and their ability to push the Indian Economy out of the extended period of slumber. Will the Indian Equity markets continue on course or is it time for a correction.

While we believe any structural adjustment is painful and comes with a bout of volatility, there are some positive things going for India like soft crude prices and an economy which has the ability to be more resilient to the current global slowdown. While there are challenges on the export front, the domestic economy could do well with a strong stimulus. While there may be short term hiccups, we believe that the long term India Story is intact and Indian Equity Markets have the potential to perform much better in the future, a weak global scenario notwithstanding.

Engines of volatility

The global financial markets promise to be volatile over the next few months. Volatility is likely to be driven by the ever-changing expectations on resolution of the Euro crisis and an imminent rate hike by the Federal Reserve of US. Euro crisis has been simmering since 2010 when PIIGS became a famous acronym for trouble for Europe and the exit of Greece from Euro became a possibility. Five years on, the exit has never looked more probable than now, but to look on the brighter side some of the PIIGS nations like Ireland have done exceedingly well.

Meanwhile Federal Reserve has maintained its short term interest rates at near zero since 2008 as a stimulus measure to prop up the US economy after the financial crisis. Seven years on, the Fed has indicated that it would raise rates in 2015 as economic growth in US looks to be stabilising. However, for a world addicted to easy money policies over last seven years, the removal of

this punch bowl is not going to be easy, especially for the financial markets and thus Volatility.

Economic growth in China continues to slow down as it adjusts from an investment to consumption driven economy. However, the adjustment process necessitates micro-stimulus packages time and again along with easing of monetary policy. This adds another source of volatility to financial markets. Although a positive impact of slowing Chinese demand has been the moderation of global commodity prices.

Goldilocks Economy

Our domestic economy is one of the few brighter spots in the global economy today. Ours is the fastest growing large economy coupled with low and falling inflation. It might be that we are on the cusp of an extended period of goldilocks economy. Economic growth seems to have bottomed out, the figures from the new series notwithstanding. RBI has cut rates and has some room to reduce them further. A full majority government at the centre after three decades also promises that this time it could really be different. What is needed is an investment push by government especially in infrastructure.

No doubt, there are structural issues to be addressed. Banking system is burdened with bad loans and need a spring cleaning along with additional capital. We are still not a single market yet despite being a single country. We are dependent on imported crude for most of our requirement. Corruption is still endemic though many believe that the worst is behind us in spite of the fact that it is the single most important factor that voters consider before voting a party into power points towards that.

Indian equity market

Global financial markets have been awash with liquidity since the financial crisis in 2008. Central banks have responded with monetary stimulus hitherto never seen before in history. Financial markets responded duly and almost all major markets are either at all-time highs or have just corrected from there. India has been a recipient of this wall of liquidity, which has been partly responsible for the performance of the equity markets through positive FII

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Equity Market...

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inflows. Continuance of these flows will be critical to the market performance and we believe given the economic stand point and the levels at which the markets are today, flows should continue.

The Economic growth over the next few years should support profit and EPS growth for listed Indian companies which could be the price drivers going forward unlike the significant re-rating which was mainly responsible for the recent market performance.

Mid-cap companies are likely to outperform the benchmark indices over next three years as there is still some amount of re-rating which is likely to be witnessed in these in addition to the benefits from an economic upturn. In the large-cap segment, select companies exposed to rural economy and revival of capital expenditure cycle would likely benefit the most.

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