Registered - R.N.I. No.: MAHENG/2007/19802 • Postal Regd. No.: MCN/72/2019-2021

July, 2020

Price ₹ 2

Volume 14, Issue 7

A Monthly Publication from Wiseinvest Advisors Private Limited

WEALTHWISE®

Wiseinvest®
With YOU, in meeting
FINANCIAL CHALLENGES

Inside

Inside	Pg No.
Equity Market Outlook - HSBC Global Asset Management India	2-3
Performance Of Select Funds	4
Equity Market Outlook - BNP Paribas Mutual Fund	5-6
It's Time To Embrace Financial Planning	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 around 30 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 fifteen 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 offices or email your requirements at information@wiseinvestadvisors.com and our professional advisors will do the rest.

Dear Investor,

Driven by cues from the global markets, Indian stock markets remained in the positive territory in the month of June 2020. Mid and small caps out-performed their large cap counterparts during the month. However, stock indices faced resistance at higher levels as there is a lack of clarity on how much the economy has picked up after reopening.

India Inc's performance in the fourth quarter ended March 2020 stumbled amidst Covid-19 induced shutdown of economic activity and general weakness triggered by last year's sharp slowdown. It is evident that unprecedented nature of crisis and its multiple repercussions on the economy has hugely impacted the top and bottom lines of the companies. In fact, margins are at a multi-year low. The full impact of the lockdown during April and May will be visible in June quarter, which is likely to be more severe than the March quarter. However, with a predicted good monsoon and benefits announced by the government for farmers in terms of going beyond APMC is likely to shore up rural income resulting in stronger demand in rural India.

The economic turmoil due to Covid-19 has hugely impacted the stock markets. In fact, the last three months have perhaps been the most challenging ones that equity investors would have faced during their life time. A steep fall of around 40 percent witnessed by Indian stock market from its peak in mid-February left investors gasping for breath. Needless to say, market downturn severely impacted portfolios of equity investors compelling them to think whether their asset allocation and investment strategies require any realignment to get their investments back on track. Even those investing through SIP over the last 5 year or so panicked on seeing returns turning negative.

Thankfully, the stock market recovered sharply from the lows on March 23, 2020 and provided some respite to distraught investors. However, there is still lot of ground to be covered for the benchmark indices to move back to their pre-Covid levels. The patience and perseverance of investors will be put to test during this difficult journey. There is no doubt that stock market will eventually recover but only those investors who keep their faith in equity as an asset class, ensure the right mix of exposure to different market caps in their portfolios and continue to follow a disciplined approach are likely to gain the most.

Warm regards,

Hemant Rustagi
Editor

Address to be affixed here

If undelivered, please return to:

Wiseinvest Advisors Pvt. Ltd.
602, 6th Floor, Sri Krishna Complex,
Opposite Laxmi Industrial Estate,
New Link Road, Andheri (W),
Mumbai 400 053.
Tel : 2673 2671 / 2673 2676

The Stock Market Performance During June 2020.

Indices	1st June 2020	30th June 2020	Change in (%)
Sensex	33,303.52	34,915.80	4.84
MIDCAP	12,157.40	13,055.28	7.39
SMLCAP	11,222.76	12,380.75	10.32
BSE-100	9,936.37	10,410.76	4.77
BSE-200	4,140.17	4,356.30	5.22
BSE-500	12,726.27	13,438.14	5.59

Equity Market Outlook - HSBC Global Asset Management India

Rebound from the lows

The COVID-19 pandemic has been a black-swan event for the global markets. The event itself was an unprecedented one, given that it was a Health-Humanitarian-Economic-Financial crisis, all rolled into one. There was/is no playbook available to assess and handle the situation in the near term as well as the medium to long term.

Focusing on economic impact, we can classify its impact on the market seen so far, into two phases – lockdown phase and the post lockdown phase. During the lockdown phase, the market was gyrating to supply shock initially and later to potential demand contraction. During that time the focus of the market was on companies that would be able to survive the extended lockdown.In the post lockdown phase, the markets have begun to look forward to resumption in supply as well as recovery in demand. At the moment, the focus of the market is on companies which would revive quickly. Going forward, once the pandemic is over and the economy returns to normalcy then the focus of the market would be on companies that would thrive.

Despite this uncertainty, equity markets have made a sharp recovery in India and across the globe. From the lows seen in March, the Nifty index has gained 35%*, while the broader market recovery has been similar or even better. This is broadly in-line with a similar recovery seen across the global equity indices with the MSCI World index gaining 36%^, the US gaining 38%^ (Dow Jones), while the MSCI EM index is up 31%^. Global crude oil prices which had plunged on demand concerns has rebounded more than 50% from the levels seen in March. So,let us analyse the factors that has fueled this rally.

The fastest bear market of all time has given way to one of the fastest recoveries. This has been driven by a reduction in downside tail risks. We believe that the market is looking ahead to the forward data pertaining to when the economy would have opened up, whereas the weak economic data that is coming pertains to the lockdown phase. Additionally, swift monetary policy actions by the Central banks globally and in India, helped to calm financial markets while the fiscal stimuli measures in developed economies in particular, shall aid in demand recovery. Finally, after the initial fall, markets valuations had turned attractive and this too acted as a tailwind for the rally.

Way forward – Navigating the short term uncertainty

Though the equity markets have rallied, there is still uncertainty around the recovery path and the timeline. That is because the COVID-19 pandemic is still ongoing and there is no drug or vaccine in the vicinity. Market pricing suggest expectations of a low growth and subdued inflation environment going forward. The markets are also discounting a benign scenario of no second wave of the virus as well on the economy front, it also seems to discount swoosh-shaped recovery scenario which is in line with economists and market analysts' expectations. However, FY21 could be a challenging year for the Indian economy. India is estimated to see a contraction in real GDP during this financial year. Despite reopening of the economy, the second order impact of the lockdown could be felt through several segments of the real economy (disruption in household incomes, employment losses in unorganized sector, deterioration in asset quality for corporates, among others). So this may delay the recovery. Additionally, the fiscal room available for the government in providing continued direct support to revive the flagging demand, is very limited. The investment cycle will likely be pushed back further. Since the global growth is also going to take a beating, the external demand environment is also likely to remain challenging.

But if we go with the assumption that the current pandemic weaning away slowly, coupled with an optimistic scenario of no or limited second wave of virus, then in that scenario, normalcy should return by 2HFY21 and thus FY22 would be a normal year. From the corporate earnings perspective, 1Q would be washout and it will materially impact FY21 numbers too. But as per above assumptions if FY22 is a normal year then from a growth perspective, the numbers would look strong coming on the back of weak FY21. As an investor, we are focused on when a normal 12 months start and what it will look like. For some companies and sectors even FY21 would be a normal year. But for most others normal 12 months would start from 2H and for some sectors like capex intensive and labour intensive sectors it would be even later. If these assumptions turn out to be right, then FY21 corporate earnings would be similar to FY20 with sectors like Consumer Staples, Telecom, Healthcare, select Financials showing growth while sectors like Auto, Industrials, Metals, Real Estate, Technology could show declines. But with recovery process expected in 2HFY21,both the economy as well as the corporate earnings could show robust growth in FY22. In that scenario, the sectors that are expected to show meaningful earnings traction in FY22 would be the likes of Consumer Discretionary, Financials, and Industrials.

Portfolio strategy - A focused approach could be an optimal option

COVID-19 is potentially evolving as the biggest disruption in our living memory. Over the past couple of decades, we have witnessed disruptions giving rise to new themes and thereby creating investment opportunities. Be it the GFC crisis (financial markets disruption), Taper tantrum, DeMon and GST (both of which gave rise to the formalization theme), each set of crises have seen new trends emerging from the scene. COVID-19 being an

Cont. on page 3...

Equity Market Outlook - HSBC Global...

...Cont. from page 2

unprecedented one at that, we believe that there would be an emergence of a new normal with impact felt across industries (thought the impact will not be uniform). Even before this disruption, the most prominent theme that drove our portfolio construction view was that of profit pool migration towards market share gainers. This has led to big companies becoming bigger and stronger. This theme was visibly across many sectors – notably among Financials, Telecom, Real Estate, Airlines etc. Due to the COVID-19 disruption, this process of profit pool migration towards dominant players will accelerate. The trend would be there in most sectors but it would likely be more visible in more disrupted sectors like Travel, Entertainment, Hospitality, Construction etc. From a medium to long term perspective, the current phase of disruption shall also pave way for accelerated digital adoption by consumers as well as enterprises. We see telecom, internet economy, ecommerce, technology vendors etc to benefit from this disruption. Another long term theme is that of diversification of the global supply chain due to 'China + 1' strategy which could be adopted by corporates as well as economies and India could stand to benefit out of that.

In the short term, we are more positive on sectors that exhibit revenue and earnings resilience as the impact of the Pandemic and the resultant lockdown in the economy is not uniform across sectors. We believe that in the near term, growth will be scarce and the balance sheet strength of the companies will be challenged in a year like the current one. So a company that is displaying growth in earnings and having balance sheet strength will command a premium and market would be willing to pay. We believe that the revenue and earnings resilience is most likely to be demonstrated by segments that are in the business of providing basic and essential products/services. (Example: Consumer Staples, Healthcare and Telecom). We have a positive view of these sectors. We are also moderately positive on companies which would be beneficiaries of a benign crude oil price environment. These would be sectors where their raw material prices are linked to crude price. We are also positive on the beneficiaries of the global supply chain diversification, away from China. (e.g. Specialty Chemicals). Currently, we believe that private sector capex as well as government capex will get delayed and we hold negative view on the sectors dependent on capex. We also have negative view on labour intensive sectors such as construction, travel, hospitality etc.

During times of disruption and dislocation in markets like these, we believe that a focused approach to portfolio construction would yield great results. In certain market segments, the price dislocation is significantly higher than likely value destruction seen.Hence, we feel that this is an opportune time to look at a Focused strategy to benefit by investing in emerging themes as well as to take advantage of the price-value mismatch available in the markets.

*Returns from 24 Mar to 30 June, 2020; ^Returns from 24 Mar to 29 June, 2020.

Neelotpal Sahai
Head of Equities,
HSBC Global Asset Management India

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

A Note To Our Esteemed Readers

Wealthwise is being sent to some of you on a Complimentary basis as a part of our humble effort to ensure that more and more investors get the best from their investments. We sincerely hope that you would like the contents of Wealthwise and in some way benefit from it. However, if you do not wish to receive "Wealthwise" on a regular basis, please let us know by sending us a mail on information@wiseinvestadvisors.com. You can also write to us at our Corporate Office address mentioned on page 6.

Performance Of Select Funds

Data as on June 26, 2020

EQUITY FUNDS

Large Cap, Large & Midcap, Multi Cap

Fund	Launch	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**	7 Year**	10 Year**	15 Year**
ABSL Frontline Equity Fund	Aug-02	-14.26	-12.86	-4.06	-0.47	3.92	11.31	9.21	14.61
ABSL Equity Fund	Aug-98	-14.81	-11.51	-4.10	-0.27	6.26	14.92	9.73	13.80
Axis Bluechip Fund	Jan-10	-10.37	-4.07	2.94	8.68	8.21	13.11	10.44	—
Axis Focused 25 Fund	Jun-12	-11.96	-5.01	-0.96	5.57	8.41	13.40	—	—
Franklin India Equity Fund	Sep-94	-12.26	-12.73	-5.80	-1.17	2.98	11.93	9.88	14.36
HDFC Equity Fund	Jan-95	-17.99	-22.39	-4.45	-1.76	3.15	11.17	8.06	14.25
HDFC Top 100 Fund	Oct-96	-17.10	-20.84	-3.38	-0.57	3.93	10.59	7.88	14.05
HSBC Large Cap Equity Fund	Dec-02	-13.14	-9.01	-1.57	1.96	5.40	10.58	7.23	11.65
ICICI Prudential Bluechip Fund	May-08	-13.43	-11.30	-1.86	2.33	5.65	11.98	10.17	—
IDFC Core Equity Fund - Regular Plan	Aug-05	-14.68	-15.02	-6.75	-2.02	3.95	9.70	6.81	—
Kotak Bluechip Fund - Regular Plan	Dec-98	-12.57	-7.53	-0.46	2.20	4.95	11.29	8.46	13.39
Kotak Standard Multicap Fund Regular	Sep-09	-12.75	-10.72	-0.86	2.30	7.24	15.10	11.34	—
L&T Equity Fund	May-05	-11.82	-11.67	-5.36	-0.33	3.31	11.31	8.36	13.58
Mirae Asset Large Cap Fund - Regular	Apr-08	-13.28	-10.60	-0.05	3.35	7.48	15.39	12.04	—
Mirae Asset Emerging Bluechip Fund	Jul-10	-8.50	-4.01	3.95	4.66	11.65	22.73	—	—
Motilal Oswal Multicap 35 Fund	Apr-14	-14.62	-12.55	-6.71	-0.88	5.50	—	—	—
Nippon India Large Cap Fund	Aug-07	-19.47	-20.51	-5.58	-1.06	3.40	11.93	8.90	—
Nippon India Multi Cap Fund	Mar-05	-22.81	-25.68	-8.34	-3.76	0.17	9.67	8.62	13.78
Invesco India Contra Fund	Apr-07	-6.78	-6.14	-1.14	4.85	7.96	16.91	11.17	—
SBI Bluechip Fund	Feb-06	-13.70	-11.88	-3.05	0.65	4.61	12.47	9.69	—
SBI Focused Equity Fund	Oct-04	-9.22	-4.83	2.21	6.87	9.26	15.06	14.29	15.08
Principal Emerging Bluechip Fund	Nov-08	-9.79	-7.06	-4.35	0.71	7.04	17.91	12.38	—

Midcap & Smallcap

Axis Midcap Fund	Feb-11	-3.97	3.86	5.10	9.04	8.10	18.02	—	—
DSP Midcap Fund - Regular Plan	Nov-06	-4.72	-0.27	0.80	2.05	8.61	18.68	12.59	—
HDFC Mid-Cap Opportunities Fund	Jun-07	-8.57	-10.73	-6.74	-2.14	5.25	16.22	13.12	—
Kotak Emerging Equity Fund Regular	Mar-07	-10.21	-7.43	-3.30	-0.43	6.72	17.67	12.01	—
Franklin India Smaller Companies Fund	Jan-06	-17.67	-23.33	-15.95	-9.19	1.19	14.14	11.60	—
HSBC Small Cap Equity Fund	May-05	-8.88	-18.09	-14.85	-8.95	0.51	14.84	5.94	9.12
L&T India Value Fund	Jan-10	-13.65	-14.84	-6.37	-3.06	5.10	15.49	11.27	—
SBI Magnum Global Fund	Sep-94	-3.84	2.35	0.92	3.53	5.01	15.08	12.41	15.56

Sectoral / Thematic Fund & Tax Saving

ICICI Prudential Banking and Financial	Aug-08	-30.94	-30.23	-9.93	-5.81	5.15	13.00	11.62	—
Nippon India Banking Fund	May-03	-34.24	-35.52	-15.41	-8.31	1.33	9.14	8.27	14.11
Nippon India Pharma Fund	Jun-04	26.84	34.50	14.99	14.51	7.51	15.84	13.68	19.36
Canara Robeco Consumer Trends	Sep-09	-9.68	-2.66	1.22	5.01	8.27	14.39	12.17	—
SBI Consumption Opportunities Fund	Jul-99	-17.60	-13.67	-9.62	-1.06	6.07	8.91	13.73	15.50
Tata India Consumer Fund - Regular	Dec-15	-4.16	-1.26	-4.17	5.08	—	—	—	—
Axis Long Term Equity Fund	Dec-09	-11.64	-5.05	0.31	5.68	7.11	17.11	14.47	—
HDFC Taxsaver Fund	Mar-96	-15.87	-19.34	-7.02	-4.07	1.98	10.52	7.17	12.03
HSBC Tax Saver Equity Fund	Jan-07	-14.71	-13.40	-5.36	-2.85	3.87	11.20	8.76	—
IDFC Tax Advantage (ELSS) Fund	Dec-08	-12.78	-16.55	-8.10	-1.34	3.12	12.83	10.00	—
Mirae Asset Tax Saver Fund - Regular	Dec-15	-10.42	-6.64	2.08	5.10	—	—	—	—

ARBITRAGE FUNDS

Funds	Launch	3 Mth*	6 Mth*	1 Year*	2 year**	3 Year**	5 Year**
ICICI Prudential Equity Arbitrage Fund	Dec-06	1.72	2.78	5.64	6.01	5.96	6.05
IDFC Arbitrage Fund - Regular Plan	Dec-06	1.52	2.39	5.28	5.91	5.88	5.95
Kotak Equity Arbitrage Fund Regular	Sep-05	1.58	2.78	5.71	6.08	6.10	6.16

HYBRID

Fund	Launch	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**	7 Year**	10 Year**	15 Year**
ABSL Equity Hybrid '95 Fund	Feb-95	-13.32	-12.91	-5.57	-1.96	3.50	10.47	8.75	12.72
Canara Robeco Equity Hybrid	Feb-93	-3.52	0.12	4.47	5.65	7.76	13.66	10.93	14.67
HDFC Hybrid Equity Fund	Sep-00	-10.83	-11.00	-1.65	0.60	5.50	13.08	10.82	13.65
ICICI Prudential Balanced Adv	Dec-06	-6.45	-1.61	3.04	4.63	6.74	—	—	—
ICICI Prudential Equity & Debt	Nov-99	-10.69	-9.62	-0.39	1.75	6.27	12.56	11.36	12.65
Invesco India Dynamic Equity	Oct-07	-6.12	-3.62	-0.65	3.15	5.37	—	—	—
Kotak Equity Hybrid Fund	Nov-99	-10.46	-6.67	-0.04	0.88	5.06	9.23	7.85	11.11
L&T Hybrid Equity Fund	Feb-11	-8.46	-7.20	-2.45	0.21	5.17	12.40	—	—
Nippon India Equity Hybrid	Jun-05	-22.85	-23.88	-12.38	-6.02	0.99	8.54	7.08	9.94
SBI Equity Hybrid Fund	Dec-95	-7.75	-3.12	3.09	5.42	7.12	13.58	10.58	13.37
IDFC Equity Savings Fund	Jun-08	0.29	0.59	3.08	3.52	4.63	—	—	—
Kotak Equity Savings Fund	Oct-14	-1.46	2.34	4.12	5.57	6.46	—	—	—
Nippon India Equity Savings	May-15	-15.13	-21.81	-11.13	-5.81	-0.48	—	—	—

DEBT

Debt Oriented & Ultra Short Term Debt Fund

Funds	Launch	1 Mth*	3 Mth*	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**
ABSL Short Term Fund	May-03	1.57	6.40	4.89	9.35	9.00	7.45	8.22
ABSL Medium Term Plan	Mar-09	1.38	-0.66	-1.71	-6.40	-1.69	0.55	4.28
HDFC Credit Risk Debt Fund	Mar-14	1.74	3.76	3.90	8.69	8.13	6.72	8.06
Kotak Credit Risk Fund Regular Plan	May-10	1.32	3.23	1.82	6.89	7.15	6.48	7.74
Invesco India Short Term Fund	Mar-07	1.37	6.60	6.18	11.08	9.55	7.57	7.86
Nippon India Credit Risk Fund	Jun-05	1.21	2.53	-10.66	-9.62	-2.84	-0.21	3.48
SBI Magnum Income Fund	Nov-98	1.19	5.91	6.69	13.47	11.21	7.99	9.29
L&T Credit Risk Fund	Oct-09	0.29	-2.78	-2.22	-0.86	1.63	2.75	5.43
Kotak Savings Fund Regular Plan	Aug-04	0.68	3.21	3.69	7.50	7.76	7.34	7.60
L&T Ultra Short Term Fund	Apr-03	0.43	3.28	3.72	7.41	7.65	7.29	7.60
Kotak Banking and PSU Debt Fund	Dec-98	1.13	6.22	6.05	11.59	10.74	8.62	8.77

*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 2020

Scheme name	Date	Dividend declared in ₹ Per unit
Tata Hybrid Equity Fund	04/06/2020	0.20
PGIM India Hybrid Equity Fund	17/06/2020	0.12
Franklin India Equity Advantage Fund	22/06/2020	1.00
Templeton India Equity Income Fund	22/06/2020	0.65
ICICI Prudential Long Term Equity Fund (Tax Saving)	26/06/2020	0.50
Canara Robeco Equity Hybrid Fund	26/06/2020	0.60
LIC MF Equity Hybrid Fund	26/06/2020	0.10
LIC MF Tax Plan	26/06/2020	0.25
Baroda Hybrid Equity Fund	26/06/2020	0.30
PGIM India Hybrid Equity Fund	30/06/2020	0.22

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 our branch to avail of this free service.

Equity Market Outlook - BNP Paribas Mutual Fund

Economy was improving at the margin

Midway through FY20 the government swung into action with a slew of measures to offset the impending slowdown. This included cutting corporate tax rates, labour reforms and de-criminalising aspects of the Companies Act. While the economy seemed on the mend with high frequency indicators starting to turn in 4QFY20, the onset of Coronavirus in the country has brought a new uncertainty.

The COVID19 Outbreak

Given the uncertain backdrop of the disruption brought on by the virus, when one crystal gazes into FY21, we do note some fundamental changes are on the cards at least until a health solution is found for the coronavirus. India imposed lockdowns early (March 25th) but also started to ease restrictions since May 18th, despite a rising infections curve. Daily case additions have quadrupled since then, posing risks that lockdowns could be re-introduced in some parts of India.

Simultaneously, with some of the leading pharmacy companies and Government research institutions across the globe working on a solution, we have seen that some vaccines, drugs have reached the third stage of trials to treat this virus. This raises hopes of a likely solution and the consequent medical treatment on a commercial scale within the next 6 to 12 months.

The long lockdown phase, however, would have an outsized economic impact and has necessitated the policy responses both from the central banks globally who are buying insurance by pre-emptively easing rates while Governments globally are either borrowing from the past or future to address the current slowdown through fiscal boost. Despite this, just the sheer loss of economic activity during the lockdown phase is likely to result in the Real GDP growth estimates for the Indian economy for FY21 to be flat to down in low single digits by various economists on the street. While this is better than most economies globally, there is likely to be impact of this slowdown on jobs, incomes, tax collections, profits etc. for different parts of the economy.

The Unlocking

Majority of the Indian states are coming out of lockdown, un-locking is leading to a gradual economic revival as reflected in power demand, petrol & diesel sales, rail, airline & ports traffic since May and improving corporate commentary. NBFCs have indicated increasing disbursements, metals companies have observed improved utilization rates and enquiry/bookings are improving for some auto firms, mostly aided by strong rural traction. Banks are also witnessing lower 'Opt-in' to their moratorium schemes & most Opt-Ins are to preserve liquidity versus signs of stress.

Exhibit: Recent trend in super-high-frequency indicators

% YoY	May	Last week/June
Retail e-Txs	(51)	(23)
E-way bills	(53)	(24)
Custom duties	(35)	(43)
TV Ads*	(28)	0
Diesel***	(29)	(15)
Petrol***	(35)	(18)
Electricity	(15)	(7)
Rail freight	(21)	(7)
Toll revenues	(42)	(19)
PV web traffic*	(27)	3
2W web traffic*	(10)	(4)
Work mobility*	(47)	(30)
Traffic congestion	(79)	(60)
Unemployment**	(24)	(15)
Bank credit	6	6
Bank deposit	11	11

Source: *vs Jan-Feb levels. **Inverted. ***OMCs. Govt. of India, CMIE, Jefferies

Some structural changes are likely on the cards

The slowdown brought on by the pandemic, and the consequent lockdown phase announced by the Governments have forced consumers to change long held habits and preferences. Consequently, one does see this warrants structural change in the economy in the form of:

- Governments' approach towards investments in social infrastructure – health, education, security etc.,
- Avenues to collect taxes for the various arms of the Government – Central, State, Municipal, Panchayat level
- the delicate balance that the corporates are having to achieve between sustaining themselves – competing to stay relevant to consumers, retaining (and if possible creating) jobs for their workforce on whom they have invested valuable training, and ensuring reasonable returns to their capital providers (banks and equity holders).
- Consumers who are seeing uncertainty on their income front (job uncertainty), ensuring health and safety for their family, and the consequent changes in their lifestyle and consumption choices

Some of the changes that we see at a fundamental level for the corporates who drive the capital markets are:

- an accelerated shift away from globalization – implying smaller blocs being formed; this could necessitate more localisation of production/service;
- increased attention to health and hygiene in the society and companies emerging or modifying their offerings to address this opportunity;
- increased flexibility being provided to various stakeholders – suppliers, employees and channel partners within some broad constructs to ensure that the stakeholder experience improves without too much of an adverse impact on the final solution or product being provided;
- possible de-leveraging cycle until the animal spirits once again start getting kindled when profitability levels improve.

Given this backdrop, and India's relatively favourable demographics as well as a larger proportion of English speaking population, and a functioning democracy with strong legislative, judicial and executive pillars, we see this as a phase where India can potentially emerge out of this crisis in a relatively stronger fashion vs most other economies.

Index earnings could be challenged near term; but longer-term story intact

While the first two quarters of FY21 could see sharp deceleration in earnings, we do see a case for recovery as we move closer to the health solution or Indian population also starts moving closer to the herd immunity phase. In that context, we see a case for a reasonable recovery, propelled to some extent by some pent-up demand, in the second half of FY21. Accordingly, given this backdrop, we see that the earnings estimates on the street are starting to be revised. Top-down earnings growth forecasts for Nifty are -6%/25% for FY21/FY22 (UBS report dated 4 May 2020). Globally lower interest rates and liquidity can help multiples though, apart from news flow on COVD-19 treatment/vaccines.

Cont. on page 6...

Equity Market Outlook - BNP...

...Cont. from page 5

Our Sector Positioning

Our portfolio positioning is built on bottom up stock picking based on "BMV" investment philosophy. Our preference is more towards quality large cap and liquid names. We believe it is better to avoid companies with high leverage and focus on structural growth companies with leadership position, healthy balance sheet and cash flow generation capabilities. We see that companies that are in leadership positon gaining bigger pool of profit pool in the respective sector are rewarded by markets. In this environment, our template for investing is to back companies with stronger balance sheets, offering products/services that can create customer delight and better market access, can continue to gain market share until recovery is more broad-based.

- Key Overweights: Non Lending Financials (Insurance, Asset Management), Gas utilities, Cement, Technology, Domestic Pharma.
- Neutral: Retail Private Banks, Autos, Global pharma, Consumers, Paints, Retail, Media.
- Key Underweights: Energy, PSU Banks, NBFCs, Metals, Traditional Utilities (Power), Industrials

The above views are as on June 30, 2020.

The details above refer to overall sector stance from an equity asset class point of view. The sector(s) mentioned above do not constitute any recommendation of the same and BNP Paribas Mutual Fund may or may not have any future position in these sector(s). Sector positioning is basis the current market dynamics and is subject to change at BNP Paribas Mutual Fund discretion.

Chockalingam Narayanan
Head of Equities,
BNP Paribas Mutual Fund

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

It's Time To Embrace Financial Planning

Financial planning is the process of making informed money management decisions to secure your future. Financial planning helps to achieve financial goals and meet personal priorities, taking into consideration available resources, responsibilities, risk appetite and lifestyle. A financial plan lays down the allocation of savings across various asset classes to achieve an appropriate risk-reward balance.

Do you need a financial plan?

All individuals and families regardless of age or income need a financial plan so that they know that they are saving enough for retirement, education funds or a new home. A financial plan gives you the discipline necessary to save money. A qualified and experienced financial planner can help you plan your investments so that you get the best returns for your risk level by spreading your investments into the different asset classes as well as investment options.

Wiseinvest Advisors is a SEBI registered Investment Adviser (Registration No. INA000000664). To maintain an arm's length distance between our Advisory and Execution services, we have set up a separate department named Investment Adviser Department (IAD).

We can help you achieve your goals by providing comprehensive fee based financial planning and making recommendations of financial products that suit your requirements the most. Our mission is to help you overcome uncertainty and take control of your finances and move confidently towards achieving your goals. The basis of fee calculation is the complexity of the engagement.

Remember, financial planning doesn't have to be an intimidating process. We have qualified and experienced advisers who can make financial planning a simple and fruitful process for you.

Our process:

Step 1: The first meeting provides an opportunity for you and us to get to know each other. You also get an opportunity to decide whether we have the capability to fulfill all your requirements.

Step 2: Establish a clear understanding of your goals and objectives as well as analyze your current situation. We have a discussion to determine what you want to achieve with your wealth.

Step 3: Determine your risk profile through discussion and a psychometric test. This enable us to find out how much risk you would like to and need to take to achieve your goals.

Step 4: Develop your unique financial plan. This will also include the recommended asset allocation and various investment options that suit your needs. While doing this, we also analyze your current investments. We present a final version of your customized financial plan so that you're positioned to move forward.

Step 5: Implement the investment plan. There would be no obligation on you to choose Wiseinvest Advisors to implement the recommendations made in the financial plan.

Step 6: We'll meet regularly to proactively address changes in your circumstances, as well as those in the markets, economy and taxes.

If you are keen to start the process of financial planning, you can get in touch with Investment Adviser Department at our Andheri office or mail us on iad@wiseinvestadvisors.com

WISEINVEST ADVISORS PVT. LTD.
(CIN No.: U74140MH2003PTC142921)

Corporate Office

Andheri : 602, 6th Floor, Sri Krishna Complex, Opposite Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai 400 053.
Tel : 2673 2671 / 2673 2676. E-mail : information@wiseinvestadvisors.com

Branch

Thane : 502, 5th Floor, Pratibha Premises, Near Teen Petrol Pump, Panchpakhadi, Thane West - 400 602.
Tel : 2537 1567 / 2539 1306. E-mail : information1@wiseinvestadvisors.com

www.wiseinvestadvisors.com

Edited, Published and Printed by Mr. Hemant Kumar Rustagi, on behalf of **Wiseinvest Advisors Pvt. Ltd.** from 602, 6th Floor, Sri Krishna Complex, Opp. Laxmi Ind. Estate, New Link Road, Andheri West, Mumbai 400053 at **AdvantEdge Offset Printers,** K-7 Rizvi Park, S V Road , Santacruz (W), Mumbai 400 054**.** Design by **Mosaic Design.**