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WEALTHWISE®

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Inside — Pg No.

Wealthwise

"Wealthwise" is a monthly publication brought to you by Wiseinvest, an AMFI-registered Mutual Fund Distributor. Our CEO, Hemant Rustagi, is a well known personal finance expert. He brings with him an experience of more than 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. Providing quality service is our top priority. In keeping with that, we constantly take steps to provide up-to-date information to our clients. In the last seventeen years, thousands of our clients have made mutual funds the mainstay of their portfolios. You can benefit too from our service support 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@wiseinvest.co.in.**

Dear Investor,

The stock market turned volatile during the month as a jump in Covid-19 cases clouded economic recovery. After bottoming out to around 8500 cases a day in early February, the number of daily infections surged to more than 65000 by March-end. Despite an aggressive vaccination drive, the country added over 12 lakh fresh cases over two months. However, many experts expect the impact to be transitory and muted compared with the first quarter of FY 21 since the vaccination drive is holding out hope that the spread will be contained.

The World Bank has scaled up its projections for India's economic growth by 4.7 percentage points to 10.1 percent for 2021-22 as it expects a strong rebound in private consumption and investment growth. The Bank had pegged the GDP growth at 5.4 percent for the country in its January report.

The GST collections in March touched a record high of over ₹1.23 lakh crore, a 27 percent growth over the year-ago period. In fact, the collection in the month of March was highest since introduction of GST. The government has attributed these record collections to closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, income tax and customs IT systems and effective tax administration.

Retail inflation rose in February after falling for three consecutive months as food prices saw a modest bounce back. Consumer Price Index inflation stood at 5.03% in February 2021 compared to 4.06% in January 2021. Inflation in food and beverages rose to 4.25%, compared to a rise of 2.67% last month. India's factory output or IIP witnessed a contraction of (-)1.6 per cent during the month of January. The manufacturing sector saw a contraction of -2.0 percent on-year to 135.1 in January, while the mining sector witnessed a fall of -3.7 percent to 119.7. The electricity sector on the other hand rose 5.5 percent to 164.2.

While volatility in the stock market is always a cause of concern, investing regularly in equity funds and maintaining asset allocation through your defined time horizon goes a long way in not only tackling it but also turning it your advantage. Remember, volatility in the stock market is a natural phenomenon and hence shouldn't be allowed to interrupt your investment process.

Warm regards,

H Rustagi

Hemant Rustagi
Editor

Address to be affixed here

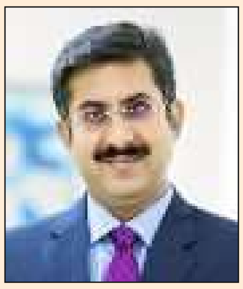
If undelivered, please return to:

Wiseinvest 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 March 2021.

Indices	1st March 2021	31st March 2021	Change in (%)
Sensex	49,849.84	49,509.15	-0.68
MIDCAP	20,270.33	20,181.31	-0.44
SMLCAP	20,479.09	20,649.33	0.83
BSE-100	14,954.22	14,863.54	-0.61
BSE-200	6,311.88	6,290.20	-0.34
BSE-500	19,673.20	19,601.95	-0.36

Equity Market Outlook



World Markets & Economy

China's GDP recovered to the pre-pandemic pace of growth in October-December period posting a 6.5% year-on-year growth for the quarter. The country's GDP dipped 6.8% in the first quarter before recovering to 3.2% and 4.9% growth in the second and third quarter respectively. For the full year 2020, the economy posted a growth of 2.3% as GDP exceeded 100 trillion yuan (USD 15.45 trillion) for the first time. The consumer price index, a key gauge of retail inflation, rose by 2.5% in 2020. The producer price index, which measures goods cost at factory gate, shed 1.8% throughout the year. China added 11.86 million new urban jobs nationwide in 2020, exceeding the target of creating over 9 million urban jobs. By the end of 2020, the surveyed unemployment rate in urban areas stood at 5.2%, below the government's annual target of around 6%. China's foreign trade rose 1.5% to USD 4.65 trillion in 2020, helped by its recovered manufacturing production sector. Exports came in at USD 2.59 trillion last year with a 3.6% growth year on year, while imports were down 1.1%, standing at USD 2.06 trillion.

Euro zone gross domestic product fell less than initially estimated in the last quarter of 2020 and employment edged higher against the previous three months despite pandemic lockdowns. The European Union's statistics office Eurostat said GDP in the 19 countries sharing the euro contracted 0.6% quarter-on-quarter (5.0% year-on-year) in the October-December period. Eurostat had earlier estimated the contraction to be 0.7% on the quarter and 5.1% in annual terms. This contraction follows a strong quarter-on-quarter rebound of 12.4% in the third quarter, when pandemic restrictions were eased. In the second quarter of the year, the eurozone economy suffered a historic contraction from the previous quarter of 11.7%. From among the bloc's largest economies, growth in Germany of 0.1% and Spain 0.4% contributed to the upwards surprise, while GDP dipped in France by 1.3%, Italy by 2% and the Netherlands by 0.1%. In 2020, the eurozone economy shrank by 6.8% due to the pandemic, according to Eurostat's first estimate. Eurostat also said that employment grew 0.3% on the quarter in the last three months of 2020 after a 1.0% quarterly rise in the previous three months but was still 2.0% lower than in the same period a year earlier.

Equity Markets

The pro-growth orientation focus on higher capital expenditure in the Union Budget was cheered by the investors as equity markets rose substantially in the days following the budget announcement. As per latest data, FIIs were net buyers in Equity markets with inflow of USD ~4.13 Bn and net seller in Fixed Income markets with outflow of USD ~0.87 Bn. Domestic Institutions were net sellers in equities with net outflow of USD ~2.45 Bn over the month.

Key Sector Movement

The key outperforming sector during the month was Metals. As the global growth outlook improves, demand for commodities is expected to pick-up. Higher demand together with supply disruptions is driving a rise in commodity prices. As prices continue to firm up, profitability of companies within the sector shall also improve and this expectation is driving a rally in the sector. However, it is important to see whether the higher demand scenario sustains and momentum in realizations continue as supply normalizes. Given the high volatility in prices, lack of long-term visibility on growth, high leverage, and poor return on capital for companies across the sector, we have avoided any exposure to the Metals sector, and we will maintain our stance.

The one of underperforming sector during the recent months was Consumer Goods as stocks within the sector witnessed some profit booking due to high valuations. However, from a long-term perspective, the sector has significant long-term growth drivers in place. We continue to remain bullish on the sector on account of a fairly long growth runway as well as pricing power in this sector. While the initial spurt in demand in this sector was more on account of pent up demand but the trends have been persisting over the last few months as well. We are maintaining exposure toward companies which are having pricing power and are into low penetration categories rendering a long growth runway.

Market Outlook

Q3FY21 corporate results show a much faster than expected recovery in growth, and continued improvement in high frequency data points indicate that the pick-up in demand is sustainable. After many quarters of continuous downgrades in corporate earnings estimates, the last couple of quarters have seen broad based upgrades across sectors. The government's focus on fiscal expansion and capex spending augurs well for the revival of the long-anticipated private investment cycle. While the equity market has rallied significantly over the last few months which makes valuations look expensive, pick up in the pace of corporate earnings growth going ahead shall lead to earnings upgrades which will get valuations back in the fair value zone and can potentially drive the markets higher over the coming years.

Ajay Tyagi
Executive Vice President and Fund Manager (Equity)
UTI Mutual Fund

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Debt Market Outlook

Last year was a challenging one for the Indian economy. With the economy reeling under the impact of lockdown due to the pandemic, both RBI & Government announced a slew of monetary and fiscal measures to boost liquidity, expand bank credit flow, preserve the financial stability of the markets and ease financial stress.

In this backdrop we started the year firmly advocating preservation of capital and having lower return expectation as the shorter end of the yield was anchored by significantly high amount of liquidity in the system. This led to traction in accrual-oriented categories and funds having a high quality portfolio viz. Ultra Short Term, Low Duration, Short Term, Corporate Bond and Banking and PSU Fund.

For this year as well, we expect the momentum to continue in these categories as accrual strategy is likely to be preferred by investors over duration strategy as we expect an extended pause on rates by RBI while keeping an accommodating stance. We have been saying for some time now that we do not expect further easing by the RBI and the rate cycle seems to have bottomed out. With the onset of second wave of Covid, might prolong the normalcy to come back by a quarter or two. In order to support growth, RBI might not be in a hurry to withdraw liquidity from the system. The surplus liquidity in the system is likely to support the yields at the shorter end of the curve which would be beneficial for funds positioned in the 1 to 3 years' segment.

On the longer end of the curve, we expect yields to be volatile and be dependent on global factors like US treasury yield movement, crude oil price trajectory and, domestic factors like Gsec supply, inflation expectations, RBI view and stance on rates etc. The global economic outlook has improved significantly over 2020 with most lead indicators rising. The benefits of a fast roll-out of vaccination has further improved this outlook and market sentiments. The combination of aggressive fiscal stimuli and central bank easing could lead to some inflationary fears as well. This has led to a generalized rise in global bond yields anticipating withdrawal of accommodation by the Fed and other central banks. So while the rate cycle bottomed out last year, the central bank support on liquidity and bond-buybacks will ease gradually into 2022. This is the new reality that the markets are adjusting to with the US10 year at 1.77% from a low of 0.51%, however, note that it is still below the pre-pandemic levels of 1.80-2.00%. The global economy recovering and renewed demand has seen most commodity prices return to the pre COVID levels.

The commodity price rise has been one of the drivers of increase in inflation and is spilling over into input price pressures. From here on it appears that increase in supply is likely to keep the rise in prices in check. However, it is more important to focus on core inflation as manufacturers increase prices and raise inflationary expectations. Market participants are likely to track inflation numbers and its impact on debt markets.

Another factor which would impact the yields would additional supply of bonds due to the higher borrowing numbers for FY21-22. The fiscal deficit numbers for FY21-22 (BE - 6.8%) are much higher than the market expectations of 5.5% and have created concern among market participants as there doesn't seem to be that level of demand among local investors. It is unlikely at the present juncture to see that the FPIs will create additional demand in FY22. This has already led to the yield curve shifting up. The market has been able to absorb gross borrowings of around ₹ 12.28 trillion so far in FY20-21 only with the help of RBI and hence the Markets are relying on RBI to support the borrowing calendar next year as well. Markets will be closely watching the actions of RBI around the auctions to determine the direction of the yields.

The upcoming Monetary Policy announcement and tone of policy would be watched out for by the market participants. Market participants are expecting RBI to follow the suit of global Central Banks and might maintain status quo on rates for another quarter or so. Further, market participants were expecting announcements of Open Market Operations (OMOs), as heavy supply of g-sec tends would begin from April. So market participants are expecting RBI to intervene though OMOs and support the yields. There is no such announcement on this front yet.

In this scenario, we recommend investor to stay true to their asset-allocation for investing for long-term goals. Investors may look at accrual oriented funds like the Low Duration Funds, Short-Term Funds and Corporate Bond Funds in the near to medium term.

Ritesh Nambiar
Senior Vice President and Fund Manager (Fixed Income)
UTI Mutual Fund

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

Performance Of Select Funds

Data as on March 26, 2021

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	32.00	68.33	11.47	9.90	12.36	13.55	12.26	13.89
ABSL Flexi Cap Fund	Aug-98	32.38	68.95	13.51	10.41	14.91	16.69	13.84	12.86
Axis Bluechip Fund	Jan-10	26.91	45.19	16.97	15.93	15.98	15.24	13.56	—
Axis Focused 25 Fund	Jun-12	30.43	54.87	17.92	14.24	17.37	16.97	—	—
Axis Growth Opportunities Fund	Oct-18	31.36	66.49	22.38	—	—	—	—	—
Canara Robeco Flexi Cap Fund	Sep-03	27.92	60.84	16.78	15.12	16.17	14.82	12.92	12.85
Canara Robeco Emerging Equities	Mar-05	30.97	69.97	17.36	12.47	17.83	22.74	19.53	15.05
HDFC Flexi Cap Fund	Jan-95	42.55	76.61	8.48	9.94	13.63	13.50	11.07	13.04
HDFC Top 100 Fund	Oct-96	36.11	68.67	7.01	9.72	13.03	12.58	10.50	12.75
HSBC Large Cap Equity Fund	Dec-02	30.83	62.02	14.11	11.48	13.82	12.76	10.06	10.64
HSBC Focused Equity Fund - Regular	Jul-20	31.77	—	—	—	—	—	—	—
ICICI Prudential Bluechip Fund	May-08	32.02	67.53	12.69	11.23	14.18	13.96	12.45	—
IDFC Core Equity Fund - Regular Plan	Aug-05	31.72	74.94	11.84	8.47	13.50	13.05	10.67	9.72
Invesco India Contra Fund	Apr-07	29.59	70.19	14.27	11.77	16.36	18.27	14.75	—
Kotak Bluechip Fund - Regular Plan	Dec-98	30.45	68.30	15.82	12.99	13.49	14.47	11.87	11.73
Kotak Equity Opportunities Fund	Sep-04	30.42	68.93	16.23	12.87	15.46	16.64	13.60	13.19
Kotak Flexicap Fund Regular Plan	Sep-09	29.58	64.71	12.49	11.73	15.00	16.94	14.49	—
Mirae Asset Emerging Bluechip Fund	Jul-10	36.27	83.64	21.23	17.71	21.09	24.35	22.09	—
Mirae Asset Focused Fund - Regular	May-19	32.97	82.34	—	—	—	—	—	—
Mirae Asset Large Cap Fund - Regular	Apr-08	27.71	65.97	12.97	12.87	15.88	16.87	14.84	—
Nippon India Large Cap Fund	Aug-07	35.93	65.52	7.23	8.94	12.59	14.08	12.05	—
Nippon India Multi Cap Fund	Mar-05	42.22	70.90	6.75	7.67	10.95	12.50	12.46	12.96
SBI Bluechip Fund	Feb-06	35.51	71.20	15.08	11.30	12.94	15.34	13.63	11.07
SBI Focused Equity Fund	Oct-04	31.84	54.64	15.81	12.78	15.66	17.94	17.05	13.64
UTI Flexi Cap Fund - Regular Plan	May-92	38.11	77.28	21.57	17.99	16.88	16.85	14.48	13.43

Midcap & Smallcap

Axis Midcap Fund	Feb-11	30.39	64.83	22.42	18.10	18.72	20.20	18.17	—
DSP Midcap Fund - Regular Plan	Nov-06	24.71	68.84	18.14	11.34	16.65	19.88	16.12	—
HDFC Mid-Cap Opportunities Fund	Jun-07	36.14	85.09	14.70	9.21	14.94	18.49	17.30	—
Kotak Emerging Equity Fund Regular	Mar-07	40.38	89.34	21.65	13.26	17.69	22.35	17.95	—
L&T India Value Fund	Jan-10	30.93	78.96	12.36	7.55	13.48	18.64	15.21	—
Motilal Oswal Midcap 30 Fund	Feb-14	32.03	62.39	13.50	9.05	10.91	17.12	—	—
UTI Mid Cap Fund - Regular Plan	Apr-04	34.81	89.75	20.58	10.41	13.91	18.69	16.92	12.72

Sectoral / Thematic Fund & Tax Saving

ICICI Prudential Banking	Aug-08	48.01	73.38	5.97	8.19	17.07	17.53	14.44	—
Nippon India Banking Fund	May-03	51.83	69.51	2.10	4.58	13.03	14.20	10.63	15.92
ICICI Prudential Pharma	Jul-18	7.57	84.61	29.93	—	—	—	—	—
Nippon India Pharma Fund	Jun-04	9.42	77.50	27.16	22.35	12.79	15.92	16.61	18.49
SBI Healthcare Opportunities	Jul-99	9.71	74.57	26.42	17.09	6.75	13.34	16.15	11.90
Kotak Pioneer Fund - Regular	Oct-19	35.12	96.96	—	—	—	—	—	—
Axis Long Term Equity Fund	Dec-09	33.21	54.41	18.16	14.70	15.62	18.01	17.40	—
IDFC Tax Advantage (ELSS)	Dec-08	40.10	97.16	14.96	9.58	15.32	16.31	14.27	—
Kotak Tax Saver Regular Plan	Nov-05	31.10	68.86	15.87	13.35	15.02	16.64	12.46	10.72
Mirae Asset Tax Saver Fund	Dec-15	34.95	83.79	20.01	17.10	21.00	—	—	—

ARBITRAGE FUNDS

Funds	Launch	3 Mth*	6 Mth*	1 Year*	2 year**	3 Year**	5 Year**
ICICI Prudential Equity Arbitrage Fund	Dec-06	0.89	1.61	4.00	4.88	5.27	5.62
IDFC Arbitrage Fund - Regular Plan	Dec-06	0.86	1.54	3.68	4.65	5.16	5.49
Kotak Equity Arbitrage Fund Regular	Sep-05	0.98	1.69	4.00	4.99	5.38	5.70

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	27.33	57.94	9.59	7.23	10.38	12.84	11.35	12.73
Canara Robeco Equity Hybrid	Feb-93	22.04	46.20	15.29	13.21	14.17	15.36	13.39	12.77
DSP Equity & Bond Fund	May-99	26.40	48.81	15.72	12.21	13.68	15.38	11.92	12.65
ICICI Prudential Equity & Debt	Nov-99	34.81	61.02	12.39	10.41	13.42	14.48	14.02	12.13
Kotak Equity Hybrid Fund	Nov-99	30.61	65.98	17.46	12.10	13.14	12.85	11.20	10.43
SBI Equity Hybrid Fund	Dec-95	24.68	44.75	13.56	11.85	12.70	14.76	13.19	12.11
DSP Dynamic Asset Allocation	Feb-14	12.24	29.15	10.77	9.16	9.42	—	—	—
ICICI Prudential Bal. Advantage	Dec-06	17.84	44.55	11.95	10.10	11.46	—	—	—
IDFC Dynamic Equity Fund	Oct-14	11.01	38.13	11.12	9.05	9.04	23.00	13.00	11.00
Kotak Bal. Advantage Fund	Aug-18	12.84	42.26	12.68	—	—	—	—	—
IDFC Equity Savings Fund	Jun-08	8.87	25.81	7.51	6.18	6.09	—	—	—
Kotak Equity Savings Fund	Oct-14	9.51	24.91	8.78	8.19	8.80	—	—	—

DEBT

Debt Oriented & Ultra Short Term Debt Fund

Funds	Launch	1 Mth*	3 Mth*	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**
Aditya Birla Sun Life Short Term Fund	May-03	0.52	0.18	2.59	12.76	8.78	8.28	8.10
Invesco India Short Term Fund	Mar-07	0.52	-0.19	1.89	9.66	7.94	7.52	7.32
Axis Corporate Debt Fund - Regular	Jul-17	0.49	0.31	2.75	12.39	7.53	7.97	—
HDFC Corporate Bond Fund	Jun-10	0.81	0.03	2.81	11.54	9.51	8.96	8.66
Kotak Corporate Bond Fund	Sep-07	0.56	0.07	2.38	9.68	8.39	8.33	8.16
Kotak Banking and PSU Debt Fund	Dec-98	0.42	-0.11	2.39	10.48	9.25	8.76	8.38
SBI Banking and PSU Fund	Oct-09	0.31	-0.36	2.24	10.31	8.65	8.39	7.93
ICICI Prudential Savings Fund	Sep-02	0.08	0.52	2.61	9.22	7.83	7.78	7.84
Kotak Savings Fund Regular Plan	Aug-04	0.29	0.75	1.78	6.15	6.16	6.71	6.96
L&T Ultra Short Term Fund	Apr-03	0.30	0.82	1.73	5.97	5.96	6.54	6.92

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

Dividends declared by equity and equity-oriented funds during the month of March 2021

Scheme name	Date	Dividend declared (%)
ICICI Pru Multi-Asset Fund (D)	02/03/2021	1.60
Tata Hybrid Equity Fund - Div-M)	03/03/2021	2.80
HDFC Top 100 Fund (D)	04/03/2021	50.00
HDFC Multi-Asset Fund - (D)	04/03/2021	10.00
Franklin India Flexi Cap Fund - (D)	05/03/2021	27.50
Nippon India Value Fund (D)	05/03/2021	15.00
Sundaram Equity Hybrid Fund - (D)	05/03/2021	1.37
UTI-Core Equity Fund (D)	08/03/2021	35.00
UTI-India Consumer Fund (D)	08/03/2021	20.00
HDFC Long Term Advantage Fund (D)	10/03/2021	40.00
HDFC Tax Saver Fund (D)	10/03/2021	50.00
ICICI Pru Manufacture in India Fund (D)	10/03/2021	10.00
ICICI Pru Value Discovery Fund (D)	10/03/2021	37.50
DSP Flexi Cap Fund (D)	12/03/2021	55.00
DSP Natural Resources & New Energy Fund (D)	12/03/2021	10.30
DSP World Agriculture Fund (D)	12/03/2021	8.20
Invesco India Midcap Fund (D)	12/03/2021	30.00
Nippon India Growth Fund - (D)	12/03/2021	45.00
ICICI Pru Long Term Equity Fund - (D)	15/03/2021	7.00
Mirae Asset Emerging Bluechip Fund (D)	15/03/2021	32.50
Mirae Asset Tax Saver Fund (D)	15/03/2021	16.00
UTI-Mid Cap Fund (D)	15/03/2021	40.00
PGIM India Hybrid Equity Fund (Div-M)	17/03/2021	1.29
Principal Hybrid Equity Fund - (Div-M)	17/03/2021	1.50
BNP Paribas India Consumption Fund - Reg (D)	18/03/2021	10.00
BNP Paribas Large Cap Fund (D)	18/03/2021	12.00
BNP Paribas Long Term Equity Fund (D)	18/03/2021	11.00
BNP Paribas Mid Cap Fund (D)	18/03/2021	24.00
BNP Paribas Multi Cap Fund (D)	18/03/2021	0.70
HDFC Flexi Cap Fund - (D)	18/03/2021	50.00
HDFC Small Cap Fund (D)	18/03/2021	25.00
BNP Paribas Substantial Equity Hybrid Fund (D)	18/03/2021	2.00
Invesco India Infrastructure Fund (D)	19/03/2021	21.50
IDFC Asset Allocation FoF - Aggressive (D)	22/03/2021	1.90

Cont. on page 6...

Market Outlook

Even as markets start to reprice the expectations of "low for longer" on bond yields, the hidden fault lines in financial markets driven by years of easy money and lax regulation combined with the shifting of risk from banks to non-banks have started to emerge. While 'easy money' and the 'Gamification of Trading' have been evident in the GameStop saga, the story of Archegos and Greensil Capital are emblematic of lax regulation and risks sitting on balance sheets outside the Banking system. While these incidents have been contained, given the interconnectedness of markets and its impact on sentiments, the risks of financial market dislocations creating a negative feedback loop to the real sector must be factored in and avoided. In the recent past, developed markets have foisted on central banks additional responsibility beyond their core mandates, such as environmental sustainability (UK) and Housing price inflation (NZ). Perhaps a refocus on the core mandate of maintaining Financial stability is in order along with macro prudential norms and enhanced supervision.

The directional range in treasury yields would be governed by the interplay of the impact of recent fiscal stimulus measures, additional stimulus and infrastructure measures being planned and the change in inflation expectations combined with the stance of the FED. To the extent, the increase in yields is representative of economic improvement and till the pace of yield increase stays manageable and gradual, it should not do much damage to asset markets.

Equity

The two key risks for equity markets in an intensified second wave of Covid and continued surge in global yields have materialized together over the past few weeks. This expectedly caused turbulence for stocks as the Sensex and the Nifty corrected nearly 7% and 6.5% respectively from recent highs before mounting some recovery. While the second wave continues to be a cause of worry, it has not led to any major curb in activity so far as lockdowns have been very localised and much less stringent. With the understandable reluctance to lock down on the part of authorities, better preparedness on medical infrastructure and continued pick up in the pace of vaccination, the economy can still manage to stay largely unscathed this time barring some impact on the services sector.

Similarly, on global bond yields, there appears to be some respite as the pace of rise in yields has moderated over the past couple of weeks. While valuations may face headwinds as the support from low yields wane, we believe that in the early stages of the cycle, earnings improvement should keep equities supported broadly even as the pace becomes more calibrated. The week gone by also saw US president Biden pushing through on his election agenda of a redistributive fiscal policy. He proposed a $2 trillion infrastructure plan that should help create jobs and proposes to partly finance it through an increase in corporate taxes. He is also expected to announce a somewhat similar magnitude in part 2 of his plan focussed on 'human infrastructure' which is expected to be financed through higher personal taxes. With a slim majority in the Senate for democrats, the extent to which these proposals will see the light of the day is uncertain as of now. But directionally these proposals continue to strengthen the prospects of a global reflation, and that should be a tailwind for emerging market equities including India.

Overall, starting at multi-decade lows on corporate profits to GDP for Indian corporates, there is reason to be optimistic on an uptick in earnings cycle for Indian corporates over the next few years. Beyond the short-term bouts of volatility, this should continue to be supportive of equities. The bigger theme in our view however continues to be bottom-up stock picking as the deflationary forces of the past decade wane and accompanying market polarizations continue to reverse leading to a different set of winners.

Fixed Income

Improvement in recent trends with regards to Government revenues have been an encouraging dynamic. GST collections have seen an increasing trend over the last 6 months with the month of March 21 witnessing the highest collections at ₹ 1.24 Trillion since the introduction of the indirect tax regime. The GST revenue witnessed growth rate of (-) 41%, (-) 8%, 8% and 14% in the first, second, third and fourth quarters of this financial year, respectively, as compared to the same period last year. Improvement in economic recovery and more importantly the impact of anti-evasion measures taken so far are reflective in this trend. The Government has also devolved an additional ₹ 450 bn to the states, leading to devolutions increasing by 8.2% over the Revised Estimates (RE) for FY21. Better than expected revenue collections over the RE for FY21 also enabled the cancellation of the last scheduled auction for the year. During the month, FTSE Russel announced the review of Indian bonds to potential 'level 1' classification, which may enable inclusion in the FTSE EM Bond index. With a review period likely to be around 6-9

Cont. on page 6...

Power of SIP

It is a well known fact that regular investment through SIP in equity funds can produce amazing results. Of course, the key is to continue this process uninterruptedly for the defined time horizon. The table below highlights, how an investment of ₹ 10000 per month in different funds has grown over 5 & 10 Years. Data as on March 31, 2021. SIP - 10th of every Month.

			5 Years			10 Years		
Scheme Name	Date of Launch	Investment Amount Per Month (₹)	Total Investment (₹ in lacs)	Current Value (₹ in Lacs)	Return % (XIRR)	Total Investment (₹ in lacs)	Current Value (₹ in Lacs)	Return % (XIRR)
Aditya Birla Sun Life Flexi Cap Fund	Aug-98	10000	6	8.51	14.08	12	27.28	15.74
Aditya Birla Sun Life Frontline Equity Fund	Aug-02	10000	6	8.25	12.81	12	24.12	13.44
Axis Bluechip Fund	Jan-10	10000	6	9.16	17.09	12	26.77	15.39
Axis Focused 25 Fund	Jun-12	10000	6	9.04	16.58	12	-	-
Axis Long Term Equity Fund	Dec-09	10000	6	9.04	16.61	12	30.56	17.86
ICICI Prudential Bluechip Fund	May-08	10000	6	8.51	14.10	12	24.64	13.84
Invesco India Contra Fund	Apr-07	10000	6	8.92	16.04	12	29.08	16.93
Kotak Equity Opportunities Fund	Sep-04	10000	6	8.96	16.19	12	27.24	15.72
Kotak Flexi Cap Fund	Sep-09	10000	6	8.60	14.55	12	27.57	15.94
Kotak Tax Saver Fund	Nov-05	10000	6	8.87	15.81	12	26.13	14.94
Mirae Asset Emerging Bluechip Fund	Jul-10	10000	6	9.96	20.59	12	40.62	23.14
Mirae Asset Tax Saver Fund	Dec-15	10000	6	9.89	20.30	12	-	-

Past Performance may or may not be sustained in future.
As with any investments in securities, the NAV of units can go up or down depending on the factors and forces affecting capital markets.

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Market Outlook

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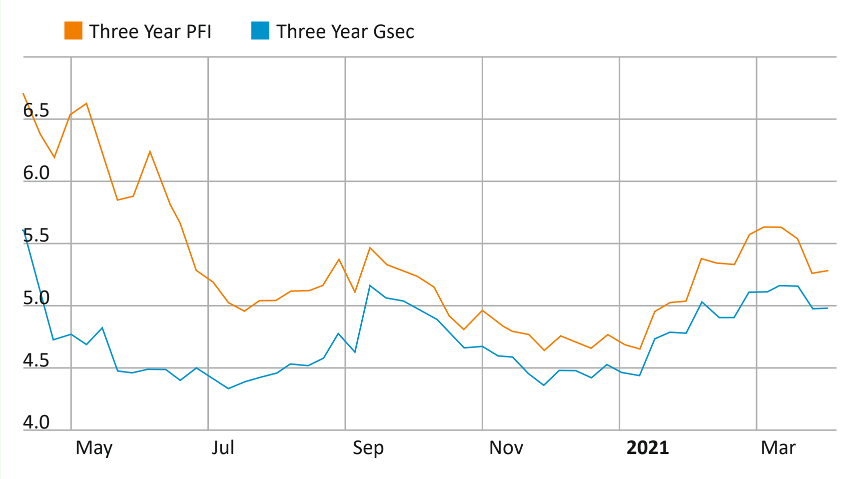
months and an index announcement if any, expected to be gradually phased in, the move may only lead to potential inflows only later from FY23.

While the government borrowings have expanded manifold, given the large Fiscal deficits, corporate borrowing numbers have been much muted with the last financial year issuances by PSU/PFI borrowers being about ₹ 3.72 Trillion growing at around 12% over the year. Along with large system liquidity and inflows in bond funds, the AAA short term spreads have tightened substantially. A lower than expected supply schedule in March led to primary auction spreads tightening over the month led by Provident & Pension Fund's investment demand.



As the market borrowings for FY22 pick up pace, the recent frictions with respect to auction cut offs may re-emerge in the absence of specific intervention measures by the RBI. How the RBI manages the challenging task of modulating excess liquidity and managing Forex and Bond market interventions would set the tone for the market trends. Given the evolving landscape of normalising bond yields globally, expectations of recovering economic growth and India's unique problem of a sticky CPI trajectory, expectations need to be anchored around a directional uptick in yields over the coming year. Normalisation of liquidity would precede any change in Monetary stance and a gradual reset of short-term rates closer to the Repo rate is in order over the next few quarters.

Data Source: Bloomberg, Edelweiss AIMin, SBI MF research, NSE/BSE EBP, MoF

Rajeev Radhakrishnan
CIO for Debt
SBI Funds Management Private Limited

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

Dividends declared by equity and equity-oriented funds during the month of March 2021

...Cont. from page 4

Scheme name	Date	Dividend declared (%)
UTI-Dividend Yield Fund (D)	22/03/2021	5.00
IDFC Dynamic Equity Fund (D)	22/03/2021	1.30
UTI-Multi Asset Fund (D)	22/03/2021	0.85
Baroda Banking&Fin Serv Fund - Plan A (D)	23/03/2021	15.00
Baroda ELSS '96 - Plan A (D)	23/03/2021	26.00
Baroda Large Cap Fund - Plan A (D)	23/03/2021	11.00
Baroda Multi Cap Fund - Plan A (D)	23/03/2021	28.00
Edelweiss Large & Mid Cap Fund (D)	23/03/2021	7.00
Edelweiss Large Cap Fund (D)	23/03/2021	8.50
Edelweiss Long Term Equity Fund (TS) (D)	23/03/2021	3.00
Edelweiss Mid Cap Fund (D)	23/03/2021	21.00
Edelweiss Small Cap Fund - (D)	23/03/2021	10.00
L&T Large & Midcap Fund (D)	23/03/2021	1.60
Mirae Asset Great Consumer Fund (D)	23/03/2021	15.00
Mirae Asset Large Cap Fund (D)	23/03/2021	16.50
Baroda Dynamic Equity Fund - D)	23/03/2021	11.00
Baroda Hybrid Equity Fund-Plan A (D)	23/03/2021	3.00
Edelweiss Aggressive Hybrid Fund - Plan A (D)	23/03/2021	1.70
L&T Hybrid Equity Fund (D)	23/03/2021	1.20
Mirae Asset Hybrid - Equity Fund (D)	23/03/2021	12.00
AXIS Bluechip Fund (D)	25/03/2021	15.50
AXIS Flexi Cap Fund (D)	25/03/2021	12.00
AXIS Focused 25 Fund (D)	25/03/2021	18.00
AXIS Growth Opportunities Fund (D)	25/03/2021	13.50
AXIS Small Cap Fund (D)	25/03/2021	24.50
BOI AXA Large & Mid Cap Equity Fund - Eco (D)	25/03/2021	10.00
BOI AXA Large & Mid Cap Equity Fund (D)	25/03/2021	9.00
BOI AXA Small Cap Fund (D)	25/03/2021	10.00
DSP Healthcare Fund (D)	25/03/2021	18.40
DSP Midcap Fund (D)	25/03/2021	24.70
LIC MF Tax Plan - (D)	25/03/2021	2.50
Motilal Oswal Flexi Cap Fund (D)	25/03/2021	40.20
Motilal Oswal Focused 25 Fund (D)	25/03/2021	30.00
Motilal Oswal Long Term Equity Fund (D)	25/03/2021	22.00
Motilal Oswal Midcap 30 Fund (D)	25/03/2021	33.00
AXIS Dynamic Equity Fund (D)	25/03/2021	10.50
AXIS Equity Hybrid Fund - D)	25/03/2021	11.00
HDFC Hybrid Equity Fund (D)	25/03/2021	2.50
Invesco India Dynamic Equity Fund (D)	25/03/2021	0.80
LIC MF Equity Hybrid Fund - (D)	25/03/2021	1.00
Motilal Oswal Dynamic Fund (Div-A)	25/03/2021	5.00
Franklin India Equity Advantage Fund (D)	26/03/2021	15.00
Invesco India Contra Fund (D)	26/03/2021	27.50
L&T Tax Advantage Fund (D)	26/03/2021	9.00
PGIM India Flexi Cap Fund (D)	26/03/2021	3.05
PGIM India GEO Fund (D)	26/03/2021	6.40
PGIM India Large Cap Fund (D)	26/03/2021	3.50
PGIM India Long Term Equity Fund (D)	26/03/2021	2.70
PGIM India Midcap Opportunities Fund (D)	26/03/2021	3.60
Templeton India Equity Income Fund (D)	26/03/2021	7.50
Canara Robeco Equity Hybrid Fund (Div-M)	26/03/2021	7.50
DSP Equity & Bond Fund - (D)	26/03/2021	1.50
L&T Hybrid Equity Fund (Div-A)	26/03/2021	7.00
PGIM India Hybrid Equity Fund (D)	26/03/2021	2.50
Aditya Birla SL Dividend Yield Fund (D)	30/03/2021	1.90
Aditya Birla SL Infrastructure Fund - (D)	30/03/2021	8.00
Aditya Birla SL Equity Hybrid '95 Fund (D)	30/03/2021	19.70

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 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.

WISEINVEST PRIVATE LIMITED
(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@wiseinvest.co.in

Branch

Thane : 502, 5th Floor, Pratibha Premises, Near Teen Petrol Pump, Panchpakhadi, Thane West - 400 602.

Tel : 2537 1567 / 2539 1306. E-mail : information1@wiseinvest.co.in

www.wiseinvest.co.in

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