

# Barjeel MARKET DIGEST

KNOWLEDGE. POWER. WEALTH ENHANCER

February 2018 | Issue: I | Vol: 67

SENSEX: 35,066.75 | NIFTY: 10,760.60 | DOW JONES: 25520.96 | NASDAQ: 7240.95 | USD/INR: 64.14 | GOLD: \$1333.70 | OIL: \$65.45  
 (April 2018 future contract) (March 2018 future contract)

## Stock Picks

Company Name	CPM (Rs)	Target (Rs)
Asian Paints Ltd	1,138	1,283
Havells India Ltd	509	624
Federal Bank Ltd.	93	131

Source: Geojit Financial Services Ltd.

## INR Fund Picks

Performance as on 31/01/18		Returns (CAGR)	
Company Name		3Yr	5Yr
Sundaram Rural India Fund	Thematic	18.71	21.03
Kotak Emerging Equity	Midcap	16.73	24.49
DSPBR Opportunities	Flexicap	15.66	20.13
ICICI Pru Balanced Fund	Balance	12.40	18.21
SBI BlueChip Fund-Reg	Largecap	11.90	18.38



## UAE Round Up

- Dubai Financial Market Company on Wednesday announced a net profit of AED233 million (\$63.4 million) for 2017, down 8 percent compared to the previous year.
- The UAE's healthcare industry is on an upward growth trajectory, bolstered by a growing number of industry-specific investments from several public and private entities. The healthcare market in the UAE is projected at \$19.5 billion in 2020, indicating an annual average growth of 12.7 per cent from 2015, and is marginally higher than the GCC growth average

## MARKET UPDATE

### Global:

- # Stocks tumbled this week, denting their impressive 2018 gains; the Dow Jones Industrial Average dropped 4.1%, the S&P 500 slid 3.9%, and the Nasdaq lost 3.5%.
- # While investors had a lot of news to digest, including President Trump's first State of the Union address, a tech-heavy batch of fourth quarter earnings, and the Employment Situation report for January, the selling was more so a natural response to a market that's moved too far too fast--although, a spike in Treasury yields did help strengthen a case for the bears.
- # Technology names dominated this week's batch of earnings, with Apple (AAPL), Microsoft (MSFT), Facebook (FB), and Alphabet (GOOGL) reporting their fourth quarter results, which were mostly better-than-expected. However, the companies' shares settled the week mostly lower; MSFT, GOOGL, and AAPL shares lost 2.4%, 5.8%, and 6.4% for the week, respectively, while FB shares advanced 0.2%, touching a new all-time high.
- # Apple reported above-consensus earnings on in-line revenues, but iPhone sales for the holiday season came in weaker than expected, and the company lowered its sales forecast for the first three months of 2018. Meanwhile, Facebook beat earnings and revenue estimates and reassured investors that its ad business would remain highly profitable despite changes to its news feed, which have prompted users to spend less time on the site--about 50 million hours less per day (in aggregate).
- # As for the others, Microsoft reported above-consensus earnings and revenues on the back of its rapidly-growing cloud computing business, while Alphabet, the parent company of Google, missed earnings estimates--despite beating revenue forecasts--largely due to rising costs.
- # Outside the technology space, Amazon (AMZN) and Boeing (BA) also reported their quarterly results this week. Amazon ended with a weekly gain of 2.0% after blowing past earnings estimates--thanks in part to changes in the U.S. tax code--while Boeing jumped 1.7% after also soundly beating earnings estimates, beating revenue estimates, and issuing much better-than-expected guidance for fiscal year 2018.
- # In other corporate news, the health care sector struggled this week, losing 5.1%, after Amazon (AMZN), Berkshire Hathaway (BRK.A), and JPMorgan Chase (JPM) announced on Tuesday that they will be partnering to form a company focused on reducing health care costs for hundreds of thousands of their U.S. employees.
- # In Washington, President Trump delivered his first State of the Union address on Tuesday evening. The president stayed on script, calling for a \$1.5 trillion infrastructure plan and a compromise on immigration that would allow a path to citizenship for "Dreamers" in exchange for his promised barrier along the Mexico border and added border security. Mr. Trump also noted that lowering prescription drug prices is a top priority of his administration and took a firm, but relatively calm, stance against North Korea.
- # Meanwhile, Fed Chair Janet Yellen wrapped up her time at the Federal Reserve on a rather uneventful note as the Federal Open Market Committee unanimously voted on Wednesday to leave the fed funds target range unchanged at 1.25%-1.50%, as expected. In its statement, the central bank said near-term risks to the economic outlook appear roughly balanced, but added that officials are keeping an eye on inflation, which has been slow to pick up despite a tightening of the labor market.
- # The policy directive did little to change the market's rate-hike expectations; the CME FedWatch Tool still points to the March FOMC meeting as the most likely time for the next rate-hike announcement, with an implied probability of 77.5% (up from 74.7% last week), and calls for an additional two hikes before the end of the year.
- # On the data front, investors received the Employment Situation report for January on Friday: Nonfarm payrolls came in better-than-expected (+200,000 actual vs +180,000 consensus), average hourly earnings hit estimates (+0.3% MoM), and the unemployment rate stayed at 4.1% as expected. U.S. Treasuries were lower for the week ahead of the report's release, but extend their losses in the aftermath, sending yields to multi-year highs.

### India:

- # After rallying for eight consecutive weeks, the Indian equity market has finally taken a breather post Union Budget 2018 announcements. The indices cracked sharply as Nifty fell over 250 points in a single session on Friday. Market participants were seen reacting to the long term capital gains tax. In addition, fiscal deficit for FY19 was kept at 3.3% of GDP, which was higher than expected.
  - # The budget tried to be a balancing act between being populist and maintaining fiscal prudence with a host of measures announced for farmers and rural India
  - # Meanwhile, India's core infrastructure sectors during December grew 4% (y/y), relatively slower when compared with remarkable growth of 7.4% the month prior. Fiscal deficit stood at US\$97.27bn for April-December or 113.6% of the budgeted target for the current fiscal year that ends in March.
- For the week, Nifty and Sensex declined by 3% each.



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## INVESTMENT IDEA

## About E-mini Dow futures

### E-mini Dow futures(YM)

#### WHAT IS E-MINI DOW FUTURES(YM)

The Dow Jones Industrial Average is often viewed as a strong indicator of the success of the U.S. stock market and the U.S. economy overall. Futures and options on the Dow Jones Industrial Average represent flexible, efficient access to trading opportunities created by market moves and economic trends

The Dow Jones Industrial Average (DJIA) is a price-weighted index of 30 blue-chip U.S. companies representing nine economic sectors including financial services, technology, retail, entertainment and consumer goods. The DJIA is one of the most widely quoted measures of the U.S. stock market due to its extremely high correlation to broader U.S. indexes, such as the S&P 500

E-mini Dow futures offer an accessible alternative to manage exposure to the U.S. stock market. Based on the Dow Jones Industrial Average, E-mini Dow futures offer exposure to the 30 U.S. blue-chip companies represented in the stock index.

### It's QUIZ Time

The contract which gives an investor the ability to purchase or sell stock at a set price on a predetermined date is called?

- a) future
- b) stock exchange
- c) option
- d) investing objective

Answer to the last quiz, Q If you want to invest in a particular industry, what fund will you choose? is c) Sector Fund

Thank you for the quick responses. The right answer of the quiz was given by:

**Ms. Lakshmi Asnani**

**Mr. Iffat Nakhawa**

Share the answer at [reply@barjeel.ae](mailto:reply@barjeel.ae)

Congratulations!

The answer to the question along with the **Winners Name** will be published in the next issue of Market Digest. All the best!

### REAL ESTATE ROUND UP



#### Escrow Account

#### Main features of Escrow Account in Dubai.

- The provision of this Law applies to Developers selling off-plan units in Dubai and who receive payments from Buyers or financiers. All such payments must be deposited into the Escrow Account.
- The Escrow Account must be opened in the name of the project (the project may contain one or more building) and shall be used only for the purposes of the registered project.
- Amounts deposited in the Escrow Account may not be used as security for a creditor of the Developer.
- A Developer carrying on several projects must open an independent Escrow Account for each project.
- The release of funds is only permitted in accordance with the certified progress of the project.

### Prohibited Transactions

An ROI shall not make investment in India, in any form directly or through any entity, whether incorporated or not, which is engaged or proposed to be engaged in -

- a) Chit fund or Nidhi Company.
- b) Agriculture or plantation activities. These exclude -
- c) Housing and real estate business or construction of farm houses. 'Real estate business' means dealing in land and immovable property with a view to earning profit therefrom and does not include development of townships, construction of residential commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure. Further, earning of rent income on lease of the property and also investment in units of Real Estate Investment Trusts (REITs) shall not be treated as real estate business.
- d) Trading in Transferable Development Rights (TDRs). This is a certificate issued in respect of land acquired for public purpose by government for surrender of land by the owner without monetary compensation. These are transferable in part or whole.
- e) Lottery, gambling and betting in casinos or otherwise, including government, private or on-line lotteries.
- f) Partnership firms and proprietorship concerns having investments as per FEMA are not allowed to be engaged in print media sector.
- g) Retail Trading except single brand product retailing.
- h) Atomic Energy.
- i) Manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.

The same restrictions are applicable to a Resident in respect of the amount borrowed, if any.

Kindly post your queries if any here at [reply@barjeel.ae](mailto:reply@barjeel.ae)

**Did you know...**  
Trading on the Bombay Stock Exchange was conducted under the Banyan Tree in 1955. Today, the stock exchange building or Teejeebhoy Towers has become a landmark in the City of Mumbai.

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Disclaimer:

(I) Investments in Financial instruments are subject to market risks, please read the relevant risk disclosure documents before investing.

(II) Past performance does not guarantee returns in the future.

(III) Barjeel Geojit Securities LLC (Barjeel Geojit) does not offer any products with guaranteed returns.

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(V) You permit Barjeel Geojit to update you the new offerings, changes and developments in the product offerings and regulatory environment

(VI) Barjeel Geojit does not sell personal data to third parties and all reasonable steps are taken to ensure strict confidentiality.

(VII) Barjeel Geojit facilitates you to trade in the Indian Stock Market with Geojit Financial Services Limited. All your trade dealings, rights / obligations as an investor, rights / obligations to remedies in NSE and BSE executed through Geojit Financial Services Limited will be governed by the prevailing relevant rules and regulation in India and dealt with by Geojit Financial Services Limited.

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