

# MARKET DIGEST

KNOWLEDGE. POWER. WEALTH ENHANCER

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SENSEX: 34,010.76 | NIFTY: 10,452.30 | DOW JONES: 25219.38 | NASDAQ: 7239.47 | USD/INR: 64.39 | GOLD: \$1356.60 | OIL: \$61.55  
(April 2018 future contract) (April 2018 future contract)

## Stock Picks

Company Name	CPM (Rs)	Target (Rs)
Escorts Ltd.	891	973
TVS Motors Ltd	646	715
Tata Global Beverages Ltd	280	308

Source: Geojit Financial Services Ltd.

## INR Fund Picks

Company Name		Returns (CAGR)	
		3Yr	5Yr
Sundaram Rural India Fund	Thematic	18.71	21.21
HDFC Mid-Cap Opp	Midcap	16.43	26.07
DSPBR Opportunities	Flexicap	15.18	20.02
HDFC Balanced Fund(G)	Balance	11.78	19.02
SBI BlueChip Fund-Reg	Largecap	10.65	17.91



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## UAE Round Up

- Dubai-based startup development firm Eniverse has unveiled the 'DoorBox', a fully automated receiving box that will be placed receive deliveries from drones.
- The landmark agreement between the UAE and India to enable businesses to transact directly in each other's currencies - eliminating the role of the dollar - is a defining move in further boosting bilateral trade, which is on track to hit \$100 billion by 2020.

## MARKET UPDATE

### Global:

- # The equity market rallied this week, reclaiming about half of the losses it registered over the previous two weeks.
- # The tech-heavy Nasdaq Composite climbed 5.3% as technology shares outperformed, while the S&P 500 and the Dow Jones Industrial Average added 4.3% apiece. The S&P 500 and the Dow ended Friday on a six-session winning streak.
- # This week's gains put the S&P 500, the Nasdaq, and the Dow back into the green for the year and back above their respective 50-day simple moving averages. They're still a ways below record territory, however, settling Friday about 5.0% beneath the record highs they posted on January 26.
- # 11 of 11 S&P 500 sectors finished the week in positive territory, with gains ranging between 1.8% and 5.8%. The top-weighted technology group (+5.8%) was the strongest sector, while the energy (+1.9%), utilities (+2.9%), telecom services (+2.4%), and real estate (+1.8%) groups were the weakest.
- # Within the tech group, Apple (AAPL), surged 10.2% this week, reclaiming most of the 13.5% it lost between January 18 and February 8, and Cisco Systems (CSCO) rallied 4.7% on Thursday--hitting its best level in nearly 20 years--after reporting better-than-expected profits for the quarter ending in January and raising its earnings and revenue guidance.
- # Investors received a big batch of economic data this week, highlighted by a hotter-than-expected CPI reading: the Consumer Price Index increased 0.5% month over month in January (consensus +0.4%) and the core CPI, which excludes food and energy, rose by 0.3% (consensus +0.2%). The headline month-over-month figures sparked a knee-jerk reaction from the market, which has been fighting fears of inflation--and, in turn, fears of a more hawkish Fed--in recent weeks.
- # However, the year-over-year figures helped restore order and keep the week's upward trajectory intact, showing that both the CPI and the core CPI are still within a range they've held to for some time; the total CPI is up 2.1% year over year and has been between 2.0% and 2.2% for five months, while the core CPI is up 1.8% year over year and has been between 1.7% and 1.9% for ten months.
- # The yield on the benchmark 10-yr Treasury note climbed to a four-year high on Wednesday following the CPI release, closing at 2.91%, but gave up some ground on Thursday and Friday to finish the week little changed at 2.88%. Meanwhile, the 2-yr yield climbed 12 basis points this week, closing at 2.19%--its highest level in nearly a decade.
- # In Washington, the White House released its infrastructure plan on Monday, which is designed to stimulate \$1.5 trillion in spending over a decade.

Index	Started Week	Ended Week	Change	Change%	YTD %
DJIA	24190.90	25219.38	1028.48	4.3	2.0
Nasdaq	6874.49	7239.47	364.98	5.3	4.9
S&P 500	2619.55	2732.22	112.67	4.3	2.2

### India:

- # Nifty fell sharply in the past two weeks and there seems to be no respite as the indices towards the fag end of this week have erased the entire week's gains. The PNB fraud case which came to light during the week not only dragged Bank Nifty but also dampened the sentiment across the street. Meanwhile, the country's exports increased by 9% in January, while trade deficit touched a three-year high of USD16.3 bn due to an increase in crude oil imports.
- # For the week, Nifty and Sensex ended almost unchanged.



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## Categorization and Rationalization of Mutual Fund Scheme

SEBI vide its circular SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 has decided to introduce uniformity in categorization and rationalization of Mutual Fund Schemes. Brief Highlight of the circular is as under:

The schemes would be broadly classified in following groups:

- a) Equity Schemes    b) Debt Schemes    c) Hybrid Schemes    d) Solution Oriented Schemes    e) Other Schemes

In order to ensure uniformity in respect of the investment universe for equity schemes, it has been decided to define large cap, mid cap and small cap as follows:

- a) Large Cap: 1st - 100th company in terms of full market capitalization.  
 b) Mid Cap: 101st - 250th company in terms of full market capitalization.  
 c) Small Cap: 251st company onwards in terms of full market capitalization.

Mutual Funds would be required to analyze each of their existing schemes in light of the list of categories stated in above referred circular and would have to submit a proposal to SEBI as early as possible to include proposed course of action (i.e. winding up, merger, fundamental attribute change etc) in respect of the existing similar schemes as well as those which are not in alignment to categories stated in the circular.

Full circular along with its annexures can be accessed on SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in)

### It's QUIZ Time 16.02.18

A "hybrid" fund is one that:

- invests in both bonds and stocks
- started as a closed-end investment company, but changed to a mutual fund
- has different "loads" for different classes of investors in the fund
- can serve as an investment vehicle, but also provides check-writing privileges.
- invests in derivative securities, as well as stocks.

Answer to the last quiz, Q The contract which gives an investor the ability to purchase or sell stock at a set price on a predetermined date is called?? is c) option

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

**Mr. A.K.Prakashan**

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!

## Prohibited Remittances

Prohibited remittances out of India by any person or entity are --

- Income from lottery winnings, racing, riding, or any other hobby.
- For purchase of lottery tickets, banned or proscribed magazines, football pools, sweepstakes, etc.
- Payment of commission on exports of equity investment in Joint ventures or wholly owned subsidiaries abroad of Indian companies or on exports under Rupee State Credit Route except commission up to 10% of invoice value of tea and tobacco.
- Dividend by any company to which the requirement of dividend balancing is applicable.
- Payment related to 'Call Back Services' of telephones.
- Drawal of exchange for travel to Nepal or Bhutan and also transactions with a person resident therein, unless specifically exempted by the RBI by general or special order.

However, remittance of prize money or sponsorship of sports activity abroad by a person other than international, national or state level sports bodies, if the amount involved exceeds US\$ 1,00,000 requires permission from Ministry of Human Resources Development, Department of Youth Affairs and Sports.

## REAL ESTATE ROUND UP



### Rental Increase Caps in Dubai

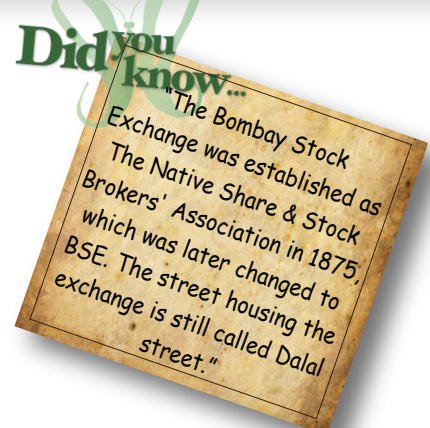
Rental increase cap applies to all properties in Dubai (including Free Zones)

- Rent caps based on Tenant's previous rent vs. average similar rent, as per RERA Index
- Rental Increase Calculator is on DLD website at [www.dubailand.gov.ae](http://www.dubailand.gov.ae) (eServices)

**If Tenant was paying**

- 10% or less than the average similar rent – Landlord cannot increase the rent
- 11-20% less than the average similar rent – Landlord may increase rent by up to 5%
- 21-30% less than the average similar rent – Landlord may increase rent by up to 10%
- 31-40% less than the average similar rent – Landlord may increase rent by up to 15%
- Over 40% less than the average similar rent – Landlord may increase rent by up to 20%

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



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