

SENSEX: 36,496.37 | **NIFTY: 11,010.20** | **DOW JONES: 25058.12** | **NASDAQ: 7820.20** | **USD/INR: 68.74** | **GOLD: \$1231.10** | **OIL: \$68.26**
(Aug 2018 future contract) (Sep 2018 future contract)

Stock Picks

Company Name	CPM (Rs)	Target (Rs)
Mahindra CIE Automotive Ltd.	245	281
Ashok Leyland Ltd	107	125
Federal bank Ltd	85	101

Source: Geojit Financial Services Ltd.

INR Fund Picks

Company Name		Returns (CAGR)	
		3Yr	5Yr
Tata Equity P/E Fund	Thematic	15.06	25.54
HDFC Mid-Cap Opp	Midcap	12.64	25.70
SBI Magnum Multicap	Flexicap	11.09	20.73
ICICI Pru Equity & Debt	Balance	9.43	17.06
HDFC Top 100 Fund	Largecap	9.64	16.46



UAE Round Up

- The UAE and China signed a strategic cooperation framework agreement on Friday to deepen energy partnership and explore mutually beneficial investment opportunities across the energy value chain to boost growth.
- ArabianChain Technology, a Gulf-based innovator in the blockchain industry, has said it has signed a joint venture with Curiositas to create Wethaq, the world's first platform for Islamic capital markets using smart contracts and legal automation.
- Federal Tax Authority says the project to implement the tourist VAT refund is nearing its final preparation stages

MARKET UPDATE

Global:

- # There were a heap of headlines out of Washington this week, but Wall Street kept its cool, finishing little changed. The S&P 500 finished flat, while the Dow Jones Industrial Average finished a tick higher (+0.2%), and the Nasdaq Composite finished a tick lower (-0.1%). The small-cap Russell 2000 outperformed, rallying 0.6%.
- # President Trump capped a week-long trip to Europe on Monday by meeting with Russian president Vladimir Putin in Helsinki, Finland. The leaders met for roughly four hours, discussing a wide range of topics, including arms control, the future of Syria, and, of course, Russian interference in the 2016 U.S. election, which Mr. Putin again denied.
- # Mr. Trump faced criticism for appearing to reject his own intelligence agencies' conclusion that Russia meddled in the election in favor of Mr. Putin's plea of innocence. President Trump later clarified his remarks, replacing the word would with wouldn't in the following statement referring to Russian interference: "I don't see any reason why it would be [Russia]."
- # Back to Mr. Trump, the president did an exclusive interview with CNBC on Thursday in which he criticized the Fed, saying he's "not thrilled" about interest rate hikes, and said he is willing to slap tariffs on \$500 billion worth of Chinese goods -- virtually every Chinese product coming into the U.S. -- if necessary. Mr. Trump also commented on the strengthening dollar, saying it puts the U.S. at a disadvantage.
- # The president followed up that interview with a tweet on Friday, saying "China, the European Union and others have been manipulating their currencies and interest rates lower, while the U.S. is raising rates while the dollars gets stronger and stronger with each passing day - taking away our big competitive edge...Tightening now hurts all that we have done."
- # Mr. Trump's comments on the Fed were particularly controversial as presidents typically refrain from speaking on monetary policy in an effort to protect the Fed's independence. The White House issued a follow-up statement after the CNBC clip aired on Thursday, clarifying that Mr. Trump respects the Fed's independence.
- # On a separate -- but related -- note, Fed Chair Jerome Powell gave Congress his semiannual update on the economy and monetary policy, speaking before both the Senate Banking Committee and the House Financial Services Committee. Mr. Powell's testimony provided no new information; he simply reinforced the view that improving economic conditions should allow the Fed to continue hiking rates gradually.
- # The second quarter earnings season heated up this week with several influential names reporting their latest results. Netflix (NFLX) dropped sharply on Tuesday -- although shares did rebound notably intraday -- after the streaming media company missed subscriber growth estimates. Ahead of earnings, Netflix was up more than 100% on the year.
- # Fellow tech names Microsoft (MSFT), IBM (IBM), and eBay (EBAY) also reported their quarterly results this week. Microsoft and IBM rallied after beating earnings estimates, but eBay tumbled after reporting below-consensus results. The top-weighted technology sector finished the week with a gain of 0.1%, extending its yearly advance to 15.4%.
- # Several financial giants also reported earnings this week, including Bank of America (BAC), Goldman Sachs (GS), and Morgan Stanley (MS), all of which topped estimates. The positive results helped the heavily-weighted financial sector climb 2.2% and finish atop the week's sector standings.

Index	Started Week	Ended Week	Change	Change%	YTD %
DJIA	25019.41	25058.12	38.71	0.2	1.4
Nasdaq	7825.98	7820.20	-5.78	-0.1	13.3
S&P 500	2801.31	2801.83	0.52	0.0	4.8

India:

- # After two weeks of rally, the Indian equity markets seem to have taken a breather as indices ended almost unchanged. Benchmarks failed to carry forward the momentum as tumbling rupee, weak global cues and the no confidence motion in the monsoon parliament session dented the sentiment across the street. However, it was the midcap and small space that came alive towards the fag end of the week.
- # For the week, Metal index tumbled by 6%, Realty index was down by 3.6%, Pharma index fell by 3%, Auto index declined by 2.2%, Energy index was down by 1.7%, FMCG index was down by 1.1%, Infra index fell by 1.8%.


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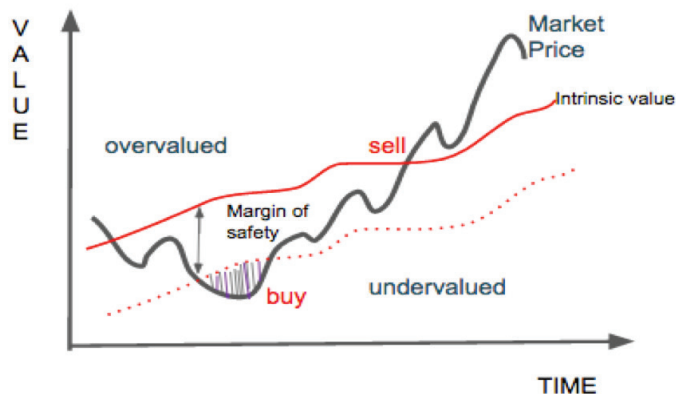
Value Investing

By Dr. V K Vijayakumar,
Chief Investment Strategist, Geojit Financial Services Ltd.

In the Irish playwright Oscar Wilde's play 'A Lady Windemere's Fan' a character remarks: "a cynic is a man who knows the price of everything but the value of nothing." Oscar Wilde was criticizing the tendency of some people to assess everything in terms of money. In romantic literature real value is priceless. Of course, there are many things in life that can't be valued in monetary terms. But, in investment, price is hugely important. Value creation and wealth generation depend largely on the price an investor pays for an asset. That's why Warren Buffet famously said, "it's far better to buy a wonderful company at a fair price rather than a fair company at a wonderful price."

What is value investing?

Value investing is an investment strategy that involves buying securities that are underpriced. A security is underpriced when its market price is less than its intrinsic value. In simple words, value investing is buying a security cheap and waiting for its price to go up.



Benjamin Graham is the father of value investing. Benjamin Graham and David Dodd, who taught at Columbia Business School, developed the ideas of value investing. The ideas were developed in their great work 'Security Analysis' published in 1934. Basically, they advised buying stocks that are cheap; that is, buying stocks that are cheap in terms of parameters such as PE Ratio, Price to Book, Dividend yield etc. The difference between the intrinsic value and market price is the 'margin of safety'. If the market price is lower than the intrinsic value, the stock is safe to invest. If the price paid for the stock is much lower than its intrinsic value, sooner or later, it results in phenomenal wealth creation. As Benjamin Graham said, "price is what you pay; value is what you get."

Different styles of value investing

Benjamin Graham has many followers. Consequently there are different styles of the strategy. The most famous follower of Graham is his student, the legendry Warren Buffet. Buffet gave lot of importance to the quality of business and management. Buffet himself was influenced by his friend and partner, Charlie Munger.

Mr Market

Graham developed an allegory called 'Mr Market' in his magnum opus "The Intelligent Investor". Mr Market is a highly emotional and volatile character. He is very happy at times; sometimes he is very sad. He oscillates between euphoria and despair. When Mr Market is happy, stock prices go up. When Mr Market is sad, stock prices go down. When he is gripped with despair, market crashes. When he is euphoric, prices shoot up to irrational levels. This manic-depressive character of Mr Market offers opportunities to investors to buy low and sell high.

It is important to understand that the returns from investment will be huge if a stock is bought at low absolute value than at low relative value.

SELFIE - Markets in Pockets

SELFIE is the first of its kind trading platform in India to have an exhaustive range of features in a single platform. It will also provide optimum user experience whichever device you are using, be it tablet, mobile, laptop or PC. SELFIE will give you total control of your trading functions while providing you with timely research inputs to make sound decisions. The trading platform is custom designed by Geojit Technologies Limited.

SELFIE - Features:

Market Data- SELFIE offers you customizable dashboards and views with widgets basket. You can also have all the Market intelligence and research calls in one page. In addition, you can have an Integrated Security view with quotes, charts, news, recommendations, MBP, F&O Chains & Order windows all at one place.

Advanced Charting platform - Now you can Trade directly from Charts with SELFIE! It offers you advanced chart types like Heiken-Ashi, Kagi, Point & Figure, Renko & Line Break, 90 + Studies and indicators, Watchlists, Portfolio and Order views. It also has User defined Views and Study templates and One click order entry from anywhere.

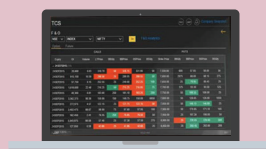
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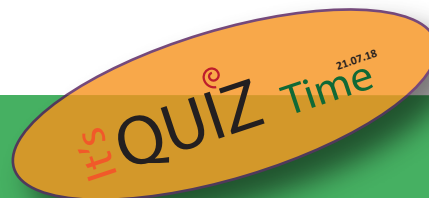


REAL ESTATE ROUND UP

Al Majaz
REAL ESTATE BROKER
AN ASSOCIATE OF BARJEEL SECURITIES

Dubai Land Development (DLD) is the ultimate authority to register the following transactions (except DIFC):

- Sales and purchases
- Mortgages
- Long term leases
- Lease agreements (Ejari)
- Inheritance rights
- Restrictions on title and liens
- Easements (ie. right to use property of another for a specific purpose)
- Recording of zoning and development rights
- Partial sales (public auctions)
- Gifted lands.



Q. Which of the following will not give investor the benefit of compounding?

- Equity Funds
- Gold ~ETFs
- Dividend Payout
- Growth Schemes

Answer to the last quiz, Q. The Stock Market Game pays dividends? a) true

Share the answer at reply@barjeel.ae

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

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