

**SENSEX: 35,423.48** | **NIFTY: 10,714.30** | **DOW JONES: 24216.05** | **NASDAQ: 7510.30** | **USD/INR: 68.45** | **GOLD: \$1254.50** | **OIL: \$74.12**  
(Aug 2018 future contract) (Aug 2018 future contract)

## Stock Picks

Company Name	CPM (Rs)	Target (Rs)
Vinati Organics Ltd	941	1106
Escorts Ltd.	930	1090
Astra Microwave Products Ltd	101	124

Source: Geojit Financial Services Ltd.

## INR Fund Picks

Company Name	Performance as on 29/06/18	Returns (CAGR)	
		3Yr	5Yr
Sundaram Rural & Cnsm Thematic	Thematic	17.06	22.40
HDFC Mid-Cap Opp	Midcap	13.64	26.63
SBI Magnum Multicap	Flexicap	12.33	21.56
ICICI Pru Equity & Debt	Balance	10.57	17.84
ICICI Pru Bluechip Equity	Largcap	10.55	17.46



## UAE Round Up

- Abu Dhabi has been ranked top on a list of cities in Africa and the Middle East in the McKinsey Global Institute study 'Smart Cities: Digital Solutions for a More Livable Future'.
- UAE residents can get a permit for an annual fee of Dh7,500 from Dubai's Tecom Group and freelance in the education and media sectors, to begin with.
- Expo 2020, economic reforms, Abu Dhabi's \$13.6 billion stimulus, and ADNOC's expansion could add about 1 percent to the UAE's non-oil real GDP growth in 2019, according to new research.

## MARKET UPDATE

### Global:

- # U.S. equities declined for the second week in a row as investors continued to focus on U.S.-China trade tensions. The S&P 500 and the Dow Jones Industrial Average dropped 1.3% apiece, while the tech-heavy Nasdaq Composite slid 2.4%. Small caps were hit especially hard, sending the Russell 2000 lower by 2.5%.
- # Trade war fears weighed at the start of the week due to reports that the White House is looking to bar Chinese companies from investing in U.S. tech firms. The Trump administration first responded to the reports with a mixed message; Treasury Secretary Steven Mnuchin said the White House is targeting all countries, not just China, while President Trump's top trade adviser, Peter Navarro, said the administration doesn't have any plans to impose investment restrictions, regardless of country.
- # However, the administration eventually cleared things up, deciding to defer foreign investment regulation to the Committee on Foreign Investment in the United States (CFIUS). That decision was seen as a positive alternative to direct White House intervention and helped the equity market rebound in the second half of the week.
- # Separately, the U.S. State Department threatened to impose powerful sanctions on countries that don't cut oil imports from Iran to "zero" by November 4. That headline, paired with a larger-than-expected draw in U.S. crude inventories (9.9 million barrels), pushed crude prices back to a three-and-a-half year high. WTI crude futures added 8.1% for the week, closing at \$74.12 per barrel.
- # Also out of Washington, Supreme Court Justice Anthony Kennedy announced his retirement, effective July 31. Although he identifies as a conservative, Mr. Kennedy has often sided with his liberal colleagues. His retirement gives President Trump the chance to strengthen the court's conservative majority.
- # In corporate news, Amazon (AMZN) made headlines after announcing a deal to acquire online pharmacy start-up PillPack. That news sent shares of drug distributors like CVS Health (CVS) and Walgreens Boots Alliance (WBA) solidly lower. Amazon also announced it is inviting entrepreneurs to form small companies to carry packages over the last leg of the delivery journey.
- # Elsewhere, General Electric (GE) announced plans to spin off its health care business and to sell its 62.5% stake in oil and gas company Baker Hughes (BHGE); Walt Disney (DIS) won DOJ approval to buy most of Fox's assets for \$71.3 billion, subject to the condition that Disney sells 22 regional sports networks; and Nike (NKE) spiked to a new record on Friday after beating both top and bottom line estimates and announcing a new \$15 billion share repurchase program.
- # As for this week's S&P sector standings, utilities (+2.3%), telecom services (+1.2%), real estate (+1.1%), and energy (+1.0%) were the top-performing groups, while the heavily-weighted technology (-2.2%), financials (-1.9%), consumer discretionary (-1.9%), and health care (-1.8%) sectors finished at the back of the pack.

Index	Started Week	Ended Week	Change	Change%	YTD %
DJIA	24580.89	24216.05	-364.84	-1.5	-2
Nasdaq	7692.82	7510.30	-182.52	-2.4	8.8
S&P 500	2754.88	2718.37	-36.51	-1.3	1.7

### India:

- # The Indian equity markets ended with losses, as the Nifty lost almost a percent. Markets cracked as there seem to be more of headwinds than tailwinds at the current juncture. US-China trade war concerns, rising crude oil prices and weakening rupee were the major components that dampened the sentiment on the street.
- # Depreciating rupee was a boon for the IT sector as major heavyweights like Infosys, Infosys, TCS and HCL Tech were the top performers. The Nifty IT index was the top gainer and the index rose by 1.5% during the week.
- # FMCG index gained by 1% and Metal index edged higher by 0.2%.



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## Indian Rupee- United States dollar futures contract

A currency futures contract is a contract to buy or sell currency at a specific price on a future date. A futures contract is traded on an exchange, so it has a standard amount, expiry date, and settlement rules. An initial deposit into a margin account is required to initiate a futures contract.

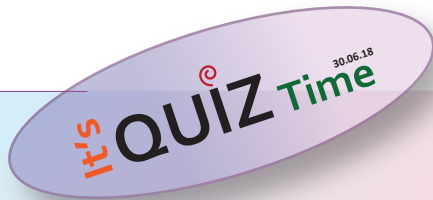
Each DGCX Indian rupee contract represents two million rupees. Prices will be quoted in US cents per 100 Indian rupees, with a minimum price fluctuation of 0.000001 US dollars per Rupee (\$2 per contract). At any point in time DGCX will list the current and next two calendar months, plus the next three calendar quarterly months.

The Indian rupee contract will enable individuals and companies to have the opportunity to hedge and trade their Indian rupee risk and has attracted the attention of several global funds and organizations.

### FEATURES

- Hedging window available long after Indian currency markets close
- Arbitrage opportunity with the conventional INR-USD contract traded on the index
- Low size, and impact cost makes it a very good contract for traders
- Unique trading opportunity for Indians in the region and international funds with exposure to India to manage their risk
- Contract size is variable and depends on the Indian Rupee movement against the USD, making it better to take advantage on movements in the Indian Rupee
- Cash settled in USD on the Indian Central Bank reference rate eliminating any basis risk
- UAE is a Tax Free jurisdiction ensuring no tax liability arising out of accrued profit

Contract	Parameters
Contract Symbol	DINR
Underlying	Indian Rupee
Contract Size	INR 2,000,000
Notional Contract Value	INR 2,000,000
Trading Currency	US Dollar
Settlement Currency	US Dollar
Price Quote	US\$ quoted in Cents per 100 Indian Rupees
Tick Size	US\$ 0.01 US Cents
Tick Value	US\$ 2



Q.A large cap equity fund has to invest a minimum of how much of its corpus into large cap stocks?

1. No such minimum defined
2. 50%
3. 60%
4. 80%

Answer to the last quiz, .An NRI returning to India and becoming a Resident Indian has to do which of the following with respect to holdings in demat account?: is option c) Change the existing account status to resident

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



## New UAE 10-year visa plan creates 'buzz' in property market

Experts say changes to rules around visas and foreign ownership likely to deliver boost to office market as well as residential.

More business owners could be tempted to buy office space in the UAE rather than rent following the UAE's recent decision to make major changes to rules around visas and foreign ownership of companies.

The new laws, which have the potential to bring about a shift in the way many expats live and work in the country, have created a new "buzz" in the market and will have a "significant effect on the way residents view property ownership in the country", industry experts said.

Courtesy – [www.arabianbusiness.com](http://www.arabianbusiness.com)

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 that have potential to outperform in the future

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- A close end equity fund that aims to provide capital appreciation over the tenure of the fund through a diversified equity portfolio following value investment strategy.

\* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



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