

# Barjeel Driven by Trust MARKET DIGEST

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June 2018 Issue: I Vol: 75

SENSEX: 35,227.26 | NIFTY: 10,696.20 | DOW JONES: 24635.21 | NASDAQ: 7554.33 | USD/INR: 66.94 | GOLD: \$1299.30 | OIL: \$65.81  
(Aug 2018 future contract) (July 2018 future contract)

## Stock Picks

Company Name	CPM (Rs)	Target (Rs)
Bata India Ltd	763	900
TVS Motor Company Ltd	597	691
KEC International Ltd	351	426

Source: Geojit Financial Services Ltd.

## INR Fund Picks

Performance as on 29/05/18		Returns (CAGR)	
Company Name		3Yr	5Yr
Sundaram Rural & Cnsm	Thematic	19.42	21.27
Kotak Emerging Equity	Midcap	15.77	26.11
DSPBR Equity Oppor	Flexicap	14.46	19.36
ICICI Pru Equity & Debt	Balance	11.53	17.39
ICICI Pru Bluechip Equity	Largecap	11.72	16.48

## ANOTHER PHENOMENAL ACHIEVEMENT



### BARJEEL GEOJIT SECURITIES WINS

“The Best Performing National Financial Advisor Award” 2017-2018  
in NRI Category at the prestigious annual UTI CNBC-TV18 Awards,  
held on 25<sup>th</sup> May in Mumbai **for the Eight Consecutive Year!!**



Ramadan  
KAREEM

Barjeel  
Driven by Trust

## UAE Round Up

- Investors and specialists such as doctors and engineers will receive UAE residency visas valid for up to 10 years, it was announced on Sunday. The families of these categories of expatriates will also receive the same visa validity. Top performing students are also eligible for the 10-year residency visa scheme.
- Gold prices edged higher on Friday as concerns over a global trade war increased after the United States imposed tariffs on steel and aluminum imports from Canada, Mexico and the European Union.
- UAE is the top destination for weddings in the Middle East



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## CBOE Volatility Index (VIX)

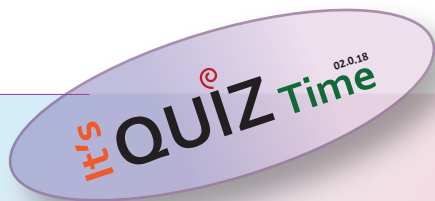
The Chicago Board Options Exchange (CBOE) is the largest U.S. options exchange. **CBOE offers equity, index and ETF options, including CBOE Volatility Index (VIX) options.**

The VIX is a key measure of market expectations of near-term volatility. Volatility measures the frequency and magnitude of price movements, both up and down, that a financial instrument experiences over a certain period of time. The more dramatic the price swings in that instrument, the higher the level of volatility. Volatility can be measured using actual historical price changes (realized volatility) or it can be a measure of expected future volatility that is implied by option prices. The VIX Index is a measure of expected future volatility.

The VIX Index is based on options of the S&P 500® Index, considered the leading indicator of the broad U.S. stock market. The VIX Index estimates expected volatility by aggregating the weighted prices of S&P 500 Index (SPXSM) puts and calls over a wide range of strike prices. Specifically, the prices used to calculate VIX Index values are midpoints of real-time SPX option bid/ask price quotations. The VIX Index is recognized as the world's premier gauge of U.S. equity market volatility.

The VIX Index is used as a barometer for market uncertainty, providing market participants and observers with a measure of constant, 30-day expected volatility of the broad U.S. stock market. The VIX Index is not directly tradable, but the VIX methodology provides a script for replicating volatility exposure with a portfolio of SPX options, a key innovation that led to the creation of tradable VIX futures and options.

Cboe Futures Exchange (CFE) is the exclusive home for trading VIX futures and Cboe is the exclusive home for trading VIX options. Cboe and CFE list standard and weekly VIX derivatives. The settlement value for standard VIX derivatives is calculated using only standard SPX options, which are A.M.-settled and expire on the third Friday of each month



Q. An NRI returning to India and becoming a Resident Indian has to do which of the following with respect to holdings in demat account?

- Operate the existing demat account
- Open a new demat account and transfer holdings
- Change the existing account status to resident
- Open a new account for future investment and maintain current account for existing

Answer to the last quiz, You have won Rs 1 Crore in Lottery. What would your immediate action be?: is option c) Invest in very safe liquid investment options and take the time needed to work out a financial plan

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

**Mr. Pankaj Agarwal**

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!



## Meydan One Mall: Biggest Mall in Dubai to Rise in 2020

The project's scope of work consists of a shopping mall located between the existing Meydan racecourse site and Al Khail Road, Dubai. The shopping mall, covering more than 36,000 square meters of indoor and outdoor space, with 529 shops including two major department stores and an 11,200 square meters of the hypermarket. The mall will feature more than 90 food and beverage outlets, a 20-screen cinema with a food court hosting an additional 20 outlets. The project will feature world's largest dancing fountain and facilities to accommodate more than 12,000 cars.

**"For residential apartment requirements near Meydan (MBR city) contact us"**

Dubai: Tel: +971 4 3060900

Abu Dhabi: Tel: +971 2 4125000

Sharjah: Tel: +971 6 5932000

Al Ain: Tel: +971 3 7648100

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# MARKET UPDATE

## Global:

- # The stock market finished the week on a mostly higher note as investors digested an easing of the political crisis in Italy, fresh tariff-related developments, and the Employment Situation report for May. The S&P 500 (+0.5%), the Nasdaq Composite (+1.6%), and the Russell 2000 (+1.3%) advanced, while the Dow Jones Industrial Average (-0.5%) finished a step lower.
- # U.S. markets opened the week on Tuesday following a three-day Memorial Day weekend. Sellers dominated that Tuesday session after Italian President Sergio Mattarella blocked the formation of a euro-skeptic government, vetoing the economic minister nominee of an anti-establishment coalition that was aiming to come to power. Italian bond yields surged in reaction as some feared the veto would prompt a snap election that could turn into a de facto referendum on Italy's membership in the European Union. The Italian political crisis calmed down on Thursday evening, when President Mattarella approved the formation of a ruling coalition between Italy's anti-establishment Five Star Movement and right-wing League party, effectively silencing the prospect of a snap election later this year.
- # Elsewhere in Europe, Spain endured some political drama of its own this week as Prime Minister Mariano Rajoy was ousted on Friday in a no-confidence vote following a corruption scandal involving 29 individuals with ties to his People's Party. Pedro Sanchez, the leader of the Socialist Party, will succeed Mr. Rajoy as prime minister. Separately, German financial giant Deutsche Bank hit a 16-month low on Thursday after The Wall Street Journal reported that it's on the Federal Reserve's list of troubled banks.
- # Back in the U.S., the stock market rebounded from its Tuesday slide on Wednesday with energy shares leading the charge following reports that OPEC and Russia will keep production cuts in place until at least the end of the year. West Texas Intermediate crude futures rallied on Wednesday in reaction, but still finished the week lower by 3.0%.
- # Stocks stumbled for a second time on Thursday when the Trump administration announced that it will let steel and aluminum tariff exemptions expire for the EU, Canada, and Mexico. The White House's decision, which elicited retaliatory responses from the EU, Canada, and Mexico as expected, will result in duties of 25% on steel imports and duties of 10% on imports of aluminum, effective June 1.
- # Wall Street bounced back on Friday, bolstered by an easing of the political tension in Europe, news that the June 12 summit with North Korea is back on, and the release of the Employment Situation report for May, which featured a better-than-expected increase in nonfarm payrolls (+223K actual vs +190K consensus) and a lower-than-expected unemployment rate (3.8% actual vs 3.9% consensus). The average hourly earnings figure came in as expected, showing a month-over-month increase of 0.3%.
- # The key takeaway from the employment report is that it still had a Goldilocks hue to it, having been accented with strong job growth and only moderate wage inflation. Furthermore, the strong job growth and low unemployment rate (lowest since April 2000) created some good feelings about the potential for a pickup in consumer spending that should aid the second quarter growth outlook.
- # Six of eleven S&P sectors declined this week, with financials (-1.3%), telecom services (-0.9%), and industrials (-0.7%) being the weakest performers. Conversely, energy (+2.5%), technology (+2.0%), and real estate (+1.7%) were the top-performing groups.
- # Retailers dominated the earnings front once again, with Costco (COST), Dollar General (DG), Dollar Tree (DLTR), lululemon (LULU), Ulta Beauty (ULTA), Dick's Sporting Goods (DKS), and others reporting their quarterly results, which came in mixed. The SPDR S&P Retail ETF (XRT) settled roughly flat for the week.
- # U.S. Treasuries were volatile this week, eventually finishing with modest gains. The benchmark 10-yr yield, which moves inversely to the price of the 10-yr Treasury note, finished the week lower by three basis points at 2.90%. Meanwhile, the U.S. Dollar Index eked out a fractional gain, settling the week at 94.22.

## India:

- # The Indian equity markets went through a highly volatile week amid multiple global as well as domestic events. Sentiment got a fillip after India's GDP grew 7.7% in Q4, the fastest in nearly two years, signaling a quick turnaround. In addition, India's core infrastructure sectors during April expanded 4.7% yoy, faster than the cumulative growth of 4.3% recorded in last fiscal. The May F&O expiry was exceptional too. In addition, progress on the monsoon front was also cheered.
- # For the week, the Auto index gained by 1.7%, Bank Nifty gained 1.5%, Nifty Energy index rose by 1.1%. On the other hand, IT index declined by 1.4%, Midcap 100 free index slipped by 0.9%, Pharma index was down by 0.9%.
- # For the week, Nifty and Sensex gained by 0.8% each.
- # This week the key sectors that outperformed Nifty 50 Index include Oil & Gas, Industrials and Financials while Telecommunications, Technology and Consumer Goods were the relative underperformers.
- # Stocks in Focus: The best performing stocks this week on Nifty Index were Kotak Mahindra Bank Ltd (12.86%), State Bank of India (12.44%), Asian Paints Ltd (11.18%), HDFC bank Ltd (10.59%) and Bajaj Finance Ltd (9.35%) whereas the underperforming stocks this week were HCL Technologies Ltd (-15.16%), Vedanta Ltd (-14.46%), Cipla Ltd (-11.56%), Ultratech Cement Ltd (-10.80%), and Wipro Ltd (-9.25%).