

MARKET DIGEST

KNOWLEDGE POWER. WEALTH ENHANCER

May 2018 Issue: II Vol: 74

SENSEX: 34,848.30 | NIFTY: 10,596.40 | DOW JONES: 24715.09 | NASDAQ: 7354.34 | USD/INR: 67.98 | GOLD: \$1291.30 | OIL: \$71.28
(June 2018 future contract) (June 2018 future contract)

Stock Picks

Company Name	CPM (Rs)	Target (Rs)
PVR Ltd	1371	1587
Ujjivan Financial Services Ltd	394	470
Federal Bank Ltd	82	101

Source: Geojit Financial Services Ltd.

INR Fund Picks

Performance as on 16/0/18		Returns (CAGR)	
Company Name		3Yr	5Yr
Sundaram Rural & Cnsm	Thematic	19.46	20.77
Sundaram Mid Cap	Midcap	16.27	25.98
DSPBR Equity Oppor	Flexicap	14.73	19.14
ICICI Pru Equity & Debt	Balance	11.75	17.24
ICICI Pru Bluechip Equity	Largecap	11.68	16.10

Ramadan
KAREEM

Barjeel
Driven By Trust

UAE Round Up

- Social media influencers and sites selling audio, video or games content all need to be licensed under new laws passed in March.
- Robust demand for Dubai trade sector, says Chamber, supported by key factors such as price competition, accessibility and global demand.
- Blockchain could help ease \$1.5trln trade finance gap: Dubai free zone report. Lack of progress in removing tariffs and other trade barriers contributes to global trade slowdown.
- Dubai remains 'top choice' for MICE destination in MEA

MARKET UPDATE

Global:

- # The stock market stumbled this week, giving back about a quarter of last week's advance, with the S&P 500, the Nasdaq, and the Dow losing between 0.5% and 0.7%. However, shares of smaller, domestically-focused companies outperformed, sending the Russell 2000 higher by 1.2%. The Russell 2000 closed at a new record high in each of the last three sessions of the week.
- # Beijing sent a delegation to Washington this week for a second round of trade talks after the first round failed to move the needle earlier this month. There was some optimism ahead of this week's negotiations after President Trump announced over the weekend that he's working to get Chinese phone company ZTE, which is suffering due to U.S. sanctions, "back into business." However, the optimism faded after the president acknowledged on Thursday that he's doubtful a deal can be reached.
- # In other international developments, Italy's major stock index tumbled 2.9% this week and its 10-yr yield shot higher by 35 basis points as two anti-establishment parties, the 5 Star Movement and the League, neared forming a governing coalition that will almost certainly clash with the European Union. Separately, U.S. officials said the U.S., Canada, and Mexico are still nowhere near a deal on NAFTA.
- # On Wall Street, Treasury yields were in focus after they spiked to multi-year highs on Tuesday. The yield on the benchmark 10-yr Treasury note hit 3.11%, its highest level since July 2011, before slipping to 3.07% on Friday. Still, that represents a gain of 10 basis points for the week. The rise in "risk free" returns lured some buyers away from the equity market, putting Wall Street's May rally on hold.
- # Tuesday's spike in Treasury yields coincided with the release of the Retail Sales report for April, even though the report came in as expected, showing a month-over-month increase of 0.3%.
- # On a related note, retailers dominated the earnings front this week, with Walmart (WMT), Home Depot (HD), Macy's (M), Nordstrom (JWN), and J.C. Penney (JCP) reporting their quarterly results. All five companies beat earnings estimates, but Walmart, Home Depot, Nordstrom, and J.C. Penney fell short on same-store sales, sending their shares lower. Shares of Macy's, conversely, soared after the company beat same-store sales estimates and raised its guidance for the fiscal year.
- # Apart from earnings, shares of CBS (CBS) dropped sharply on Thursday after a judge ruled against the company in its attempt to dilute its controlling shareholder, Shari Redstone, who is attempting to force a CBS-Viacom (VIAB) merger. The Redstone family controls both CBS and Viacom through its holding company, National Amusements.
- # As for the sector standings, decliners outnumbered advancers seven to four this week. The rate-sensitive utilities (-3.2%) and real estate (-3.2%) sectors were the worst-performing groups, largely due to the rise in Treasury yields. The heavily-weighted technology (-1.5%) and financials (-1.1%) spaces also struggled. On the upside, the energy (+1.5%) and materials (+1.6%) sectors were the top performers.

Index	Started Week	Ended Week	Change	Change%	YTD %
DJIA	24831.17	24715.09	-116.08	-0.5	-0.0
Nasdaq	7402.88	7354.34	-48.54	-0.7	6.5
S&P 500	2727.72	2712.97	-14.75	-0.5	1.5

India:

- # The Indian equity market extended its losing streak to fourth consecutive day amid uncertainty over Karnataka elections verdict. The political drama continues to unfold as the Supreme Court denied extension of time to BJP and announced Floor Test on Saturday i.e on May 19, 2018 scheduled at 4pm.
- # Retail inflation rose to 4.58% in April, up from March's 4.28% due to a surge in petrol and diesel prices and other miscellaneous items. Wholesale inflation, on the other hand, in April it hit a 4-month high at 3.18%.
- # For the week, Nifty and Sensex slipped by 1.9% each.



YOUR TRUSTED PARTNER IN WEALTH CREATION

INVESTMENT IDEA

**DID YOU
KNOW?**

INVESTORS MADE THEIR MONEY 3 TIMES IN 5 YEARS by investing in mutual funds.

Once again mutual funds have proved to be one of the best option for investment. We have collected data of few mutual fund schemes for the period of 5 years starting from May 2013. Our study was kept limited to diversified mutual fund schemes like multicaps, large cap, mid cap and small caps. Pure small cap-microcap oriented mutual fund, thematic/sectorial fund schemes as well as closed ended fund have been excluded. Few of mutual fund schemes listed in table below have multiplied investor's wealth by 3 times during the period. This return on investment has outperformed fixed deposits by more than 2 times and BSE Sensex 1.7 times.

Table below shows present value of Rs. 1 Lakh invested in May 2013.

Scheme Name	Current Value	Return on investment
HDFC Midcap Opportunities Fund	3,35,484	335.48%
Kotak Emerging Equity Scheme	3,35,023	335.02%
Sundaram Midcap Fund	3,31,639	331.64%
SBI Magnum Midcap Fund	3,23,217	323.22%
Tata Equity PE Fund	3,06,824	306.83%

Therefore, it can be easily concluded that spending more time in market is important than timing the market. Investor who has strong conviction, long term approach can invest anytime. Good performing mutual fund scheme will certainly pay off in future.

It's **QUIZ** Time 17.05.18

Q. You have won Rs 1 Crore in Lottery. What would your immediate action be?

- Invest the entire amount without any delay in "Old Economy stocks" - since they are back in favor
- Invest the entire amount immediately in an Equity Index Fund since the index is at historic low
- Invest in very safe liquid investment options and take the time needed to work out a financial plan

Answer to the last quiz, To satisfy a young investor's need for growth, a greater proportion of investment should be advised in: is option c) Equity Growth funds

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

**Mr. Kabeer Ahamedul &
Mr. Anthony Joseph**

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!

Congratulations!

REAL ESTATE ROUND UP



Mortgages In The Emirate Of Dubai: Law No. 14 of 2008

The Law applies to the mortgaging of Property and Property Units as security for debt. For the purpose of Law No 14 of 2008, Property means land and personal structures erected on it that may not be moved without suffering damage or alteration and Property Unit means the subdivided part of Property (including off-plan subdivisions).

Mortgage applications are to be filed with the DLD and must be signed by the Mortgagor and Mortgagee (or the guarantor in rem, if any,) and must include the following particulars:

- All information related to the Property
- Value of the Property
- Value of the debt
- Mortgage term
- Personal details of the Mortgagor, Mortgagee and guarantor in rem including domicile and place of residence.

Contact us for buying or renting property in Dubai.

Dubai: Tel: +971 4 3060900

Abu Dhabi: Tel: +971 2 4125000

Sharjah: Tel: +971 6 5932000

Al Ain: Tel: +971 3 7648100

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.

(IV) You are aware and agree that your personal information provided by you through this document and or any other means such as website, social media, campaigns, etc. will be used by Barjeel Geojit for regulatory and business purposes.

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

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

(VI) 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.

Foreign Securities Promotion | Brokers of Buying & Selling Commodities, Options & Future Contracts | DGCX (Broker / Clearing Member): License No.: 607007 | A SCA Regulated Company

www.barjeel.ae