

DEBT MARKETS

- The government removed the finance secretary who was instrumental in formulating key budget proposals, Mr S C Garg, and transferred him to the Power ministry. This was viewed as a de facto demotion, which got validated when the officer concerned decided to opt for voluntary retirement.
- The demotion of Mr Garg was directly linked to the rethink within government circles on the proposal to borrow from abroad. There were reports that the Prime Minister's office has requested the finance ministry to re-examine the said proposal.
- News that the government may likely review the proposal to borrow from abroad, led to a sell off in the bond markets as the domestic market would have to face increased supply of government bonds.
- Yield on the benchmark 10 year government bond rose sharply and crossed the psychologically important 6.50% during the week.
- Yield on 10 year AAA PSU bond traded at approx. 8.55%, up by about 10 basis points from the previous week.
- One year CDs yielded about 6.90%, 10 bps higher than the closing levels of previous week.

Fund Manager Comments

We continue to expect RBI's Monetary Policy Committee (MPC) to reduce policy interest rates in their next meeting scheduled for early August.

Yield Movement

- The benchmark 10 year government bond closed the week trading at a yield of 6.53%, higher by about 17 basis points than the yield levels witnessed last week.



EQUITY MARKETS

Sensex and Nifty went down by 454 pts. (-1.20%) and 135 pts. (-1.20%) to close at 37,883 and 11,284 respectively.

Global growth remains subdued. Since the April World Economic Outlook (WEO) report, the United States further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports. Additional escalation was averted following the June G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit related uncertainty continued, and rising geopolitical tensions roiled energy prices. Soft global trade Spending patterns are also reflected in global trade, which tends to be intensive in investment goods and consumer durables. Trade volume growth declined to around ~ % YoY in the first quarter of 2019 after dropping below 2 % in the fourth quarter of 2018. The

slowdown was particularly notable in emerging Asia. Cumulative Rainfall deficit widens further to 19% below normal. For the week ended 24th July 2019, monsoon was 35.0% below normal compared with 2.0% below normal at the same time previous year. Actual rainfall was 43.3 mm against normal of 66.3 mm. For the season up to 24th July 2019, 15 out of 36 sub-divisions have received Excess/Normal rainfall, as compared to 25 sub-divisions receiving Excess/Normal rainfall in the same period last year.

Area under crops affected with deficient rainfall as of 24th July is 62.8% compared with 32.4% at the same time last year.

Taurus Benchmark Indices Movement

Indices	26-07-2019	19-07-2019	Points change	% change
S&P BSE Sensex	37882.79	38337.01	-454.22	-1.18%
Nifty 50	11284.30	11419.25	-134.95	-1.18%
S&P BSE 100	11381.60	11524.84	-143.24	-1.24%
S&P BSE 200	4703.65	4757.73	-54.08	-1.14%
Nifty Midcap 100	16165.35	16430.10	-264.75	-1.61%

Weekly FPI and MF net flows (₹ in crs.)

	Equity	Debt
FPIs (22/07/2019 - 26/07/2019)	-6670.47	1253.03
MFs (18/07/2019 - 24/07/2019)	6222.33	7975.53

Source : FPI - CDSL
Source : MF - SEBI

Any information contained herein is for informational purpose only and does not constitute advice or offer to sell/purchase units of the schemes of Taurus Mutual Fund. Information gathered and provided in this document is believed to be from reliable sources and the Fund does not warrant the accuracy and/or completeness of any information. Taurus AMC disclaims any liability for actions taken by anyone on the basis of the opinions contained herein. The material contained herein cannot be reproduced, distributed or quoted anywhere without express written consent of Taurus AMC.

Mutual Fund Investments are subject to market risks, read all Scheme related Documents carefully.