

DEBT MARKETS

- The central government fiscal deficit for the period Apr 2018 - February 2019 is equivalent to 134.2% of the budgeted target, higher than that in the comparable period a year ago (120.3%). The larger than expected deficit can be primarily attributed to lower than budgeted tax collections (primarily GST).
- Revenue collections are likely to have improved in the month of March as GST collections are likely to be well above the 1 lakh crore mark. With bulk of the expenditure (including subsidies) already incurred upto February, this may help the government achieve its revised fiscal deficit target as set out in the union budget.
- RBI's monetary policy committee is slated to meet early in April to set policy interest rates. Many market participants expect the central bank to reduce policy rates as central banks across the world take a pause from raising rates in order to help economic growth.

Yield Movement

- The benchmark 10 year government bond (7.17% bond maturing in 2028) closed the week trading at a yield of 7.50%, 2 basis points higher from the closing levels of the previous week. The newly issued 7.26% bond maturing in 2029 trades at a yield of 7.35%.
- Yield on 10 year AAA PSU bond traded at approx. 8.55%, unchanged from the previous week.
- One year CDs yielded about 7.75%, unchanged from previous week.

Fund Manager Comments

Prices are likely to find support as the new financial year begins. Also, RBI's monetary policy may indicate lower policy interest rates in future and prices are likely to be supported due to this too.



EQUITY MARKETS

Sensex and Nifty went up by 508 pts. (1.30%) and 167 pts. (1.50%) to close at 38,673 and 11,624 respectively.

The Reserve Bank of India (RBI) on March 26 injected Rs 34,561 crore liquidity through its maiden long-term dollar-rupee swap auction. The RBI received 240 bids worth \$16.31 billion at an average premium of Rs 7.92. The central bank accepted 89 offers totalling \$5.02 billion at a cut-off premium of Rs 7.76. These premiums represent what banks are willing to pay to the central bank at the end of the swap tenor, which is fixed at three years.

The U.S. current account deficit rose 6.1 % to \$134.4 billion. The quarterly current account gap was the largest since the fourth quarter of 2008, amid declining exports, pushing the overall shortfall in 2018 to its highest level in 10 years, and U.S. companies repatriated a record amount of foreign earnings last year following the Republican tax overhaul. The current account gap represented 2.6% of gross domestic

product in the fourth quarter, the largest share since the second quarter of 2012. It was up from 2.5% in the July-September period.

The U.S. economy slowed more than initially thought in the fourth quarter, keeping growth in 2018 below the Trump administration's 3 percent target, and corporate profits fell by the most in a year after a one-off boost from lower taxes. GDP increased at a 2.2 percent annualized rate, the Commerce Department said in its third reading of fourth-quarter GDP growth. The economy expanded at a 3.4 percent pace in the third quarter. For all of 2018, the economy grew 2.9 percent as previously reported. Initial claims for state unemployment benefits dropped 5,000 to a seasonally adjusted 211,000 for the week ended March 23, the Labor Department said. Data for the prior week was revised to show 5,000 fewer applications received than previously reported. The four-week moving average of initial claims fell 3,250 to 217,250 last week.

Taurus Benchmark Indices Movement

Indices	29-03-19	22-03-19	Points change	% change
S&P BSE Sensex	38672.91	38164.61	508.30	1.33%
Nifty 50	11623.90	11456.90	167.00	1.46%
S&P BSE 100	11809.19	11630.81	178.38	1.53%
S&P BSE 200	4907.57	4828.32	79.25	1.64%
Nifty Midcap 100	18258.50	17741.15	517.35	2.92%

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

	Equity	Debt
FPIs (25/03/2019 - 29/03/2019)	6556.38	1214.61
MFs (22/03/2019 - 27/03/2019)	2283.57	13940.66

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.